

Exhibit A

The Townes at Kettle Creek Communications Equipment Policy

Scope:

Because the Board of Directors wishes to preserve the exterior of each individual building throughout the community, as well as minimizing the visual impact of such equipment, the following Communication Equipment Policy has been adopted,

This policy does not intend to contradict any Federal, State or local law.

Equipment Registration

Each owner wishing to install any exterior communications equipment must first complete a Communications Equipment Registration Form. This form will then be submitted to the Architectural Review Committee prior to installation of the equipment. The owner will receive written response from the committee within 20 days from the date the completed form was received. This written response will let the owner know if the proposed placement has been approved.

Placement Location

The following shall be the preferred locations for the installation of communications equipment in the Townes at Kettle Creek Community, and are listed in order from the most preferred to the least preferred.

1. The communications equipment, hereto referred to as "equipment" may not be placed on the fascia, soffit or eve of the unit.
2. The equipment should be mounted in a location that is at the greatest distance from any community streets as possible.
3. Communications equipment should **not** be installed on the roof, to prevent possible damage to the waterproof membrane beneath the shingles.
4. Recommended installation is on the trim of the patio.

Color

The colors of the dishes are to be the standard grey; no alternative colors will be considered.

Damage Deposit

A damage deposit of \$100.00 is required to offset any cost of repairs.

Damage

Damage to any landscaping (including, but not limited to plant material, edging, mulch or rock) or to the exterior of the unit (including but not limited to stucco, fascia, guttering, roofing or any painted surface) at any time shall be the sole responsibility of the unit owner. If any damage should occur, the owner shall contact the Association Manager or Board President immediately so that proper repairs can be made to the unit. To ensure proper materials and colors are used these repairs will be made by the Association, however, at the owner's expense.

Removal prior to sale

All communications equipment must be removed prior to the sale of any unit. All trim board used in the mounting of the equipment must be replaced; and all holes as a result of the removal of equipment must be adequately filled, sealed and/or painted. To ensure proper material and colors are used any and all repairs/improvements will be contracted by the Association, however, at the owner's expense.

**CONSENT OF DIRECTORS
OF
TOWNES AT KETTLE CREEK HOMEOWNERS ASSOCIATION, INC.**

The undersigned, being all of the Directors of The Townes at Kettle Creek Homeowners Association, Inc. a Colorado non-profit corporation (the "Association") hereby consent to, vote in favor of, and adopt the following resolution:

WHEREAS, pursuant to Section 2.1.7 of the Declaration of Covenants, Conditions, Restrictions and Easements, and Article IV, of the Bylaws, the Board of Directors of the Association is empowered to govern the affairs of the Association, and

WHEREAS, the Board of Directors feels that in order to protect the exterior of each building as well minimizing the visual impact, a communications equipment policy be adopted to provide preferred locations to homeowners wishing to install this type of equipment on the exterior of their unit;

IT IS THEREFORE RESOLVED that the Communications Equipment Policy attached hereto as Exhibit A shall be adopted and hereby established as the preferred locations for satellite dish installation, and

IT IS FURTHER RESOLVED that this policy shall remain in effect until amended or hereby terminated by a majority vote of the Board of Directors, and

IT IS FURTHER RESOLVED that this policy shall take effect upon execution of this document.

EXECUTED THIS 9th day of Sept., 2009.



Jim Costello, President



Arlene Chumley, Vice President



Dan Green, Secretary/Treasurer

TOWNES AT KETTLE CREEK HOMEOWNERS ASSOCIATION
NOTICE AND HEARING AND
ENFORCEMENT POLICY AND PROCEDURES

Adopted July ---, 2009

The following procedures have been adopted by THE TOWNES AT KETTLE CREEK HOMEOWNERS ASSOCIATION, Inc. ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policies and procedures for the enforcement of the Association's restrictive covenants:

1. Power. The Board of Directors shall have the power and duty to hear and make decisions regarding violations and written Complaints filed with the Board and impose fines or other sanctions, 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 Declaration of Covenants, Conditions and Restrictions for the Association ("Declaration"), the Association's Articles of Incorporation, Bylaws, and rules and regulations promulgated there under, and to create a safe and harmonious living environment.

These enforcement provisions may be in addition to other specific provisions outlined in the Association's Declaration, Articles of Incorporation, Bylaws, or rules and regulations ("Documents"), and the Association is not required to follow these enforcement provisions before seeking such other remedies. The Association may choose a legal remedy or seek assistance from other enforcement authorities, such as police, fire, or animal control, as it deems appropriate.

2. Complaint. A proceeding to determine if the Documents have been violated and any enforcement measures and remedies that may apply shall be initiated by the filing of a written complaint with or by the Association's Board, through its managing agent. The complaint shall state the specific provision(s) of the Documents alleged to have been violated and as many specifics as are available as to time, date, location, unit number and persons involved.

3. Notice of Complaint. Upon receipt of a complaint, if the Board determines, following management company consultation, that the allegations in the complaint are sufficient to constitute a violation of the Documents and that action is warranted, the Association shall send a notice, within forty-eight (48) hours to the person(s) (the "Respondent") alleged to have violated the Documents, by prepaid, first class United States mail addressed to the mailing address of the Respondent appearing on the records of the Association. The notice shall explain the nature of the violation and advise the Respondent that Respondent has seven (7) days from the date of the notice to bring the violation into compliance. However, for some violations, as determined by the Board, the Respondent will be required to bring the violation into compliance immediately, except for parking violations which require immediate compliance. Please be advised that it is the Owner/Tenant's responsibility to inform the board/management if there are extenuating circumstances that prevent the immediate relocation of an illegally parked vehicle.

