

CAMELS RIDGE TOWNHOMES HOMEOWNERS

ASSOCIATION RULES

June 1, 2011

INTRODUCTION

Camels Ridge is a scenic and unique neighborhood. It rests upon a ridge from which the mountain and golf course views are nothing short of spectacular. In the neighborhood, the regional architecture is particularly well suited to the Ridge. The native landscape of much of the common areas recalls the character of this range land. The maintained grass and landscape areas are well kept and attractive.

These Association Rules (which are sometimes called "Rules" or "House Rules") have been adopted by our Association's Board of Directors (the Board) to help us to operate and maintain Camels Ridge so we will continue the way of life which drew us here in the first place. It will enhance our pride of ownership and our real estate values.

In this document, the Camels Ridge Townhomes Homeowners Association will be referred to as "the Association". The term "Living Unit" used in other Association documents is "home" in this paper.

1. ASSOCIATION PROCEDURES

In order to effectively manage the necessary operations of the Association, the Board has adopted the following operating procedures:

A. Independent contractors

The Board will enter into agreements with independent contractors for the following services:

1. Association Management

A management firm will handle the day-to-day enforcement of these Rules, as well as the requirements of the Declaration and Bylaws. Additionally, the management firm will perform operational services as established in its contract with the Board.

2. Legal services

A well qualified Law Firm will assist the Board with the legal matters of the Association.

3. Maintenance Manager

A qualified maintenance contractor will perform routine maintenance work on the Association's common areas, lawn, irrigation system and related work. This work will also include certain exterior repairs to the homes.

4. Other maintenance services

Qualified companies will perform such maintenance services as trash collection, mowing and fertilizing of lawns, painting, major repair of buildings, repair of paved roads and drives, snow removal and other necessary services.

B. Association Committees

The Board will appoint its members and/or other owners to serve on such committees as needed including the following:

1. Communications to homeowners
2. Insurance
3. Lawn maintenance
4. Street and driveway maintenance
5. Trash collection
6. Building maintenance
7. Other committees as the Board will deem necessary.

2. ASSOCIATION RULES

A. Driveways, Roads and Vehicles

1. No boats, trucks, trailers, RV's or inoperative vehicles shall be parked overnight on the driveways, roads, parking areas, lawns and common areas.
2. No mechanical work on vehicles shall be performed in the complex.
3. All parking on Camels Ridge Lane shall be parallel parking on the bank close to the east side of the paving, with no parking allowed on the streets.
4. The Association assumes no responsibility for damage done to vehicles parked within the Properties.
5. Noisy vehicles shall not be permitted on the Properties.
6. No abandoned, junk, unlicensed, or unsightly vehicles shall be parked outside of garages.
7. Since open garage doors detract from the appearance of the neighborhood, they must remain closed as often as practical.

8. Residents' cars and SUV's should be parked in the garage. When the resident owns more than two vehicles, the third vehicle should be parked in the driveway rather than the street for reasons of safety. Use of garages for storage must not reduce their parking capacity for vehicles owned by residents.
9. Guest vehicles must be parked in the driveway when possible, rather than the street, for reasons of safety.
10. Pickup trucks owned by residents shall be parked in the garage day and night.

B. Pets

1. Owners shall be permitted to have a reasonable number of small animals (dogs and cats), so long as they do not become a nuisance to any residents, and are kept in compliance with all applicable ordinances. The number of dogs residing at any one townhouse shall not exceed two (2).
2. Owners shall not permit any pet to run loose around the buildings or on the grounds. No owner shall permit any pet to be outside his/her home unless on a leash in the hand of a responsible person. While outdoors, dogs and cats are not to be chained, tethered or leashed and left unattended, even on decks.
3. Pets shall not be permitted to defecate on the walk, driveways, or landscaped areas in or about the buildings and, in the event such shall occur, the pet owner must immediately pick up after the animal.
4. Owners shall be responsible to ensure that their pets do not make any objectionable noises such as incessant barking, or otherwise constitute a nuisance, danger or inconvenience to other owners.

C. Soliciting

Soliciting is strictly forbidden. Please notify the Association Manager if a solicitor appears and appropriate action will be taken.

D. Signs and Displays

Except as otherwise provided by law, no sign, decoration, advertisement, notice or other lettering shall be displayed by any Owner or occupant on any part of the home, lot, lawns, common area and/or streets.

Except to the extent restricted by city, town, or county ordinance, an Owner or occupant may have one political sign per political office or ballot issue that is contested in a pending election, as defined by the statute, to be located within the boundaries of the Lot or in a window of the home, with a maximum dimension of 36 inches by 48 inches. Such political signs may only be displayed no earlier than

forty-five (45) days prior to the election day to which the sign pertains and no later than seven (7) days after said election day.

E. Flags

1. American Flags. The American flag may be displayed on an Owner's or occupant's property or within the window of a home or on a balcony adjoining the home, but may not be attached to the exterior of the home in any manner except by a bracket, which has been approved by the Association. The flag must be displayed in a manner consistent with Federal and State Flag Codes. The flag may not be any larger than 36 inches by 48 inches.
2. Service Flags. A service flag bearing a star denoting the service of the Owner or occupant or a member of Owner's or occupant's immediate family in the active or reserve military service of the United States during a time of war or armed conflict may be displayed on the inside of a window or door of the home. The Service flag may not exceed 36 inches by 48 inches.
3. University Flags. University flags on brackets are permitted during football season. Those of winning teams are preferred but losers are ok. No other flags are permitted.

