

THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC. UPDATED: COVENANT AND RULE ENFORCEMENT POLICY

Effective Date: August 19, 2011

The Board of Directors desires to adopt a uniform and systematic policy to address covenant and rule enforcement.

The Association hereby adopts the following policies and procedures for covenant and rule enforcement:

The Approving Authority, aka the Architectural Control Committee (ACC) is appointed by and reports to the Board of Directors. The purpose of this Committee is to ensure the governing documents (Articles of Incorporation, Bylaws and Declaration), Design Guidelines, Rules and Regulations and Resolutions for the community are complied with. Examples of this would be painting, re-roofing, new gutters, windows, stucco, adding a new or replacement deck, adding new or replacement concrete, landscaping or any item that requires a noticeable or significant change to the exterior of the home. The purpose of the Design Guidelines is to promote and retain the design excellence and high quality appearance of the homes in The Spires Drainage Homeowners Association.

Any Association representative to include the ACC, Property Manager, Board Members or other committee's as appointed from time to time, shall have the authority to report violations of the governing documents as noted above. Under this policy, the use of the words Board or ACC is interchangeable except where noted.

1. **Enforcement Procedure.** The Board shall not impose assessment fines unless and until the Association has sent or delivered written notice to the Owner and/or violator as provided below.

A. **Complaint.** Any Owner within the community may send the Association a formal, written complaint via either electronic mail or regular mail of a covenant or rule violation, with as much information as is known. All complaints must be in writing and complaints may also be initiated by the Manager, or any member of the Board of Directors or of the ACC. The Board will not consider oral complaints or anonymous complaints. The Board or the ACC shall have the authority to determine whether a written complaint is justified before continuing with the Notice and Hearing Procedure.

B. **Notice of Alleged Violation.** A Notice of Alleged Violation of any provisions of the Declaration, Bylaws, Design Guidelines, Rules and Regulations, or Resolutions shall be provided in writing to the applicable Owner within two (2) weeks prior to the next scheduled Board meeting following the receipt of a complaint or written discovery by the Board of such violation. The Board may also, at its option, provide a copy of such notice to any non-Owner violator. The notice shall describe the nature of the violation and the possible fine that may be imposed, the right to request a hearing before the Board to contest the violation or possible fine, and may further state that the Board may seek to protect its rights as they are specified in the governing legal documents. All notices shall be delivered by messenger or sent by regular mail. A copy may also be sent by certified mail.

C. **Conflicts.** Any Board member who is incapable of objective consideration on any hearing before the Association shall disclose such to the President of the Association prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and the Board member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member(s) results in an even number of remaining Board members eligible to hear a case, the Presiding Officer may appoint an ACC Member, Association member, in good standing, to serve as a voting member of the hearing board.

D. **Request for Hearing.** If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, or to discuss any mitigating circumstances, the Owner must request such hearing, in writing, within 14 days of the date of the Notice of Alleged violation. In lieu of a request for a hearing, the Owner may submit a written response to the Notice of Alleged Violation for the Board's consideration within 14 days of the date of the Notice. The request for hearing or other written response shall describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. If a hearing is requested, the Board shall notify the Owner of the date, time and place of the hearing by regular and certified mail. In the event a proper and timely request for a hearing is not made as provided herein, the right to a hearing shall be deemed forever waived. If a hearing is not requested within the 14 day period, the Board shall determine if there was a violation based upon the information available to it (including any written response submitted by the Owner), and if so, assess a reasonable fine as set forth in the fine schedule, within a reasonable time after expiration of the 14 day period. The Board of Directors shall give written notice of said fine to the applicable Owner.

E. **Board of Directors to Conduct Hearing.** The Board shall hear and decide cases set for hearing pursuant to the procedures set forth herein. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings. The Board shall determine whether a violation exists and impose fines or other corrective actions as required.

F. **Hearing.** The Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall establish a quorum, explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board. The complaining parties and the Owner shall have the right, but not the obligation to be in attendance at the hearing. Each party may present evidence, testimony, and witnesses. The decision of the Board at each hearing shall be based on the matters set forth in the Notice of Alleged Violation and Hearing, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board of Directors, all hearings shall be open to attendance by all members of the Association. If a complaining party is unable to attend the Hearing, he or she may instead submit a letter to the Board explaining the basis of the complaint.

G. **Decision.** After all testimony and other evidence have been presented to the Board at a hearing, the Board shall render its written findings and decision, and impose a reasonable fine, if applicable, within 20 days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority vote of the Board of Directors present.

