

THE HEIGHTS AT SUMMERFIELD HOMEOWNERS ASSOCIATION

RULES & REGULATIONS

For All Owners and Occupants

INTRODUCTION. The Heights at Summerfield Homeowners Association (“Association”) shall comply with all federal, state, and local laws. Each Owner is responsible for reading and fully complying with the Community Declarations (“Declarations”), the Rules & Regulations, the Bylaws and the Articles of Incorporation (“Association Governing Documents”) of the Association. The Association’s Governing Documents shall include those matters required or allowed by the Colorado Common Interest Ownership Act (“CCIO”). The Association’s Board of Directors (“Board”) shall have the power to enforce the Association Governing Documents and to amend these Rules & Regulations from time to time. These Rules & Regulations revise and replace all previous Rules & Regulations for the Association.

1. **ASSOCIATION MANAGEMENT.** The services of a management firm (“Managing Agent”) have been contracted to handle the day-to-day enforcement of these Rules & Regulations (and any subsequent revised rules), as well as the Declarations and Bylaws. The Managing Agent is authorized to take those actions necessary to ensure the compliance of all residents (Owners and Tenants) with the policies of the community.

2. **LEASING OF A DWELLING UNIT.** An Owner may lease/rent his Dwelling Unit to an individual or single family provided that the Dwelling Unit is leased/rented pursuant to a lease/rental agreement which is: (a) in writing, a copy of which is provided to the Association and Managing Agent, which includes complete tenant(s) contact information, i.e. name, day and evening phone numbers, email, etc., (b) for a term of at least ninety (90) days; and (c) subject to all of the provisions of the Declarations and Rules & Regulations. All leases shall provide that the Association, on behalf of the Owner, may evict any tenant or occupant who is violating the Declarations or the Rules & Regulations. Any Owner who leases a property shall be responsible for advising his tenant(s) of the Declarations and the Rules & Regulations, and shall be responsible for any violations or damages caused by the tenant(s).

3. **ARCHITECTURAL CONTROL.** No Improvement shall be placed, erected, installed or permitted to occur or exist on any Lot, nor shall the exterior of any existing Improvement be altered, nor shall any construction be commenced on any Improvement, unless and until, the plans and specifications for such Improvement has been submitted to, and approved by the Architectural Review Committee (ARC) and/or the Board of Directors.

Decisions of the ARC on the approval or denial of an Owner’s application for architectural or landscaping changes shall be made in accordance with the standards and procedures set forth in the Rules & Regulations and Declarations.

Any “Fire Mitigation Plan” requiring the removal of trees, shrubs, or other vegetation around the unit or property must be registered with the Association before commencement of the work. Further, the Association may require changes to the plan, if the Association obtains consent of

the official or agency that originally created the plan. Any such work shall comply with the Association's standards and procedures.

4. ARCHITECTURAL GUIDELINES. The following have been adopted as the guidelines for the Heights at Summerfield Architectural Review Committee (ARC). These guidelines do not constitute the extent to which the ARC may approve or disapprove proposed Improvements as defined in Article V of the Declarations, and do not limit the scope of the ARC's authority. These guidelines are intended to aid as general standards by which the ARC will make its decisions, and are subject to change at the discretion of the ARC and the Board of Directors.

A. Landscaping.

- i. All front yards shall consist of at least 50% grass. Areas greater than 8 feet wide between the driveway and side lot-line or dwelling and side lot-line shall also consist of at least 50% grass. Lawns shall be appropriately maintained with fertilizer, weed control, seed, and water.
- ii. Lots containing land between the curb and sidewalk shall consist of grass only, with exceptions allowed for the area around mailboxes. This area of land is in addition to the 50% grass rule at 4A (i) above.
- iii. All front yards containing mulch or rock beds 5 feet wide or greater, shall have appropriate plantings for the area. The color of mulch or rock shall conform to those approved within the community.
- iv. All front yards shall contain one evergreen tree with a minimum of mature height of 6 feet. Additionally, each front yard shall have an appropriate tree or planting in the area between the sidewalk and curb, providing such area exists.
- v. Changes in the grading pattern in the course of landscaping are prohibited. This includes the use of retaining walls, which may be permissible but must not be used to change the flow of drainage.
- vi. For liability reasons, the ARC will not approve water features (i.e. ponds, waterfalls) as part of any front yard landscaping. The ARC will consider water features in secure rear yards.
- vii. When water use restrictions have been imposed by one or more government entities, the Association shall not enforce any covenants that restrict or limit xeriscaping or require the extensive use of grass, nor shall the procedure for approving proposed landscaping plans place additional requirements on unit Owners who wish to use xeriscaping. Once water restrictions have been lifted, Owners shall have two (2) months to revive their grass before the Association may require the Owner to re-sod, unless the restrictions are lifted outside of a growing season, in which case the two (2) months begins to run from the beginning of the next growing season. During a period of water use restrictions, the Association shall suspend any enforcement actions against