F. Nuisances

1. Owners and/or occupants shall not create a nuisance or disturbance to other residents. This includes but is not limited to noise, loud music, late-night parties, pet noises, offensive cooking odors, etc.
2. It is prohibited to hang garments, rugs and other materials from the windows or from any of the facades or balconies of a living unit or any of the improvements.
3. It is prohibited to throw garbage or trash outside the disposal installations provided for such purposes.

G. Leasing of Units

An Owner who leases a home to a third party tenant shall provide a copy of the lease, fully executed, to the Managing Agent. Any damage to the common areas caused by an Owner, resident, their agents or visitors will be repaired by the Association at the expense of the Owner or occupant. All leases shall provide that the Association may, on behalf of the Owner, evict any tenant or occupant who is violating the Declaration, Bylaws, or these Rules. An Owner who leases a home shall be responsible for advising his/her tenants of the Declaration and these Rules and shall be responsible for any violations or damages caused by the tenants.

H. Insurance

1. The comprehensive Association policy DOES NOT cover the contents of your home or liability growing out of guests on the premises. Each Owner and/or occupant should arrange for insurance coverage for all losses and risks growing out of the ownership and/or occupation of the premises.
2. If any Owner files a claim against the Association's insurance policies, that Owner shall be responsible for paying the deductible on that insurance policy as provided by the Association Documents and further shall be responsible for any costs or loss as well as any costs of collection and reasonable attorney fees to the Association if the Owner, guest, or tenant of the Owner is responsible for the cause of the loss, or if the loss resulted from any equipment or item located within the Owner's unit.
3. In order to assist in keeping the Association's insurance premiums down, it is requested that all Owners contact the Association – either its manager or Board members – prior to filing any claim on the Association's insurance policy.
4. Individual Owners are responsible for obtaining insurance on their own homes to cover the interior of the unit and all personal belongings. In addition, each Owner shall be responsible for obtaining any liability insurance for injuries within that Owner's unit and any other insurance desired by the Owner or otherwise required. Owners must consult with their own insurance agents as to appropriate coverages.

I. Exterior construction at your home

1. Introduction

Exterior construction includes any changes you would like to make to the exterior of your home. This includes renovations, upgrades, landscape, TV dishes, additions, fences of any type, and the like. All exterior construction requires a proposal to the Architectural Control Committee (ACC) and approval by the Association before work begins. The only exception are minor repairs such as broken glass, routine minor trimming of trees and paint touch up.

2. Association approval

Association approval is obtained by submitting an application package to the Chair of the ACC. To assist you in preparing a complete package we have developed a checklist which you request from the Managing Agent or the Chair of the ACC which will guide you through the required elements of the package. This checklist will be turned in to the Chair of the ACC with the application package with each item initialed and dated when the specific item

was complete. The checklist must be signed by the property owner. Your package must contain:

- a. A cover letter in which you describe the project you propose. The cover letter must be signed by the owner of the property.
- b. A statement that you have described your project to the neighbors on both sides of your home and provide evidence of their written approval. In the event that a neighbor denies approval, you have a right to appear before the Board and further explain the project. In this case the decision of the Board will be final. Also, if the neighbor does not provide a response within 30 days, approval will be the default decision.
- c. You must provide the name and phone number of your contractor and a time schedule showing the start date and estimated completion date of your project.
- d. You must provide drawings or sketches where called for by the scope of your project, catalog cuts, color samples or samples of the materials you will use as needed to fully describe your project.
- e. Photos of the area of your home where your project will be done.

3. Approval

When the Committee receives a complete submittal package, it will review it and advise you of its action or approval by the Board. Please allow 30 days for this procedure. In turn, if the Board does not provide you a response within 30 days of your submittal your proposal is automatically approved.

4. Applicable laws

You are responsible to be sure your project conforms to applicable zoning ordinance, building codes, and other regulations governing construction. When required by law, you are responsible to make submittals to local government authorities and obtain any building or other permits that they require.

5. General requirements

- a. You and/or your contractor must carry all insurance necessary for your protection and that of the Association and neighbors.
- b. You must provide and pay for any utility services required for your project.
- c. Your addition must be located within the building setbacks on your lot and all easements on it must be observed.

