

TOWNES AT KETTLE CREEK OWNERS ASSOCIATION, INC.

RULES AND REGULATIONS

These are the Rules and Regulations governing TOWNES AT KETTLE CREEK OWNERS ASSOCIATION, INC. They apply to all residents of Townes at Kettle Creek, owners and non-owners alike. They are enforceable under our Declaration and Bylaws. The purpose of these Rules and Regulations is to provide our residence with an enjoyable atmosphere in which to live and to enhance the value of, and protect the investment in, the Townes of Kettle Creek properties.

GENERAL INFORMATION

1. **OFFICE:** The Townes at Kettle Creek Owners Association is managed by Z&R Property Management 6015 Lehman Drive, Suite 205 Colorado Springs, Colorado 80918. Office hours are 8:30 a.m. to 5:00 p.m., Monday through Friday.
2. **MAINTENANCE:** Maintenance of all common areas is provided by contract labor. Repairs inside the unit are the responsibility of the unit owner and not that of the Association.
3. **ANNUAL MEETING:** The annual meeting of the Association shall be held each year on such date as shall be selected by the Board of Directors. At such meetings, the Members shall transact such business of the Association as shall properly come before the meeting, including election of members of the Board of Directors.
4. **FISCAL YEAR:** Townes at Kettle Creek operates on a fiscal year starting January 1st through December 31st.

The Board of Directors encourages all residents to become involved in and with the management of Townes at Kettle Creek. All residents are welcome to attend meetings and serve on the various committees that advise the Board. Information on these committees is available from the Board members or the Management Company. Only through active resident participation can your Association respond to the needs and wishes of its residents. Your individual time, effort and cooperation will not only make Townes at Kettle Creek a sound investment but a pleasant and enjoyable place to live.

DEFINITIONS:

ADULT – Shall refer to anyone at least 18 years of age.

ARTICLES OF INCORPORATION- Shall refer to the Articles of Incorporation of the Townes at Kettle Creek Owners Association, Inc., the provisions of which are applicable to your community.

ASSOCIATION- Shall refer to the Townes at Kettle Creek Owners Association, Inc., a Colorado Non-profit organization, its successors and assigns, the Articles and Bylaws of which all govern the administration of this community, the members of which shall be all of the Owners, including Declarant.

BOARD OF DIRECTORS- Shall refer to the governing body of the Association.

BYLAWS- Shall refer to the Bylaws of the Townes at Kettle Creek Owners Association, Inc., the provisions of which are applicable to the community.

COMMON AREAS- Shall refer to all real property owned in common by the members of the Association for common use and enjoyment of the residents, including common parking areas, walkways, greenbelt areas, retention pond, and other recreational facilities.

COMMON PARKING AREA- Shall refer to parking spaces on private streets, located within the town home project, either assigned or unassigned.

DECLARANT- Shall refer to the Declarant named herein and such successor and successors as may be designated hereafter by Declarant by written notice duly recorded.

DECLARATION- Shall refer to that document together with all exhibits attached thereto, which document has been recorded pursuant to Colorado Revised Statutes, as amended.

DERELICT/ABANDONED PROPERTY- Shall refer to any vehicle, trailer, or other item parking or left in the common area or in common parking areas not bearing a valid and current State license plate and/or any item which has not been moved by its owners for a period of seventy-two (72) hours or more.

GUEST- Shall refer to any agent, employee, tenant, guest, licensee, or invitee of an owner.

MANAGING AGENT- Shall refer to the person employed by the Board of Directors to perform the management and operational functions of the community.

OWNER- Shall refer to the person, firm, partnership, association or other legal entity, or combination thereof, who owns one or more units but excluding, however, any such person having an interest therein merely as a Mortgagee (unless such Mortgagee has acquired fee simple title interest therein pursuant to foreclosure or any proceedings in lieu thereof).

PETS- Shall refer to dogs, cats or other animals which would normally be considered domesticated and kept within the household.

RECREATIONAL FACILITIES- Shall refer to the swimming pool, pool area, pool house, and any other such facility that may be created or installed on the common area for the residents of Townes at Kettle Creek.

RECREATIONAL VEHICLES- Shall refer to any vehicle containing sink, stove, refrigerator, sleeping accommodations or a combination thereof; boats, trailers; snowmobiles; motorcycles designated specifically for off-road use only; pick-up, van, or camper in excess of three-quarter ton; and any accessories to these items.

RESIDENTS- Shall refer to any person whose usual place of residence is the Townes at Kettle Creek Owners Association.

WALKWAY- Shall refer to outdoor ground level common area sidewalks.

