

**RESOLUTION OF THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**

**Adoption & Amendment of Policies, Procedures and Rules**

The undersigned, being the President of THE GREENS AT KISSING CAMELS ESTATES TOWNHOMES HOMEOWNERS ASSOCIATION, INC., a Colorado non-profit corporation (the "Association"), hereby certifies that the following Resolution was consented to, voted in favor of, and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007:

**WHEREAS**, the Board of Directors is empowered to govern the affairs of the Association pursuant to Article V, Section 5.1 & Section 5.4 of the Declaration of Covenants, Conditions, Restrictions and Easements and Article 7, Section 7.1 of the Bylaws and;

**WHEREAS**, Senate Bill 05-100, approved June 6, 2005, amending the Colorado Common Interest Ownership Act §§38-33.3 - 310.5, requires the Association to establish a policy handling adoption & amendment of policies, procedures and rules; and

**WHEREAS**, the Board of Directors, in an effort to comply with this statute, desires to establish a policy for adoption & amendment of policies, procedures and rules;

**IT IS THEREFORE RESOLVED** that the policy attached hereto as Exhibit A (hereafter referred to as "The Adoption & Amendment of Policies, Procedures and Rules") shall be adopted and hereby established as the policy of this Association;

**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 on January 1, 2007

**EXECUTED** this 10th day of January, 2007

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION,  
INC., a Colorado nonprofit corporation**

By:

  
President, Donald C. Hare

## EXHIBIT A

### Policy on Policies

#### "The Adoption & Amendment of Policies, Procedures and Rules"

#### I. GENERAL STANDARDS

- A. The adoption and amendment of all policies, procedures and rules and regulations for the Association is done by The Greens Board of Directors, as prescribed by the Association By-laws, subject to the Association Covenants and the applicable laws of the State of Colorado. It is explicitly noted that the Covenants and By-laws specifically make provision for the delegation of certain authority to adopt and amend certain policies, procedures, and rules and regulations, by the Board of Directors, to duly established committees, such as, but not limited to, the Architectural Control Committee and the Landscape Maintenance Committee.
- B. All amendments of declaration may be amended only by the affirmative vote or agreement of unit owners of at least 67% of the lots/unit owners as long as one lot/unit owner is not allocated 67% of the votes.

#### II. REVIEW AND AMENDMENT OF GOVERNANCE POLICIES

- A. The Board of Directors shall annually review these Governance Policies to ensure their applicability, comprehensiveness and compliance with the Colorado Common Interest Ownership Act.
- B. These Governance Policies can be amended or expanded by a vote of the Board of Directors.
- C. In the event any material changes are made to these Governance Policies, members of the Association shall be formally advised of such changes at the next scheduled Annual or Special Meeting of the Association.


**EFFECTIVE DATE:** January 1, 2007

#### **PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION,  
INC.,** a Colorado nonprofit corporation.

By:

  
President, Donald C. Hare

**RESOLUTION OF THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**

***Financial Management Policy***

Collection Policy & Procedures  
Reserve Fund and Investment Policy

The undersigned, being the President of THE GREENS AT KISSING CAMELS ESTATES TOWNHOMES HOMEOWNERS ASSOCIATION, INC., a Colorado non-profit corporation (the "Association"), hereby certifies that the following Resolution was consented to, voted in favor of, and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007:

**WHEREAS**, the Board of Directors is empowered to govern the affairs of the Association pursuant to Article V, Section 5.1 & Section 5.4 of the Declaration of Covenants, Conditions, Restrictions and Easements and Article 7, Section 7.1 of the Bylaws and;

**WHEREAS**, Senate Bill 05-100, approved June 6, 2005, amending the Colorado Common Interest Ownership Act §§38-33.3 - 310.5, requires the Association to establish a policy handling the Association's Finances; and

**WHEREAS**, Article XI, Sections 11.1-11.14 of the Declaration of Covenants, Conditions, Restrictions and Easements of The Greens at Kissing Camels Estates Homeowners Association, Inc. (hereafter referred to as "Covenants") requires the payment of assessments by all property owners; and

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

**WHEREAS**, the Board of Directors desires to establish a policy regarding the management and investment of the 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 of Directors, and

**IT IS FURTHER RESOLVED** that this policy shall take effect on January 1, 2007.

**EXECUTED** this 10th day of January, 2007

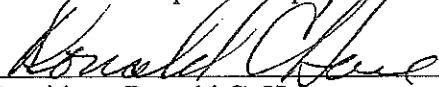
**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on

January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION,  
INC., a Colorado nonprofit corporation.**

By:

  
President, Donald C. Hare

## EXHIBIT A

### Financial Management Policy

#### I. GENERAL TERMS AND CONDITIONS

- A. All accounts of The Greens at Kissing Camels Estates Townhome Homeowners Association, Inc. (the "Association") shall be maintained in a federally insured banking institution.
- B. The total balance of an account held at any one banking institution shall not exceed the maximum federally insured amount (presently \$100,000) in accordance with the FDIC Insurance provision.
- C. 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, Secretary and Treasurer. Within 60 days of the election of officers of the Board of Directors meeting, officers will sign new signature cards at the Association's bank institution.
- D. The financial management of the Association shall be maintained via the cash method of accounting. The fiscal year shall be the calendar year and all budgets shall be calendar year budgets as stated in SB05-100, Section 38-33.3-209.4 (2) (b).
- E. A Budget/Finance Committee shall assist the Board in budget and fiscal matters. The Committee shall be appointed annually by the Board, chaired by the Treasurer, and be comprised of the Treasurer and at least two (2) members of the Association. (This provision will not be effective until the Declarant either voluntarily terminates the Period of Declarant Control or after conveyance of seventy-five percent (75%) of the Townhome lots.)
- F. The Treasurer shall maintain an additional off-site software backup of the accounting files. The additional backup shall be kept with one of the Budget/Financial Committee members on a monthly basis.

#### II. ACCOUNTS RECEIVABLE

- A. Assessment payment invoices for the upcoming quarter are to be mailed to all Owners at least 7 days prior to the due date reflecting a due date of the first day of the month ("Due Date") beginning on the first day of the quarter, and a delinquency date as of the 11<sup>th</sup> day of the first month ("Delinquency Date") of each quarter.
- B. Before any late fees are assessed to any Owner within The Greens at Kissing Camels Estates community a "Courtesy Reminder Notice" will be sent. This notice will be generated by the nonpayment of any assessments by the 11<sup>th</sup> day of the first month of each quarter when assessments are due. If payments are not received in a timely manner, then all late fees (\$5.00 or 5%, whichever is greater) and interest (maximum rate permitted by law) will be assessed and will continue until the account is cured in full as outlined in the Covenants.