- d. The nature, kind, shape, height, materials, color, architectural appearance and location of exterior additions and/or alterations must be in harmony with the corresponding characteristics of surrounding structures, provided however, a person with disabilities may obtain approval of modifications reasonably necessary for full use and enjoyment of the property.
- e. After all approvals and permits have been obtained, you must start and complete your project in an expedient manner.
- f. Your contractor must clean all debris from your lot at the close of each day's work. No dumping of debris on the lawns or common areas is permitted. Construction equipment may only remain on the property for a limited amount of time.
- g. No exposed electrical wiring for any purpose will be allowed except as expressly approved by the Architectural Control/Maintenance Committee.
- h. Replacement of broken glass in windows or sliding doors is a maintenance item and approval is not required.
- i. You are permitted to install no more than one television satellite dish at your home. The Association believes the appearance of satellite dishes to be detrimental to the overall character our Camels Ridge neighborhood and asks you to cooperate by minimizing their visibility. Thus, you must locate your dish carefully, and it shall be finished in a color approved by the Architectural Committee. No supporting structures which raise the dish in the air will be permitted. Please follow the process in Section I.2 above for obtaining Association approval. Dishes which exist at the date of these "Association Rules" are grandfathered and may remain unless modified.
- j. No owner, resident or lessee shall install electrical wiring for any purpose, including "invisible fencing" above or below ground, telephone or television wiring or any type of antenna system including microwave dishes on the landscaped grounds or the exterior of a unit or that protrude through the walls or the roof of a building except as expressly authorized by the Board of Directors.
- k. Your completed project must be in compliance with the description contained in the approved application package.
- l. Please notify the Chair of the Architectural Control/Maintenance Committee when your project has been completed.
- m. New fences or modifications to existing fences shall be considered exterior construction. Therefore any new fence or modification must have

a proposal submitted and approval granted in accordance with paragraph 2.I.2 of the Association rules before work can begin. For the purpose of this rule, fences include retaining walls, arbors and other such structures as well as conventional fences. Predominant material for fences in Camels Ridge has been wood. However, there are also wrought iron and to a lesser extent rock. All are attractive and add to the appearance of the community. There are also a few invisible fences. However, invisible fences are no longer allowed.

No other materials shall be permitted for these structures. Wood fences must be painted to match the home. No fences may exceed 6 feet in height measured from the lowest natural grade or surface abutting the fence, regardless of the material used. However, fences constructed from rock cannot exceed 4 feet in height. In addition, no fencing will be allowed that surrounds the front yard. Fences that surround a portion of the back yard must have gate access at both ends. This is necessary to ensure our yard maintenance contractor will always have access with his equipment to maintain our property.

Finally, each design and material must be specifically approved by the Architectural Control Committee or full Board of the Association, regardless of the material used.

- n. Hot tubs, located on patios, are permitted but require the homeowner's written assurance that their use will not create a nuisance to neighbors. Drainage of water from hot tubs onto the surrounding area is not permitted if water is hot or contains chemicals of any kind. Appropriate visual shielding of hot tubs is required. Design and installation of hot tubs is considered to be exterior construction and must be submitted to the Architectural Control/Landscape Committee

J. Interior construction at your home

1. You may remodel the inside of your home without requesting approval of the Association so long as the work does not affect the exterior of your home. In this case you must submit the same approval package as shown in Rule 2. I., for an exterior modification. In no case may you alter your garage to where you will not be able to get the number of cars the garage was designed for garaged as required by the rules.
2. The Association is not responsible for doing or paying for any interior repair, maintenance, or improvement.
3. No owner resident or lessee shall install electrical wiring for any purpose above or below ground, telephone or television wiring, or any type of antenna system including microwave dishes on the landscaped grounds or exterior of

the unit that protrude through the walls or roof of a building except as expressly authorized by the Board of Directors.

K. Exterior maintenance of your home

1. The Association is responsible for the following maintenance, repair and repainting work at your home. The work will be paid for from operating and/reserve funds held by the Association.
 - a. Repainting of all exterior wood surfaces of your home; patio floors, railings and ceilings; and fences including wood gates, so long as all of these surfaces utilize the same paint material and color. Preparation work will immediately precede painting and will include replacement of badly deteriorated wood siding boards (but not major wall areas) and wood fascia boards, sanding and caulking. Repainting will be done on each house every four years.
 - b. Repair and repainting of the exterior surface of garage doors except for those damaged by owners and others.
 - c. Touch up painting on weathered window sills as required between regularly scheduled repainting.
 - d. Repair of minor roof leaks, including flashing and vent stacks as required. In case of questions, the Architectural Control/Maintenance Committee will determine whether a roof or flashing leak is repairable by Association staff or involves replacement or work beyond staff ability, which must then be accomplished by the Owner at his/her expense. Interior damage caused by leaks is the Owner's responsibility.
 - e. Mail box units will be repaired and repainted as required.
 - f. Repair and cleaning of metal gutters and downspouts, including exterior of downspouts and removal of debris on a periodic basis.
 - g. Driveways will be repaired, seal coated, and resurfaced as deemed necessary by the Architectural Control/Maintenance Committee.
 - h. Except for those responsibilities stated in K.1.a-g above, the Association is not responsible for repair or upkeep of any exterior addition or improvement of your home since original construction, including but not limited to new patios, fences, and walls, roof extensions and the like.
 - i. Driveway snow removal begins at the direction of our property maintenance manager whenever snow accumulates on the ground.

2. All maintenance, repair, and repainting work not set forth above is the responsibility of the Owner, at his/her expense. The Architectural Control/Maintenance Committee will inspect homes periodically and, if needed maintenance has not been done, may require the Owner to make appropriate repairs.
3. When shingle roofs require replacement, the Association will contract with a roofing company to replace roofs on all homes under a single contract. Owners will be assessed for the cost of replacement of their roof based upon the number of square feet of roof on their home.