Owners whose landscaping dies as a result of compliance with the imposed watering restrictions and will be considered on a case-by-case basis. However, it must contain organic material in the same proportion as a grassed landscaping plan and comply with Section 4.A.i.-ii. above.

- viii. Extension of driveways to allow for parking of additional vehicles with gravel or concrete will not be approved as part of any landscaping plan.

B. Fencing.

- i. All fencing will consist of rough cedar, installed vertically of no more than six (6) feet in height and receive mandatory stain on either side and/or the outward facing side as approved by the ARC. The ARC will not approve other types of privacy fencing such as wrought iron, masonry, etc. Fencing must be maintained so as not to appear faded, soiled, damaged or otherwise in disrepair or unsightly. Fencing shall comply with other similar fencing within the Association.
- ii. Any side yard fencing must set back a minimum of four (4) feet from the front of the dwelling unit.
- iii. The ARC will not approve double gates or gates whose width exceeds four (4) feet. The ARC may approve gates in the front wing fencing only.

C. Sheds.

- i. Maximum size of any shed shall be no greater than 100 s.f. in area. Maximum height of any shed at its tallest point shall be no higher than eight (8) feet.
- ii. No building extension shall be allowed on any shed (i.e. porch, overhang, projection, cover or roof ornamentation, etc.)
- iii. No shed shall be placed within the setbacks or easements established by the City of Colorado Springs (usually 5' on side yards, 7' in rear) and shall obtain any required city and/or local building license.
- iv. Every effort shall be made to minimize the visual effects of a shed on neighboring sites beyond those reasonably to be expected in an urban residential area from considerate neighbors.
- v. Construction of sheds shall adhere to the following standards:
 - a. Exterior material and color shall be the same as the residence dwelling and approved by the ARC.
 - b. Roofs of sheds shall be of the same material as the residence dwelling, and as approved by the ARC.

- c. The flooring shall be constructed of certified (heavy-duty) decking or similar equivalent material approved by the ARC.
- d. Any electrical connections used in or on the shed shall be underground.
- e. Owners shall obtain necessary permits and assure contractors are qualified and licensed, if necessary.

D. House Color.

Any proposed exterior color changes shall be submitted to the ARC for review. A color sample from the manufacturer including the name and number of the proposed color shall be submitted for approval.

- i. Each proposed color shall specify the exact location for application, i.e. house body, trim, shutters, doors, etc. Exterior colors will be a neutral earth tone. Colors must be in harmony with adjacent homes and with the community as a whole.
- ii. All building exteriors shall receive paint as necessary and kept in good repair.

E. Refuse.

No unsightly objects, materials or refuse shall be stored or accumulated outside so as to be visible from any neighboring property or street except during refuse collection. Owners may place such items of refuse and rubbish in the appropriate trash cart and position for collection on the evening before the day of collection, with all refuse carts returned to locations not visible from neighboring properties or streets the evening of collection.

F. Sound Devices.

Owners shall not permit exterior sound devices to be used or installed on any structure within any Lot, except for security devices used for security purposes.

G. Building & Grounds Condition.

Owners shall maintain the exteriors, including any building, lawns, landscaping, fence, walkway, driveway, and any other structure in first class condition, causing repairs as the effects of damage and/or deterioration become apparent.

