

**VALLEY VIEW VILLAGE HOMEOWNERS ASSOCIATION, INC.**  
**Procedures for Adoption and Amendment of Policies,**  
**Procedures and Rules**

**RECITALS:**

WHEREAS Colorado Revised Statute (“C.R.S.”) 38-33.3-209.5(1)(b)(vii) requires the Association to adopt procedures for the adoption and amendment of policies, procedures, and rules;

WHEREAS C.R.S. 38-33.3-302(1)(a) authorizes the Association to adopt and amend Bylaws, Rules, and Regulations; and

WHEREAS The Association’s Bylaws and governing documents authorize the Board of Directors to administer the affairs of the Association;

THEREFORE, IT IS RESOLVED THAT the following procedures shall apply to the Association’s policy, procedure, and rule-making authority:

1. **Determination by Board.** The Board of Directors may review all current policies, procedures, rules, and regulations to determine whether any modifications or amendments are necessary. The Board of Directors may also in its sole discretion determine whether an issue affects the Community for which a policy, procedure, or rule would be beneficial. The timing of any such review shall be at the sole discretion of the Board of Directors.
2. **Investigation.** The Board will investigate and discuss the reasonable approaches to address the issue affecting the Community.

Prior to adopting or amending a policy, procedure or rule, the Board of Directors shall consider the following criteria:

- a. Necessity and reasonableness
- b. Contribution to the protection, enhancement and preservation of property values.
- c. Clarity of definition
- d. Enforceability
- e. Absence of conflict with Association’s governing documents and applicable local, state or federal regulations or statutes.

3. **Business Judgment Rule.** The Board may rely on opinions, information, or statements of its experts, including legal counsel, during its investigation of reasonable approaches to address the issue affecting the Community.
4. **Compliance with Law.** The Board shall take reasonable steps to avoid adopting a policy, procedure, or rule that is contrary to Federal, State, or local law or to the Association's Articles of Incorporation, Bylaws, or Declaration. The Board shall also exercise reasonable care to balance the Association's interests with the interests of the individual Members of the Community.
5. **Notice and Comment.** Once the Board has investigated the issue and discussed the reasonable approaches to address the issue, the Board may, but is not obligated to, provide notice to the Members of the issue and the proposals to address the issue by adopting a policy, procedure, or rule, or amending an existing policy, procedure, or rule. The Board may seek comment from the Members prior to voting for an approach.
6. **Adoption by Resolution.** The Board may in its discretion adopt such a policy, procedure, or rule by Resolution. An affirmative vote from a majority of the Board of Directors in attendance when a quorum is present at the meeting shall be required to adopt or amend a policy, procedure or rule.
7. **Effective Date.** The policy, procedure, or rule shall become effective per the date determined by the Board of Directors but not less than 15 days after the mailing of such policy, procedure or rule in writing to each member of the Association.

IN WITNESS WHEREOF, the undersigned certify this Policy was adopted by resolution of the Board of Directors of the Association on this 8<sup>TH</sup> day of OCTOBER, 2013.

VALLEY VIEW VILLAGE HOMEOWNERS ASSOCIATION,  
 INC.,  
 a Colorado non-profit corporation,

By:   
 Its: President

ATTEST:  
 By: 