L. Interior maintenance of your home

The Owner is responsible for doing and paying for all interior maintenance, repair, and upkeep of his/her home and all interior elements without regard to the cause. No Association approval is required for interior maintenance or remodeling unless such work affects the exterior of the home and notice is given as required by the Bylaws.

M. Landscape maintenance

The landscaping in the Ridge compliments the native character of the mesa and relates well to the style of our homes. In fact, mature landscape such as ours often becomes more important visually than the houses. Your Association is dedicated to preservation of this unique setting.

1. There are three categories of landscape maintenance: common areas, irrigated grass areas on lots, and portions of lots having plantings installed by you or previous owners of your home.
2. The Association is responsible for the following:
 - a. The maintenance of common areas, including those which are irrigated (grass, shrubs, and trees) and those which are not irrigated and remain generally in their native condition. Maintenance includes mowing, pruning of trees and shrubs, fertilization, removal of stressed or dead plantings, rodent control and work required to control surface storm drainage or which keeps these areas in attractive condition.
 - b. The maintenance of all irrigated grass on your lot, including timely irrigation, seeding, or sodding of distressed areas, mowing, fertilizing and weed control.
3. You are responsible for doing and paying for the following in the irrigated grass area of your lot:
 - a. Maintenance of all trees, shrubs, flowers, and hedges.

- b. Rodent control and repair of areas damaged by rodents.
 - c. Removal of stressed or dead shrubs.
4. You are responsible for doing and paying for the following in all portions of your lot not within the irrigated grass area:
- a. Maintenance of all flowers, shrubs, hedges, trees, groundcover (live, mulch and stone) and all other landscape elements. This includes pruning, weed control, fertilizing, irrigation, rodent control, removal of stressed or dead plants or trees, and all other maintenance needed to keep these areas attractive.
5. Before planting trees and/or doing new landscaping on your property, including groundcover, flowers, shrubs, stone and/or boulders, you must submit a letter of application and landscape drawings clearly describing your project to the Architectural Control/Maintenance Committee which, after review, will advise you of its action within 30 days after receiving your application material.

N. Irrigation system

- 1. The Association is responsible for the existing underground irrigation system serving grass areas in the commons and on your lot. It will maintain this system and, where necessary, make modifications to it. Due to limited system capacities, you are not permitted to connect to it for irrigation of your own landscape. Existing extensions of the Association system are grandfathered and may remain.
- 2. You are responsible for irrigating all landscaped portions of your lot which are not already covered by the Association's irrigation system. You must use your own water supply from your faucets (hosebibbs) with hoses or, if you want, install an underground irrigation system connected to your domestic water supply.

O. Tree and shrubs removal

- 1. Tree removal on the Lots and Common Areas will be considered by the Architectural Control/Maintenance Committee only if, in its sole opinion, the tree is dead, seriously stressed, badly shaped, a threat to the health of a neighboring tree, causing safety problems that cannot be resolved by appropriate pruning of lower branches that block views from a driveway to the street, provide a habitat for burrowing rodents that cannot be cured by pruning of lower branches or causing damage to a nearby house. Preservation or enhancement of views is not considered to be justification for tree removal when tree trimming or other modification is possible.

2. Owners desiring tree removal shall submit a written application to the Architectural Control/Maintenance Committee Chair accurately describing the location of the tree or trees and the justification for removal. Once an Owner is authorized to remove a tree on his/her lot, he/she shall employ and pay a competent contractor to do the work. If the tree is in a grass area, the stump must be ground and the area must be sodded. If the tree is located in the Common Area, the Association will arrange and pay for its removal.
 3. From time to time, the Association may employ an independent contractor to remove dead trees and shrubs. When trees and shrubs are on your lot, you will be billed for the cost. You will have the benefit of a larger scale project which will reduce the cost to you.
- P. Exhibits Exhibits A through F attached hereto are hereby included in these Rules.
- Q. Additions to or amendment of Rules
The Association Board of Directors may add to or amend these Rules at any time in its sole discretion, subject to the limitations of the Association Bylaws and Declaration of Covenants, Conditions and Restrictions.

Signed this 1st day of June, 2011.

CAMELS RIDGE TOWNHOMES HOMEOWNERS
ASSOCIATION
a Colorado nonprofit corporation

By: Judith Ann Bray
Judith Ann Bray
Its: President

EXHIBIT A
Assessment Collection

1. Delinquent Assessments

- (a) Assessments shall be collected as provided in the Association Documents. Payments are due on the first of each month and are delinquent if not received by the Association or its manager by the tenth of each month. Any payment which is not received by that date will be charged a late fee of \$25.00. Balances which are not paid by the 30th of the month will be assessed and 18% per annum interest until payment is made in full. A \$25.00 fee will be charged or all checks returned for Non-Sufficient Funds. In addition, the Association shall be entitled to collect reasonable attorney fees, court costs, and all other expenses of collection on any delinquent payment.
- (b) Owners are responsible for making arrangements for the delivery of all payments whether by mail or direct deposits. The Association may impose an administrative fee for all returned checks.

2. Payment Priority

All payments shall be applied to outstanding balances in the following order of priority: (a) late charges, (b) interest, (c) attorney fees and costs, (d) returned check charges, (e) unpaid assessments beginning with the oldest unpaid assessment.