GENERAL RULES

1. These Rules and Regulations, the Declaration, the Articles of Incorporation, and the Bylaws relating to Townes at Kettle Creek Owners Association, shall be enforced by the Board of Directors and fines for infractions may be levied in accordance with provisions therein which relate to enforcement of Rules and Regulations and which relate to collection of assessment dues/maintenance fees.
2. Parents are deemed responsible for infractions committed by their children; and owners, generally, are deemed responsible for infractions committed by their tenants, licensees, invitees or guests.
3. No one, subject to these rules, shall make or permit loud noises or play musical instruments, radios, stereos, televisions, etc. in such a manner as to disturb other residents of this community. Volumes on the previously mentioned items shall be lowered between the hours of 10:00 p.m. and 7:00 a.m.
 - a. Moving in or out of units must not be done between these hours as well.
4. No sign of ANY type is allowed without the written approval of the Board of Directors except for one "For Rent" or "For Sale" sign no larger than 5 square feet for any unit to be sold or rented. Such signs MUST be placed in the WINDOW of the unit ONLY.
5. NO advertisement, sign, artwork, notice or other lettering shall be exhibited, displayed, inscribed, painted or affixed on the property without prior written

permission from the Board of Directors. This specifically excludes owner's name and house numbers on front/back door.

6. All roadways and walkways shall be kept clear for emergency traffic. No cars, furniture, wood, bicycles, barbeque pits, toys, or other items of personal property shall be stored or left in the roadways, walkways or other places in the common area. Should these or similar items be left in the common areas mentioned, they will be disposed of by management personnel because they pose as a potential safety hazard to the residents of the Townes at Kettle Creek.
7. Garments, rugs, clothing, or other household items may not be hung from windows, balconies, fences, plant materials, or facades of the buildings. No clotheslines of any type, which are visible from the common area, the street or neighbor's yard, shall be placed on your property.
8. Common areas must be kept free of litter. Individuals must clean up after themselves, their guests, or their pets.
9. No fireworks or firearms may be fired or discharged within the Townes at Kettle Creek Owners Association.
10. Any offensive or unlawful act may be reported to the appropriate governmental authorities and will be deemed an infraction of these Rules. Any residents, owners or guests engaging in these acts or activities will be removed from the common areas by the Police. It shall be the responsibility of our residents to contact proper authorities when necessary.
11. No flammable, combustible, or explosive fluids, chemicals, or substances shall be kept on the property except those materials required for normal household use.

PETS

12. No livestock, poultry or animals other than household pets may be kept.
13. Pets on or in the common areas must be carried and/or be on a leash.
14. No animal may be leashed or confined to any stationary object on or in the common area.
15. Pets MUST be curbed; any soilage made by pets on any area must be cleaned up at the time of the incident.
16. Pet owners and/or related unit owner will be held responsible and liable for any property damage, injury, or disturbance which pets may cause or inflict.

17. Unleashed or unattended animals may be confined and turned over to the appropriate shelter or authority by an Association member, officer or director without notice or liability.
18. All pets shall be restrained from making loud, repeated or annoying noises.
19. No businesses shall be run inside units or the common areas.
20. All potted plants on decks must be well maintained. No artificial plants are allowed. Plant containers or pots must be securely attached to prevent hazards.

TRASH

21. Trash must not be placed in streets before Tuesday 5:00 p.m. The trash must be placed in a location which allows for accessible pickup and removal every Wednesday morning.
22. Trash must be kept inside the unit, or the unit's garage until time of disposal. Trash shall be placed only in securely closed plastic bags of sufficient strength. Use of paper sacks is not permitted. Garbage cans must be kept inside the unit except for trash pickup times and removed same day of pickup.
23. No rubbish or debris of any kind shall be placed or permitted to arise there from so as to render any such property or any portion thereof unsanitary, unsightly, offensive or detrimental to any other property in the vicinity thereof or to its occupants.

VEHICLES AND TRAFFIC POLICES

24. Speed limit on Association property is 10 m.p.h.
25. Derelict and/or abandoned vehicles are not permitted. Any Association member has the authority to notify the appropriate authority to have the vehicle ticketed and then towed at the vehicle owner's expense.
26. No parallel parking of any type is allowed on the property unless in an area specifically marked for parallel parking.
27. No parking in front of sidewalk or building entrances shall be allowed except where designated.
28. No parking in front of fire hydrants, in fire lanes or in handicapped zones shall be permitted at any time.

