

**RESOLUTION
OF THE
THE LEGACY RIDGE CONDOMINIUM ASSOCIATION OF COLORADO SPRINGS
REGARDING POLICIES AND PROCEDURES FOR COVENANT AND RULE
ENFORCEMENT**

SUBJECT: Adoption of a policy regarding the enforcement of covenants and rules and procedures for the notice of alleged violations, conduct of hearings and imposition of fines.

PURPOSE: To adopt a uniform procedure to be followed when enforcing covenants and rules to facilitate the efficient operation of the Association.

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

EFFECTIVE DATE: June 1, 2015

RESOLUTION: The Association hereby adopts the following procedures to be followed when enforcing the covenants and rules of the Association:

1. Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s) by submission of a written complaint.

2. Complaints.

(a) Complaints by Owners or residents shall be in writing and submitted to the Board of Directors in care of the Association's manager. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information.

Non-written complaints or written complaints failing to include any information required by this provision may not be

investigated or prosecuted at the discretion of the Association.

(b) Complaints by a member of the Board of Directors, a committee member, or the manager, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director or Manager.

3. Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee or manager. The Board shall have sole discretion in appointing an individual or committee or manager to investigate the matter.

4. Initial Warning Letter. If a violation is found to exist, an initial warning letter shall be delivered to the Violator explaining the nature of the violation and the action required to cure the violation. The Violator will have 10 days from the date of the letter to come into compliance. The foregoing procedure will not be used, however, in the event the violation is determined by the Board to be a Repetitious Violation as defined in Paragraph 13 of this policy. In such event, the procedure outlined in Paragraph 13 shall be followed.

5. Continued Violation After Initial Warning Letter. If the alleged Violator does not come into compliance within 10 days of the initial warning letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. Second and subsequent letter(s) shall then be sent to the alleged Violator, explaining the nature of the violation, the proposed fine to be imposed, and providing the opportunity for a hearing. If the alleged Violator desires such a hearing to challenge or contest the alleged violation and possible fine, or to discuss any mitigating circumstances, the alleged Violator must request such a hearing, in writing, within 10 days of the date of the letter from the Association. In lieu of a request for a hearing, the alleged Violator may submit a written response to the letter from the Association for the Board's consideration within 10 days of the date of the letter. The request for hearing or other written response shall describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. The foregoing procedure will not be used, however, in the event the violation is determined by the Board to be a Repetitious Violation as

defined in paragraph 13 of this policy. In such event, the procedure outlined in paragraph 13 shall be followed.

6. Notice of Hearing. If a hearing is requested, the Board shall notify the alleged Violator 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 for that specific fine shall be deemed forever waived.

7. Failure to Request a Hearing. If a hearing is not requested within the 10 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 10 day period.

8. Impartial Decision Maker. Pursuant to Colorado law, the alleged Violator has the right to be heard before an "Impartial Decision Maker". An Impartial Decision Maker is defined under Colorado law as "a person or group of persons who have the authority to make a decision regarding the enforcement of the association's covenants, conditions, and restrictions, including architectural requirements, and other rules and regulations of the association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the association." Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint to act as the Impartial Decision Maker the entire Board, specified members of the Board, any other individual or group of individuals.

9. Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator are required to be in attendance at the hearing.

The Impartial Decision Maker shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing.

Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Impartial Decision Maker shall, within a reasonable time, not to exceed five days, render its written findings and decision, and impose a fine, if applicable. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

10. Notification of Decision. The decision of the Impartial Decision Maker shall be in writing and provided to the Violator and Complainant within five days of the hearing, or if no hearing is requested, within five days of the final decision.

11. Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations:

First violation	Warning letter
Second violation (of same covenant or rule)	\$50.00
Third violation (of same covenant or rule)	\$75.00
Fourth and subsequent violations (of same covenant or rule)	\$100.00

Fifth and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. Any Owner committing six or more violations of the same type within a twelve month period may be immediately turned over to the Association's attorney for appropriate legal action.