3. Failure to Pay Assessments

- (a) Pursuant to the Association Documents, the Association may proceed by filing litigation against any Owner who has not paid his assessment and without affecting that remedy may also file a lien against the delinquent property, which may be foreclosed as provided in the Association Documents. All attorney fees, costs, and other expenses of such collection activity will be the responsibility of the Owner.
- (b) The Association may charge for any notices sent to the Owners in connection with such delinquent assessments, but the Owners are responsible for ensuring that their payments are timely and fully made. Owners must notify the Association immediately of any change in mailing address or status.
- (c) The Association may also deny rights to use recreational facilities, voting rights, or other rights in the Association until all assessments and other sums are paid in full. Any release of liens, restoration of voting or other rights, or termination of litigation shall require the payment in full of all assessments and other sums, including sums which arise after the collection process or after the Owner delivers a payment to the Association. The Association shall not be liable for any errors or omissions in any payment statement to the Owner.

EXHIBIT B

Violations and Fines

This Rule shall apply to any alleged violation (“violation”) of the Association’s Declaration, Articles of Incorporation, Bylaws and Policies, Procedures, Rules and Regulations, except and excluding non-payment of assessments or other sums.

1. Complaints

Initial complaints of any violation may be presented to the Board in writing or orally by any person before or at any meeting. The Board shall, in its discretion, determine whether or not the complaint shows cause for further proceedings. The Board shall not decide the validity of the complaint at that meeting, but rather shall notify the owner and shall set it for hearing at a later date, if it finds cause is shown that the owner or alleged violator has committed or permitted a violation.

2. Notice

- (a) Warnings. The Association may send courtesy notices and warnings regarding violations and/or fines.
- (b) Notice of Hearing. If the Board decides that cause has been shown for a hearing, the Board, or its officers or agents, shall then send a written notice (the “Notice”), by regular mail and certified mail, return receipt requested, to the owner, and a copy may be sent to the alleged violator (if known) such as a tenant, contractor, guest or family member of the owner. The Notice shall indicate the time and place of the hearing, and any other information regarding violation which the Board deems appropriate in its discretion. The Notice shall be deemed received by the owner three (3) days after mailing. The Notice may be sent to the unit if the owner has failed to register a current mailing address. The Notice may also be sent to the complaining party.

3. Hearing

- (a) Hearings shall be held in executive session because they may involve privacy and/or possible litigation issues. The Board may exclude any person other than the owner or alleged violator and witnesses, when testifying.
- (b) At the hearing, the Board may consider any written or oral information produced by the owner, the alleged violator or other interested party. Any legal or statutory rule of evidence or procedure shall not apply to the hearing, and the Board may restrict testimony or proceed in any manner or order which it deems appropriate in its discretion. Generally, any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence shall be sufficient in itself to support a

finding. The Board may tape record or otherwise transcribe the hearing. The Board may proceed with the hearing even if the owner fails to appear or refuses to participate or to submit information. The owner may be represented by legal counsel so long as said owner gives the Board at least five (5) days prior written notice, in which case the Board's attorney may be present as well. Any participant may question any witnesses and examine any documents presented at the hearing. After hearing any information, witnesses, or documents presented at the hearing, the Board's decision shall be made by majority vote of the Board members present and a brief summary of the decision and the sanction, if any, should be sent by regular mail to the owner and, if necessary, to the alleged violator.

4. Extent of Violations

Each incident or each day of a continuing violation shall be considered a separate violation for which any maximum fine may be imposed. For example, each day during which a pet or a sign is permitted to remain is a separate violation. The Board may in its discretion impose increased fines for repeated or intentional violations.

5. Parties to Violations

Owners shall be responsible for violations committed by their contractors, guests, family members, and tenants, for example, pets kept by tenants or signs placed by real estate agents. The Board may proceed against both the owner and the alleged violator, simultaneously or separately, and actions against one shall not bar action against the other. The Board may contact the police, any regulatory or licensing authorities or other third parties regarding the alleged violation, but any action or decision by those parties shall not bar the Board from proceeding.

6. Fines and Sanctions

- (a) Attached hereto is a "Schedule of Fines" adopted by the Board.
- (b) Any fine shall be both a personal obligation of the owner or the violator or both and shall also be an assessment creating a lien which may be recorded against the unit and may be foreclosed as provided in the Declaration. The Board may notify any lender and credit agency of such obligation and lien. Additionally, the Board may bring legal action to enforce the violated provision and to recover the fine.
- (c) Any violation shall entitle the Board to recover from the owner or violator or both, its reasonable attorneys fees, court costs, interest, and any other collection expenses, regardless of whether litigation is instituted or is successfully concluded. The Board may seek to recover such fees and costs by all legal remedies, including without limitation, charging such fees and costs to the owner's account with the Association.
- (d) The Board, in its discretion, may waive fines, attorney fees, court costs, interest and other collection expenses.

7. Substantial Compliance

Technical irregularities or defects in the complaint, Notice or other compliance with this Rule shall not invalidate the proceedings or any fine or sanction imposed. This Rule shall be liberally construed to accomplish prompt, effective enforcement of the Association's Declaration, Articles of Incorporation, Bylaws and Rules.

