

RESOLUTION OF THE BOARD OF DIRECTORS
OF
VILLAGE LOT OWNERS ASSOCIATION, INC.

The undersigned, constituting a quorum of the Directors of the Association, at a regularly scheduled meeting of the Board, hereby adopt the following resolutions:

WHEREAS, the revisions to the Colorado Common Interest Ownership Act require the Association to adopt policies, procedures, and rules and regulations concerning:

1. The collection of unpaid assessments;
2. Handling of conflicts of interest involving board members;
3. Conduct of meetings, which may refer to applicable provisions of the nonprofit code or other recognized rules and principles;
4. Enforcement of covenants and rules, including notice and hearing procedures and schedule of fines;
5. Inspection and copying of Association records by unit Owners;
6. Investment of reserve funds;
7. Procedures for the adoption and amendment of policies, procedures and rules; and
8. Procedures for addressing disputes arising between the association and unit owners.

WHEREAS, the Association desires to comply with these requirements; and

Now therefore, it is resolved, that the policies and procedures attached hereto are hereby adopted and ratified on behalf of the Association.

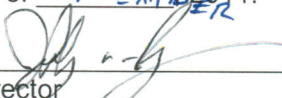
It is further resolved, that any policy may be amended from time to time in accordance with the policy of the Association regarding the amendment of policies.

It is further resolved, that the above resolution and attached policies and procedures shall be effective upon execution of this resolution by the Board and that the provisions of the Policies will be in addition to will supplement the terms and provisions of the Declaration and the law of the State of Colorado governing the community. In the event of any conflict between the policies and the Declaration or Bylaws, the Declaration or Bylaws will control.

WITNESS the execution hereof this 26 day of SEPTEMBER 2011.



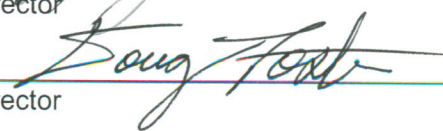
Director



Director



Director



Director



Director

GOVERNANCE POLICY #1 — COLLECTION OF UNPAID ASSESSMENTS

Effective on the date of the implementing resolution adopted by the Executive Board, this Association will follow the following procedures for the collection of unpaid assessments. As used in this policy, the term "Account" means the assessments imposed on a lot. The term "Common Expense Assessments" means any and all assessments imposed by the Association on a Lot including, but not limited to those imposed pursuant to the authority of Section 24, "Village Improvements and Maintenance," of the Protective Covenants and Restrictions; it also includes any special assessments and other assessments imposed by the Association, without limit.

1.1 Common Expense Assessments are delinquent if not paid within 45 days of the due date. The due date of all assessments will be set forth in the resolution imposing the assessment; however, if the due date is not set forth in the resolution the due date will be 45 days after the resolution imposing the assessment was adopted.

1.2 A late fee not to exceed 15% will be assessed on delinquent Accounts. Late Fees will be deemed added to all delinquent Accounts on the day the Account becomes delinquent and no further action of the Board will be necessary.

1.3 A returned check charge in the amount of \$25 will be imposed on any check that is not honored by the bank on which it is drawn.

1.4 Interest will be assessed against accounts that are delinquent a rate not to exceed the maximum rate allowed by law and such rate will be specified from time to time in resolutions to be adopted by the Board. If no such resolution has been adopted then the rate will be 18% per year compounded annually.

1.5 If an Account is delinquent, a "Notice of Default" may but is not required to be mailed. If sent, this notice will specify actions and timing required to remedy the delinquency. Notices will be mailed or sent by commercial carrier to the owner postage prepaid, at the address in the Association records. Any notice may be transmitted to a fax number or e-mail address in the Association's records in lieu of postal mailing.

1.6 If an acceptable response is not received within the required time specified in the Notice of Default, the account will be referred to the Association attorney for collection. Delinquent Accounts will be responsible for all costs incurred in the collection process including attorneys fees. Such costs may include but are not limited to filing fees, recording fees, title company fees, the cost of service of process, publication costs and so forth. The goal of the Association is for delinquent Accounts to be responsible for 100% of the fees and costs of the Association so that funds of the Association are not wasted. In general, the longer an Account is delinquent, the more it will incur in the way of fees and costs.