- C. A late notice ("First Notice") shall be sent if the assessment is not paid within 30 days after its due date pursuant to the governing documents or Board of Directors if the account was not cured with a "Courtesy Reminder Notice."
- D. All payments received on account shall be 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.
- E. Payments shall be endorsed "For Deposit Only" and be deposited the week received.
- F. Assessment monies shall be deposited in the appropriate account based on the allocation defined in the approved annual budget.
- G. A record of all deposits (Deposit Summary) shall include a printout showing a breakdown of all checks deposited (deposit).
- H. If payment is made by check returned for insufficient funds, reinstatement of the assessment fee shall be charged against the member's accounts;
  - 1. A Non-Sufficient Funds ("NSF") fee, in an amount determined by the Board (to cover the bank charge assessed by the Association's bank) and set forth in the Association's collection policy, shall be charged against the member's account.
  - 2. The Treasurer shall contact the member's bank to determine if funds are then available.
  - 3. If funds are available, the Bookkeeper shall redeposit the check (one time only).
  - 4. If the funds are not available, the member shall be given written notice of the return 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 payment is received.
  - 5. Should the Assessment remain unpaid, then the Board of directors may exercise the Association's rights per the Declaration of Covenants, conditions, Restrictions and Easements Section 12.9 (Effect of Nonpayment of Assessments).
- I. Reconciliation of the Association's accounts, in accordance with the monthly bank statement shall be completed monthly by the Bookkeeper and verified by the Finance/Budget Committee. Each bank statement shall have the Bookkeeper's initials and date of reconciliation along with the Treasurer or member of the Finance/Budget Committee.

### **III. ACCOUNTS PAYABLE**

- A. All invoices shall be sent directly to the Post Office Box.
- B. All invoices within the approved budget shall be paid by the Treasurer and if required by the Treasurer shall be verified by the appropriate committees, coded to the appropriate expense account in accordance with the Board 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/Committee for approval prior to payment.

- C. Payments shall be made in a timely manner to accept any discounts, if offered and approved by the Treasurer. All cancelled checks, or copies thereof, shall be retained in the permanent record of the Association, including all voided checks.

#### **IV. FUNDING OF RESERVES AND DEFERRED MAINTENANCE**

- A. A review of the Association's reserve and deferred maintenance needs and obligations shall be completed by the Budget/Finance Committee annually, with fiscal recommendation given to the Board for incorporation into the Annual Budget at the discretion of the Board.
- B. Reserve and deferred maintenance obligations shall be defined in the Annual Budget and funded annually. This budget shall be reported on a fund-accounting basis to show the specific assets to which monies are being allotted or footnoted if funded in one lump sum.
- C. All reserve and deferred maintenance funds shall be held in a separate account outside of the operating funds and shall not be commingled with operating monies. However, they may be commingled with the savings account.
- D. All proposed expenditures for the replacement of Association assets shall be reviewed by the Budget/Finance Committee and approved by the Board prior to implementation.
- E. Expenditures shall not exceed the budgeted funds allocated for a specific line item in any given fiscal year unless determined by the Budget/Finance Committee (when appointed) and the Board of Directors to meet an imminent need or to favor the Association in future replacement costs. The Board of Directors may also reallocate line items.
- F. The Budget/Finance Committee shall annually review the expenditures of the Association and develop a recommended budget for the ensuing year. The Budget/Finance Committee shall have full access to the fiscal records of the Association.

#### **V. THE RESERVE INVESTMENT POLICY**

- A. This statement of Reserve Investment Policy pertains to the handling of excess cash reserves not required for short-term operating purposes.
- B. This policy is set forth by the Board of Directors in order to:
  - 1. Define and assign the responsibilities of all involved parties.
  - 2. Establish a clear understanding for all involved parties of the investment goals and objects of Association assets.
  - 3. Offer guidance and limitations to board members and its managing agent regarding the investment of Association assets.

4. Establish a basis for evaluating investment results.
  5. Manage Association assets according to prudent standards.
- C. Ultimate authority for all matters concerning investment of the funds always rests with the Board of Directors. The Board of Directors may hire outside experts as consultants and/or investment managers to guide the Board in its decision-making. The Board may allocate discretion to its expert(s) for the assets placed under the fund's jurisdiction.
- D. It shall be the responsibility of the Board of Directors to:
1. Periodically review the Reserve Investment Policy annually.
  2. Review at least semiannually the performance of the Association's investments.
  3. If an individual or an entity is hired by the Board to act as an investment consultant or investment manager for the association, that investment manager shall, in good faith, make every effort to achieve the investment objectives of the Association, assuring that the investments operate in this Reserve Investment Policy Statement.
- E. All funds invested by the Association should be adequately available to the Association based on recommendations given in its reserve study analysis and adopted by the Board.
- F. The Board of Directors, through this Policy, recognizes that the three essential investment objectives (in order of their importance) are: safety, liquidity, and yield. Therefore the Association's funds should be invested in accordance with these general policies:
1. Risk Aversion. Understanding that risk is present in all types of investment styles, the Board of Directors recognizes that some risk is necessary to produce long-term investment results sufficient to meet the Association's objectives. The Board is to make reasonable efforts to control risk and to evaluate each investment style objectives.
  2. Fund Availability. The Board shall utilize the 30-year funding projection as outlined in the Association's reserve study analysis, which shall be updated at least every five years, to ensure that funds are made available for use as needed.
  3. Yield. It shall be the Board's objective to achievements returns on its investments(s) that are in the best interest of the Association

## VI. AUDITS & REVIEWS

- A. The books and records of the Association shall be subject to an audit, using general accepted accounting standards, or a review, using statements on standards for accounting and review services by an independent and qualified person selected by the Board. Such person need not be a Certified Public Accountant except in the case of an audit. A person selected to conduct a review shall have at least a basic understanding of the principles of accounting as a result of prior business experience, education above the high school level, or bona fide home study. The audit or review report shall cover the Association's Financial Statements, which shall be prepared using generally accepted accounting principles or the cash or tax basis of accounting.
- B. At the discretion of the Executive Board, or upon a request, an audit shall be required only when both of the following conditions are met:

1. The Association has annual revenues or expenditures of at least two hundred fifty thousand dollars (\$250,000).
  2. An audit is requested by the owners of at least one-third (1/3) of the units represented by the Association, a review will be required.
- C. Copies of an audit or review shall be made available upon request to any unit owner beginning no later than thirty days after its completion.