- i. Outdoor play equipment shall be located in the rear of the house and kept in good repair. Basketball hoops are permitted providing they are kept in good condition and not left on the street or blocking any sidewalk.
- ii. Downspout extensions made of black flexible plastic shall be buried and positioned to appropriate drain not causing drainage issues with any neighboring property.

- iii. Garden hoses should be properly stored (utilizing a hose caddy or coiled beneath the faucet) when not in use.
- iv. All window draperies/curtains visible from any street, including garage door windows, shall be solid neutral color, i.e. white, beige, tan. No sheets, towels, blankets, or other covering not intended for windows will be allowed.
- v. Storm doors may be installed at the front entry providing they are of high quality and styles typically installed at front entries, i.e. full glass/screen.
- vi. Patio furniture is permitted on front porches providing they are of high quality and intended as patio furniture.
- vii. Holiday lights, decorations, and displays may be installed no earlier than 4 weeks prior to the holiday and must be removed within 4 weeks after the holiday, weather permitting.

5. VEHICLES

- A. All vehicles shall meet local noise requirements, and automobiles or motorcycles without mufflers in good working order are prohibited.
- B. No unused, wrecked or otherwise inoperable vehicle shall be permitted to park on any street or Lot, unless it is fully screened as approved by the ARC. An unused vehicle is any vehicle with improper or expired license plates or registration, or has remained immobile on any street or Lot for more than two (2) weeks.
- C. Vehicle, boat and/or trailer repairs may only be conducted within a closed structure, i.e. garage, which prohibits sight and sound from any street or Lot.
- D. Any vehicle belonging to the owner or their guests, that deposits oil or other vehicle fluid on any driveway or community street shall be responsible for taking the necessary steps to appropriately and safely clean such fluid from the surface.
- E. No boat, trailer, camper, tractor, commercial vehicle, mobile home, motor home, or towed trailer unit or truck, except pickups and vans for private use of the Owner, shall be kept overnight on any street or Lot, unless enclosed in structure, i.e. garage. Parking exceptions may be considered for purposes of loading and unloading and minor maintenance upon prior written request for approval.
- F. Notwithstanding the foregoing, emergency vehicles are permitted in the unit Owner's driveway and/or on Association's streets, if the emergency motor vehicle meets each of the following requirements:
 - i. The emergency vehicle is required by the unit Owner's employer as a condition of employment;
 - ii. The emergency vehicle weighs ten thousand pounds or less;

- iii. The unit Owner is a member of a volunteer fire department or is employed by an emergency service provider;
- iv. The emergency vehicle has some visible emblem or marking designating it as an emergency vehicle; and
- v. The parked emergency vehicle does not block emergency access or prevent other unit Owners from using the streets.

For the purpose of this rule, an “Emergency Service Provider” is defined as a primary provider of emergency fire fighting, law enforcement, ambulance, emergency medical, or other emergency services. The parking of an emergency service vehicle shall not obstruct emergency access or interfere with any reasonable need of other unit Owners to use the streets or driveways within the Association, including without limitation extending into such streets, driveways, extending into other parking spaces or to denying other Owners use of parking spaces or guest parking.

6. ANIMALS.

- A. No Owner shall acquire more than a total of three (3) dogs or cats and be kept in compliance with the Association’s Governing Documents and all applicable local and city ordinances.
- B. No Owner or resident shall permit any pet to be outside the Lot unless on a leash in the hand of a responsible person.
- C. Pets shall not be permitted to defecate on the sidewalks, driveways, or landscaped areas in or about the Common Areas and in the event such shall occur, the pet Owner must immediately pick up after the animal.
- D. No Owner shall permit any pet to create a nuisance, including noise and odor.

7. SIGNS, DISPLAYS, AND FLAGS.

- A. Owners may place one (1) customary size For Sale/Rent sign in their yard.
- B. No signs will be posted, placed, or displayed on the Association property, including fences or walls, mailboxes, light posts or on Community property.
- C. Owners, to the extent restricted by local, state, and federal ordinances, may erect one (1) political sign, as defined by statute, on the Owner’s property, per political office or ballot issue for an immediate upcoming election, with a maximum dimension of 24”x 36”, displayed no earlier than thirty (30) days before an election and must be removed within seven (7) days after such election.
- D. Flags and Flag Poles.
 - i. American Flags. The American Flag may be displayed on an Owner’s property but may not be attached to the exterior of the unit in any manner

except by a bracket or pole, which has been approved by the Association, or a flagpole located on the Lot. The flag must be displayed in a manner consistent with Federal and State Flag Codes and in good repair (without fading and tears). The flag may not be any larger than 36" x 48" or 36" x 60" if displayed from a flagpole.