1.7 The terms of this policy supplement the law of the State of Colorado and the provisions of the recorded declaration.

1.8 The Board, in its sole discretion, may depart from the terms of this policy if it determines such deviation to be reasonable under the circumstances. In the case of such a determination the Board will make written findings of the facts justifying the departure.

1.9 This policy may be amended from time to time in accordance with the policy of the Association regarding the amendment of policies.

Certification

As the Secretary of the Association, I certify that the foregoing Policy was adopted by the Board of Directors by the Implementing Resolution described above.



Secretary

Governance Policy #2 — Handling of Conflicts of Interest

Effective on the date of the implementing resolution adopted by the Executive Board, this Association will follow the following procedures for the handling of conflicts of interest.

2.1 Conflict of Interest Defined - A conflict of interest shall include any contract, decision, or other action taken by or on behalf of the Board of Directors which may financially benefit any member of the Board of Directors or any person who is a parent, grandparent, spouse, child, or sibling of a member of the Board of Directors or a parent or spouse of any of those persons.

2.2 At the beginning of each meeting of the Board of Directors, any member of the Board of Directors who may have a conflict of interest in regard to any item on the agenda shall state that conflict of interest in open meeting.

2.3 If any item arises for discussion during the course of a meeting of the Board of Directors for which a conflict of interest was not declared at the beginning of the meeting, the member of the Board of Directors with the conflict of interest shall state the conflict of interest in open meeting before discussion proceeds.

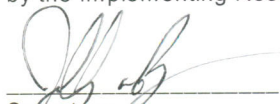
2.4 Any member of the Board of Directors with a conflict of interest, after stating the conflict of interest, may participate in the discussion but shall not vote on that issue.

2.5 Any contract entered into in violation of this conflict of interest policy shall be void and unenforceable.

2.6 If any Board member believes that another Board members has a conflict of interest that has not been disclosed, that Board member has a duty to bring the suspected conflict of interest to the Board's attention.

Certification

As the Secretary of the Association, I certify that the foregoing Policy was adopted by the Board of Directors by the Implementing Resolution described above.


Secretary

Governance Policy #3 — Conduct of Meetings

All meetings of the Members and of the Board of Directors shall be conducted in accordance with the following rules and procedures.

The Association shall have the authority to enforce this Code of Conduct using any means available under the governing documents or state law.

1. Members must maintain decorum, sit quietly, and refrain from speaking until recognized by the meeting chair. During officer reports, Members should hold all questions until the reports are finished, then raise their hands and wait to be recognized.
2. Members must not interrupt anyone who validly has the floor, or otherwise disrupt the meeting.
3. When speaking, Members must abide by time limits set by the meeting chair for comment.
4. Members must refrain from engaging in personal oral attacks on either Board Members or fellow Association Members.
5. Members must refrain from using other Members' names when speaking and must address all remarks to the meeting chair.
6. Members must confine their comments to things germane to the agenda item being discussed.
7. Members may not speak for a second time until everyone who wants to speak has been given a chance to speak once.
8. Members may not speak more than twice on any one issue, subject to the discretion of the meeting chair.
9. Members must obey all orders made by the meeting chair, including an order to step down.
10. Members must at all times behave with common courtesy and civility, and refrain from the use of abusive, rude, threatening, or crude language.

Voting Procedures

Votes allocated to a lot may be cast pursuant to a proxy duly executed by a lot owner. A proxy shall not be valid if obtained through fraud or misrepresentation. Unless otherwise provided in the declaration, bylaws, or rules of the association, appointment of proxies may be made substantially as provided in section 7-127-203, C.R.S. A lot owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the association. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates eleven months after its date, unless it provides otherwise.

The association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature on it or about the signatory's authority to sign for the lot owner.

The association and its officer or agent who accepts or rejects a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation in good faith and in accordance with the standards of this section are not liable in damages for the consequences of the acceptance or rejection.