ATTACHMENT 1
Schedule of Fines

The following Schedule of Fines is provided as called for in Exhibit B, Section 6(a) of the Association Rules.

1. Any violation of the Association Rules listed below will be assessed a \$100.00 fine.
 - A. Driveways and Vehicles
 - B. Pets
 - C. Signs and Displays
 - D. Flags
 - E. Nuisances

2. Any violation of the Association Rules listed below will be subjected to a \$200.00 fine.
 - A. Landscape Maintenance
 - B. Irrigation Systems
 - C. Exterior Maintenance of Your Home

3. Any violation of the Association Rules listed below will be subjected to a \$500.00 fine.
 - A. Exterior Construction at Your Home
 - B. Tree and Shrub Removal
 - C. Interior Construction affecting Exterior Appearance
 - D. Leasing of Units

Description of the subjects listed above can be found on pages 2 through 12 of the Association Rules. All other provisions of the Association Rules and related Revisions and Exhibits attached to shall remain in force. Other violations of Rules will be fined as determined by the Board.



Camels Ridge
Homeowners Association
c/o Bennett-Shellenberger Realty, Inc.
1710 E. Pikes Peak Avenue #200
Colorado Springs, CO 80909
(719) 471-1703
FAX (719) 471-1707

Exterior Construction Checklist
Camels Ridge Association Rule 2-I

All items require Initials or Signature and Date

	Initials	Date
1. Cover letter describing project signed by owner	_____	/ _____
2. Written evidence of adjacent neighbors approval or denial	_____	/ _____
3. Information on Contractor, name and contact info Including schedule for project start and completion	_____	/ _____
4. Drawings and any required samples of project materials	_____	/ _____
5. Photographs of proposed project area	_____	/ _____
Package of required information complete (Homeowner signature and date)	_____	/ _____
Package received by a designated representative of The Camels Ridge Homeowners Board of Directors	_____	/ _____
Project accepted by designated representative of The Camels Ridge Homeowners Board of Directors	_____	/ _____

EXHIBIT C Meetings

1. Conducting Meetings

- (a) Association meetings shall be conducted in accordance with the Association Documents, especially the Association Bylaws, and in accordance with the Colorado Common Interest Ownership Act and the Colorado Revised Nonprofit Corporation Act. In addition, all meetings shall be conducted in accordance with the most recent version of *Robert's Rules of Order*.
- (b) At all meetings, Members are expected to maintain proper behavior and decorum, which requires that Members shall:
 - (i) Be respectful to others present and to the meeting process;
 - (ii) Refrain from name-calling, use of foul language, and other aggressive behavior;
 - (iii) Differentiate statements of opinion from statements of fact; and
 - (iv) Speak only when acknowledged by the Chair.

If a member fails to observe the above standard, demonstrating inappropriate behavior which negatively impacts the Association's meeting(s), the Chair shall issue one warning to the Member. If inappropriate behavior continues, the Member may be asked to remove him- or herself from the meeting. If the Member refuses to comply, the meeting may be adjourned at that time, even though there are agenda items not yet heard, or the Chair may take other action, at the sole discretion of the Chair, including request for police assistance.

2. Owner Participation at Board Meetings

- (a) All meetings of the Board of Directors, except the Executive Session, are open to attendance by any Owner or any person designated in writing by that Owner as the Owner's Representative.
- (b) The Board shall designate an appropriate period of time at the beginning of the meeting for Owners or their representatives to speak on any matter shown on the agenda, but such period shall not exceed a total of 20 minutes. Owners who wish to discuss a certain issue, complaint, or request shall submit such in writing at least five days prior to the Board meeting. If more than one person desires to address an issue and there are opposing views, the Board shall provide for a reasonable number of persons to speak on each side of the issue. All or any Owners or designated representatives wishing to speak shall sign a sheet with the Secretary prior to the meeting and the Board's President shall allocate the time permitted among the various Owners or designated representatives who wish to speak. After the designated time, Owners who are not Board members shall not participate in any deliberation or discussion of the Board unless expressly authorized by a vote of a majority of a quorum of the Board so present.

3. Owner Participation at Annual and Special Meetings of Owners

- (a) Any Owner or designated representative of Owner may speak at the designated time in the agenda upon any issue requiring a vote of the Owners.
- (b) The total length of any time for Owners or designated representatives speaking on a single issue of any meeting of the Owners shall not exceed the time set forth by the president at the beginning, but not exceeding a time limit of 20 minutes total, and the President shall pro-rate that time among the various Owners who speak on the issue.
- (c) All issues, complaints, and requests shall be submitted to the Board in writing five days prior to the annual meeting.

4. Notice of Meetings

- (a) Board Meetings: Notice of Board Meetings shall be given in accordance with the Association Documents.
- (b) Owners Meetings: Notice of Owners Meetings shall also be given in accordance with the Association Documents, but in addition, notice of such shall be physically posted in a conspicuous place to the extent such posting is feasible and practical and may be given by electronic posting or electronic mail notices pursuant to C.R.S. § 38-33.3-308.