## VII. REVIEW AND AMENDMENT OF GOVERNANCE POLICIES

- A. The Board of Directors shall annually review these Governance Policies to ensure their applicability, comprehensiveness and compliance with the Colorado Common Interest Ownership Act.
- B. These Governance Policies can be amended or expanded by a vote of the Board of Directors.
- C. In the event any material changes are made to these Governance Policies, members of the Association shall be formally advised of such changes at the next scheduled Annual or Special Meeting of the Association.

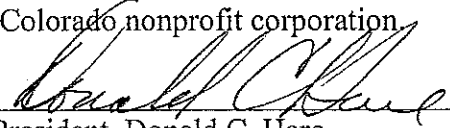
**EFFECTIVE DATE:** January 1, 2007

### **PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION,  
INC., a Colorado nonprofit corporation.**

By:

  
President, Donald C. Hare

**RESOLUTION OF THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**

***The Meeting Policy***

The undersigned, being the President of THE GREENS AT KISSING CAMELS ESTATES TOWNHOMES HOMEOWNERS ASSOCIATION, INC., a Colorado non-profit corporation (the "Association"), hereby certifies that the following Resolution was consented to, voted in favor of, and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007:

**WHEREAS**, the Board of Directors is empowered to govern the affairs of the Association pursuant to Article V, Section 5.1 & Section 5.4 of the Declaration of Covenants, Conditions, Restrictions and Easements and Article 7, Section 7.1 of the Bylaws and;

**WHEREAS**, Senate Bill 05-100, approved June 6, 2005, amending the Colorado Common Interest Ownership Act §§38-33.3 -308.1, requires the Association to have a policy regarding meetings policies and procedures by January 1, 2006; and

**WHEREAS**, the Board of Directors, in an effort to comply with this statute, desires to establish a policy that shall govern the Association's procedures pertaining to meetings of the membership and the board of directors;

**IT IS THEREFORE RESOLVED** that the policy attached hereto as Exhibit A (hereafter referred to as "The Meeting Policy") shall be adopted and hereby established as the policy and procedures for meetings of this Association.

**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 on January 1, 2007.

**EXECUTED** this 10th day of January, 2007

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION,  
INC., a Colorado nonprofit corporation,**

By:

  
President, Donald C. Hare

## EXHIBIT A

### The Meeting Policy

#### I. NOTICE OF MEETINGS: BOARD OF DIRECTORS MEETINGS

- A. Meetings of the Board of Directors shall typically be held on the 2nd Tuesday every month at a place to be determined each month, if the need to hold a meeting is so determined by the Board of Directors. The Meetings shall be called to order at 4:00 P.M.
- B. Since it is not practical or feasible to physically post a notice of the Board of Directors meeting in a conspicuous place, the notice shall be electronically delivered to members that provide their email addresses to the Board of Directors, which shall constitute "Notice" to the membership. The Notice shall state the time and place of the meeting, the items on the agenda, including the general nature of any proposed amendment to the declaration or bylaws, any budget changes, and any proposal to remove an officer or member of the Board of Directors. Electronic notice shall be given as soon as possible but at least 24 hours before the meeting.
- C. If a member requests electronic notice and fails to provide a current email address to the Association, the Association shall keep a printed record of the electronic notice of return of the electronic notice attached to the Board of Directors minutes to show due diligence by the Association.
- D. If the meeting date has to be changed due to the unavailability of a quorum of Board members (or other reason), the date, time and place of the rescheduled meeting shall be emailed to members who have provided email addresses, which shall constitute "Notice" to the membership. If Internet access is not available, unit owners can also contact any members of the Board of Directors to obtain the Board of Directors meeting information. Members who do not maintain an email account will be notified of such changes by first class, postage-prepaid, US Mail.

#### II. OPPORTUNITY TO SPEAK: BOARD OF DIRECTORS MEETINGS

- A. Unit owners shall be given an opportunity to express their concerns and opinions to the Board of Directors during each regular board meeting. The President may find it necessary to stipulate reasonable time restrictions so that all unit owners in attendance will have an opportunity to speak, and that the Board will be able to conclude their scheduled business. Unit owners that arrive late to the meeting may not be given an opportunity to speak if time does not allow; however every effort shall be made to accommodate each unit owner. If more than one person desires to address an issue and there are opposing views, the President shall provide for a reasonable number of persons to speak on each side of the issue.
- B. Unit owners are entitled to attend (non-executive session) meetings of the Board of Directors; however, they shall be allowed to speak ONLY if expressly called upon by the President.
- C. Open Meetings. All regular and special meetings of the Board of Directors of the Association, or any committee thereof, shall be open to attendance by all Members or their representatives; provided, however, the members of the Board of Directors of any committee thereof may hold an executive or closed-door session, and may restrict attendance to Board members and such other persons requested by the Board during a regular or specially announced meeting or a part thereof. The matters to be discussed at such an executive or closed-door session shall include

only matters pertaining to: (i) employees of the Association or involving the employment, promotion, discipline, or dismissal of an officer, agent, or employee of the association; (ii) consultation with legal counsel concerning disputes that are the subject of pending or imminent court proceedings or matters that are privileged or confidential between attorney and client; (iii) investigative proceedings concerning possible or actual criminal misconduct; (iv) matters subject to specific constitutional, statutory, or judicially imposed requirements protecting particular proceedings or matters from public disclosure; or (v) any matter the disclosure of which would constitute an unwarranted invasion of individual privacy.

### **III. NOTICE OF MEETINGS: ANNUAL MEETINGS AND SPECIAL MEETINGS**

- A. The annual meeting of the membership is typically held in third quarter of each year in July based on the Association's Bylaws. Notice of the Annual Meeting shall be given to each member (unit owner) in writing, sent first class, postage-prepaid US Mail.
- B. If a member desires to receive electronic notice of membership meetings (Annual Meetings and Special Meetings) in conjunction with a written notice by US Mail, they are entitled to receive such notice by presenting a written request to the Association (via its Board of Directors) stating such request and providing an email address. The member is, thereafter, responsible for providing the Association with a current email address.
- C. If a member requests electronic notice and fails to provide a current email address to the Association, the Association shall keep a printed record of the electronic notice of return of the electronic notice attached to the Board of Directors minutes to show due diligence by the Association.