Any action of the association based on the acceptance or rejection of a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation under this section is valid unless a court of competent jurisdiction determines otherwise.

Votes for contested positions on the executive board shall be taken by secret ballot and, upon the request of

twenty percent of the lot owners present, a vote on any other matter affecting the community on which all lot owners are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a lot owner who is not a candidate, who attends the meeting at which the vote is held, and who is selected at random from a pool of two or more such lot owners. The results of the vote shall be reported without reference to names, addresses, or other identifying information.

MEETINGS OF THE BOARD OF DIRECTORS

All regular and special meetings of the Association's Board of Directors, or any committee thereof, shall be open to attendance by all members of the Association or to any person designated by an Owner in writing as the Owner's representative. All Owners or designated representatives shall be permitted to attend, listen, and speak at an appropriate time during the meetings. Agendas for meetings of the Board of Directors shall be made reasonably available for examination by all members of the association or their representatives.

MEMBER COMMENT DURING BOARD MEETINGS

The Board may place reasonable time restrictions on those persons speaking during the meeting but shall permit an Owner or Owner's designated representative to speak before the board takes formal action on an item under discussion. The Board shall provide for a reasonable number of persons to speak on each side of an issue. However, after this comment period, Owners who are not Board members may not participate in any deliberation or discussion on an action unless expressly so authorized by a vote of the majority of a quorum of the Board.

EXECUTIVE SESSIONS

The members of the executive board or any committee thereof may hold an executive or closed door session and may restrict attendance to executive board members and such other persons requested by the executive board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive session shall include only matters enumerated below.

Matters for discussion by an executive or closed session are limited to:

- (a) Matters pertaining to employees of the association or the managing agent's contract or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the association;
- (b) Consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client;
- (c) Investigative proceedings concerning possible or actual criminal misconduct;
- (d) Matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure;
- (e) Any matter the disclosure of which would constitute an unwarranted invasion of individual privacy;
- (f) Review of or discussion relating to any written or oral communication from legal counsel.
- (g) Upon the final resolution of any matter for which the board received legal advice or that concerned pending or contemplated litigation, the board may elect to preserve the attorney-client privilege in any appropriate manner, or it may elect to disclose such information, as it deems appropriate, about such matter in an open meeting.

Prior to the time the members of the executive board or any committee thereof convene in executive session, the chair of the body shall announce the general matter of discussion as enumerated in paragraphs (a) to (f) of subsection (4) of this section.

No rule or regulation of the board or any committee thereof shall be adopted during an executive session. A rule or regulation may be validly adopted only during a regular or special meeting or after the body goes back into regular session following an executive session.

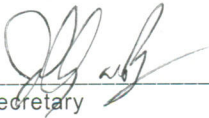
The minutes of all meetings at which an executive session was held shall indicate that an executive session was held and the general subject matter of the executive session.

ELECTRONIC NOTICE

If the Association has a web site at the applicable time, the Association may provide all notices and agendas in electronic form by posting on the web site, in addition to printed form. At such time as electronic means become available to the Association, the Association will provide notice of all regular and special meetings of Owners by electronic mail to all Owners who so request and who furnish the Association with their electronic mail addresses. Electronic notice of a special meeting shall be given as soon as possible but at least twenty-four hours before the meeting.

Certification

As the Secretary of the Association, I certify that the foregoing Policy was adopted by the Board of Directors by the Implementing Resolution described above.


Secretary

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GOVERNANCE POLICY #4 — ENFORCEMENT OF COVENANTS AND RULES

4.1. Power. The Board has the power and duty to hear and make decisions regarding violations and written Complaints filed with the Board pursuant to these Policies and Procedures. The Board may determine enforcement action on a case by case basis, and take other actions as it may deem necessary and appropriate to assure compliance with the Protective Covenants and Restrictions for the project, the Association's Bylaws, the Articles of Incorporation, the Val Moritz Village Agreement, the Design Guidelines and Additional Regulations, and the Rules and Regulations promulgated under any of the foregoing, and to create a safe and harmonious living environment.