2. Fine Schedule.

A. The following fines are guidelines for violation of the provisions of the Declaration, Bylaws, Design Guidelines, Rules and Regulations and Resolutions of the Association or of any Supplemental Declarations which the Association may enforce:

First violation:	Courtesy reminder letter
Second violation:	Warning letter / Notice of Hearing
Third and subsequent violations:	\$100.00 to \$1,000/occurrence

The Board may impose a fine of \$100 to \$1,000 per violation per day "occurrence" which is defined as a twenty-four hour period for violations of the governing documents and Design Guidelines and for making an architectural or landscaping change to a property without prior approval from the ACC.

Continuing violations shall be considered a separate occurrence for each day it continues after the date of the hearing and a per diem fine of \$100.00 to \$1,000 per day may be imposed, retroactively if required, after the hearing until such time as the violation is remedied.

The Board, at its sole discretion, shall determine what constitutes a major architectural or landscaping change. Examples of this type of major change are (but not limited to):

- Large scale landscaping installations or changes;
- Making significant changes to the exterior of an existing home, such as: paint or stucco color, type of roofing material, type of siding, installation of decorative stone, installation or replacement of driveways, patios, colored concrete;
- Putting an addition, porch, sun room, large deck, patio cover, etc. onto a home;
- Installing a yard fence or privacy wall;
- Beginning new home construction;
- Applying exterior materials or colors to a new construction or existing home;
- Significant deviations from approved plans during remodeling or new home construction.

When made aware of the unapproved architectural or landscaping change, the Board will issue a cease and desist letter and will allow the builder/homeowner 14 days from the date of Association notice to submit proper plans for review by the ACC.

The Board reserves the right to fine for first violations of any governing documents, Design Guidelines, Resolutions and Rules that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice, the Board reserves the right to levy fines in excess of the above referenced schedule, if the fines set forth in this schedule are not likely to provide effective incentives to induce compliance.

The Board may waive all, or any portion, of the fines if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violator coming into compliance with the Declaration, Bylaws, Rules and Design Guidelines.

B. All fines shall be due and payable upon notice of the fine and will be late if not paid within 30 days of the date that the Owner is notified of the imposition of the fine. A late fee charge of \$30.00 per month will be imposed and an additional 1.5% per month interest fee charge may be applied. All fines and late charges shall be considered an assessment and may be collected as set forth in the Declaration. Fines shall be in addition to all other remedies available to the Association pursuant to the terms of the Declaration and Colorado law, including the Association's right to collect attorney fees as authorized by Colorado law.

3. Additional Enforcement Rights.

A. Legal Action. The Association, at any time, may pursue legal action against an Owner to enforce the provisions of the Declaration, Bylaws, Design Guidelines, Rules or resolutions by following the preceding notice and hearing procedures.


B. Self-help Remedies. Reference the Declaration, Article II, Approving Authority, Section 203. The Association or its duly authorized agents shall have the power to enter a Lot to abate or remove, using such force as may be reasonably necessary any structure, thing or conditions that violates the Declaration, Bylaws, Rules or Design Guidelines, provided, however, the violating Owner or resident is given at least ten (10) days prior written notice requesting that the violation be removed and abated and that the property restored to substantially the same condition as existed prior to the structure, thing or condition being placed on the property and causing the violation. If the Association exercises its right subject to this paragraph, all costs of self-help, shall be assessed against the Owner's Lot and shall be a lien on the Owner's Lot.

C. Suspension of Right to Vote. The right of an Owner to vote shall be automatically suspended if the Owner is in violation of the Declaration, Bylaws, Design Guidelines, Rules and Regulations or Resolutions of the Association.

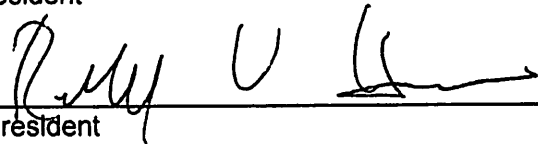
4. Failure to Enforce. Failure of the Association to enforce the Declaration, Bylaws, Design Guidelines, rules and resolutions will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any of the above referenced governing documents for the Association.

IN WITNESS WHEREOF, the undersigned certify that this Covenant and Rule Enforcement Policy was adopted by resolution of the Board of Directors of the Association on this 19th day of August 2011.

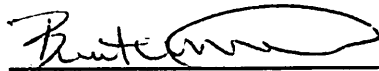
THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By: 

Its: President

By: 

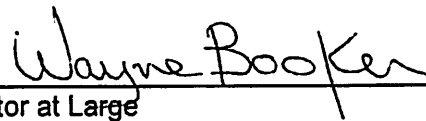
Vice President

By: 

Secretary

By: 

Treasurer

By: 

Director at Large

THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.
UPDATED - COLLECTION POLICY

Effective Date: March 18, 2011

In accordance with the Covenants, the Board of Directors desires to adopt a uniform and systematic procedure regarding collection of assessments and other charges.