4. Right to Hearing. If, after the notice of complaint has been sent to the Respondent the Respondent has failed to bring the violation into compliance, the Association shall send a Final Notice to the Respondent. The Final Notice shall advise the Respondent of the following: (1) the nature of the alleged violation, or include a copy of the Complaint; (2) the proposed sanction to be imposed; (3) a statement that the Respondent may present a written request for a hearing to the Board or the covenants committee within fifteen (15) days of the date of the notice; (4) a statement that the proposed sanction shall be imposed as contained in the notice, unless a request for a hearing is received within fifteen (15) days of the notice; (4) the date on which the hearing will be scheduled, which will be at the next meeting of the Board, but not longer than thirty (30) days from the receipt date of the request for a hearing. **The Board may determine that the Respondent's failure to respond or appear at the hearing constitutes a no-contest plea to the Complaint, and enforce the provisions of the Documents and impose and enforce the sanctions stated in the notice; provided however, the Board may, but shall not be obligated to, suspend any proposed sanction.** Any such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any person.

5. Hearing. Unless the Respondent has failed to respond or appear at the hearing, each hearing shall be held at the scheduled time, place and date and conducted in executive session. The Board may grant continuance(s) for good cause. The Respondent shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction, proof of proper notice shall be placed in the minutes of the hearing. The notice requirement of paragraph 3 above shall be deemed satisfied if the Respondent appears at the hearing. The Board may: (a) exercise its discretion as to the specific manner in which a hearing shall be conducted; (b) question witnesses and review evidence; and (c) act as it may deem appropriate or desirable to permit the Board to reach a just decision. Neither the Complainant nor the Respondent must be in attendance at the hearing, but both are encouraged to attend. Any party may elect not to present evidence at the hearing. Action taken by the Board shall be fair and reasonable taking into consideration all of the relevant facts and circumstances at the time of the hearing.

6. Decision. If the Respondent does not appear but a written response is filed, the Board shall render its decision based on the information contained in the Complaint and the written response, considering all of the relevant facts and circumstances. If neither an appearance nor a written response is made, the Board need not conduct a hearing or make any further findings, except that it may determine that the Respondent's failure to appear or respond constitutes a waiver of the right to a hearing, and a no-contest plea to the Complaint, and impose the sanctions provided for herein or enforces the provisions of the Documents, or both. If an appearance is made, after all testimony and other evidence has been presented to the Board at a hearing, the Board shall render its decision(s) within seven (7) days after the date of the hearing, taking into consideration all of the relevant facts and circumstances. If the Board does not inform the Respondent of its decision at the time of the hearing, the Board will provide a written notice of the decision to the Respondent's address of record via regular U.S. mail within seven (7) days after the decision is made.

7. Enforcement/Attorney's Fees, and Fines/Sanctions. The provisions of these Policies and Procedures shall not limit, or be a condition precedent to, the Association's right to enforce the Documents by any means available to the Association, including, but not limited to, commencement of a lawsuit to force compliance or seeking injunctive relief or damages. The Association shall be entitled to reimbursement of

compliance or seeking injunctive relief or damages. The Association shall be entitled to reimbursement of all reasonable attorney's fees and costs incurred by the Association in connection with any enforcement action, including any proceeding under these Policies and Procedures. Without limiting the Association's remedies under the Documents, the Association may assess fines and suspend membership privileges in accordance with these Policies and Procedures. If the violation involves damage to Association property, the violator shall pay the costs of repair or replacement as deemed by the Board. The Board may revoke or suspend the violator's privileges for a period of time equal to the duration of the violation, except that any suspension of voting rights of a Member shall not exceed 60 days following any violation by such Member unless such violation is a continuing violation, in which case such suspension may continue for so long as such violation continues and for up to 60 days thereafter.

- (a) Fines may be levied for repeated violations of the same Document provision as follows:

<u>Number of violations in a 12 month period</u>	<u>Fine Amount</u>
First violation	Courtesy Letter
Second violation:	\$ 25
Third violation:	\$ 50
Fourth violation:	\$100 /account goes to legal counsel

Member or guest who accumulates more than 4 violations of the same Document provision within a 12 month period will be deemed to be a habitual offender. Without limiting the Board's ability to fine or suspend membership privileges in accordance with these Policies and Procedures, habitual offenders, continuing violations, or violations which have an indefinite commencement or termination date, shall all be subject to a fine of \$25.00 per day until the violation is corrected as determined by the Board. Further, in the event of a determination by the Board of a willful, wanton or flagrant disregard for the provisions of the Documents, or based on the severity of the violation, the Board may impose such additional fines as are deemed reasonable by the Board without regard to the schedule set forth above.

- (b) In the event that any Guest violates the Documents and a fine is imposed, the fine shall first be assessed against the Owner upon notice from the Board. Fines imposed pursuant to these enforcement policies and procedures shall become an Assessment imposed against the record Owner's real estate and enforceable as provided in the Declaration.

8. 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, the Board may impose any appropriate sanction as necessary to abate the threat to health, safety or welfare of the community or individual without prior compliance with Sections 1 through 6 above.

9. Miscellaneous.

- (a) 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 thereafter.
- (b) The provisions of these Policies and Procedures shall be independent and severable. The invalidity of any one or more of the provisions hereof by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.
- (c) As used herein, the term "Board" shall include any tribunal or committee appointed by the Board consistent with the Covenants, Conditions and Restrictions.

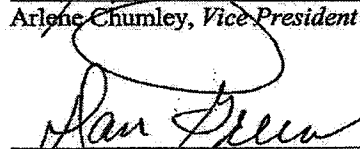
Executed this 9th day of Sept., 2009.