These enforcement provisions are in addition to other specific provisions outlined in the Association's governing documents, as described above (the "Documents"). The Association may choose a legal or equitable remedy or seek assistance from other enforcement authorities, such as police, fire, or animal control.

4.2. Complaint. The Notice and Hearing process may be initiated by the filing of a written Complaint with any member of the Board of Directors. Written Complaints must state the specific violation believed to exist, and as many details as available, such as time, date, location and persons involved.

If the Board determines that the Complaint is insufficient to provide grounds for holding a Hearing, it shall notify the complainant, who shall have seven (7) days to amend the Complaint to render it sufficient. If the complainant does not render the Complaint sufficient within said period of time, the Complaint shall be dismissed without a hearing.

4.3. Notice of Violation. Upon receipt of a sufficient Complaint, the Board shall send a copy of the Complaint to the applicable Owner ("Respondent") as soon as reasonably practicable. The Board may also, at its option, provide a copy of the Complaint to any non-owner violator. Notice may be given to Respondent by personal delivery or by U.S. Mail, postage prepaid, addressed to the last registered address of the Owner as contained in the Association's records, or by e-mail if the Respondent has provided the Board with an e-mail address. Any notice personally delivered shall be deemed received on the date of delivery, any notice sent by e-mail will be deemed received on the day same was transmitted and any notice mailed shall be deemed received on the third day following the date of mailing.

A statement in substantially the following form shall accompany the Complaint:

Unless a written request for a hearing signed by or on behalf of a person named as Respondent in the accompanying Complaint is delivered or mailed to the Board of Directors within 15 days after the Complaint was served upon you, the Board of Directors may proceed upon the Complaint without a hearing, and you will have thus waived your right to a hearing. The request for a hearing may be made by delivering or mailing a "Notice of Defense" to the Board of Directors at the following address or to such address as may be specified in the future:

Village Lot Owners Association, Inc., P.O. Box 3247, Parker, CO 80134

You may, but need not, be represented by counsel at any or all stages of these proceedings. If you desire the names and addresses of witnesses or an opportunity to inspect any relevant writings or items on file in connection with this matter in the possession, custody or control of the Board of Directors, you may contact any member of the Board of Directors at any address specified at the Association website, for which the URL is: <http://www.valmoritzvillage.org/>

The Respondent is entitled to a hearing on the merits of the matter if the Notice of Defense with a request for hearing is received by the Association within 15 days after the Complaint was served on the Respondent.

4.4. Tribunal. The President shall appoint a hearing committee ("Tribunal") of three natural persons upon receipt of a sufficient written Complaint. In appointing the members of the Tribunal, the President

should make a good faith effort to avoid appointing next-door neighbors of the Respondent or any Members of the Association who are essential witnesses to the alleged violation. The decision of the President shall be final, except that each Respondent may challenge any member of the Tribunal for cause, where a fair and impartial hearing cannot be afforded, at any time prior to the taking of evidence at the hearing. In the event of such a challenge, the Board of Directors shall meet to determine the sufficiency of the challenge, without the President voting. If such a challenge is sustained, the President shall appoint another member to replace the challenged member of the Tribunal. All decisions of the Board of Directors in this regard shall be final. The Tribunal shall elect a Chairman and appoint a hearing officer who shall take evidence and ensure that a proper record of all proceedings is maintained.

4.5 Notice of Hearing. The Tribunal shall serve a Notice of Hearing on all parties at least 10 days prior to the hearing, if such hearing is requested by a Respondent. The hearing shall be held no sooner than 30 days after the Complaint is mailed or delivered to each Respondent. The Notice of Hearing to each Respondent shall be substantially in the following form but may include other information.

You are hereby notified that a hearing will be held before a Tribunal appointed by the President of the _____ Association, at _____ on the _____ day of _____, 200_, at the hour of _____ upon the charges made in the Complaint served upon you. You may be present at the hearing, may but need not be represented by counsel, may present any relevant evidence, and will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to seek the attendance of witnesses and to compel the production of books, documents or other items in the possession of _____ Association by applying to the Board of Directors of _____ Association.

