

**CRYSTAL LAKES WATER AND SEWER ASSOCIATION
PROCEDURES FOR THE ADOPTION AND AMENDMENT OF
POLICIES, PROCEDURES AND RULES
Effective: January 1, 2006**

1. Introduction.

The Board of Directors (the “Board”) of Crystal Lakes Water and Sewer Association, a Colorado non-profit corporation (the “Association”), acting pursuant to the powers set forth in the Association’s Bylaws, Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions (the “Declaration”) (such documents being collectively referred to as the “Association Documents”), and the Colorado Common Interest Ownership Act (“CCIOA”), has enacted the following Procedures effective as of the date set forth above. Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in CCIOA. These Procedures supersede any previously adopted Policy on the same subject matter.

2. Purpose of Procedures.

The purpose of these Procedures is to clarify that the Association’s power to adopt and amend policies, procedures, rules and regulations (collectively, the “Policies”) rests with the Board, while also providing that Owners may attend meetings or provide written comments prior to the Board's vote.

3. Power to Adopt or Amend.

The Board shall have the sole power to adopt and amend the Policies of the Association.

4. Notice to Owners.

Except as otherwise required by the Association Documents, prior to the adoption or amendment of Policies, the Board shall list the proposed adoption or amendment on the agenda for the applicable Board or Owner meeting, which shall be posted on the Association website and at the Association office. Owners may provide written comments or attend the meeting and provide comments prior to the Board’s vote. The Board may consider Owner comments, but is not bound to act on those comments. The Board shall have the discretion and final authority to adopt or amend all Policies in accordance with the Association Documents and Colorado law. A copy of all Policies adopted or amended by the Board shall be posted on the Association website.

5. Variations.

The Board may from time to time vary from the requirements set forth in these Procedures if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

6. **Amendment.**

These Procedures may be amended from time to time by the Board.

CERTIFICATION

The undersigned, being the duly elected and acting Secretary of the Crystal Lakes Water and Sewer Association (the "Association") certifies that the foregoing Procedures for the Adoption and Amendment of Policies, Procedures and Rules was approved by the vote of at least a majority of the Association's Directors at a meeting of the Association's Board of Directors held on April 15, 2006.

Dated this April 30, 2006.

CRYSTAL LAKES WATER
AND SEWER
ASSOCIATION

By: Joseph J. Sarjeant
Secretary