Jim Costello, *President*



Arlene Chumley, *Vice-President*



Dan Green, *Secretary/Treasurer*

EXHIBIT A

Financial Management Policy

General terms and conditions:

1. All financial accounts of the Association shall be deposited in a federally insured banking institution.
2. The total balance of accounts held at any one banking institution shall not exceed \$100,000, in accordance with the FDIC Insurance provisions.
3. The following Board members shall serve as authorized signatories on the accounts of the Association for the purpose of withdrawing funds from the Association's accounts: President, Vice President and Treasurer. Two or more signatures shall be required for all checks drawn on Association accounts.
4. The Management Contractor ("Management") shall be an authorized agent of the Association to transfer funds between the Association's accounts within the same banking institution and in accordance with Board resolutions, but shall at no time act as a signatory to withdraw funds from any Association account.
5. The financial management of the Association shall be maintained via the accrual method of accounting. All financial reports shall include an aging report to identify outstanding accounts receivables.

Accounts Receivable:

1. Assessment payment vouchers for the ensuing fiscal year are to be mailed to all Owners on or before December 1 (or the first business day following December 1) of the current year, reflecting a due date of the first day of each month ("Due Date"), and a delinquency date as of the 15th day of each month ("Delinquency Date").
2. A late notice ("First Notice") shall be sent on the 16th of each month following the due date to all Owners having an outstanding balance on their accounts, including late fees or other charges authorized pursuant to the governing documents or Board resolution. Each assessment for late fees shall be in the amount of \$35.00.
3. All accounts that have an outstanding balance 30 days after the due date shall be issued a written notice ("Notice of Lien") by certified mail, return receipt requested, reflecting interest charges, retroactive to the due date at the rate of 21% per annum, on the statement.
4. Late fees and interest shall continue to be assessed and accrued each month following mailing of the Second Notice until the account is brought current. Payments shall be first applied to late fees and other charges.

5. All payments received on account shall be date stamped and credited to the appropriate member account as of the date received. Payments received on the weekend or on a holiday shall be credited the following business day. Payments shall be applied to past due amounts before being applied to current assessments.

6. Payments shall be endorsed "For Deposit Only" and be deposited the day received. No payment shall be held beyond the next business day.
7. Assessment monies shall be deposited in the appropriate account, based on the allocation defined in the approved annual budget. A balance equal to approximately one quarter's expected expenses shall be maintained in the operating account, with the balance being held in a money market-type account yielding a higher rate of interest.
8. A record of all deposits shall include a printout showing a breakdown of all checks deposited (per deposit) with the original deposit slip attached.
9. If payment is made by check returned for insufficient funds:
 - a. reinstatement of the assessment fee shall be charged against the member's account(s)
 - b. an NSF fee, in an amount twenty-five dollars (\$25.00), shall be charged against the account
 - c. Management shall contact the bank to determine if funds are then available
 - i. if so, Management shall redeposit the check (one time only)
 - ii. if not, the Owner shall be given written notice of the return of payment, requesting that payment, via certified funds, be made within five (5) days. All applicable late fees and interest shall accumulate against the account as though no payment had been attempted until such time as payment is received.
10. Reconciliation of the Association's accounts, in accordance with the monthly bank statement, shall be completed monthly by Management, verified by the Treasurer.

Accounts Payable:

1. All invoices shall be sent directly to the Management office.
2. All invoices shall be reviewed and verified by Management, coded to the appropriate expense account, in accordance with the approved budget and/or action of the Board. Any invoice for services not pre-approved (by virtue of a contract, the budget, an emergency situation, or by action of the Board) shall be submitted to the Board for approval prior to payment.
3. Management shall prepare payment of approved invoices on a monthly basis and submit to the Board for review and check signage, as appropriate. Payments shall be made in a timely manner, in order to enjoy any discounts, if offered, and approved by the Treasurer.
4. All cancelled checks, or copies thereof, shall be retained in the permanent record of the Association, including all voided checks.

Funding of Reserves and Deferred Maintenance:

1. A review of the Association's reserve and deferred maintenance needs and obligations shall be completed by the Budget/Finance Committee (when appointed) annually, with fiscal recommendation given to the Board for incorporation into the annual budget, at the discretion of the Board.
2. Reserve and deferred maintenance obligations shall be defined in the annual budget and funded monthly at 1/12th the annual budgeted amount. This budget shall be reported on a fund-accounting basis to show the specific assets to which monies are being allotted.
3. All reserve and deferred maintenance funds shall be held in a separate account, kept apart from operating funds, to avoid any commingling with operating monies.
4. Expenditures shall not exceed the budgeted funds allocated for a specific line item in any given fiscal year, unless determined otherwise by the Board to meet an imminent need, or to act in favor of the Association in consideration of future replacement costs.

Annual Budget:

The Board shall annually review the expenditures of the Association and develop a budget for the ensuing fiscal year by October 31st of the current year.