### **IV. OPPORTUNITY TO SPEAK: SPECIAL MEETINGS AND ANNUAL MEETINGS**

- A. At meetings of unit owners (e.g. annual meetings, special meetings), unit owners shall be given opportunity to speak as follows:
  - 1. During discussion on a specific topic prior to a vote being taken; and
  - 2. During an open Q & A session.
- B. It shall be understood that the chairman of the meeting (typically the Association President) may designate a reasonable amount of time that a unit owner may speak in order to give opportunity for all those desiring to speak a chance and to maintain the length of the meeting within reason.
- C. A member shall not be denied an opportunity to speak on one matter because they were allowed to speak on a different matter as well. In addition, a reasonable number of people shall be given opportunity to speak to each side of an issue.

### **V. USE OF BALLOTS AND PROXIES**

- A. Written Proxies may be used by unit owners that are unable to attend a membership meeting of the association. A Proxy is a written document which assigns a member's right to cast his/her vote(s) to another person. At all meetings of Members, a Member may vote

in person or by duly executed Proxy. All Proxies shall be in writing and filed with the Secretary of the Association. Every Proxy shall be revocable by actual Notice of Revocation to the person presiding over the meeting. A proxy is void if it is not dated or purports to be revocable without notice. A proxy terminates 11 months after its date, unless it provides otherwise and terminates automatically upon conveyance by the Member of his or her Lot.

- B. A Proxy shall typically be used for purposes of voting at meetings of the membership. The Proxy must be received by the Board of Directors prior to the meeting by mailing, or delivering the document to one of the members of the Board of Directors or brought to the meeting by the Proxy recipient. The Proxy must be given to the Secretary of the Association prior to the meeting being called to order. Proxies presented after the meeting has been called to order shall be deemed null and void.
  
- C. The Board of Directors, by a majority vote, has the right to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation when it has a reasonable, good-faith basis to doubt the signature's validity or the signatory's authority to sign for the unit owner.
  
- D. The Association and its officers or agents who accepts or rejects a vote, consent, written ballot, waiver, proxy appointment, or proxy appointment revocation in good faith and in accordance with the standards of this section are not liable in damages for the consequences of the acceptance or rejection.
  
- E. Votes for contested positions on the Board of Directors shall be taken by secret ballot. At the discretion of the Board or upon the request of 20% of the unit owners who are present at the meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting the common interest community on which all unit owners are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be unit owners who are 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. The volunteers shall not be Board members and, in the case of a contested election for a Board position, shall not be candidates. The results of a vote taken by secret ballot shall be reported without reference to names, addresses, or other identifying information of unit owners participation in such vote.
  
- F. In addition, other matters of voting issue may also be handled via the use of a written ballot if anyone or more members request that a written (secret) ballot be used.

## **VI. REVIEW AND AMENDMENT OF GOVERNANCE POLICIES**

- A. The Board of Directors shall annually review these Governance Policies to endure their applicability, comprehensiveness and compliance with the Colorado Common Interest Ownership Act.

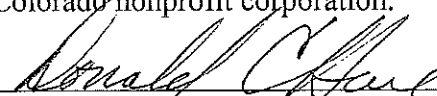
- B. These Governance Policies shall be amended or expanded by a vote of the Board of Directors.
- C. In the event, material changes are made to these Governance Policies, members of the Association shall be formally advised of such changes at the next scheduled Annual or Special Meeting of the Association.

**EFFECTIVE DATE:** January 1, 2007

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION,  
INC.,** a Colorado nonprofit corporation.

By:   
President, Donald C. Hare

**RESOLUTION OF THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**

**RECORDS POLICY**

The undersigned, being the President of THE GREENS AT KISSING CAMELS ESTATES TOWNHOMES HOMEOWNERS ASSOCIATION, INC., a Colorado non-profit corporation (the "Association"), hereby certifies that the following Resolution was consented to, voted in favor of, and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007:

**WHEREAS**, the Board of Directors is empowered to govern the affairs of the Association pursuant to Article V, Section 5.1 & Section 5.4 of the Declaration of Covenants, Conditions, Restrictions and Easements and Article 7, Section 7.1 of the Bylaws and;

**WHEREAS**, Senate Bill 05-100, approved June 6, 2005, amending the Colorado Common Interest Ownership Act §§38-33.3 - 310.5, requires the Association to establish a procedure to be used by unit owners (members) when requesting to inspect and/or copy association records; and

**WHEREAS**, the Board of Directors, in an effort to comply with this statute, desires to establish a policy that shall govern the Association's procedures pertaining to the availability of association records and the process for obtaining copies of the Association documents;

**IT IS THEREFORE RESOLVED** that the policy attached hereto as Exhibit A (hereafter referred to as "The Records Policy") shall be adopted and hereby established as the policy of this Association;

**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 on January 1, 2007.

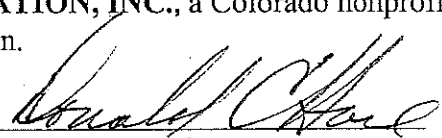
**EXECUTED** this 10th day of January, 2007

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS  
ESTATES TOWNHOMES HOMEOWNERS  
ASSOCIATION, INC.,** a Colorado nonprofit  
corporation.

By: \_\_\_\_\_

  
President, Donald C. Hare

## EXHIBIT A

### The Records Policy

#### I. HOMEOWNER'S MANUAL

- A. All present owners have been provided a Homeowner's Manual that includes copies of the following governing documents and information and is updated with replacement information at the Annual Meetings:
1. By-laws
  2. Declaration of the Covenants, Conditions, Restrictions and Easements
  3. Insurance with an Overview of Coverage and Policy Contacts.
- B. Additional information will be added to the Homeowner's Manual, as available, but no later than the date upon which the Declarant either voluntarily terminates the Period of Declarant Control or after conveyance of seventy-five percent (75%) of the Townhome lots. Additional information may include the following:
1. Phone Directories with Emergency Phone Numbers, Greens Homeowners and a Greens Map
  2. Organization of the HOA and Committee List
  3. Brief Summary of Responsibilities for the Officers and Board of Directors, Committee Responsibilities, Association Responsibilities and Homeowners Responsibilities
  4. Homeowner General Information and Procedures for Alterations, Antennas & Dishes, Association Meetings, Board Meetings, Annual Dues Assessment, Exterior Lighting, Maintenance & Repair Requests and Procedures, Walls and Fences, Landscape Maintenance Policy and Landscape Change Request, Covenant Enforcement Procedures
- C. Every Owner is responsible for passing on these governing documents to subsequent purchasers of their property. Each owner/member is responsible for knowing the information in the governing documents and for abiding with the standards for this Association, as set forth in the documents.
- D. Unit owner requests 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 unit owner's stated purpose for the request. To be deemed "relevant," the requested documents must directly pertain to the unit owner's purpose.