- ii. Service Flags. A Service Flag bearing a star denoting the service of the unit Owner or a member of unit Owner's immediate family in the active or reserve military service of the United States during the war or on conflict may be displayed on the inside of a window or door of the unit Owners home or beneath the American Flag on a flagpole. The Service Flag may not exceed 36" x 48".
- iii. Flagpoles. There will be no more than one flagpole on a Lot. The pole will not exceed 20 feet in height.

8. ANTENNAE AND SATELLITE DISHES. Exterior radio, television, or other permitted antennae shall comply with all applicable Federal Communications Commissions (FCC) policies and amendments and obtain ARC approval in establishing reasonable, non-discriminatory restrictions relating to location, appearance, safety, and maintenance thereof.

9. ASSESSMENTS.

- A. The annual monthly assessment approved by the Board of Directors and ratified by the Owners is due by the first of each month, or in advance. Any payment which is not received by the 10th of the month will be charged a late fee of \$15 and/or an administrative fee that is set by the Board and shall be owed by the Owner for each month such assessment is not paid. In addition, the Association shall be entitled to collect interest, reasonable attorney's 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, personal delivery or direct deposits. The Association will impose an administrative fee for all returned checks. The Association or managing agent may collect a fee of \$75.00 dollars for the preparation of any certificate regarding assessments.
- C. 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.
- D. Failure to Pay Assessments.
 - i. Pursuant to the Association Documents, the Association may proceed with litigation against any Owner who has not paid his assessment, and without affecting that remedy, may also file a lien against the property, and may be

- foreclosed, held in receivership, or file personal judgment as provided in the Association documents. All attorneys' fees, costs, and other expenses of such collection activity will be the responsibility of the Owner.
- ii. The Association may charge for any notices sent to the Owners in connection with such delinquent assessments. All Owners are responsible for ensuring that their payments are delivered timely and fully made. Owners must notify the Association and/or its managing agent immediately of any change in mailing address or status.
 - iii. The Association may also deny voting rights or other rights in the Association until all assessments and any 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 or its agent shall not be liable for any errors or omissions in any payment statement to the Owner.
 - iv. The Association's Board of Directors may invite an Owner to attend a Special Executive Session of the Board to explain any reason for the delinquent assessment account, fines or other sums levied by the Association. The Board may decide in the Executive Session what action may be taken by the Association and/or whether to enter into payment arrangements or proceeding to litigation and/or foreclosure of liens.

E. Late Fee and Lien.

- i. Any annual monthly assessment not received by the Association and/or its managing agent by the 10th of the month shall incur a late fee of \$15.00.
- ii. The Owner or individual responsible for paying the assessment will be notified in writing each month the assessment remains delinquent of the status of the account and the any additional late fees as appropriate.
- iii. When the amount past due equals three (3) months assessments, the homeowner or individual responsible for paying the assessment will be notified by Certified Mail of the status of the delinquent account and the Association's intent to file a lien on the property if there is no payment on the debt or response to the certified letter within 15 days.
- iv. After the 15 day period in Section iii above, the Association will begin processing the delinquent account for a collection/demand letter and/or an immediate filing of a lien on the property.
- v. All charges in connection with attempts to collect the past due assessment account will be charged to the Owner.

10. RULES ENFORCEMENT AND FINES. The following procedures shall apply to any alleged violation ("Violation") of the Association's Governing Documents, except and excluding non-payment of assessments or other sums.