**CONSENT OF DIRECTORS
OF
THE TOWNES AT KETTLE CREEK OWNERS ASSOCIATION**

The undersigned, being the majority of the Board of Directors ("Board") of The Townes at Kettle Creek Owners Association, a Colorado non-profit corporation (the "Association"), hereby consent to vote in favor of, and adopt the following resolution:

WHEREAS, the Board of the Association is empowered to govern the affairs of the Association pursuant to Article VII, Section 1 of the Bylaws; and,

WHEREAS, Article VI, Section 6.1 of the Declaration of Covenant, Conditions and Restrictions for The Townes at Kettle Creek Development, (hereafter referred to as "Declaration") requires the payment of assessments by all property owners; and

WHEREAS, the Board desires to establish a procedure for managing the accounts receivable and accounts payable for the Association, and

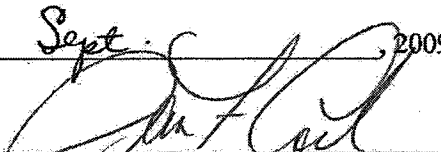
WHEREAS, the Board desires to establish a policy regarding the management of reserve funds of the Association;

IT IS THEREFORE RESOLVED that the financial management policy attached hereto as Exhibit A shall be adopted and hereby established as the procedure for the management of Association funds in accordance with the requirements and specifications outlined in the governing documents, and


IT IS FURTHER RESOLVED that this policy shall remain in effect until amended or hereby terminated by a majority vote of the Board, and

IT IS FURTHER RESOLVED that this policy shall take effect upon execution of this document.


EXECUTED this 9th day of Sept., 2009.



Jim Costello, *President*



Arlene Chumley, *Vice President*



Dan Green, *Secretary/Treasurer*

THE TOWNES AT KETTLE CREEK OWNERS ASSOCIATION, INC.
ACTION WITHOUT A MEETING BY THE BOARD OF DIRECTORS

September 17, 2012

Pursuant to Article IV, Section 5 of the Bylaws of the Townes at Kettle Creek Owners Association, Inc. (The "Bylaws"), the following action is taken without a meeting.


The Board of Directors has become aware of a parking policy adopted on September 9, 2009. It is the opinion of the Board that portions of this policy violate the Declaration of Covenants, Conditions and Restrictions while other portions contain contradictions or are not reasonably enforceable.

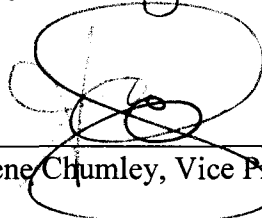
The policy was adopted with the following resolution: ***"IT IS FURTHER RESOLVED, that this policy shall remain in effect until amended or hereby terminated by a majority vote of the Board of Directors..."***

Based upon this resolution, the Board of Directors hereby unanimously terminates the entire policy, including Exhibit A, with the exception of the following language:

"Any guest visiting in excess of (7) days must park outside of the Community"

The undersigned Board members hereby approve this action.

By: 
Kathy Dolan, President

By: 
Arlene Chumley, Vice President/Treasurer

By: 
Konrad Kahle, Secretary

**CONSENT OF DIRECTORS
OF THE
TOWNES AT KETTLE CREEK HOMEOWNERS ASSOCIATION**

The undersigned, being all of the Directors of the Townes at Kettle Creek Homeowners Association, a Colorado non-profit corporation (the "Association"), hereby consent to vote in favor of, and adopt the following resolution:

WHEREAS, a Declaration of Covenants, Conditions and Restrictions of the Townes at Kettle Creek ("Declaration") was recorded in the records of El Paso County Clerk and Recorder on June 6, 2006 at Reception No. 206084154; and

WHEREAS, pursuant to Article VII, Section 1 of the Bylaws, the Board of Directors of the Association, is empowered to adopt and publish rules and regulations for the community, and

WHEREAS, the Board of Directors feels that a parking policy will promote a safer environment for residents and guests while establishing a better understanding for proper and improper parking locations throughout the community; and


WHEREAS, the Board of Directors is adopting this parking policy to further clarify Article VII, Section 7.8.5 of the Covenants, Conditions and Restrictions; and

IT IS FURTHER RESOLVED, that the parking policy attached hereto as Exhibit A shall be adopted and hereby established as the parking guidelines and restrictions, and

IT IS FURTHER RESOLVED, that this policy shall remain in effect until amended or hereby terminated by a majority vote of the Board of Directors, and

IT IS FURTHER RESOLVED, that this policy shall take effect upon execution of this document.

Executed this 9th day of Sept., 2009.



Jim Costello, *President*



Arlene Chumley, *Vice President*



Dan Green, *Secretary/Treasurer*

Parking Enforcement:

Vehicles, not possessing a legal guest pass or handicap designation, found parked on any street within the community will automatically be ticketed with a twenty-four notice of deadline to remove the vehicle or face being towed.

Please be advised if there are extenuating circumstances in which the illegally parked vehicle cannot be relocated it is the Owner's/Tenant's responsibility to inform the board/management.

Guest Parking Passes:

The Board of Directors acknowledges that residents periodically have visitors and guests.

Guest passes shall be obtained by residents for any guest intending to stay in the community for more than 24 hours and may be obtained from the Management office. No more than (2) two passes will be issued at a time to a resident. Guest parking passes must be prominently displayed in the windshield for the entirety of their stay. Guest parking within the Community is limited and will be on a first come, first serve basis. This guest pass will state the dates for which the pass is valid, the descriptive information of the vehicle (make, model, etc), the expiration date of the pass (of no more than 7 days) and must be approved and signed by the Association Manager. Any guest visiting in excess of (7) days must park outside of the Community.

Exhibit A

The Townes at Kettle Creek Parking Policy

Scope:

Because the Board of Directors desire to clarify The Townes at Kettle Creek parking rules and regulations, as called out in the Declaration, and as agreed to by each Owner at the time of purchase; and, to ensure a safer, high resale, and visually appealing community; and, to ensure parking is managed in a compliant, fair and uniform method the following parking policy has been adopted.

Note: This policy is not intended to contradict and/or supersede any code or law set forth by the City of Colorado Springs and/or the Colorado Springs Fire Department.