The Association hereby adopts the following policy and procedures for collection of assessments:

1. **Due Dates, Late Charges, Interest, and Suspension of Rights.**

A. **Due Dates:** The annual assessment is due on January 15th of each year. Payments shall be deemed received and shall be posted on the date the payment is received in the Association's office or the Association's payment processor's office. Any installment not paid in full when due shall be considered past due and delinquent.

B. **Late Charge.** A late charge in the amount of \$30.00 per month shall be imposed for any assessment, fine or other charge not paid within 30 days of the due date without further notice to the Owner. Such late charge is a personal obligation of the Owner and a lien on the property. This charge will be implemented beginning June 1, 2011.

C. **Interest.** An interest charge in the amount of 1.5% of the amount owing, per month shall be imposed for any assessment, fine or other charge that is under Collections. Such interest charge is a personal obligation of the Owner and a lien on the Lot.

D. **Suspension of Rights.** An Owner's voting rights shall be automatically suspended without notice if an assessment or other charge is not paid within 30 days of the due date.

2. **Return Check Charges.**

A. If any check or other instrument payable to or for the benefit of the Association is not honored by the bank or is returned by the bank for any reason, including, but not limited to insufficient funds, the Owner is liable to the Association for one of the following amounts, at the option of the Association:

(i) An amount equal to the face amount of the check, draft, or money order and a return check charge of \$30.00 or such greater amount as may be charged to the Association; or

(ii) If notice has been sent and the total amount due as set forth in the notice is not paid within 30 days after such notice is given, the person issuing the check, draft or money order shall be liable to the Association for collection for three times the face amount of the check, but not less than \$100.00.

B. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment or of any other charge is delinquent.

C. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one year, be made by certified check or money order.

3. **Attorney Fees.** The Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner pursuant to the terms of the Declaration and Colorado law. Attorney fees incurred by the Association shall be considered part of the assessments and shall be due and payable immediately when incurred, upon demand.

4. **Application of Payments.** All payments received on account of any Owner or the Owner's property, may be applied first to post-judgment attorney's fees, costs and expense; then to costs and attorney's fees not reduced to a judgment; then to interest; then to late charges; then to return check charges; then to fines and other amounts levied pursuant to the Declaration; then to delinquent assessments; then to current assessments not reduced to judgment; and finally to amounts reduced to judgment.

5. **Time Frames.** The following time frames shall be followed in the collection of annual assessment and for collection of other charges.

December 1	Billings sent to all owners
January 15	Full payment is due
February 15	Late fee / First Statement Mailed
Around 10 days later	Delinquent account given to attorney for Demand Letter
Around 45 days later	Lien filed

* NOTE: Late fees will be posted each month an account remains delinquent.

The Board may deviate from this process in their discretion, under circumstances that the Board believes warrant such deviation.

Notwithstanding the time frames set forth above, if a lien holder with priority over the Association's lien (i.e., first mortgagee) takes title to a Lot through foreclosure or deed in lieu of foreclosure, the Association may file a lien on the Lot for any delinquent payment. Once accounts are turned over to the Association's attorney, Owners shall make payment to the Association at the address of the Association's attorney. The Association's attorney shall consult with the Association regarding collection procedures and payment arrangements.

6. **Notices: Use of Certified Mail/Regular Mail.** In the event the Association shall cause a collection or demand letter or notice to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

7. **Referral of Delinquent Accounts to Attorneys.** Upon referral of a delinquent account to the Association's attorneys, the attorneys shall take appropriate action to collect the accounts referred. After an account has been referred to the Association's attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off.

The Association's attorney is authorized to take whatever action is necessary, in consultation with the President of the Board of Directors or other person designated by the Board, believed to be in the best interest of the Association, including, but not limited to:

A. Filing a lien against the delinquent Owner's property to provide record notice of the Association's claim against the property, if not already filed;

B. Filing suit against the delinquent Owner for a money judgment. The purpose of obtaining a personal judgment against the Owner is to allow the Association to pursue remedies such as garnishment of the Owner's wages or bank account to collect judgment amounts;

C. Instituting a judicial action of foreclosure on the Association's lien. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or in other circumstances that may favor such action;

D. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim; and

E. Filing a court action seeking appointment of a receiver. A receiver is a disinterested person, appointed by the court, which manages rental of the Owner's property, and collects the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments, and prevent waste and deterioration of the property.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney. Upon referral of any matter to the Association's attorney, the Association shall pay the Association's attorneys their usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.

8. Notification to and Communication with Owners. This Collection Policy shall be made available to all Owners by the Association as required by Colorado law. After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Owner shall be handled through the Association's attorney. Neither the manager, if any, nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.