A. Notice.

- i. First Notice of a violation may be in the form of a verbal notice from the Board of Directors (“the Board”) or managing agent. If a verbal notice is given, a written notice or confirmation will be sent to the Owner to include details of the violation, reference as appropriate to the section of the governing document violated, and may include recommendations to correct the problem.
- ii. Second Notice for the same or similar violation is sent in writing and references the exact section of the Governing Documents in violation. The Board may offer suggestions for a resolution. Both first and second notices are sent by regular mail.
- iii. Third Notice for the same or similar violation is sent in writing both by certified, return receipt requested mail and regular mail (see Attachment I). This notice references the exact section of the Governing Documents in violation. This is the Owner’s final notice and invitation to a formal hearing before the Board of Directors. Such hearings will be held in Executive Session.

B. Notice of Hearing. The Notice shall be sent as described in A (iii) above, 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. Such 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.

C. Hearing.

- i. Hearings shall be held in Executive Session so as to provide privacy to the Owner(s) and/or violator(s) during the hearing discussions and/or possible litigation issues. The Board may exclude any person other than the Owner or alleged violator and witnesses, when testifying.
- ii. At the Hearing, the Board may consider any written or oral information produced by the Owner(s), 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 at its discretion. Generally, any relevant evidence may be admitted, providing the evidence is the type responsible persons are accustomed to rely on regardless of the existence of any common law or statutory rule which might make the admission of such evidence over objection in civil actions improper. 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(s) fail(s) to appear or refuse(s) to participate or to submit information. The Owner(s) may be represented by legal counsel so long as said Owner(s) 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 receiving all 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 sanction, if any, should be sent by regular mail to the Owner and, if necessary, to the alleged violator.

- D. 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.
- E. Parties to Violations. Owner(s) shall be responsible for violations committed by their guests, family members, contractors, and tenants, for example, pets kept by tenants or signs placed by real estate agents. The Board may proceed against both the Owner(s) 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.
- F. Fines.
- i. The Board of Directors finding an owner in violation(s) may after proper notice and hearing impose a fine of \$25, which shall be due before the next monthly assessment. Any fine shall be both a personal obligation of the Owner(s), or the violator or both, and shall also be an assessment creating a lien which may be recorded against the property and may be foreclosed as provided in the Declarations. 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(s).
 - ii. Any violation shall entitle the Board to recover from the Owner(s) 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.
 - iii. The Board, in its discretion, may waive fines, attorney fees, court costs, interest and other collection expenses.
- G. Substantial Compliance. Technical irregularities or defects in the Complaint, Notice or other document in 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 and Regulations.

11. INSURANCE.

- A. The comprehensive Association policy DOES NOT cover the contents of your home or liability growing out of tenants and/or guests on the premises. Each Lot 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 and property.
- B. If any Owner files a claim against the Association's insurance policies, the Owner must submit a claim in writing to the Board of Directors and/or its Managing Agent. The Association has 15 days to respond. The Owner must give the Association's managing agent a reasonable opportunity to inspect the damage and determine if the subject matter of the claim falls under the Association's insurance policy. Only then can the Owner directly submit a claim against the Association's policy. 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, and/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 home or property.
- C. In order to assist in keeping the Association's insurance premiums down, it is requested that all Owners contact the Association—either its managing agent and/or Board members—prior to filing any claim on the Association's insurance policy.
- D. Individual Owners are responsible for obtaining sufficient insurance coverage on their own property including building(s) and land and all personal belongings. Owners must consult with their own insurance agents as to appropriate coverage's for all their property.

12. RESERVE FUND. The Association's Reserve Fund (if appropriate) shall be invested as required by the Association Documents and Colorado laws and statutes. Such investments shall be based upon the reasonable business judgment of the Board of Directors with the advice of the Association's Managing Agent and any investment advisor.

13. MEETINGS.

- A. Conducting Meetings.
 - i. 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 ("CCIO") 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.

- ii. At all meetings, Owners are expected to maintain proper behavior and decorum, which requires that Owners shall: Be respectful to others present and to the meeting process, refrain from name-calling, use of foul language, and other aggressive behavior, differentiate statements of opinion from statements of fact; and speak only when acknowledged by the Chair.
- iii. If an Owner fails to observe the above standards, demonstrating inappropriate behavior which negatively impacts the Association's meeting(s), the Chair shall issue one warning to the Owner. If the inappropriate behavior continues, the Owner may be asked to remove himself/herself from the meeting. If the Owner 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.