12. Continuous Violations. Continuous violations are defined as violations of Owner obligations that are uninterrupted by time. *For example: charcoal grills on balconies, renters with pets, or satellite dish cables not being properly installed.*

If an Owner is determined as having a continuous violation, in accordance with the terms of this Policy, such Owner may be subject to a daily fine of \$50 if not corrected, following a notice and opportunity for a hearing as set forth above.

13. Repetitious Violations. Repetitious Violations are defined as a series of identical or substantially similar individual violations that occur repeatedly or continuously within a period of time to be determined in the discretion of the Board, with each individual violation separated by a period of no less than 1 day, nor more than 90 days, the result of which is a pattern of violations of the same covenant restriction. In the event of such Repetitious Violation, in the discretion of the Board, each instance of noncompliance may constitute a separate violation, and the Board shall not be required to provide a period of 10 days from each violation for the alleged Violator to come into compliance. A warning letter shall be sent for the first violation in the series. After the warning letter, the Board may cause violation notices to be sent for each violation in the series stating the amount of the fine to be imposed (pursuant to the Fine Schedule in Paragraph 11), and giving notice and an opportunity for a hearing. The Board shall individually consider each violation for which a hearing is requested, but is permitted to combine any and all hearings requested for Repetitious Violations on one date.

Examples of Repetitious Violations include, but are not limited to repeatedly or continually parking a restricted recreational vehicle in the community or failing to pick up after one's pet. In each instance of a Repetitious Violation, the Owner will receive a warning letter on the first instance of the violation. On the second instance of the violation, the owner will receive a \$50 fine letter, and notice and opportunity for a hearing. On the third instance of the violation, the owner will received a \$75 fine letter, and notice and opportunity for a hearing. On the fourth and subsequent instances of the violation, the owner will receive a \$100 fine letter and notice and opportunity for a hearing.

14. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole 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 and staying in compliance with the Articles, Declaration, Bylaws or Rules.

15. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

15. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

16. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

17. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

18. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

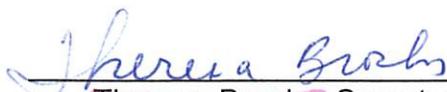
19. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Legacy Ridge Condominium Association of Colorado Springs, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association via Action Without a Meeting (Pursuant to Article SEVEN, Section 7.6 of the Bylaws) on June 1, 2015.

**THE LEGACY RIDGE CONDOMINIUM
ASSOCIATION OF COLORADO SPRINGS,**
a Colorado nonprofit corporation,

By: 
Richard Thorne, President

By: 
Theresa Brooks, Secretary/Treasurer

**RESOLUTION
OF
LEGACY RIDGE CONDOMINIUM ASSOCIATION OF COLORADO SPRINGS
REGARDING POLICY AND PROCEDURES FOR COLLECTION OF UNPAID
ASSESSMENTS**

SUBJECT: Adoption of a policy and procedure regarding the collection of unpaid assessments.

PURPOSE: To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

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

**EFFECTIVE
DATE:**

JANUARY 1, 2014

RESOLUTION: The Association hereby adopts the following policy:

It is in the best interest of the Association to refer delinquent accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue. The Board of Directors has retained an attorney with experience in representing homeowner associations in collections and other matters. The Association hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

1. Due Dates. Installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the 1st day of each month. Assessments or other charges not paid in full to the Association within one day of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 15 days of the due date shall incur late fees and interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be

charged any costs incurred by the Association in giving notice of such acceleration.

2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's office.

3. Late Charges on Delinquent Installments. The Association shall impose on a monthly basis a \$15.00 late charge for each Owner who fails to timely pay his/her monthly installment of the annual assessment within 15 days of the due date. This late charge shall be a "common expense" for each delinquent Owner. The Association shall impose interest from the date due at the rate of 18% per annum on the amount owed for each Owner who fails to timely pay their monthly installment of the annual assessment within 15 days of the due date.

4. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a return check fee, not to exceed \$20.00, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument

tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. 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 (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment is not timely made within 15 days of the due date.

6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner.