9. Certificate of Status of Assessment/Estoppel Letter. The Association shall furnish to an Owner or such Owner's designee upon written request, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's Lot. The statement shall be delivered within 10 calendar days after receipt of the request for a fee. The fee for the statement shall be assessed in accordance with the management company's fee schedule for such statements, which fee shall become an assessment. If the Owner's account has been turned over to the Association's attorney, such statement shall be handled through the Association's attorney and shall include any attorney fees incurred in providing the statement.


10. Bankruptcies and Public Trustee Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Lot within the Association, the Association shall advise the Association's attorney of the same and turn the account over to the Association's attorney.

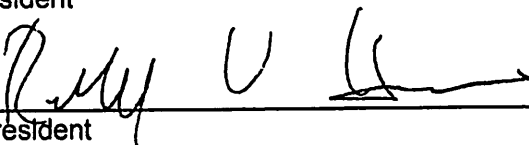
11. Waivers. The Association may alter the time for the filing of lawsuits and liens, or otherwise modify the procedures contained herein, as the Association shall determine appropriate under the particular circumstances. Any such accommodation shall be documented in the Association's files with the conditions of relief. Failure of the Association to require strict compliance with this Collection Policy shall not be deemed a waiver of the Association's right to require strict compliance and shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Collection Policy.


12. Amendment. This Collection Policy may be amended from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that this Collection Policy was adopted by Resolution of the Board of Directors of the Association this 18th day of March, 2011.

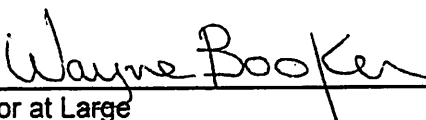
THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By: 
Its: President

By: 
Vice President

By: 
Secretary

By: 
Treasurer

By: 
Director at Large

THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC. CONDUCT OF MEETINGS POLICY AND PROCEDURE

Effective Date: 27 Oct '08

The Board of Directors desires to adopt a uniform and systematic policy and procedure to address conduct of Board and Member meetings.

The Association hereby adopts the following policy and procedure for Board and Member meetings:

1. BOARD MEETINGS

A. The Board shall hold an organizational meeting immediately following the annual meeting to elect officers, adopt the budget if not previously approved, to set the annual assessments and transact such other business as may properly come before it. No notice shall be required for this meeting.

B. If a schedule is set for regular Board meetings, no notice beyond the schedule need be given. Notice of special Board meetings shall be given at least 3 days prior to the meeting. Notice shall be by telephone, email or by leaving notice at the director's residence.

C. All Board meetings shall be open to attendance by Members of the Association, or their representatives, provided that the Board may go into executive session for any purpose allowed by law. Members may be excluded from executive session. Prior to going into executive session, the chair of the meeting shall announce the purpose for the executive session.

D. The Board may post notice of upcoming Board meetings on a website.

E. The meeting agenda shall be made reasonably available for examination by Members of the Association or their designated representatives.

F. There shall be a Members' forum at the beginning of each regular Board meeting. The Members' forum shall be for up to 10 minutes, although the Board may extend this time in its discretion. The rules for Member participation during the meetings are as follows:

(i) Each Member who wishes to address the Board on an agenda item or on any other matter will be given a reasonable time to speak, provided the chair may impose reasonable time limits to facilitate Member participation. After other Members have had an opportunity to speak, then a Member who has already spoken will be given another opportunity, time permitting.

(ii) Each Member who wishes to speak must be recognized by the chair. Once recognized, the Member shall state his/her name and address.

(iii) All comments must be delivered in a businesslike and professional manner. Personal attacks or inflammatory comments will not be permitted.

(iv) A Member who wishes to speak about any matter on the agenda of the Board meeting shall do so only during the Members' forum.

(v) The Board is not obligated to take immediate action on any item presented by a Member.

G. Following the conclusion of the Members' forum, the Board will proceed with the business portion of the meeting. Members who attend or remain may not participate in deliberation or discussion during this portion of the Board meeting unless expressly authorized by the President or a majority vote of the Board.

H. Items shall be discussed pursuant to the meeting agenda, provided that items may be taken out of order if deemed advisable by a majority of Board Members present. Items not on the agenda may be discussed once all other items have been concluded, time permitting. If items that are not on the agenda are discussed, Members shall be given a reasonable opportunity to comment in accordance with the terms of Paragraph F above.

I. Any director may make a motion. All motions shall be recorded in the minutes. Motions must be seconded to be discussed and voted upon. The minutes shall record the number of votes in favor, votes against, and abstentions. If any director requests his/her vote in favor or against or his/her abstention be recorded in the minutes, the minutes shall so reflect.

J. Board meetings are not required to be held in accordance with Robert's Rules of Order.

2. ANNUAL MEETINGS/SPECIAL MEMBER MEETINGS

A. The Board shall give a statement of all acts and corporate affairs at the annual meeting, in addition to any other business to be conducted.