B. Owner Participation at Regular Board Meetings.

- i. 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.
- ii. All Owners or designated representatives so desiring shall be permitted to attend, listen, and speak at an appropriate time during the deliberations and proceedings of the Board. The Board shall designate an appropriate time at the beginning of the meeting for all Owners or their representatives to speak on any matter shown on the agenda, but such period shall be assigned in 5 minute increments and 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 (5) days prior to the Board meeting. A reasonable number of persons may speak on each side of any issue. Owners and/or all 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.

C. Owner Participation at Annual and Special Meetings of Owners.

- i. 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.

- ii. 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 in increments of 5 minutes, but not exceeding 20 minutes per issue raised, and the President shall pro-rate that time among the various Owners who speak on the issue.
- iii. All issues, complaints, and requests shall be submitted to the Board in writing five (5) days prior to the annual meeting.

D. Notice of Meetings.

- i. Regular Board Meetings: Shall be held not less than once every quarter, without notice at a time and place agreed by the Board.
- ii. Special Board Meetings: Shall be called by the President or by any two directors, providing three (3) days notice is given to all directors.
- iii. Owners Meetings: Notice of Owners Meetings shall also be given in accordance with the Association Documents, but in addition, notice of such may be given by electronic posting or electronic mail notices pursuant to CRS § 38-33.3-308.

E. Executive Session. 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.

F. Election Procedure. The Association Secretary or the Managing Agent 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.

14. CONFLICTS OF INTEREST.

A. The Board of Directors shall comply with all of Colorado's statutory provisions against conflict of interest as found in the Colorado Revised Nonprofit Corporation Act and the Colorado Common Interest Ownership Act. A "conflict of interest" is defined by the Colorado statutes, but generally means any action of the Board (except actions related to the Declarant by Board members appointed by the Declarant) which would provide direct, individual financial benefit to the Board member (and his or her relatives), as opposed to a general benefit to the

Board member as a Owner. Examples of conflicts of interest include matters which affect only a Board member's unit or contracts with a Board member.

- B. 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 members shall not vote on such issue.
- C. 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.
- D. Notwithstanding the above, 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.
- E. 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.
- F. 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.

15. RECORDS.

A. Member Rights.

- i. Members of the Association are entitled to have made available to them copies of all governing documents of this Association (the "Association Documents"), including Declaration of Covenants, Conditions, Restrictions of the Association (the "Declaration"), Articles of Incorporation, Bylaws; and Rules and Regulations.
- ii. Sellers within the Association are required by State law to provide copies of certain Association Documents to their buyers and obtain a written acknowledgment. Each Owner is responsible for receiving and understanding the information in the Association Documents and for abiding with the standards for this Association, as set forth in the Association Documents.

B. Association Records Library. The following information should be available at the Management Office during standard business hours upon appointment for Owners to review. This information should be compiled to include the following details:

- i. The date of the Associations' fiscal year.
- ii. The Association's operating budget for the current fiscal year.
- iii. A list 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 Governing Documents, i.e. Declarations, Bylaws, Articles of Incorporation, and Rules and Regulations.
 - viii. The Board meeting and Owner meeting minutes for the fiscal year immediately prior to current annual disclosures.
 - ix. The Association's responsible governance policies adopted under Section 38-33.3-209.5 concerning the collection of unpaid assessments, handling of conflicts of interest involving Board members, conduct of meetings, enforcement of covenants and rules, inspection and copying of Association records by Owner, investment of reserve funds, and procedures for the adoption and amendments of any Rules and Regulations.
- C. The Management Company shall compile these documents and make available upon Owner request as described in the Governing Documents.
- D. Examination of Records.
- i. Owners have the right to examine certain records of the Association. The Association has compiled certain documentation which will provide an Owner with a wide variety of Association information. It is the obligation of every Owner to hold this information in appropriate confidentiality so that information is not released to other parties.
 - ii. Requests by Owners 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. Owners shall not exercise their inspection or copying rights in order to harass any other Owner or the Managing Agent/Company, nor for any commercial, illegal or improper purposes.
 - iii. Notwithstanding the foregoing, certain information has been deemed "not available" to the general membership for review or reproduction. This information includes files pertaining specifically to other units, delinquent account information, unless requested by the Owner responsible for said account, attorney-client communications, information involving pending or anticipated litigation or contract negotiations, information involving the employment, promotion, or dismissal of Association employees or other personnel, and other privileged information.