Vehicle Registration:

Per the Declaration, exterior parking within the Community is extremely limited and each residence has an attached two car garage. Therefore, in accordance with Section VII, 7.8.5 (vii) *...all Owners or residents **MUST only park within the confines of the garages appurtenant to their Residence.** No vehicle belonging to or being used by, any Owner or Resident is permitted to be parked anywhere within the Community unless it is within the confines of the garage appurtenant to the Resident...*

All residents must register their vehicles with the Association. Registration forms are available at the Management office, or on the website, when you register at: www.e-hammersmith.com.

As of 8-1-09 any non-registered vehicles found parked within the Community are subject to immediate tow at the Owners expense.

Parking Regulations:

1. Parking on any street **within the Community** is prohibited. Vehicles that cannot be entirely stored in a garage must be parked completely outside of the Community. Owners or Residents of Lots Units in **Building 9 (Lots 41 through 46)** shall be exempt from this provision to the extent that they can fit vehicles completely within the driveways serving those Lots.
2. Parking in designated fire lanes shall be expressly prohibited. Vehicles encountered in these areas will be reported to the Colorado Springs Police Department and is subject to immediate removal without any prior notice to the vehicle owner or responsible Lot Owner.
3. Any vehicle issued a "handicap" designation is required to display verification of that designation on the vehicle (i.e. license plate or rearview mirror tag); failure to display the designation allows the board the right to assume the vehicle is abandoned or parking out of compliance and may result in towing.

THE TOWNES AT KETTLE CREEK OWNERS ASSOCIATION

DISPUTE RESOLUTION POLICY

Adopted July 24, 2008

The following procedures have been adopted by The Townes at Kettle Creek Owners Association, Inc. ("Association") pursuant to the provisions of C.R.S. 38-33.3-209.5 at a regular meeting of the Board of Directors.

Purpose: To provide an efficient means of resolving disputes or claims involving the Association and/or the Association's governing documents and to reduce the costs and fees associated with dispute resolution.

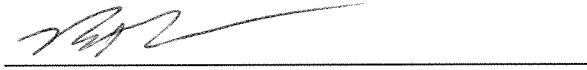
WHEREAS, the Colorado Common Interest Ownership Act, in C.R.S. 38-33.3-124, encourages common interest communities to adopt protocols that make use of mediation in resolving disputes between the Association and one or more unit owners.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing the resolution of disputes:

1. In the event of any dispute between any Owner and the Association, the Owner and Board are to communicate with each other with the purpose of resolving the issue in accordance with and adherence to the Association Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, Policies, and Resolutions.
2. In the event a dispute is not resolved through discussion:
 - a. The Owner and Association shall resolve the dispute by binding arbitration in accordance with the Uniform Arbitration Act of 1975, C.R.S. Section 13-22-201, et seq., as amended (or if such Act is repealed, then such other uniform state arbitration law enacted in its place).
 - b. Any such arbitration proceeding may be required by an aggrieved person upon written notice delivered to the Association, before the date when commencement of legal or equitable proceedings based on such claim or dispute would be barred by the applicable statute of limitations.
 - c. The American Arbitration Association (AAA), or other arbitrator agreed to by the parties, shall administer all aspects of arbitrations conducted hereunder, including the selection of arbitrators, pursuant to the AAA's Commercial Arbitration Rules (or other rules mutually acceptable to the parties).
 - d. Arbitration hereunder shall be before a three-person panel of arbitrators for any dispute involving claims and counterclaims in the aggregate of One Hundred Thousand Dollars (\$100,000.00) or more unless the parties agree to a single arbitrator, and shall be resolved before a single arbitrator for such disputes involving claims and counterclaims, in the aggregate, of less than One Hundred Thousand Dollars (\$100,000.00).

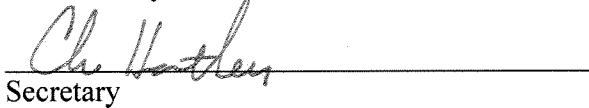
- e. Each arbitrator shall possess the requisite experience and expertise in respect to matters to which the controversy relates to enable him or her to perform his or her arbitral duties competently.
- f. The cost of the arbitrator(s) and of any hearing transcript shall be divided equally between the parties.
- g. Any and all discovery in conjunction with such arbitration shall be limited to information directly relevant to the controversy or claim in arbitration and shall be concluded within forty-five(45) days after the appointment of the arbitrator or arbitration panel.
- h. No party shall be entitled to receive any award of damages in connection with the arbitration of a dispute other than such party's direct damages. The Association and any Owner shall be deemed to have waived their right to receive any damages in a dispute other than direct damages, including, without limitation, the right to receive indirect damages such as special damages and consequential damages, and the right to receive punitive or exemplary damages.
- i. Judgment upon the arbitrator's determination shall be entered and enforced by the district court for the County in which the Community is located.
- j. In the event that any judicial proceeding is allowed or had herein, in order to expedite final resolution of the dispute, each party to the dispute waives any right to a jury trial for claims and counterclaims relating to the dispute.

The Townes At Kettle Creek Owners Association, Inc. By:



President

This Dispute Resolution Policy was adopted by the Board of Directors on the 24 day of July, 2008, effective the 24 day of July, 2008, and is attested to by the Secretary of The Townes At Kettle Creek Owners Association, Inc.



Secretary

**ACTION BY CONSENT
IN LIEU OF A MEETING OF THE BOARD OF DIRECTORS
OF
THE TOWNES AT KETTLE CREEK OWNERS ASSOCIATION, INC.**

RESPONSIBLE GOVERNANCE POLICIES

The following action is taken by consent of all of the members of the Board of Directors of The Townes at Kettle Creek Owners Association, Inc., a Colorado non-profit corporation ("Association"), in lieu of a Meeting of the Board of Directors, pursuant to authority granted by the Declaration and Bylaws of the Association, and in accordance with Section 7-128-202 of the Colorado Revised Nonprofit Corporation Act.