E. At the annual meeting the following Documents will be distributed for Replacement Information in the Homeowner's Manual.

1. The association's annual financial statements.
2. The results of any financial audit or review for the fiscal year preceding, if applicable.
3. If amended, the association's responsible governance policies adopted under Section 38- 33.3-209.5 concerning:
  - 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, and rules.
4. A written notice stating the name of the Association, the name of the Association's designated agent or management company, if any; and a valid address and telephone number for both the Association and the Designated Agent or Management Company, if any. The notice shall also include the name of the Common Interest Community, the initial date of the recording of the Declaration and the reception number or Book and Page number for the main document that constitutes the Declaration. If the Association's address, designated agent or management company changes, the Association shall provide all unit owners with an amended notice within ninety (90) days after the change

## II. SELLER REQUIREMENTS

- A. As of January 1, 2006, the Colorado State Statute requires that the Seller of a unit in a common-interest community (at the Seller's expense) MUST mail or deliver personally to the Buyer copies of the most current version of the following documents:
1. Association Bylaws
  2. The Declarations and all amendments
  3. Rules and Regulations

4. Party Wall Agreements
5. Most recent Minutes of the Annual Meeting and any Board of Directors Minutes for 6 months prior to the title deadline
6. Most recent financial documents which consist of:
  - a. Annual Balance Sheet
  - b. Annual Income & Expenditures Statement (Profit and Loss)
  - c. Most Current Annual Fiscal Year Budget

B. To request copies of the afore-mentioned documents, the unit owner (which is the seller) must follow the procedure listed below.

C. Furthermore, the statute places the responsibility upon the Seller to obtain from the buyer a signed acknowledgement of receipt of the required information and disclosure statement. The seller or title company is then responsible for delivering the acknowledgement to the association as soon as possible after it is acquired.

### III. THE PROCESS

A. Any Member that does not possess these documents (1) for either their own use or (2) for the purpose of selling their property may request copies from the Association by:

1. Completing the Association's Document Request Form (attached as Exhibit B) in full;
  - a. The Member MUST disclose on the Document Request Form their purpose for requesting the information indicated. If the purpose noted does not conform with the function of the documentation requested, the Association retains the right to refuse a request for documentation.
  - b. The Association shall not refuse to provide the Member with any documentation required to be given to a Buyer, in case of a pending home purchase.
2. Submitting their written request to the Treasurer or to the Secretary of the Association, allowing at least 3 business days for the copies to be made.
3. Arranging for delivery of the requested documents from the Association and submitting payment for the copies to reimburse the Association for its reproduction costs.

### IV. EXAMINATION OF RECORDS

A. Members have the right to examine certain records of this non-profit corporation. The Association has compiled, in accordance with the provisions of Senate Bill 100 adopted June 6, 2005, 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 parties that should not have such business information of the corporation (the Association), being careful that they do not subject the Association to undue liability.

- B. Unit owner requests 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 unit owner's stated purpose for the request. This section shall not be construed to invalidate any provision of the declaration, bylaws, the corporate law under which the association is organized, or other documents that more broadly defines records of the association that are subject to inspection and copying by unit owners, or that grants unit owners freer access to such records except that the privacy protections of individual owners shall supercede any such provision.
- C. In order to protect the Association's exposure and liability, however, certain information has been deemed "not available" to the general membership for review or reproduction. This information expressly includes:
  - 1. Personal unit owners files
  - 2. Unit owners personal assessment records, including delinquencies.
  - 3. Membership lists or any part thereof may not be obtained or used by any person for any purpose unrelated to a unit owner's interest without consent of the executive board and in any circumstance may not be used:
    - a. Used to solicit money or property unless such money or property will be used solely to solicit the votes of the unit owners in an election to be held by the association
    - b. Used or any commercial purpose
    - c. Sold to or purchased by any person

## V. PROCESS FOR REQUESTING EXAMINATION OF RECORDS

- A. Members that desire to examination Association records must make an appointment with either the Treasurer or Secretary of the Association. Every effort will be made to accommodate the Member within a reasonable period to time.
- B. Members must not remove any documents from the Association's record. Certain records may be copied, at the Member's expense, however. Copies will be made by the Association's Secretary or Treasurer on behalf of the Association. The member requesting the copies shall reimburse the Association for the actual cost of copying which may be collected in advance. Depending on the number of pages requested, the Secretary or Treasurer may request that the Member return at a later date (not to exceed five (5) business days) to pick up the requested copies, allowing time to reproduce the documentation desired.

## VI. REVIEW AND AMENDMENT OF GOVERNANCE POLICIES

- A. The Board of Directors shall annually review these Governance Policies to ensure their applicability, comprehensiveness and compliance with the Colorado Common Interest Ownership Act.
- B. These Governance Policies can be amended or expanded by a vote of the Board of Directors.
- C. In the event any material changes are made to these Governance Policies, members of the Association shall be formally advised of such changes at the next scheduled Annual or Special Meeting.

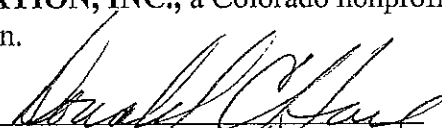
**EFFECTIVE DATE:** January 1, 2007

### **PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS  
ESTATES TOWNHOMES HOMEOWNERS  
ASSOCIATION, INC.,** a Colorado nonprofit  
corporation.