7. Payment Plan. Any Owner who becomes delinquent in payment of assessments after January 1, 2014 and whose account is not currently with the Association's attorney or a collection agency for collection action on January 1, 2014, may enter into a payment plan with the Association, which plan shall be for a minimum term of 6 months or such other term as may be approved by the Board of Directors. Such payment plan shall be offered to each owner prior to the Association referring any account to an attorney or collection agency for collection action. In the event the Owner defaults or otherwise does not comply with the terms and conditions of the payment plan, including the payment of ongoing assessments of the association, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

8. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, 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. The

reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

9. Application of Payments. All sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

10. Collection Process.

(a) After an installment of an annual assessment or other charges due to the Association becomes more than 30 days delinquent, the management company shall send a written notice ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment. The Association's notice, at a minimum, shall include the following:

(i) The total amount due to the Association along with an accounting of how the total amount was determined.

(ii) Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.

(iii) A name and contact information for an individual the owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.

(iv) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquency account being

turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law including revoking the owners right to vote if permitted in the Bylaws or Declaration.

(b) After an installment of an annual assessment or other charges due to the Association becomes more than 45 days delinquent, the management company shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late fees have accrued, notice of intent to file a lien and request for immediate payment.

(c) After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the management company shall send a third written notice ("Lien Notice") of non-payment, amount past due, notice that interest and late fees have accrued, notice that a lien has been filed and request for immediate payment.

(d) After an installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the manager shall activate collection actions including but not limited to, turning over accounts to collection agencies or the Association attorney. If turned over to the Association's attorney, upon receiving the delinquent account, the Association's attorney shall send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorney may file a lawsuit. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any applicable interest and late fees.

(e) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

11. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

12. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

Due Date (date payment due)	1st day of the month due
Past Due Date (date payment is late if not received on or before that date)	15 days after due date
First Notice (notice that late charges and interest have accrued, required disclosures of the Association and the availability of a payment plan if applicable)	30 days after due date
Second Notice (notice that late charges and interest have accrued, notice of intent to file lien)	Any time after 45 days after due date

Lien Notice (notice that late charges and interest have accrued, notice that a lien has been filed)	Any time after 60 days after due date
Delinquent account turned over to Association's attorney; Demand letter sent to Owner.	Any time after 90 days after due date

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

13. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a reasonable fee. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

14. Bankruptcies and 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 unit within the Association, the management company shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

15. Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notices 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.

16. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the management company, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

(a) Filing of a suit against the delinquent Owner for a money judgment;

(b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;

(c) Filing necessary claims, documents, and motions in court in order to protect the Association's interests; and

(d) Filing a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

17. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses 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 the waste and deterioration of the property.

18. Rental Interception. The Association may, without court order, notify the tenant of any unit where the owner is delinquent in the payment of assessments, pursuant to the Declaration and Colorado law, that rents shall be paid to the Association effective

immediately and continue until such time as the Owner's account is current. Such notice shall be in writing to the tenant and the Owner. All funds received by the Association from the tenant shall be credited to the owners account as set forth herein.

19. Judicial Foreclosure. 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 other circumstances favor such action. The Association shall consider individually each recommendation for a foreclosure and may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

20. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

21. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager 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.

22. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.

23. Defenses. Failure of the Association to comply with any provision in this Policy 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 Policy.

24. Credit Report. In the event an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law, the Owner acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.

25. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

26. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

27. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

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

PRESIDENT'S CERTIFICATION: The undersigned, being the President of the Association certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on November 4, 2013 and in witness thereof, the undersigned has subscribed his/her name.

**LEGACY RIDGE CONDOMINIUM ASSOCIATION OF
COLORADO SPRINGS,**
a Colorado nonprofit corporation,

By: _____

Its: President

**THE LEGACY RIDGE CONDOMINIUM ASSOCIATION OF COLORADO SPRINGS
ADOPTION AND AMENDMENT PROCEDURE**

Effective Date: January 1, 2006

In compliance with the Colorado Common Interest Ownership Act, 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 Declaration, Articles of Incorporation, and Bylaws 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 Elements and implementing and interpreting 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 immediately unless otherwise specified.

IN WITNESS WHEREOF, the undersigned certify that the Amendment Procedure was adopted by resolution of the Board of Directors of the Association this 1st day of January, 2006.