29. Exterior parking within the Community is extremely limited. For this reason, and because each Residence has an attached two car garage, all Owner or residents MUST only park within the confines of the garages appurtenant to their Residence. Guest or temporary parking is allowed in driveways so long as the vehicle does not extend past the driveway apron.
30. No commercial vehicles and no trucks shall be parked on any road within the Project except while temporarily engaged in transport to or from a Condominium Unit. For the purposes of this section, a 1 ton or smaller vehicle, commonly known as a pickup truck, shall not be deemed to be a commercial vehicle or truck.

This has further clarified and defined:

- i. All vehicles parked on any portion of the Community for any period of time must be properly registered and licensed in accordance with the requirements of the State of Colorado.
 - ii. No pickup trucks shall be permitted on any portion of the community that carry a bed "topper" or any form of camper shell extending vertically above the roof of the truck cab for more than twelve (12) inches.
 - iii. No recreational vehicles may be parked or stored on any portion of the Property at any time, except during transport to or from a Building or Lot, or for purposes of loading or unloading, for a period not to exceed twenty-four (24) hours.
 - iv. No trailers of any kind shall be allowed on any portion of the Community except while directly engaged in transport to or from a Building or Lot.
 - v. No abandoned, inoperative or junk vehicles of any kind shall be parked or stored on any portion of the Community except in a garage.
31. At all times, garage doors must be kept closed except when in use; or for temporary purposes and not left unattended.
 32. The Association is not responsible for any loss or damage to vehicles, which occurs while said vehicles are parked on the premises.
 33. No repair work may be performed on vehicles parked on the common or limited common elements. Repairs to cars in the common area shall be defined to include, but not be limited to, all repair and/or maintenance such as car washing, vacuuming, use of power tools, anything in which automobile fluids are involved such as oil or antifreeze, or transmission work, body repair, etc. Hand buffing or

hand waxing vehicles, without the use of electrically motorized power tools, is permitted.

34. Playing in the parking/driveway areas is strictly prohibited for obvious safety reasons.

LEASED UNITS

35. Owners wishing to lease units must notify the Management Company of Intent to Lease and shall notify the Management of a forwarding address and phone number where said owner can be reached. They shall also provide names and telephone numbers of renters.
36. Each unit leased shall be for a period of time not less than six (6) months.
37. Leasing of a unit for business purposes shall not be permitted.
38. There shall be no more people residing in the unit that would normally be allowed by the applicable local zoning ordinances.
39. Any non-owner residing in any unit shall be subject to these Rules and Regulations including all rights and liabilities contained herein, in the same capacity as would an owner. Any fines incurred by a non-owner of the unit shall be chargeable directly to the unit owner and shall be added to, and shall become due and owing with the regularly scheduled Homeowners Association payment.
40. Each owner shall be responsible for distribution of these Rules and Regulations to all tenants occupying said owner's unit.

COLLECTION OF DELINQUENT ASSESSMENTS

41. All monthly assessments are due and payable on the first of each month. Any assessment not paid within 15 days after the due date shall be subject to a late charge for each delinquent payment. If your payment is still delinquent on the 10th day of the second month, you will be notified by letter stating the Association's intent to collect the debt. If no response is forthcoming notice will be sent regarding intent to lien and if no response is received within 10 days from the date the delinquency notice is sent, the account shall be forwarded to the Association attorney, the lien will be filed, and any further legal action deemed necessary will be promptly taken and the delinquent owner shall be responsible for any attorney's fees or costs incurred as well as for the delinquency itself.
42. Should it become necessary to file a lien on a unit, the owner of such unit will be responsible for all legal fees.

RULE ENFORCEMENT AND HEARING PROCEDURE

43. Enforcement procedures under these Rules and Regulations may be exercised independently of, or concurrently with, any enforcement actions undertaken by local, county, state, or federal authorities.
44. If the Association brings a legal action to enforce any provision hereof, the violating party shall be subject to liability for costs, expert witness fees, and reasonable attorney's fees.
45. All complaints pertaining to infractions of the Rules and Regulations of Townes at Kettle Creek Owners Association must be submitted in writing addressed to the Board of Directors and the Management Company. The complaint must, at a minimum, include the following:
 - i. Name or identity of individual(s) committing the infraction.
 - ii. The unit number with whom the individual who has violated these rules is associated and some description of the nature of the relationship, i.e., guest, owner, tenant, etc.
 - iii. The identification of the Rule or provision violated.
 - iv. The date, time, and place of the infraction.
 - v. The name, address and telephone number of the person making the complaint, and a brief description of the complaining individual's relationship to the community (i.e., whether the individual is an owner, tenant, etc.)
46. Complaints against violators of these rules and regulations may be initiated by any homeowner.
47. Upon receipt of a written complaint, the Board and Management Company shall notify the unit owner as well as the person charged with committing the violation (if these parties are separate) that a complaint has been received. The notice shall be sent via regular mail to the last known address of the unit owner and to the unit charged with the violation.
48. At this point in the proceedings, the name of the complainant will not be divulged to anyone who is not a member of the Board.
49. If so desired, the person(s) charged with committing the violation or the owner may request a hearing at the next regularly scheduled Board meeting. Any such request shall be made in writing and shall be submitted directly to the Board.