By: \_\_\_\_\_

  
President, Donald C. Hare

**EXHIBIT B**  
**DOCUMENT REQUEST FORM**

Member's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Please specify which records you are requesting by circling the record requested:

**Governing Documents:**

- i. Declaration of Covenants
- ii. Bylaws
- iii. Articles of Incorporation
- iv. Minutes of the Last Annual Meeting
- v. Minutes of the Last six (6) months of Board of Directors Meetings

**Financial Documents:**

- i. Annual Balance Sheet
- ii. Annual Income & Expenditures Statement (Profit and Loss)
- iii. Most Current Annual Fiscal Year Budget

C. Other: \_\_\_\_\_  
\_\_\_\_\_

Please identify the purpose for which you are requesting this information:

\_\_\_\_\_  
\_\_\_\_\_

The Association may charge in advance for reproduction costs. Payment must be received at time of service, paid by check or money order (no cash). Checks must be made payable to the Association.

If this document is to be picked up by someone other than the member named above, please provide authorization:

- By checking this box and giving my signature below, I am authorizing the following person to pick up my requested document(s); I accept full responsibility for the use of this information and for where it is disclosed as a result of receiving this information.

Name: \_\_\_\_\_

Company: \_\_\_\_\_

**Acknowledgement**

This form must be received before any 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 manner in which the persons to whom it is provided use the information or for any misrepresentations made by those persons in this information request. Any expense in fulfilling the Member's request shall be the expense of the member and not of the Association and shall be due at the time services are rendered.

Member Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**RESOLUTION OF THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**

***Covenant & Rules Enforcement Policy and Procedures***

The undersigned, being the President of THE GREENS AT KISSING CAMELS ESTATES TOWNHOMES HOMEOWNERS ASSOCIATION, INC., a Colorado non-profit corporation (the "Association"), hereby certifies that the following Resolution was consented to, voted in favor of, and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007:

**WHEREAS**, the Board of Directors is empowered to govern the affairs of the Association pursuant to Article V, Section 5.1 & Section 5.4 of the Declaration of Covenants, Conditions, Restrictions and Easements and Article 7, Section 7.1 of the Bylaws and;

**WHEREAS**, Senate Bill 05-100, approved June 6, 2005, amending the Colorado Common Interest Ownership Act §§38-33.3 - 310.5, requires the Association to establish a policy handling the Association's Covenant & Rules Enforcement Policy and Procedures; and

**WHEREAS**, the Board of Directors desires to establish a policy regarding the enforcing the Covenants and Rules of the Association;

**IT IS THEREFORE RESOLVED** that the Covenant & Rules enforcement policy and procedures attached hereto as Exhibit A shall be adopted and hereby established as the procedure for the Covenant enforcement 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 of Directors, and

**IT IS FURTHER RESOLVED** that this policy shall take effect January 1, 2007.

**EXECUTED** this 10th day of January, 2007

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS  
ESTATES TOWNHOMES HOMEOWNERS  
ASSOCIATION, INC.,** a Colorado nonprofit  
corporation.

By: \_\_\_\_\_

  
President, Donald C. Hare

## EXHIBIT A

### Covenant Enforcement Procedures

#### I. BACKGROUNDS AND SOURCES

- A. The purpose and authority of the Board of Directors (“BOD”) and the Architecture Control Committee (“ACC”) of the Greens at Kissing Camels Estates Townhomes Homeowners Association Inc. (“HOA”) with respect to the Covenants, Conditions, Restrictions and Easements (“covenants”), as well as the authority to levy assessments, fines and penalties, is found in the covenants and Colorado statutes, and particularly in:
1. Articles V., VI., VII., VIII., IX., X., and XI, and specifically Section 5.4.2., of the covenants, and Article 12 of the Bylaws of the Greens at Kissing Camels Estates.
  2. Colorado Common Interest Ownership Act (“CCIOA”), which specifically grants to homeowners associations such as the Greens HOA the authority to impose reasonable fines for violation of the covenants, by-laws and regulations of the Association.
- B. The Greens HOA covenants, by-laws, rules, etcetera, as well as the CCIOA, say what is and isn’t permitted and gives the authority for enforcement decision-making and imposition of penalties to the Board of Directors and/or the Architecture Control Committee, depending on the issue. In order to have a customary way of handling issues, that is fair and reasonable, and is perceived to be fair and reasonable, as well as responsive to the covenants and the law, and respectful to both the individual owner and the common community, the Greens HOA Board of Directors establishes these procedures.
- C. The following rules and procedures shall apply to any violation (alleged violation) of the covenants, by-laws and rules of the Association relating to architectural control. Much of what follows is a restatement/clarification of what is in the covenants. In case of any conflict, or perceived conflict, between these rules and the covenants, in content or wording, the covenants shall prevail.

#### II. COMPLAINT

- A. Complaints by any homeowner or other person of any violation shall be communicated to the HOA BOD or ACC in writing, in person, by email or by telephone. The BOD, or the ACC where the complaint regards an “improvement” as defined in the covenants, may initiate and shall investigate complaints. A complaint that is initiated by the BOD or ACC is considered investigated at the time the violation is noted. A form that summarizes the alleged violation and pertinent information shall be filled out by the person complaining or by a Director or by an ACC member, and kept in the HOA and/or ACC files. The HOA will endeavor to protect the confidentiality of persons alerting the HOA to possible covenant violations.
- B. Owners shall be jointly and severally liable for violations committed by their contractors, agents, guests or tenants. The BOD may proceed against the owner and the contractor, agent, guest, or tenant, simultaneously or separately, and actions against one shall not bar

action against the others. The BOD may contact law enforcement authorities, 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 BOD from proceeding with covenant enforcement action.

### III. ENFORCEMENT

A. After a complaint is received and investigated, the BOD or ACC, depending on the nature of the violation, will notify the owner who is the subject of the complaint. Enforcement procedures vary according to the specifics of the violation, subject to the following guidelines:

1. At the discretion of the BOD or ACC, an informal communication to the owner may be undertaken to encourage the expeditious and harmonious resolution of the issue(s), prior to initiating any formal processes.

2. Serious/Immediate Risk Violations: When a violation concerns a serious immediate situation for person or property, the HOA will seek to obtain prompt action by the alleged violator to correct and avoid any recurrence.

3. Irreversible Violations: When a violation has occurred, which cannot be mended or fully reversed, the BOD will notify the owner of a hearing that will determine the amount of a possible fine, or other penalty, for the violation. Examples include noise disturbances, periodic unsightly conditions, unauthorized removal of irreplaceable trees, etc.