B. Notice of a Membership meeting shall be personally delivered or mailed to each Member not less than 10 or more than 60 days prior to the meeting. Notice may also be posted on a website. There is no conspicuous central location in which it is feasible and practical to post physical notice in the community. If a Member requests notice by e-mail only and provides an e-mail address, notice will be provided by e-mail.

C. Each Member will sign in prior to the meeting for himself/herself and for any proxies he/she holds. Voting rights of delinquent Members are suspended and such Members shall not be given a ballot. If an election or vote is to be held, the Member in good standing will be given the appropriate number of ballots.

(i) Any ballot at the meeting for the election of directors shall be a secret ballot.

(ii) A Directed Proxy "ballot" may be used for mail in voting which is not secret, as the owner's identity is required to verify ownership and address.

(iii) If secret balloting is not required, the Association may indicate the number of proxies held on the ballot itself.

D. The President of the Board of Directors, or other person directed by the Board, will call the meeting to order and conduct the meeting. The meeting shall proceed in the order set forth in the agenda.

E. Each Member who wishes to speak will be given 5 minutes to speak, provided the chair may impose reasonable time limits to facilitate Member participation. Members may not speak a second time until everyone who wishes to speak has been given an opportunity to speak once. Members may not speak more than twice on any one topic, subject to the chair's discretion.

F. Members must maintain decorum and refrain from addressing the Membership or Board until recognized by the chair. Upon being recognized, the Member must state his/her name and address.

G. Members may not interrupt anyone who validly has the floor, or otherwise disrupt the meeting. Members may not engage in personal attacks on either Board Members or other Association Members. All comments and questions are to be delivered in a businesslike manner and comments shall be confined to matters germane to the agenda item being discussed. No Member may use abusive, rude, threatening, vulgar or crude language.

H. Members must obey all orders made by the meeting chair, including an order to step down.

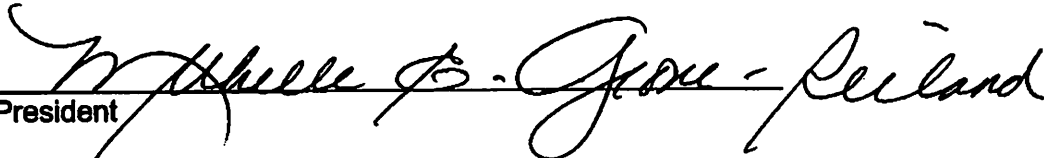
I. Any Member who refuses to follow the above rules will be asked to leave the meeting.

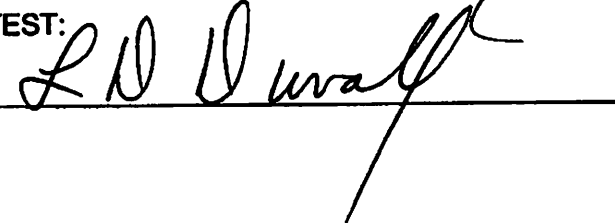
J. Any motions must be seconded prior to discussion and voting. Because the nature of a motion and vote may be outside the Members' authority, the Board reserves the right to determine whether a motion will be considered binding on the Association or a recommendation for proceeding. Such determination may be made following consultation with legal counsel.

K. Meetings are not required to be held in accordance with Robert's Rules of Order.

IN WITNESS WHEREOF, the undersigned certify that this Conduct of Meetings Policy and Procedure was adopted by resolution of the Board of Directors of the Association on this 20 day of OCTOBER, 2008.

THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By: 
Its: President

ATTEST:
By: 

**THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.
CONFLICT OF INTEREST POLICY**

Effective Date: 27 OCT '08

The Board of Directors of the Association desires to adopt a uniform and systematic policy to address conflicts of interest.

The Association hereby adopts the following policies and procedures to handling directors' conflicts of interest:

1. A director is deemed to have a conflict of interest if any of the following would derive a financial benefit from a contract, any Association Rule, governing document violation or Resolution/Policy violation, Board decision or Board action: the director; the director's parent, grandparent, spouse, child, sibling; or the parent or spouse of the director's parent, grandparent, spouse, child or sibling. Reimbursement of actual expenses shall not be deemed a financial benefit for purposes of this policy.
2. The director shall disclose the conflict of interest in the matter in an open meeting prior to the discussion and vote on the matter. Such disclosure shall be reflected in the minutes of the meeting or other written form.
3. The director shall not take part in the discussion and shall leave the room during the discussion and the vote on the matter. Notwithstanding the foregoing, a majority of the disinterested Board members may ask the interested Board member to remain during any portion of the discussion and/or vote, provided that the director does not vote.
4. The interested director shall count for the purpose of establishing a quorum of the Board for the matter in which there is a conflict.
5. The contract, Board decision or other Board action must be approved by the disinterested Board members. No contract, Board decision or other Board action in which a Board member has a conflict of interest shall be approved unless it is commercially reasonable to and/or in the best interests of the Association.
6. If the interested director fails to disclose the financial interest in violation of this resolution and of Colorado law, any contract entered into by the Association will be void and unenforceable. The interested director shall be responsible for any damages arising from the failure to disclose.
7. Each director shall be required to sign an acknowledgement of this policy within 30 days of becoming a director or upon adoption of this policy.