THE LEGACY RIDGE CONDOMINIUM ASSOCIATION OF
COLORADO SPRINGS, a Colorado nonprofit corporation,

By: 
Its: President

ATTEST:

By: 

**THE LEGACY RIDGE CONDOMINIUM ASSOCIATION OF COLORADO SPRINGS
CONDUCT OF MEETINGS POLICY AND PROCEDURE**

Effective Date: January 1, 2006

In compliance with the Colorado Common Interest Ownership Act, 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 annual Board meeting immediately following the annual Member meeting to elect officers and transact any other business that may properly come before it.

B. Notice of special Board meetings shall be given at least 5 days prior to the meeting. Notice shall be in writing and shall be personally delivered, mailed, couriers, telegraphed, e-mailed, faxed or sent by other wire or wireless means. A schedule of regular Board meetings shall be set and no notice beyond the schedule need be given.

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 at the mail kiosk.

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 15 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 a vote of the majority of a quorum 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** required to be held in accordance with Robert's Rules of Order.

2. ANNUAL MEETINGS/SPECIAL MEMBER MEETINGS

A. Notice of a Membership meeting shall be sent to each Member not less than 14 or more than 60 days prior to the meeting. Notice may be mailed, personally delivered, telegraphed, teletyped, e-mails, faxed or sent by other forms of wire or wireless means. Notice shall also be posted at the mail kiosk. If a Member requests notice by e-mail only and provides an e-mail address, notice will be provided by e-mail.

B. 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 will be given the appropriate number of ballots.

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

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

C. 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.

D. 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.

E. 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.

F. 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.

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

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

I. 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.

J. Meetings **are** 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 1st day of January, 2006.

THE LEGACY RIDGE CONDOMINIUM ASSOCIATION OF
COLORADO SPRINGS, a Colorado nonprofit corporation,

By: 
Its: President

ATTEST:

By: 

**THE LEGACY RIDGE CONDOMINIUM ASSOCIATION OF COLORADO SPRINGS
CONFLICT OF INTEREST POLICY**

Effective Date: January 1, 2006

In compliance with the Colorado Common Interest Ownership Act, 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, 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 a majority of 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.

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 1st day of January, 2006.

THE LEGACY RIDGE CONDOMINIUM ASSOCIATION OF
COLORADO SPRINGS, a Colorado nonprofit corporation,

By: [Signature]
Its: President

ATTEST:

By: [Signature]

**THE LEGACY RIDGE CONDOMINIUM ASSOCIATION OF COLORADO SPRINGS
INVESTMENT OF RESERVES POLICY**

Effective Date: January 1, 2006

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic policy regarding investment of reserve funds.

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

1. The Board of Directors shall establish the amount to be transferred to reserve funds on an annual basis. The amount shall be reflected in the budget to be ratified by the owners.
2. Reserves may be invested in certificates of deposit, money market deposit accounts, money market funds, U.S. treasury and government obligations, municipal bonds and other state obligations, and other investments recommended by a financial advisor pursuant to the Association's investment goals. No funds shall be deposited or invested except in authorized investment funds. All investments must be insured by FDIC, SIPC or comparable insurance.
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 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 two of the aforementioned persons shall be required.
7. The Association shall carry fidelity insurance to protect against theft or dishonesty from anyone with access to the reserve funds, to the extent such insurance is reasonably available.
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 1st day of January, 2006.

THE LEGACY RIDGE CONDOMINIUM ASSOCIATION OF COLORADO SPRINGS, a Colorado nonprofit corporation,

By: [Signature]
Its: President

ATTEST:

By: [Signature]

**THE LEGACY RIDGE CONDOMINIUM ASSOCIATION OF COLORADO SPRINGS
RECORDS INSPECTION POLICY**

Effective Date: January 1, 2006

In compliance with the Colorado Common Interest Ownership Act, 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 in accordance with the Colorado Common Interest Ownership Act;
 - 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; and
 - H. all financial audits or reviews conducted pursuant to the Colorado Common Interest Ownership Act during the immediate preceding three years.
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 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 15 day of January, 2006.

THE LEGACY RIDGE CONDOMINIUM ASSOCIATION OF COLORADO SPRINGS, a Colorado nonprofit corporation,

By: 
Its: President

ATTEST:

By: 