4. Easily remedied violations: When a violation can be remedied by quick action, the owner will be contacted and warned of a short term notice period, usually twenty four (24) hours to seven (7) days, during which the violation must be cured. Examples include barking dogs, vehicle and sign violations, refuse and rubbish, etc. Owners may be contacted by mail, phone, e-mail or in person, advised of the violation, the time to correct, and further action should they fail to act. Violations that remain uncorrected after the notice period or those violations that are corrected but then subsequently recur will trigger a formal written notice of warning (if not previously given) and a notice of hearing before the BOD.

5. Other Violations: When a violation may reasonably require thirty (30) days or longer to remedy, the owner will be given a written warning of the violation and a notice period will be established during which the violation must be cured. Examples include ACC structure or landscaping violations, etc. Violations that remain uncorrected after the notice period, or those violations that are corrected but then subsequently recur, will trigger a notice of hearing.

6. Repeat Violations: If a violation recurs after a fine or other penalty has been imposed, no warning notice will be made and such violation will trigger a notice of hearing before the BOD. At such hearing, an escalating fine schedule or other punishment may be imposed, the general guideline to be at least a doubling of the prior penalty.

7. Following a hearing, in which a fine is levied, such fine may be appealed to the BOD within ten (10) days of the issuance of the fine decision. Any appeal must be made in

writing to the BOD and a hearing will be scheduled.

8. In all cases, the BOD and ACC members will make themselves reasonably available to the owner to assist, advise or brainstorm on mutually agreeable ways to remedy the problem.

#### **IV. HEARINGS**

- A. When a hearing is necessary, the BOD shall send to the owner a written notice that a hearing on the complaint may be held and that fines may be imposed at the hearing. Such notice shall be sent via regular mail or by hand delivery. The notice shall indicate the time and place of the hearing, and any other information regarding violations and fines that the BOD deems appropriate. The notice shall be deemed received by the alleged violator seven (7) days after mailing, or upon hand delivery to any member of the owner's household. The complainer may be given a copy of the notice of the hearing date.
- B. At the hearing, the BOD may consider any oral or written or other information from the alleged violator, the complaining party or any other concerned resident of the Greens. No legal or statutory rules of evidence or procedure apply to the hearing, and the BOD may restrict testimony or proceed in any manner or order that it deems appropriate in its discretion. The BOD may tape record or otherwise transcribe the hearing. The BOD may proceed with the hearing even if the alleged violator fails to appear or refuses to participate or to submit information. The alleged violator may appear by himself or with an attorney and may cross-examine any witnesses and evidence presented, to the degree permitted by the BOD. After hearing all information, witnesses or documents presented at the hearing, the BOD's decision shall be made by a majority vote of the BOD members present for the hearing and a brief summary of the decision and sanction, if any, shall be sent by regular mail to the alleged violator. The BOD's decision shall be final and conclusive on all parties and matters, except for instances of fraud or gross negligence.

#### **V. FINES AND SANCTIONS**

- A. The BOD may impose fines and/or require restitution and/or other enforcement remedies, for any violation of the covenants, by-laws or Rules and Regulations. Each incident or each day of a continuing violation, may be considered a separate violation for which any maximum fine may be imposed. Any fine shall be a personal obligation of the owner, contractor, guest, family member and/or resident and may be recorded against the property creating a lien against the property, which may be foreclosed. The BOD may notify any lender or credit agency of such obligation and lien.

#### **VI. ENFORCEMENT BY COURT ACTION**

- A. At the BOD's discretion, correction of a violation may be enforced through courts of law or equity; such enforcement may be independent, concurrent or subsequent to the imposition of fines. Whenever a violation is not corrected, or a formalized plan of

compliance presented and approved by the BOD or ACC the BOD may refer the matter to an attorney retained by the HOA for further action and court proceedings.

## **VII. RECOVERY OF EXPENSES AND ATTORNEY FEES**

- A. In any court action or other proceedings to enforce or defend the covenants, the rules or otherwise to address a violation by an alleged violator, the HOA shall be entitled to assess and recover its expenses, attorney fees and costs against the owner, alleged violator and/or other party in addition to all other rights and remedies.

## **VIII. SUBSTANTIAL COMPLIANCE**

- A. 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 is to be liberally construed to accomplish prompt, effective enforcement of the Green's covenants, By-laws and Rules and Regulations.

## **IX. TIME LIMITS**

- A. Enforcement of violations of the Covenants, By-laws or Rules and Regulations is not waived by any prior non-enforcement and the HOA may enforce its rights and remedies, including its lien for a period of not less than six years from the date it discovers the violation.

## **X. REVIEW AND AMENDMENT OF GOVERNANCE POLICIES**

- A. The Board of Directors shall annually review these Governance Policies to ensure their applicability, comprehensiveness and compliance with the Colorado Common Interest Ownership Act.
- B. These Governance Policies can be amended or expanded by a vote of the Board of Directors.
- C. In the event any material changes are made to these Governance Policies, members of the Association shall be formally advised of such changes at the next scheduled Annual or Special Meeting of the Association.

**EFFECTIVE DATE:** January 1, 2007

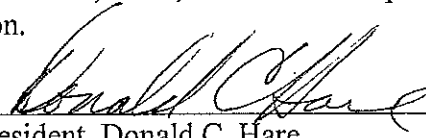
### **PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing policy was adopted by the Board

of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS  
ESTATES TOWNHOMES HOMEOWNERS  
ASSOCIATION, INC.**, a Colorado nonprofit  
corporation.

By:

  
\_\_\_\_\_  
President, Donald C. Hare

**RESOLUTION OF THE GREENS AT KISSING CAMELS ESTATES  
TOWNHOMES HOMEOWNERS ASSOCIATION, INC.**

**Board Member Conduct/Conflict of Interest Policy**

The undersigned, being the President of THE GREENS AT KISSING CAMELS ESTATES TOWNHOMES HOMEOWNERS ASSOCIATION, INC., a Colorado non-profit corporation (the "Association"), hereby certifies that the following Resolution was consented to, voted in favor of, and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007:

**WHEREAS**, the Board of Directors is empowered to govern the affairs of the Association pursuant to Article V, Section 5.1 & Section 5.4 of the Declaration of Covenants, Conditions, Restrictions and Easements and Article 7, Section 7.1 of the Bylaws and;

**WHEREAS**, Senate Bill 05-100, approved June 6, 2005, amending the Colorado Common Interest Ownership Act §§38-33.3 - 310.5, requires the Association to establish a policy handling board member conduct/conflict of interest; and

**WHEREAS**, the Board of Directors, in an effort to comply with this statute, desires to establish a policy that shall establish a Code of Conduct for all individuals serving as a Director on the Board;

**IT IS THEREFORE RESOLVED** that the policy attached hereto as Exhibit A (hereafter referred to as "The Board Member Conduct/Conflict of Interest Policy") shall be adopted and hereby established as the policy of this Association;

**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 on January 1, 2007.

**EXECUTED** this 10th day of January, 2007

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS  
ESTATES TOWNHOMES HOMEOWNERS  
ASSOCIATION, INC.**, a Colorado nonprofit  
corporation.