IN WITNESS WHEREOF, the undersigned certify that this Conflict of Interest Policy was adopted by resolution of the Board of Directors of the Association on this 20 day of OCTOBER, 2008.

THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By: Michelle Jo. Grove Reiland
Its: President

ATTEST:

By: L. D. Duval
Printed Name

THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.

UPDATED - INVESTMENT OF RESERVES POLICY

Effective Date: 4-15-2011

The Board of Directors desires to adopt a uniform and systematic policy regarding investment of reserve funds.

The Association hereby updates the following policies and procedures for investing reserve funds:

1. The Board of Directors shall establish the amount, if any, to be transferred to reserve funds on an annual basis.
2. Reserves may be invested in:
 - A. Readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof: provided that the full faith and credit of the United States of America is pledged in support thereof;
 - B. Time deposits with, or insured certificates of deposit or bankers' acceptances of any commercial bank that (i) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, (ii) issues (or the parent of which issues) commercial paper rated as described in clause (c) of this definition and (iii) has combined capital and surplus of at least \$1,000,000,000;
 - C. Commercial paper in an aggregate amount of no more than 10% of Reserves outstanding at any time issued by any Person organized under the laws of any state of the United States of America and rated at least "Prime-1" (or the then equivalent grade) by Moody's or at least "A-1" (or the then equivalent grade) by Standards & Poor;
 - D. Investments in money market investment programs registered under the Investment Company Act of 1940, which are administered by financial institutions that have the highest rating obtainable from either Moody's or S&P, and the portfolios of which are limited solely to investments of the character and quality described in clauses (a), (b) and (c) of this paragraph 2.
 - E. Other investments recommended by a financial advisor pursuant to the Association's investment goals.
3. The reserve funds shall be invested to achieve the following goals, in descending order of importance:
 - A. Promote and ensure the preservation of principal;
 - B. Structure maturities to ensure liquidity and accessibility of funds for projected or unexpected expenditures;
 - C. Mitigate the effects of interest rate volatility upon reserve assets;
 - D. Seek the highest level of return that is consistent with preserving the principal and accumulated interest;
 - E. Minimize investment costs.
4. The Board may consider the following circumstances in investing reserve funds:

- A. General economic conditions;
- B. Possible effect of inflation or deflation;
- C. Expected tax consequences;
- D. Role that each investment plays in the overall investment portfolio;
- E. Other resources of the Association.

5. All accounts, instruments and other documentation of such investments shall be subject to the approval of, and may from time to time be amended by, the Board of Directors as appropriate, and shall be reviewed at least once per year.

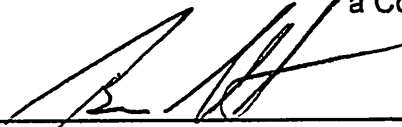
6. The President, Treasurer or Manager, if authorized by the Board, shall be authorized and empowered to purchase, invest in, acquire, sell or assign any and all types and kinds of investments is allowed Reserves as identified in paragraph 2 and meeting the goals in paragraph 3; and to enter into agreements, contracts and arrangements with respect to such security transactions and to execute, sign or endorse agreements on behalf of the Association. To withdraw or transfer funds, the signature of one of the aforementioned persons shall be required.

7. The Association will carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds.

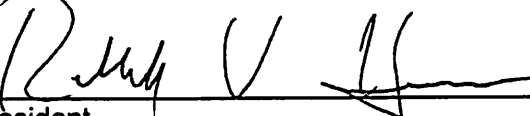
8. The Association's manager or other person designated by the Board shall maintain monthly statements, including detailed accounting of current values, income and all transactions.

IN WITNESS WHEREOF, the undersigned certify that the Investment of Reserves Policy was adopted by resolution of the Board of Directors of the Association this 14th day of April, 2011.

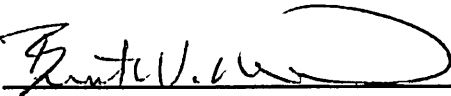
THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By: 

Its: President

By: 

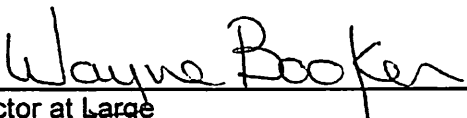
Vice President

By: 

Secretary

By: 

Treasurer

By: 

Director at Large

The Spires Drainage Homeowners Association, Inc.
RESERVE STUDY AND FUNDING POLICIES
(UNDER House Bill 09-1359)

PURPOSE: Compliance with Colorado law, to adopt policies as required under House Bill 09-1359.