Whereas, the Colorado Common Interest Ownership Act (CCIOA) imposes certain requirements pertaining to the governance of unit owner's association, among them requirements that owner's associations adopt certain responsible governance policies, and in compliance therewith the Board of Directors of the Association desires to adopt such responsible governance policies.

Now, therefore, the following Resolutions are hereby adopted:

A. The responsible governance polices listed below and attached hereto and incorporated herein by this reference are hereby adopted by the Board of Directors as policies of the Association pursuant to the requirements of the Colorado Common Interest Ownership Act:

1. Collection of Unpaid Assessments.
2. Conflict of Interest.
3. Conduct of Meetings/Parliamentary Rules.
4. Notice and Hearing Procedure; Enforcement.
5. Schedule of Fines.
6. Recordkeeping, Inspection and Copying of Association Records.
7. Disclosures to Members/Means and Methods of Disclosures.
8. Investment of Reserve Funds.
9. Procedures for the Adoption and Amendment to Policies, Procedures and Rules
10. Owner and Board Education.

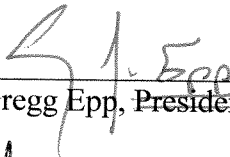
B. The provisions of this resolution and the attached policies shall be in addition to and in supplement of the terms and provisions of the Declaration and the laws governing the Community. The Manager and/or management company of the Association is directed and authorized to implement to foregoing policies.

C. The Board of Directors may deviate from the procedures set forth if in its sole discretion such deviation is reasonable under the circumstances.


D. The attached polices may be amended at any time from time to time by the Board of Directors.

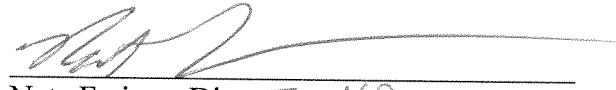
E. The signing of this Resolution shall constitute full ratification hereof pursuant to the Association's governing documents and Section 7-128-202 of the Colorado Revised Nonprofit Corporation Act, and a copy of hereof shall be made a part of the Association's records and filed with the minutes of the meetings of the Board of Directors.

F. The foregoing Resolutions shall be effective June 7, 2007, regardless of the date of execution hereof.


Gregg Epp, ~~President~~ Secretary/Treasurer

(S E A L)


Sandra Gumeson, ~~Treasurer~~ President


Nate Freisen, ~~Director~~ VP

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

COLLECTION OF UNPAID ASSESSMENTS

A. If an Owner fails to timely pay Assessments or any money or sums due to the Association, the Association may require reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure without the necessity of commencing a legal proceeding.

B. Interest and other costs and charges shall not be abated during any protest or appeal of a failure to pay assessments.

C. If an Owner shall fail to pay any assessment within 15 days after the due date of any invoice for the payment thereof, the Owner is subject to a late charge in the amount of \$25.00 in addition to the unpaid assessments.

D. Any assessments not paid within 15 days after the due date of any invoice for the payment thereof shall bear interest at the annual rate specified in the Declaration until paid in full.

E. At any time after any assessment is not paid in a timely fashion, the Association may file a lien against the Owner's unit for such unpaid assessments, together with any and all late charges, interest, attorneys' fees, and other costs and charges.

F. Nothing in this section shall prevent the Association or the Board from pursuing the collection of unpaid assessments by litigation or other proceedings directly against any Owners.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

CONFLICT OF INTEREST

The provisions of Section 38-33.3-310.5, C.R.S., shall apply to the Association and the members of the Board of Directors in regard to conflicting interest transactions.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

CONDUCT OF MEETINGS/PARLIAMENTARY RULES

A. PARLIAMENTARY RULES. Except when specifically or impliedly waived by the chairperson of a meeting (either of the Owners or the Board), Robert's Rules of Order (latest edition) shall govern the conduct of the Association's meetings when not in conflict with applicable laws or the Association governing documents or the provisions of the Colorado Revised Nonprofit Code; provided, however, that a strict or technical reading of such rules shall not be made so as to frustrate the will of the persons properly participating in said meeting.

B. ORDER OF BUSINESS – OWNERS MEETINGS. The order of business at all meetings of the Owners shall be as follows: (a) roll call or check in procedure to determine the voting power represented at the meeting; (b) proof of notice of meeting or waiver of notice; (c) approval of minutes of the preceding meeting; (d) reports of officers; (e) reports of committees; (f) appointment of elections inspectors who shall count the votes (at annual meetings or special meetings held for election purposes); (g) election of members of the Board of Directors (at annual meetings or special meetings held for such purpose); (h) unfinished business; and (i) new business. The order of business may be changed by duly approved motion.