4.6 Hearing.

(a) Oral evidence shall be taken from all witnesses without the necessity of oath or affirmation. The use of affidavits and written interrogatories in lieu of oral testimony is encouraged.

(b) Each party shall have these rights: to call and examine witnesses; to introduce exhibits; to cross-examine witnesses on any matter relevant to the issues; to impeach any witness; and to rebut the evidence against such party. If Respondent does not testify in his own behalf, Respondent may be called and examined as if under cross-examination.

(c) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence, but shall not be sufficient in itself to support a finding. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing, and irrelevant and unduly repetitive evidence shall be excluded.

(d) Neither the person filing the Complaint nor the Respondent must be in attendance at the hearing. The hearing shall be open to attendance by Members of the Association to the extent of the permissible capacity of the hearing room.

(e) In rendering a decision, official notice may be taken at any time of any provisions of the Association Declaration, these Bylaws, the rules and regulations of the Association, or any generally understood matter involving those within the working of the Association. Persons present at the hearing shall be informed of the matters to be noticed by the Tribunal, and these matters shall be made a part of the record of proceedings.

(f) The Tribunal may grant continuances on a showing of good cause.

(g) Whenever the Tribunal has commenced to hear the matter and a member of the Tribunal is forced to withdraw prior to a final determination by the Tribunal, the remaining members shall continue to hear the case and the hearing officer shall replace the withdrawing member.

4.7 Decision. If a Respondent fails to file a Notice of Defense as provided above, or fails to appear at the hearing, the Tribunal may take action based upon the evidence presented to it without further notice to the Respondent. The Tribunal will prepare written findings of fact and recommendations for consideration by the Board of Directors and will make its determination in accordance with the Documents and this policy. After all testimony and documentary evidence has been presented by the Tribunal, the Tribunal may vote by secret written ballot upon the matter, with a majority of the entire Tribunal controlling. A copy of the findings and recommendations of the Tribunal shall be served by the President upon each person directly involved in the matter and his attorney, if any. Disciplinary action, levy of a Reimbursement Assessment or other action or remedies which require Notice and Hearing under the Association Declaration, the Bylaws or rules and regulations of the Association, shall be imposed only by the Board of Directors of the Association and in accordance with the findings and recommendations of the Tribunal. The Board of Directors may adopt the recommendations of the Tribunal in their entirety or the Board may reduce the proposed penalty and adopt the balance of the recommendations. In no event shall the Board impose more stringent enforcement action than that recommended by the Tribunal. The decision of the Board shall be in writing. The decision of the Board shall become effective 10 days after it is served upon each Respondent, unless otherwise ordered in writing by the Board of Directors. The Board may order a reconsideration at any time within 15 days following service of its decision on the involved persons, on its own motion or petition by any party. However, no action against a Respondent arising from the alleged violation shall take effect prior to the expiration of the later of: (a) 15 days after each Respondent's receipt of Notice of Hearing; or (b) five days after the hearing required herein.

4.8 Enforcement, Attorney's Fees and Fines. The Association may enforce the Documents by any means available to the Association, including the levy of fines, suspensions of rights, or a lawsuit to force compliance, and may seek injunctive relief or damages, and may seek from any violator reimbursement of all attorney's and costs incurred by the Association. If the violation involves damage to Association property, the violator shall pay the costs of repair or replacement.

Fines may be levied for violations of the Documents as follows:

4.8.1 The Board shall apply the following penalty schedule relating to specific violations of the Documents:

Number of offenses	Fine Amount
First Offense	\$100.00
Second Offense	\$150.00
Third Offense	\$300.00

Any continuing offense not cured or rectified, following a reasonable period in which to do so, shall be deemed a new offense for the purpose of imposing an additional fine for a second and third offense. Additional violations, or violations still continuing, or violations which have an indefinite commencement or termination date, shall be subject to the maximum fine specified above, at the discretion of the Board.

