

TWO RIVERS HOMEOWNERS ASSOCIATION

GOVERNANCE POLICIES

**ADOPTION AND AMENDMENT OF POLICIES,
PROCEDURES, AND RULES**

1. (all capitalized terms used herein and not defined herein shall have the meaning given to them in the Declaration of Covenants, Conditions and Restrictions for Two Rivers Homeowners Association (the "Declaration"))

(a) Rules

(i) Subject to the notice requirements in subsection (iii) below, the consent of the Declarant during the Declarant Control Period (as defined in the Declaration), and the Board's duty to exercise judgment and reasonableness on behalf of the Association and Owners, the Board may adopt new rules and modify or rescind existing rules by majority vote of the directors at any Board meeting.

(ii) Subject to the notice requirements in subsection (iii) below, the Owners whose votes represent a majority of the votes in the Association may also vote to adopt new rules and modify or rescind existing rules at any meeting of the Association duly called for such purpose, regardless of the manner in which the original rule was adopted. However, during the Declarant Control Period, any such action shall also be subject to the Declarant's approval.

(iii) The Board shall send notice to all Owners concerning any proposed rule change at least ten days prior to the meeting of the Board at which such action is to be considered. At any such meeting, Owners shall have a reasonable opportunity to be heard before the proposed action is put to a vote.

(iv) A change of rules shall take effect 30 days after the date on which written notice of the Rules change is given to the Owners.

(v) The Board and the Owners shall have the authority to adopt and modify rules as needed to address new or changing circumstances.

(b) Governance Policies

(i) The Board shall have the authority to amend these Governance Policies by a vote of the Board at a regular or special meeting or by the unanimous consent of the directors in lieu of a meeting.

(ii) In the event of a conflict between any of the Governing Documents and these Governance Policies, these Governance Policies shall control.

This policy was adopted on by resolution of the Board of Two Rivers Homeowners Association on April 23, 2015, is effective of even date therewith, and complies with the Colorado Common Interest Ownership Act as of that date. If the policy contained

herein becomes in conflict with the laws of the State of Colorado shall be rendered void. The governance policy set forth herein is not intended to enlarge or create any fiduciary duties. Except for acts of fraud or bad faith, no director shall incur any liability under this policy.

TWO RIVERS HOMEOWNERS ASSOCIATION,
a Colorado nonprofit corporation

By:  _____

Its: President

ATTEST:

By:  _____
Its: Secretary