By: \_\_\_\_\_

  
President, Donald C. Hare

## EXHIBIT A

### The Board Member Conduct Policy

#### I. GENERAL STANDARDS

##### A. Representation

1. Directors shall represent the interests of the entire community in exercising their duties. All decisions made on behalf of the Association must be made with the best interests of the Association in mind.
2. Directors may not misrepresent facts in order to achieve any measure of personal gain or gain for any other person or special interest group.

##### B. Due Professional Care

1. Directors must exercise due professional care in the performance of duties to include:
  2. Acting in good faith.
  3. Exercising the same degree of care and skill as an ordinarily prudent person would, in a similar position and business.
  4. Undertake only those responsibilities and assignments that they can reasonably expect to perform with competence.
  5. Familiarize themselves with Association business, have a working knowledge of the governing documents, and regularly attend scheduled meetings. Directors shall participate by voting on issues before the board, abstaining only when a declared conflict of interest exists.
  6. A director shall not accept the office of president unless he/she has served on the board for at least one year, thereby being appropriately familiar with the history of the association and the policies and procedures of the board.

##### C. Professional Courtesy

1. Directors will exhibit professional courtesy to all Association members and community association management professionals.
2. Directors will protect the confidentiality of the personal information of other directors, committee members, residents, employees and management professionals at all times, including times subsequent to the board members term, regarding knowledge learned during their term of office.

#### D. Use of Association Funds

1. No director may use or encumber Association funds or property for their personal use or benefit.
2. Directors may be reimbursed for expenses incurred on behalf of the Association provided, the Board of Directors approves the expenses in advance, and the party seeking reimbursement submits receipts.

### II. CONDUCT AT MEETINGS

#### A. Attendance

1. Any member of the Board of Directors who has three (3) consecutive meeting absences shall automatically offer to resign their position on the Board.

### III. CONFLICTS OF INTEREST

If any contract, decision, or other action *to be* taken by or on behalf of the Greens Board of Directors would financially benefit any member of the Board or any person who is a parent, grandparent, spouse, child or sibling of a member of the Board, or a parent or spouse of any of those persons, *or any business entity or venture in which any of the preceding persons have a beneficial interest or other interest*, that member of the Board shall declare a conflict of interest for that issue. The term "financially benefit" is interpreted by the Board of Directors to mean a more than a nominal or negligible benefit, or any benefit that would not equally pertain to all Association members in the routine activities and common benefits of the Association that are understood to be part of the general reason for the formation and continuation of the Association. The member shall declare the conflict in the Board of Directors meeting, prior to any discussion or action on that issue. After making such declaration, the member may participate in the discussion but shall not vote on that issue. Board members prohibited from voting shall be counted in determining whether a quorum of the Board is present. Any contract entered into in violation of this section shall be void and unenforceable.

#### A. General

1. Directors must not allow any outside influence to interfere with exercising their duties in the best interest of the Association
2. Any director that may have a potential conflict of interest with regard to a business transaction must disclose at the Board of Directors meeting the potential conflict and abstain from voting on that action.
3. Any director that has an actual conflict of interest with regard to a business transaction must disclose in the Board of Directors meeting, the conflict to others present and abstain from voting on the issue or exerting any influence on the other voting members of the board.

## B. Related Entities

1. Any engagement of a company or individual that is related to any board member or any relative of a board must be properly disclosed prior to any such engagement. The disclosure shall be in the Board of Directors meeting and the related member shall abstain from voting on issues affecting the company or individual.
2. A Board member who is also engaged in the practice of another profession shall not provide these other professional services to the Association while serving as a board member, officer, or committee member for compensation or if the performance of such service is likely to result in a potential or actual conflict of interest.

## IV. GIFTS AND CONTRIBUTIONS

### A. Gifts/Compensation

1. It shall be the policy of the Association to discourage the acceptance by directors of gifts, entertainment, or other favors from existing or prospective clients, vendors, or suppliers.
2. Cash gifts of any amount are not acceptable.
3. Any gift intended to influence a decision by a board, officer, or committee member, or to create an atmosphere of indebtedness toward the bearer is not acceptable and is deemed to create a conflict of interest.
4. No Director shall receive compensation for his services as a Director.

### B. Contributions

1. The Association will not make any contributions to any political parties or political candidates.

## V. ENFORCEMENT

- A. Each member of the Board of Directors shall annually complete and sign a Conflict Of Interest/Related Party Questionnaire, attached as Attachment A.
- B. Should the Board find that a breach of the Association's Board Member Conduct Policy was committed by a Board member; the Board may impose appropriate sanctions, consistent with the Bylaws of the Association. Such sanctions could include censure or removal of the member from the Board.
- C. This policy is adopted this 10th day of January 2007, at an open Board meeting where a quorum of the Board was present and is effective January 1, 2007.

## VI. REVIEW AND AMENDMENT OF GOVERNANCE POLICIES

- A. The Board of Directors shall annually review these Governance Policies to ensure their applicability, comprehensiveness and compliance with the Colorado Common Interest Ownership Act.
- B. These Governance Policies can be amended or expanded by a vote of the Board of Directors.
- C. In the event any material changes are made to these Governance Policies, members of the Association shall be formally advised of such changes at the next scheduled Annual or Special Meeting of the Association.

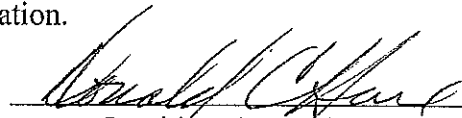
**EFFECTIVE DATE:** January 1, 2007

### **PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Greens at Kissing Camels Estates Townhomes Homeowners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on January 10, 2007 and in witness thereof, the undersigned has subscribed his name.

**THE GREENS AT KISSING CAMELS  
ESTATES TOWNHOMES HOMEOWNERS  
ASSOCIATION, INC.,** a Colorado nonprofit  
corporation.

By:

  
President, Donald C. Hare