5. Executive Sessions

The Association's Board may meet in executive closed sessions to discuss matters pertaining to employees, the managing agent's contract, consultation with legal counsel, investigative proceedings concerning possible or actual criminal misconduct, matters which are subject to specific constitution and statutory or judicially imposed requirements protecting the proceedings, any matter of disclosure which would constitute an unwarranted invasion of individual privacy, and a review and/or discussion relating to any written or oral communication from legal counsel. The Association Board Members and other members shall preserve attorney-client privilege regarding consultation and communications from legal counsel.

6. Election Procedure

The following shall apply in contested elections only:

- (a) The Association Secretary shall be in charge of providing secret ballots which protect the voters' privacy but also provide for the security of the election. Either the Association Secretary, or the Managing Agent, or both, shall constitute a neutral third party to count the ballots. If no neutral party is available, the ballots may be counted by a committee of volunteers, who shall be Unit Owners selected or appointed at an open meeting, in a fair manner, by the Chair of the Board or another person presiding during that portion of the

meeting, provided however, that said volunteers shall not be Board members and, in the case of a contested election, shall not be candidates.

- (b) The results of a vote taken by secret ballot shall be reported without reference to the names, addresses, or other identifying information of Unit Owners participating in such vote.
- 7. Directors Attendance Rule. Any Director who fails to attend three (3) unexcused meetings of the Board of Directors in any calendar year shall be automatically removed from the Board, unless a majority of the Board votes to excuse such absences.

EXHIBIT D
Conflicts of Interest

1. The Board of Directors shall comply with all of Colorado's statutory provisions against conflicting interest transactions as found in the Colorado Revised Nonprofit Corporation Act and the Colorado Common Interest Ownership Act. A "conflicting interest transaction" is defined by the Colorado statutes, but generally means a contract, transaction, or other financial relationship between the Association and a director of the Association, or between the Association and a party related to a director, or between the Association and an entity in which a director of the Association is a director or officer or has a financial interest. A conflicting interest transaction does not include transactions that are of a general benefit to a group of homeowners that includes one or more directors.
2. Each Board member is obligated by law to disclose, in an open Board meeting, any existing conflict of interest prior to any discussion or action on that issue, and the Board member shall not vote on such issue.
3. Board members appointed by the Declarant shall not be deemed to have any conflict of interest by voting on matters which may affect the Declarant, its property, or business, whether directly or indirectly.
4. The above notwithstanding, at any Board meeting, a Board member with a conflict of interest may be counted "present" for the purpose of determining whether a quorum exists.
5. Any Board member who violates this rule, or any other Association Document, may be removed from the Board by the other members of the Board.
6. The Association may require that all Board members sign a copy of this rule to acknowledge that they have read and understand it and will comply fully with it.

EXHIBIT E
Records

1. Member Rights

- (a) Members of the Association are entitled to have made available to them copies of all Association Documents, which include the following:
- i. Declaration of Covenants, Conditions and Restrictions, recorded in Book 2766 beginning at Page 891 of the real property records of El Paso County, Colorado, and any amendments thereto (the "Declaration");
 - ii. Revised Bylaws of the Association (the "Bylaws");
 - iii. Articles of Incorporation of the Association (the "Articles of Incorporation"); and
 - iv. Any policy, procedure, rule, or regulation of the Association, including these Policies, Procedures, Rules and Regulations (sometimes referred to as the "Association Rules").
- (b) Each owner/member is responsible for knowing the information in the Association Documents and for abiding by the standards for this Association, as set forth in the Association Documents.

2. Association Records Library

- (a) The following information should be made available at the Association's place of business during standard business hours upon appointment for members to review, compiled in a "library binder" and/or other means of disclosure permitted by law:
- i. The date of the Association's fiscal year;
 - ii. The Association's operating budget for the current fiscal year;
 - iii. A list (organized by unit type) of the Association's current regular and special assessments;
 - iv. The Association's annual financial statements;
 - v. The results of any financial audit or review for the fiscal year preceding the current disclosure;
 - vi. A list of all Association insurance policies;
 - vii. The Association's Bylaws, Articles of Incorporation, and Policies, Procedures, Rules and Regulations;
 - viii. The Board meeting and Member meeting minutes for the fiscal year immediately prior to current annual disclosures; and
 - ix. The Association's responsible governance policies adopted under Section 38-33.3-209.5 concerning the following:
 - A. Collection of unpaid assessments;
 - B. Handling of conflicts of interest involving Board members;

- C. Conduct of meetings;
 - D. Enforcement of covenants and rules;
 - E. Inspection and copying of Association records by unit owners;
 - F. Investment of reserve funds; and
 - G. Procedures for the adoption and amendment of policies, procedures, rules and regulations.
- (b) The records custodian should update the library binder periodically. As used herein, the “records custodian” is any person or entity with whom the Association has entrusted the maintenance and custody of its records. The records custodian may be the Managing Agent.