C. BOARD MEETINGS. Board meetings shall be conducted in accordance with applicable provisions of the Colorado Revised Nonprofit Code, the Colorado Common Interest Ownership Act and the Association's governing documents. Regular and special meetings of the Board shall be open to all Owners. Owners may attend and speak at such meetings by addressing the Board during the Owner Comment Section of the agenda, or at other appropriate times determined by the Board upon specific issues under discussion but before the Board votes on the issue; provided, however, that the Board may establish reasonable limitations on the time an Owner may speak at such meeting.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

NOTICE AND HEARING PROCEDURE; ENFORCEMENT

A. NOTICE. Whenever the provisions of the Declaration or of the other governing documents of the Association or the Colorado Common Interest Ownership Act require that an action be taken after “Notice and Comment” or “Notice and Hearing,” and at any other time the Board determines, the affected Owners have the right to receive notice of the proposed action and the right to comment orally or in writing. Notice shall be given to each affected Owner in writing delivered personally or by mail to all affected Owners at such address as appears in the records of the Association, or notice shall be published in a newsletter or similar publication which is routinely circulated to all Owners, and may include posting on an Association website or provided by e-mail to Members who so request and provide the Association with their electronic mail addresses, if such electronic means are available. In no event shall notice be given less than three (3) days before proposed action is to be taken. The notice shall invite comment (orally or in writing) to the Board before or at the scheduled time of any meeting or hearing.

B. HEARING. For matters that the provisions of the Declaration or of the other governing documents of the Association or the Colorado Common Interest Ownership Act require that an action be taken after notice and hearing, the hearing shall be held before the Board. Persons invited to comment at the hearing shall be afforded a reasonable opportunity to be heard. Any respondent shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction imposed by the Board, proof of notice and the invitation to be heard shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery is entered by the Association’s managing agent, and officer, a Director or the person who mailed or delivered such notice. Unless attendance is for the express purpose of objecting to the hearing because of improper notice, the notice requirement shall be deemed satisfied if a respondent appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing, and if the hearing involves a matter where a sanction is imposed, the sanction, if any, imposed.

C. ENFORCEMENT.

(i) GENERAL. The Association shall have the authority to enforce the Declaration and the adopted rules and regulations of the Association in accordance with the applicable enforcement provisions set forth in the Declaration and the Colorado Common Interest Ownership Act. The policies and protocols of the Association applicable to the use of mediation and arbitration, as well as other procedures, in the resolution of disputes are set forth in the Declaration.

(ii) NOTICE OF VIOLATION. In the event of an alleged violation of the Association governing documents, then notwithstanding subsection A above, written notice of

such alleged violation shall be delivered personally or mailed by first-class mail or by certified mail return receipt requested to an Owner or any occupant over the age of 18 (the "respondent") alleged to be in violation. The Owner shall have not less than 10 days to resolve the violation without additional intervention by the Association. The notice shall afford the person alleged to be in violation an opportunity for a hearing before a sanction is imposed. An Owner may request a hearing before the Board by providing written request for a hearing to the Association within 10 days of the initial notice date by mailing or faxing the request to the Association's managing agent.

(iii) SANCTIONS. Upon completion of the hearing, or if a hearing request has not been submitted, and subject to the provisions of the Declaration and the Act, the Association may then take any or all of the following actions: (i) levy a special assessment as provided in the Declaration; (ii) suspend said Owner's voting privileges as further provided in the Declaration; (iii) enter upon a unit to make necessary repairs, or to perform maintenance which, according to the Declaration, is the responsibility of the Owner; (iv) lien the unit in accordance with the Declaration; (v) suspend or condition the right of said Owner to use any recreational facilities, if any; (vi) charge the Owner for any maintenance performed upon his or her unit; (vii) impose a fine in accordance with the Association's adopted schedule of fines; or (viii) take any other action authorized by the Declaration or the Colorado Common Ownership Interest Act, including judicial remedies. Any suspension of voting rights shall be for a period of not more than thirty (30) days for any non-continuing infraction, but in the case of a continuing infraction (including nonpayment of any Assessment after the same becomes delinquent) may be imposed for so long as the violation continues. The failure of the Board to enforce the Association governing documents shall not constitute a waiver of the right to enforce the same thereafter. The remedies set forth above and otherwise provided by the Association governing documents shall be cumulative and none shall be exclusive.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

SCHEDULE OF FINES

A. If a violation of the Association's Declaration, rules and regulations or other Association governing documents remains unresolved within 10 days of the initial notice date (or such greater number of days specified in the notice) and following notice and opportunity for a hearing, then the following fine schedule shall apply :

First Violation	\$25.00
Second and Subsequent Violations (same covenant or rule)	\$50.00

Written notice of the fine shall be sent via regular mail.

B. If a violation is continuing and uninterrupted and remains unresolved within 30 days after the notice of fine date, then each day of non-compliance with such violation constitutes a separate violation. If any Owner is determined as having a continuous violation, then such Owner may be subject to a daily fine of \$25.00 for each day the violation is not corrected, following notice and opportunity for a hearing.

C. The Board shall have the authority to waive all, or any portion of a fine if, in its sole discretion, such waiver is appropriate under the circumstances.

D. Any fine is due and payable on notice and is considered delinquent if not paid within 10 days of the due date. Unpaid fines can become a lien on the property and shall be subject to applicable late charges and interest costs.

RESPONSIBLE GOVERNANCE POLICIES
Colorado Common Interest Ownership Act

RECORDKEEPING, INSPECTION AND COPYING OF ASSOCIATION RECORDS

A. The Association shall maintain and keep in its principal office or management office correct and complete books and records of account. The Association's records shall be kept in written form or in another form capable of conversion into written form within a reasonable time. All financial and other records shall be made reasonably available for examination and copying by any unit owner and such owner's authorized agent, except to the extent such records are protected from disclosure by applicable law or court order. As used in this section, "reasonably available" means available during normal business hours, upon written notice of five business days, to the extent that: (a) the request is made in good faith and for a proper purpose; (b) the request describes with reasonable particularity the records sought and the purpose of the request; and (c) the records are relevant to the purpose of the request.