All fines are cumulative. A member or guest who accumulates more than three (3) violations within a 12 month period will be deemed to be a habitual offender and subject to a suspension of membership privileges or additional penalties, including increased fines, as determined by the Board of Directors.

4.8.2 The record Owner of the real estate subject to the Association's Declaration of Covenants, Conditions and Restrictions shall have the primary obligation to pay fines imposed for actions of their tenants, family members and guests.

4.8.3 Fines imposed pursuant to these enforcement policies and procedures shall become an assessment imposed and a lien against the record Owner's real estate as provided by the Declaration.

4.9 Modification. The Board reserves the right, from time to time, to amend or repeal these Policies and Procedures, subject to any limitations placed on the Board in the Documents or by law.

4.10 Violations or Offenses that Constitute a Present Danger. If, in its sole discretion, the Board deems that any violation is or may be an immediate or substantial threat to the health, safety or welfare of the community or an individual, or that a habitual offender has not previously responded to violation Notices, the Board may seek any remedy available at law or in equity in a Court of competent jurisdiction, including filing legal action seeking a restraining order or injunction ordering the compliance of the offending Owner, without prior compliance with the provisions of this policy.

4.11 Miscellaneous. Failure by the Association to enforce any provision of these Policies and Procedures shall in no event be deemed to be a waiver of the right to do so.

Certification

As the Secretary of the Association, I certify that the foregoing Policy was adopted by the Board of Directors by the Implementing Resolution described above.


Secretary

Governance Policy #5 — Inspection and Copying of Association Records by Owners

5.1 RECORDS DEFINED

5.1.1 The records available for inspection and copying are those designated by the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act, as amended from time to time.

5.1.2 Except as may be required by law, the association's board may withhold from inspection any records that in its reasonable business judgment would:

- i. Constitute an unwarranted invasion of privacy;
- ii. Constitute privileged information under the attorney-client privilege;
- iii. Involve pending or anticipated litigation or contract negotiations; and/or
- iv. Involve the employment, promotion, discipline, or dismissal of a specific board member or employee.

5.2 PERSONS ENTITLED TO INSPECT OR COPY

Every Owner of a lot or an interest in a lot within Val Moritz Village has the right to inspect or copy the Association's records in compliance with the rules and procedures contained in this policy. An Owner may authorize, in writing, an attorney or other designated representative to conduct the inspection or request copies on the Owner's behalf.

5.3 WRITTEN REQUEST REQUIRED

Inspection or copying shall be limited to those records specifically requested in advance, in writing. An owner who wants to inspect or copy the association's records shall submit a written request to any member of the Association's Board of Directors. The request must specify the particular record desired, including pertinent dates or time periods, and shall state whether the request is for inspection or copying. The request must be sufficiently detailed to allow the association to retrieve the record(s) requested.

5.4 INSPECTION RULES

An Owner may inspect and copy any of the Association's records subject to the following provisions. The records will be made available to an Owner and an Owner's authorized agent for inspection and copying under the following conditions:

5.4.1 The Owner must deliver a written request to a member of the Board of Directors of the Association at least five business days before the date on which the Owner wishes to inspect and copy such records.

5.4.2 The records will only be made available during normal business hours.

5.4.3 The records will only be made available at the offices of the Association's Secretary or at such other location as may be agreed to by the Association and the requesting Owner. No original records shall be removed from the location where the inspection is taking place. The records shall not be altered in any way.

5.4.4 The Owner's request must be in good faith and for a proper purpose. Association records may NOT be obtained nor used by any Owner for the following which are deemed not to be proper purposes:

- (i) Any purpose unrelated to an Owner's interest as an Owner;
- (ii) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;
- (iii) Any commercial purpose;
- (iv) For the purpose of giving, selling, or distributing such Association records to any

person; or

(v) Any improper purpose as determined in the reasonable discretion of the Board.

5.4.5 The Owner's request must describe with reasonable particularity the records sought and the purpose of the request and the records sought must be relevant to the purpose of the request.