- E. 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. Neither the Association nor its managing agent warrants or represents the accuracy, completeness, or any other matter in the materials provided.
- F. Process for Requesting Examination and/or Copies of Records.
- i. Owners who desire to examine and/or have copies of Association records must make an appointment with the Managing Agent/Company and submit the Document Request Form (see Attachment II). Reasonable effort will be made to accommodate the Owner 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 for examining the identified documents.
 - ii. Owners 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 Owner's expense. The Association's Managing Agent/Company, on behalf of the Association, will make the copies. The Owner 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 before receiving the requested copies.
 - iii. During an inspection, the Owner may designate such records for copying by use of tab, clip, or Post-It note upon the pages desired.
 - iv. 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.
 - v. Depending on the number of pages requested, the Managing Agent/Company may request that the Owner 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.
 - vi. Maintaining Association information is an important duty of the Association. Therefore, in order to ensure that records are not tampered with, removed, or destroyed, the Managing Agent or Company staff may remain present to observe Owners while they examine Association records and the Association may charge for any labor of such staff member.
 - vii. 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.

G. Seller Requirements.

- i. Colorado law requires that the seller of a unit in a common interest community MUST mail or deliver personally to the buyer copies of the most current version of the following records at seller's own expense: Association Declaration and/or covenants, Bylaws and Rules and Regulations, minutes of the most recent Owners Annual Meeting and any executive board meetings that occurred within the six (6) months immediately preceding the title deadline, operating budget of the Association, Association's annual income and expenditures statement and annual balance sheet of the Association.
- ii. To request written copies of the above records, the seller or the seller's agent must follow the rules and procedures listed under Section F above, and pay 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.
- iii. Furthermore, the seller has the responsibility to obtain from the buyer a signed acknowledgement of receipt of the required information and disclosure statement. The seller is then responsible for delivering the signed acknowledgement to the Association as soon as possible after it is acquired. The Association uses reasonable efforts to provide copies, but shall have no liability for the information provided, or for compliance with any deadlines or other contractual requirements.

H. Enforcement of Inspection and Copying Rule.

- i. 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.
- ii. 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 individual who made the request indicating the nature of any noncompliance. 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.
- iii. The Association's Board shall be entitled to resolve any dispute regarding the Association's records based upon the Board's reasonable business judgment.

ATTACHMENT I
Sample NOTICE OF HEARING

Date

CERTIFIED RETURN RECEIPT
And REGULAR FIRST CLASS MAIL

Mr. and/or Mrs. Homeowner
Street Address
Colorado Springs, CO 80922

Dear Mr. and/or Mrs. Homeowner:

This office is the managing agent for The Heights at Summerfield Homeowners Association, Inc., a Colorado nonprofit corporation (hereinafter the "Association"). The Association was formed pursuant to that certain Community Declaration for Association, Inc., recorded November 1, 2001, at Reception No. 201159274, of the El Paso County, Colorado real property records, and any subsequent recordings thereto, (hereinafter the "Covenants").

You have already been notified that you are in violation of the Covenants, yet the violation has continued. Therefore, pursuant to its rights granted by state law (Colorado Revised Statute C.R.S. 38-33.3-302(1)(k), and pursuant to its rights set forth in the Covenants (Section 11.11), the Board of Directors of the Association hereby notifies you of a hearing on the matter.

The hearing will be held before the Board of Directors on (Day), (Date) at (Time) at the (Location). At that hearing, you will be given an opportunity to be heard. The Board may then, upon a finding of the violation of the Covenants, levy a fine against you and your property. The Board further reserves the right to also pursue other rights and remedies simultaneously or subsequently.

If you have any questions about the hearing, please contact me. However, please reserve your comments and defenses, if any, regarding the violation for the hearing before the Board of Directors.

Sincerely,

Property Manager

ATTACHMENT II

THE HEIGHTS AT SUMMERFIELD HOMEOWNERS ASSOCIATION

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: _____