3. Examination of Records

- (a) Members have the right to examine certain records of the Association. The Association has compiled certain documentation which will provide a Member with a wide variety of Association information. It is the obligation of every Member to hold this information in appropriate confidentiality so that information is not released to other parties.
- (b) Requests by Members to inspect documents must be made in good faith, for a proper purpose, and describe with reasonable detail what records are needed and why. Requested documents must also be relevant to the stated purpose for the request. To be deemed “relevant,” the requested documents must directly pertain to the stated purpose. Members shall not exercise their inspection or copying rights in order to harass any other Member or the Management Company, nor for any commercial, illegal or improper purpose.
- (c) Notwithstanding the foregoing, certain information has been deemed “not available” to the general membership for review or reproduction. This information includes the following:
- i. Files pertaining specifically to other units;
 - ii. Delinquent account information, unless requested by the owner responsible for said account;
 - iii. Attorney-client communications;
 - iv. Information involving pending or anticipated litigation or contract negotiations;
 - v. Information involving the employment, promotion, or dismissal of Association employees or other personnel; and
 - vi. Other privileged information.
- (d) The Association shall not be liable for the disclosure or copying of any materials which are required to be provided by statute or judicial proceeding. *The Association does not warrant or represent the accuracy, completeness, or any other matter in the materials provided.*

4. Process for Requesting Examination and/or Copies of Records

- (a) Members who desire to examine and/or have copies made of Association records must make an appointment with the records custodian and submit the Document Request Form, which is attached hereto. Reasonable effort will be made to accommodate the Member within a reasonable period of time. When the appointment is made, the Owner will be asked to designate the amount of time they want to reserve the library.
- (b) Members shall not remove any document from the Association's records, nor shall they remove records from the Association's place of business. Certain records may be copied, at the Member's expense. The Association's records custodian, on behalf of the Association, will make the copies. The Member requesting the copies shall reimburse the Association for the actual cost of copying, which may include labor and materials for copying, research, locating and retrieval, which amount may be collected in advance.
- (c) During an inspection, the Member may designate such records for copying by use of tab, clip, or Post-It note upon the pages desired, but may not otherwise alter the records (for example, no folding, pencil or pen marks, etc.).
- (d) Copies should be available within ten (10) working days of receipt of the request, unless the condition or voluminous nature of the records makes this time frame impractical. In such cases, the copies should be made available as soon as is practical.
- (e) Depending on the number of pages requested, the records custodian may request that the Member return at a later date to pick up the requested copies, in order to allow personnel to set aside time to reproduce the documentation requested.
- (f) All persons inspecting or requesting copies of records shall conduct themselves in a businesslike manner and shall not interfere with the operation of the Association's office where the inspection or copying is taking place.

5. Seller Disclosures

- (a) To the extent that sellers within the Association are required by law to disclose to their buyers certain documents of the Association, the Association shall cooperate with such requests in accordance with this Rule.
- (b) To request written copies of required Association documents, the seller or the seller's agent must follow the rules and procedures listed herein, including payment for the actual cost of the copying. If records are available on a website, the seller or seller's agent should use that website to obtain the documents.
- (c) *The Association uses reasonable efforts to provide copies, but shall have no liability for the information provided, nor for compliance with any deadlines or other contractual requirements.*

7. Enforcement of Inspection and Copying Rule

- (a) Any violation of these rules shall cause the immediate suspension of the inspection or copying until the violator agrees in writing to comply herewith, as well as other remedies such as fines. The Association's Board or its representatives may take any available legal action to enforce this Rule.
- (b) The Association will not honor any requests for inspection or copying that do not comply with this Rule, but the Association shall send a written notice to the person who made the request indicating the nature of any noncompliance.
- (c) 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 or its representatives will have no further obligation to respond until it receives a written request.
- (d) The Association's Board shall be entitled to resolve any dispute regarding the Association's records based upon the Board's reasonable business judgment.

Document Request Form

Name of Requesting Party: _____

Relation of Requesting Party to Unit: _____

Unit Address: _____

Daytime Phone: _____ Email: _____

I request to examine or copy the following:

Governing Documents:

- Declaration (Covenants)
- Bylaws
- Articles of Incorporation
- Design Guidelines
- Policies, Procedures, Rules and Regulations
- Board Resolutions (please specify):

Financial Documents:

- Operating Budget
- Financial Statement

Other:

- Please describe:

Pursuant to Colorado State Law and the Association's procedure regarding member access, inspection and copying of the Association's documents, I agree to pay the cost of copying, as set by the Association's property manager. Payment must be received at time of service, paid by certified funds or money order (no cash).

I certify that my request to review the books and records of the Association is for a proper purpose related to my membership in the Association, and that this request is not for commercial purposes or my personal financial gain or for any solicitation, illegal or improper purpose. Specifically, my reason for wanting to review the books and records of the Association is as follows: _____

Acknowledgement

This form must be received before any inspection or copying of records. Examination of books and records of this Association is available during normal business hours in accordance with state law. Certain information is required to be made available. However, the persons requesting the information are solely responsible for any legal liability or damages arising from or relating to their use of the information. The Association assumes no liability or responsibility for the information provided, nor its use or misuse. *The Association does not warrant or represent the accuracy, completeness, or any other matter in the materials provided.* The Requesting Party agrees that any information shall not be used for commercial, solicitation, illegal or improper purposes, and to indemnify the Association from any claims or expenses resulting from the use of such information. Any expense in fulfilling the Member's request shall be the expense of the Member and not the Association and shall be due at the time services are rendered.

Signature of Requesting Party: _____ Date: _____