AUTHORITY: The Declaration, Articles of Incorporation, Bylaws and Colorado law.

EFFECTIVE DATE: September 21, 2009.

RESOLUTION: The Association adopts the listed policies (as required under House Bill 09-1359).

1. Reserve Study Policy:

- The Association is not required under the Community's governing documents to have a reserve study.
- The Association has determined to establish policies on reserve studies as follows:
 - The Board of Directors shall determine whether to have a reserve study prepared and the timing of any such study;
 - The Association may have any reserve study updated or revised periodically;
 - Reserve studies may be performed by an outside consultant or may be prepared internally;
 - Reserve studies are preferred to be based on a physical examination of the Community by the person preparing the reserve study.

2. Reserve Funding Policy:

- The Association has determined to establish policies on reserve funding as follows:
 - Funding for replacement is preferred to be based on a financial analysis performed by the Association's managing agent in consultation with the Board of Directors;
 - Funding for replacement is planned and projected to be from the following sources: (1) cash then on hand, including the operation and the reserve accounts, (2) annual assessments of owners, (3) special assessments of owners, (4) a loan as may be obtained by the Association, and/or (5) any combination of the above.

IN WITNESS WHEREOF, the undersigned certify that the foregoing was adopted by resolution of the Board of Directors of the Association on this 21st day of September, 2009.

The Spires Drainage Homeowners Association, Inc.
a Colorado nonprofit corporation.

By: 
President

ATTEST:

By: 
Title: Secretary

**THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.
ADOPTION AND AMENDMENT PROCEDURE**

Effective Date: 27 OCT '08

The Board of Directors desires to adopt a uniform and systematic procedure to amend and adopt policies, procedures and rules.

The Association hereby adopts the following procedure for the adoption and amendment of policies, procedures, and rules:

1. Definitions:
 - A. A policy is a course or principle of action adopted to guide the Board of Directors.
 - B. A procedure is an established or official way of conducting a course of action.
 - C. A rule is defined as a regulation or requirement governing conduct or behavior.
2. Policies and procedures, in general, shall govern the activities of the Board of Directors in the operation of the Association.
3. Rules, in general, shall govern the use of property within the community and the behavior of residents and/or their guests while in the community.
4. The Board of Directors shall have the authority to adopt policies, procedures and rules to the extent they do not conflict with the Articles of Incorporation, Bylaws and Declaration of the Association.
5. The Board shall have authority to adopt and amend those policies and procedures which govern Association operation. Such policies and procedures shall be adopted at an open Board meeting and documented in the minutes or in a formal resolution.
6. The Board may adopt rules and regulations regarding the use of Common Area and restrictions for Lots and other areas administered by the Association and interpreting and implementing the governing documents. Prior to adopting final rules, the Board may send notice of a proposed rule to all owners and allow for a period of comment. Rules, once adopted, shall be sent to all owners and shall be effective upon delivery.

IN WITNESS WHEREOF, the undersigned certify that the Amendment Procedure was adopted by resolution of the Board of Directors of the Association this 20 day of OCTOBER, 2008.

THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By: *Michelle L. Jones-Rickard*
Its: President

ATTEST:

By: *L. H. Duvall*

THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC. RECORDS INSPECTION POLICY

Effective Date: 27 OCT '08

The Board of Directors desires to adopt a uniform and systematic records inspection policy.

The Association hereby adopts the following policies and procedures for records inspection:

1. The Association shall maintain, at a minimum, the following records:
 - A. financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments;
 - B. minutes of Membership meetings, minutes of Board meetings, a record of all actions taken by the Members or Board by written ballot or written consent in lieu of a meeting, a record of all actions taken by a committee of the Board in place of the Board on behalf of the Association, and a record of all waivers of notices of meetings of Members and of the Board or any committee of the Board;
 - C. a record of Members in a form that permits preparation of a list of names and addresses of all Members, showing the number of votes each Member is entitled to vote ("Membership list");
 - D. the Articles of Incorporation, Declaration, Covenants, Bylaws, rules and regulations, and resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Members;
 - E. written communications within the past three years to Members generally as Members;
 - F. a list of the names and business or home addresses of its current directors and officers;
 - G. its most recent annual report, if any;
 - H. all financial audits or reviews conducted during the preceding three years; and
 - I. a record of Mortgagees of Lots if the Mortgagee has filed notice of its lien with the Association as required by the governing documents.
2. Records shall be made reasonably available for inspection and copying by a Member or the Member's authorized agent. "Reasonably available" means available during normal business hours upon notice of 5 business days, to the extent that:
 - A. the request is made in good faith and for a proper purpose;
 - B. the request describes with reasonable particularity the records sought and the purpose of the request; and
 - C. the records are relevant to the purpose of the request.