5.4.6 Exclusions. The following records shall NOT be available for inspection and/or copying as they are deemed confidential:

(i) Attorney-client privileged documents and records, unless the Board decides to disclose such communications at an open meeting;

(ii) Any documents that are confidential under constitutional, statutory or judicially imposed requirements; and

(iii) Any documents or information contained in such documents, disclosure of which would constitute an unwarranted invasion of individual privacy, including but not limited to social security numbers, dates of birth, personal bank account information, and driver's license numbers.

5.5 COPYING RULES

5.5.1 If an Owner wants a copy of any record, the Owner shall designate in writing the record desired. Any written request shall designate the specific record or portion thereof.

5.5.2 During an inspection, the Owner may designate such record by use of a tab, clip, or Post-It note upon the page(s) desired.

5.5.3 Copies shall be available within five (5) working days of receipt of the request, unless the voluminous nature or condition of the records makes this time frame impractical. In such cases, the copies will be made available as soon as is practical.

5.5.4 The Owner shall pay 25 cents per page for regular or legal-sized photocopies, payable in advance in cash or by personal check.

5.6 ENFORCEMENT OF INSPECTION & COPYING RULES

5.7.1 Any violation of these rules shall cause the immediate suspension of the inspection or copying until the violator agrees in writing to comply herewith.

5.7.2 The Association will not honor any requests for inspection or copying that do not comply with this policy. Within five working days of receiving the noncompliant request, the Association shall send a written notice to the person who made the request indicating the nature of any noncompliance. Any Association representative who receives an oral request for inspection or copying shall refer the person making the request to this policy, and the Association will have no further obligation to respond until it receives a written request.

Certification

As the Secretary of the Association, I certify that the foregoing Policy was adopted by the Board of Directors by the Implementing Resolution described above.

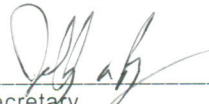

Secretary

GOVERNANCE POLICY #6 — INVESTMENT OF RESERVE FUNDS

1. Scope. In order to properly maintain areas in the Community that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of Owners' homes and livability in the Community, the Board of Directors determines that it is necessary to have policies and procedures for the investment of reserve funds.
2. Purpose of the Reserve Fund. The purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of the Community that the Association is responsible for and for such other funding as the Board of Directors may determine. The portions of the Community that the Association is responsible for typically have limited but reasonably predictable useful lives.
3. Investment of Reserves. The Board of Directors of the Association shall invest funds held in the Reserve Funds accounts to generate revenue that will accrue to the Reserve Funds accounts balance.
4. Limitation on Investments. Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government.
5. Review and Control. The Board shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.
6. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
7. This policy may be amended from time to time in accordance with the policy of the Association regarding the amendment of policies.

Certification

As the Secretary of the Association, I certify that the foregoing Policy was adopted by the Board of Directors by the Implementing Resolution described above.



Secretary

**RESOLUTION
AMENDING IN ITS ENTIRETY
GOVERNANCE POLICY 7
VILLAGE LOT OWNERS ASSOCIATION, INC.**

Whereas, the Board of Directors has become aware that there is an error in Governance Policy 7 (GP7) in that there is an inconsistency between the two sections thereof. The first section, consisting of the initial paragraph and the six numbered ones, provides for an optional committee and the second section establishes what should be done after the appointment of the optional committee but not addressing at all what should be done if no committee was appointed; and

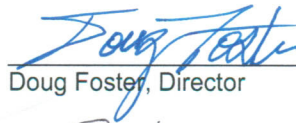
Whereas, the Board wishes to eliminate the error and simplify the policy;

Now, therefore, it is resolved that the existing GP7 should be and is hereby amended in its entirety and the newly amended GP7 adopted in the form attached hereto as Exhibit A.