B. The Association shall keep as permanent records minutes of all meeting of unit owners and the Board, a record of all actions taken by the units owners or board by written ballot or written consent in lieu of a meeting, a record of all actions take by a committee of the Board in place of the Board on behalf of the Association, and a record of all waivers of notices of meetings of owners and of the Board or any committee of the Board.

C. The Association shall keep a copy of each of the following records in its principal office:

- (i) Copies of the Declaration, the Articles of Incorporation and the Bylaws, and any adopted rules and regulations.
- (ii) Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of owners.
- (iii) Minutes of all owners' meetings, and records of all action taken by the owners without a meeting, for the past three years.
- (iv) Written communications within the past three years to owners generally as members of the association.
- (v) List of the names and business or home addresses of its current directors and officers.
- (vi) The most recent annual report, if any.
- (vii) All financial audits or reviews conducted during the immediately preceding three years.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

DISCLOSURES TO MEMBERS

A. The Association shall provide to the Members and other persons, if and to the extent required by the Colorado Common Interest Ownership Act, all disclosures and other information pertaining to the Association's operations, management and governance. Specifically, within 90 days after assuming control from the Declarant, the Association shall provide to Members, a written notice stating the name of the Community; the name of the Association; the name of the Association's designated agent or management company, if any; the valid physical address and telephone number for both the Association and the designated agent or management company, if any; and the initial date, reception number or book and page of the recording of the Declaration. If the Association's address, managing agent or management company changes, the Association shall provide all Owners with an amended notice within 90 days after the change.

B. Within 90 days after expiration or termination of the Declarant Control Period and within 90 days after the end of each fiscal year thereafter, the Association shall disclose the following information to owners:

- (i) The date on which the Association's fiscal year commences.
- (ii) The operating budget for the current fiscal year.
- (iii) A list, by unit type, of the Association's current assessments, including regular and special assessments.
- (iv) The Association's annual financial statements, including any amounts held in reserve, and its most recent available financial audit or review.
- (v) A list of all Association insurance policies, including but not limited to, property, general liability, Association director and professional liability, and fidelity policies. Such list shall include the company names, policy limits, policy deductibles, additional named insured, and expiration dates of the policies listed.
- (vi) The Association's Bylaws, Articles, and rules and regulations.
- (vii) The minutes of the Board and member meetings for the fiscal year immediately preceding the current annual disclosure.
- (viii) The Association's responsible governance policies as required by Colorado Common Interest Ownership Act.

MEANS AND METHODS OF ANNUAL DISCLOSURES

The Association may accomplish the disclosures required above by one of the following means: Posting on an internet web page with accompanying notice of the web address via first class mail or e-mail; the maintenance of a literature table or binder at the Association's principal place of business; or mail or personal delivery. The cost of such distribution shall be accounted for as a Common Expense.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

INVESTMENT OF RESERVE FUNDS

In order to minimize the amount of contributions, the Board shall invest the reserve funds of the Association in a Reserve Account so as to generate interest revenue that will accrue to the Reserve Account balance. All investments shall be in the name of the Association, shall not be commingled with the Association's general operating account, and unless otherwise approved by a majority of the votes of the membership, shall be FDIC insured or otherwise guaranteed by the United States Government. Investments should take liquidity into consideration, such that funds are available to meet the repair and replacement schedule established by the periodic reserve study undertaken by the Association. The Board may hire an investment counselor to assist in formulating an investment plan. The Board shall review the Reserve Account investment plan at least annually to ensure that the funds are receiving competitive yields, and shall be authorized to make prudent adjustments as needed. All checks drawn on the Reserve Account shall require the signature of no fewer than two officers of the Association or two authorized members of the Board.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

**PROCEDURES FOR THE ADOPTION AND AMENDMENT TO POLICIES,
PROCEDURES AND RULES**

A. The Declaration shall not be amended or modified except in accordance with the terms thereof and as may be modified or amended under the Colorado Common Interest Ownership Act.

B.. The Bylaws and Rules may amended or modified except by a vote of a majority of the votes of a quorum of Members present in person or by proxy or by a majority vote of the Board. Amendments to or modifications of the Bylaws and Rules shall be in writing and shall identify the specific provision(s) being amended or modified, and shall clearly set forth the amendment or modification. The Board shall inform Members of amendments of and modifications to the Bylaws and Rules by any reasonable means, including by a newsletter distributed to the Member.

C. Any Member wishing to amend or modify the Bylaws and Rules may seek to do so by submitting a written request to the Board no later than 5 days prior to any Meeting which shall identify the specific provision(s) to be amended or modified, and which shall clearly set forth the proposed amendment(s) or modification(s) in writing.

D. Policies and procedures of the Association may be made and amended by a vote of a majority of the Board of Directors. The Board shall inform Members of adopted policies, procedures, amendments of and modifications thereto by any reasonable means, including by a newsletter distributed to the Members.

RESPONSIBLE GOVERNANCE POLICIES

Colorado Common Interest Ownership Act

OWNER AND BOARD EDUCATION

A.. OWNER EDUCATION. The Association or the Board shall provide, or cause to be provided, education to Owners at no cost on at least an annual basis as to the general operations of the Association and the rights and responsibilities of owners, the Association, and its Board under Colorado law. The Board may provide or cause to be provided such information orally at the annual meeting of the Members or informally in a newsletter or other publication, or by such other means and in accordance with criteria otherwise determined by the Board.

B. BOARD MEMBER EDUCATION. The Board may authorize, and account for as a common expense, reimbursement of Board members for their actual and necessary expenses incurred in attending educational meetings and seminars on responsible governance of owners' associations. The course content of such educational meetings and seminars shall be specific to Colorado, and shall make reference to applicable sections of the Colorado Common Interest Ownership Act.