All requests shall be submitted on the form attached to this policy.

3. **A Membership list may not be:**
- A. **used to solicit money or property unless such money or property will be used solely to solicit votes of the Members in an election held by the Association;**
 - B. **used for any commercial purpose;**
 - C. **sold to or purchased by any person; or**
 - D. **used for any other purpose prohibited by law.**

Any Member requesting a Membership list shall be required to sign the agreement attached to this policy indicating that he/she will not use the list for the purposes stated above.

4. **Upon receipt of a request, the Association shall make an appointment with the Owner, at a time convenient to both parties, to conduct the inspection. Unless otherwise agreed, all records shall be inspected at the management company's office. All appointments for inspection will be limited to 4 hours. If additional time is needed, another appointment will be made within 1 week, at a time convenient to both parties.**

5. **At the discretion of the Board of Directors or Manager, records will be inspected only in the presence of a Board member, management company employee or other person designated by the Board.**

6. **During inspection, an Owner may designate pages to be copied with a paperclip, post-it note, or other means provided by the Association. Copies will be made at a cost based on the standard schedule of fees charged by the Association's management agent, which charges shall include retrieval costs for off-site files. The Owner shall be responsible for paying the total copying cost prior to receiving the copies.**

7. **Records may not be removed from the office in which they are inspected without the express written consent of the Board.**

8. **The following records will not be available for inspection without the express written consent of the Board:**

- A. **documents which are privileged or confidential between attorney and client or which concern pending or imminent hearings or court proceedings;**
- B. **documents related to investigative proceedings concerning possible or actual criminal misconduct;**
- C. **documents which, if disclosed, would constitute an unwarranted invasion of individual privacy;**
- D. **documents which the Association is prohibited from disclosing to a third party as a matter of law; and**
- E. **inter-office memoranda, preliminary data, working papers and drafts, and general information or investigations which have not been formally approved by the Board.**

9. **The Association may pursue any Owner for damages or injunctive relief or both, including reasonable attorney fees, for abuse of inspection and copying rights, including use of any records for a purpose other than that stated in the Owner's request.**

IN WITNESS WHEREOF, the undersigned certify that this Records Inspection Policy was adopted by resolution of the Board of Directors of the Association on this 20 day of OCTOBER, 2008.

THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By: Michelle E. Jane Seiland
Its: President

ATTEST:

By: L.D. Duval

**THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.
REQUEST FOR ACCESS TO ASSOCIATION RECORDS**

Member Name: _____ Date: _____

Address: _____

Telephone #: _____

Pursuant to state law and the Association's Records Inspection Policy, I hereby request that The Spires Drainage Homeowners Association, Inc. provide access to the records of the Association. I understand that upon receipt of this request, the Association will set an appointment with me during regular business hours.

1. The records that I wish to review are (attach a separate piece of paper if necessary):

- A. _____
- B. _____
- C. _____

2. I certify that my request to review the 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. Specifically, my purpose for wanting to review the records of the Association is as follows:

3. I acknowledge and accept the Association's records inspection policy. I acknowledge and accept that the records of the Association will be made available to me only at such time and place as the Association's policy provides, and that there may be a cost associated with providing copies of these documents for me. I agree to pay any costs associated with copying these documents. In the event the records provided to me by the Association are used for any improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Member Signature: _____ Date: _____

AGREEMENT FOR USE OF THE MEMBERSHIP LIST FOR THE SPIRES DRAINAGE HOMEOWNERS ASSOCIATION, INC.

Member Name: _____ Date: _____

Address: _____

Telephone #: _____

I have requested a copy of the Membership list for The Spires Drainage Homeowners Association, Inc.

The list shall be used only for the following purpose(s):

I understand that under the terms of Colorado law, the Membership or voting list, or any portion thereof, may not be obtained or used for any purpose unrelated to my interests as a Member of the Association. I further understand and agree that without limiting the generality of the foregoing, the Membership list, or any portion thereof, may not be:

- A. Used to solicit money or property unless such money or property will be used solely to solicit votes of the Members in an election held by the Association;
- B. Used for any commercial purpose;
- C. Sold to or purchased by any person; or
- D. Used for any other purpose prohibited by law.

In the event the list is used for any improper purpose, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees, and I shall be subject to all enforcement procedures available to the Association through its governing documents and/or Colorado law.

Understood and agreed to this _____ day of _____, 2008 by:

Member Signature: _____ Date: _____