50. If no hearing is requested, the Board will discuss the complaint considering all aspects, causes, seriousness and/or extenuating circumstances. The presence of a quorum of the Board will be necessary to vote on the action which the Board chooses to take.
51. When the violation is initially discussed by the Board, the Board shall have three options from which to choose:
 - i. Dismiss the complaint.
 - ii. Record the complaint in the record, but delay action upon it until further information is received.
 - iii. Set the matter for a hearing at the next regularly scheduled Board meeting.
 - iv. Regardless of which action the Board chooses to follow, the complainant and the violator will be notified in writing of the action (including a brief statement which reveals why the Board chose to proceed in the manner described in the notice).
52. If the Board chooses to set the matter for a hearing, the complainant will be notified that he/she must attend to give testimony or the complaint will be dismissed.
53. If the Board chooses to set the matter for a hearing, the violator and the owner (if different) shall be notified in writing, with the nature, date, time, and location of the violation. The notification will also set the date and location and a brief description of the hearing procedures which will be provided to the accused individual.
54. Failure by an alleged violator to respond to the formal notice of hearing will be constructed as an admission of the violation.
55. In lieu of actual attendance at the hearing, the violator or the applicable owner shall have fifteen (15) days, from the date the hearing notice was mailed, to respond in writing explaining to the Board why the complaint is unjustified. This response will be considered by the Board during the hearing.
56. Procedures to be followed at the hearing:
 - i. The Board will first describe the specific rule or regulations which has been violated, including the date and place of the violation.

- ii. The person being charged shall then be asked to admit or deny the charge. This violator may speak for himself/herself or he/she may be represented by another.
- iii. If the alleged violator denies the charge, he/she shall describe why the complaint should be dismissed.
- iv. No charge shall be upheld without evidence presented at the hearing which indicates that the specific violation occurred.
- v. The accused violator shall have the opportunity to question each witness against him/her at the time those witnesses testify.
- vi. After all the complaining witnesses have been heard, the accused violator shall have the opportunity to make a rebuttal statement refuting the testimony given or a general statement of position.
- vii. The accused violator shall also be permitted to present his/her own witnesses and the complaining witness or members of the Board shall be able to further question these witnesses testifying in support of the accused.
- viii. When all witnesses have been heard, the Board shall discuss the matter in private and then vote as to whether or not to uphold the complaint. Majority vote shall prevail. The result of the vote shall be announced to all those who have attended the hearing.

57. Each violation shall be considered a subsequent violation if it occurs within one year of the last violation of the same rule or provision of the documents by the same individual or owner.

58. The Board may impose an assessment according to the adopted schedule of fines.

If no compliance or response after 10 days of initial notice:

First Violation \$25.00

Second and Subsequent Violations \$50.00

59. The offenses of the unit owner, his guests and/or tenants shall all be attributable to the unit owner.

60. All decisions reached by the Board concerning violations of these Rules and Regulations shall be final.

61. Any owner or occupant who feels that an amendment of the Rules and Regulations is warranted may submit a request for such a change, in writing, to

the Board. The request must indicate the present rule, the proposed amendment or change, and the reasons for that amendment or change.

62. Subsequent to receipt of the request for change, the Board will, at the regularly scheduled meeting, weigh the merits of the proposal. If the proposal is disapproved, the Board will notify the originator of the proposal, in writing, of its decision and the reasons for the disapproval.
63. The originator of the proposal, upon receipt of the notice of rejection, may resubmit that proposal, at the next regularly scheduled Board meeting, for reconsideration. The Board will then hear further arguments and discussions on the proposal and a second vote shall be taken.
64. If the Board approved a proposed amendment, said amendment shall be incorporated into the Rules and Regulations will be distributed to all members of the Association within thirty (30) days.
65. THE BOARD OF DIRECTORS RESERVES THE RIGHT TO MAKE ADDITIONAL RULES AND REGULATIONS AS THEY MAY BE REQUIRED FROM TIME TO TIME WITHOUT THE CONSENT OF THE MEMBERS OF THE ASSOCIATION. THESE ADDITIONAL RULES AND REGULATIONS SHALL BE IMMEDIATELY BINDING ON ALL TOWNES AT KETTLE CREEK RESIDENTS.

Adopted by the Board: October 30, 2007