Unanimously approved as of the 2 day of March, 2021 by the Board of Directors:



Steve Matteson, Director



Doug Foster, Director



Cliff Foster, Director



Stephan Playter, Director



Bruce Thomasson, Director

Attachment: Exhibit A, Amended GP7 ✓

GP7

When the Board of Directors determines there may be a need to create or revise a policy, procedure or rule, the Board may, but is not required to, appoint a committee to evaluate same. In considering such a need the Board should first identify the source of the Association's authority to create or revise the policy, procedure or rule. If appointed the committee may consider the following considerations and factors, among others:

1. Determine whether the existing documents are inadequate to address the issue.
2. Define or consider the intent and scope of the policy, procedure or rule and then draft it.

After completion of the above items or on its own motion if no committee was appointed, the Board of Directors shall do the following:

1. After drafting, the Association's counsel should review the proposal to assure that it is legally enforceable and compatible with both governing documents and existing statutes.
2. After counsel has responded positively, consider the policy, procedure or rule for adoption in resolution format. The minutes of the meeting must record the text of the policy, procedure or rule, and the vote for adoption. If counsel's response was negative, the item should be revised and resubmitted to counsel before further action is taken.
3. Give reasonable notice of the adopted policy, procedure or rule to owners and residents before enforcement begins. If other portions of the governing documents or applicable law require any specific notice then such will be followed.

This policy may be amended from time to time in accordance with the policy of the Association.

Certification

As the Secretary of the Association, I certify that the foregoing Policy was adopted by the Board of Directors by Resolution on the 3 day of MARCH, 2021.


Secretary

**GOVERNANCE POLICY #8 — PROCEDURES FOR ADDRESSING DISPUTES ARISING
BETWEEN THE ASSOCIATION AND OWNERS**

Effective on the date of the implementing resolution adopted by the Executive Board, this Association will follow the following procedures for the resolution of disputes between the Association and Owners.

8.1 To the extent procedures or requirements for dealing with disputes are already addressed in the governing documents of the association, they will be followed and are not affected by this Policy. For example, if procedures are set forth for the collection of assessments, enforcement of design review guidelines and the like they must be complied with as written.

8.2 Matters not covered by the preceding section will be covered by this Policy. Either the Association or any lot owner may request an informal negotiating session.

8.2.1 If the request is made by the Association it will be addressed to the owner, served on the owner by mail or e-mail, will describe the dispute and request that the owner appear before the board or a named committee of the Association to attempt to resolve it. If the owner fails to agree to such an appearance within ten calendar days of mailing or transmittal of the notice this Policy will have no further force or effect and the parties may proceed as authorized by the governing documents and by law. If the owner agrees to such an appearance then the Association will designate either the Board or a committee to handle the matter and the Board or committee will then coordinate with the owner to arrange a time and place to meet.

8.2.2 If the request is made by an owner, it will be addressed to the Association, served on the Association by mail or e-mail, will describe the dispute and request that the Association designate the board or a named committee of the Association to attempt to resolve it. If the Association fails to so designate within thirty calendar days of mailing of the notice this Policy will have no further force or effect and the parties may proceed as authorized by the governing documents and by law. If the Association designates the Board or a Committee then the designee will then coordinate with the owner to arrange a time and place to meet.

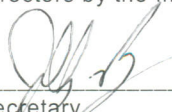
8.3 If a negotiating session is held either party may be represented by counsel and no formal rules will apply. The chairman of the Board or Committee will preside at the session and the goal of the Association will be to resolve the dispute amicably if reasonably possible. In determining whether any resolution is "reasonably possible," the decision of the Board of Directors, in its sole discretion, will control. If the entire board is involved in the negotiating session then it may make such a decision at the time by majority vote. If a committee is involved then any decision must be ratified by the Board at a regular or special meeting or by some other method chosen by the Board.

8.4 If a negotiating session is unsuccessful then the parties may proceed as authorized by the governing documents and by law. At such session or afterwards the Board may agree to formally mediate or arbitrate the dispute but any agreement to arbitrate must be reduced to writing, reviewed by Association counsel and subsequently ratified by the Board.

8.5 This policy may be amended from time to time in accordance with the policy of the Association regarding the amendment of policies.

Certification

As the Secretary of the Association, I certify that the foregoing Policy was adopted by the Board of Directors by the Implementing Resolution described above.



Secretary