

**RESOLUTION OF THE BOARD OF DIRECTORS OF
PROVENCE TOWNHOUSE ASSOCIATION
CONSENT AND CERTIFICATION**

Waiving notice of a meeting pursuant to *Colorado Revised Nonprofit Corporation Act* (as amended), the undersigned, being all of the directors of the Provence Townhouse Association, Inc., a Colorado nonprofit corporation (Association), recites as follows:

Whereas, the Association is required to adopt certain policies to conform with the passage of a new law which, among other things, amended the *Colorado Common Ownership Interest Act* and amended other laws now in effect in the State of Colorado; and

Whereas, upon due consideration, the Board of Directors have considered the policies and procedures set forth below; and

Whereas, the Board of Directors desire to adopt the policies set forth below to on behalf of the Association to be effective retroactively to January 1, 2006.

RESOLVED, the Board of Directors of the Association, upon due consideration, hereby unanimously adopt the following policies and procedures:

Part I – General Policies.

1. **Xeriscaping.** No policy or procedure has been adopted with respect to restricting or limiting xeriscaping for owners, as the Association maintains all common area grounds.

2. **Signs, Flags and Emergency Vehicles.**

Signs. Political signs, defined as: “signs that carry a message intended to influence the outcome of an election, including the supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue” are permitted under the following guidelines.

- a. Temporary signs may only be placed on an owner’s lot or inside of a unit window
- b. Temporary signs may not be placed in common areas.
- c. The number of signs may not exceed one political sign per political office or ballot issue.
- d. Temporary political signs may not exceed six (6) square feet in area; provided that such sign shall not be posted more than forty-five (45) days prior to the election to which the sign relates, and shall be removed within fifteen (15) days after the election to which the sign relates.

Flags. The following policies apply to display of flags:

a. American flags may be displayed on a pole secured on an owner's unit or inside of an owner's unit window, with the maximum dimensions of thirty-six (36) by forty-eight (48) inches, within the limits of the Federal Flag Code.

b. Flag holders attached to the unit are permitted. An owner shall be responsible for any damage and/or repairs required due to the installation or removal of a flag holder.

c. Free standing flagpoles are not permitted.

d. Military service flags with a star denoting the service of the unit owner or a member of the unit owner's immediate family in the active or reserve military service during a time of war or armed conflict may be displayed inside of an owner's unit window or on an owner's unit door, with the maximum dimensions of nine (9) by sixteen (16) inches.

Emergency Vehicles. Owners may park emergency motor vehicles on the street, driveways or guest parking under the following conditions:

a. The owner registers the vehicle with the Association through the management company. The Association may require the owner to provide any information reasonably required for this purpose.

b. The emergency motor vehicle must be required by the owner's employer as a condition of employment and the emergency motor vehicle must weigh ten thousand pounds or less.

c. The owner is a member of a volunteer fire department or is employed by an emergency service provider (defined as a primary provider of emergency fire fighting, law enforcement, ambulance, emergency medical, or other emergency services).

d. The emergency vehicle has some visible emblem or marking designating it as an emergency vehicle.

e. The parked emergency vehicle may not block emergency access, fire lanes, and driveways/garages or prevent other owners from using the streets.

3. **Fire Mitigation Activities.** The law is not applicable to the Association as the vegetation around the homes and the roof materials on the homes are maintained and replaced by the Association.

Part II – Governance Policies.

1. **Accounting Record-keeping.** The Association shall keep the accounting records under the accounting rules and procedures adopted by the accounting profession to facilitate uniformity in preparing financial statements.

2. Collection Policy.

a. Annual assessments, as determined by the Board, shall be payable monthly as follows:

(1) Payments are due the first day of each month. The Association shall not be responsible for delays in the mail. Payments must be received by the fifteenth (15th) day of each month, or the first business day thereafter, to avoid a late charge. Owners with past due accounts shall be notified by a statement of amounts due, mailed to the owner prior to the end of each month.

(2) The Association may charge a late fee. The Association shall establish a schedule of late fees which may be adjusted from time-to-time. The Association may also assess interest up to eighteen percent (18%) per annum on the balance due.

(3) Any owner account over sixty (60) days overdue shall be referred to the association's attorney for collection. At such time an account is turned over to collection, the Association shall refer owner inquiries to the collection attorney.

(4) At the Association's option, the Association shall file a lien against the owner's unit.

(5) If a check is returned, and an assessment is due and owing is not otherwise received in the applicable time period, the account shall be deemed late and the late fee, in addition to a twenty-five dollar (\$25.00) returned check charge.

b. Any fine, late charge or other monetary charge or penalty levied by the Association pursuant to the Declaration, Bylaws or to the Rules and Regulations, including attorneys fees and costs incurred by the Association and for which the Owner is liable, shall be collectable as an "assessment". Payments received from owners shall be applied to the Owner's account in the following order:

(1) Attorney's fees and costs incurred by the Association and for which the Owner is responsible pursuant to the Governing Documents of the Association.

(2) Fines, late charges or other monetary charges or penalties;

(3) Past due Special Assessments;

(4) Past due Common Assessments;

(5) Current Special Assessments;

(6) Current Common Assessments.

c. The Board of Directors may determine that any Common Expense Assessment shall be payable in installments, and may also elect to accelerate the installments remaining for the assessment year.

d. The Association has the right to foreclose a lien against an owner's unit. Foreclosure or attempted foreclosure of a lien shall not be deemed an exclusive remedy and shall not prevent the Association from foreclosing or attempting to foreclose a lien arising from any subsequent Assessments or other charges which are not fully paid when due.

e. The Board of Directors shall have the authority to waive any of these requirements based upon the facts of a given case.

3. **Conflict of Interest.** Members of the Board will discharge their duties in good faith, with the care of an ordinarily prudent person in a like position would exercise under similar circumstances and in a manner the Board Member reasonably believes to be in the best interest of the association. The authority of the Declaration must be administered in a uniform and consistent manner by the Board Members. The appearance of any conflict of interest or impropriety shall be avoided whenever possible. Members of the Board of Directors have a duty to avoid, disclose and resolve any possible conflicts of interest that may arise. Board members with a potential conflict shall disclose such potential conflict, avoid any undue influence or impropriety and shall abstain from voting on the matter, if any contract, decision, or other action taken by or on behalf of the Board would financially benefit any member of the Board or any person related to a member of the Board, or any person related to that relation, that member shall declare a conflict of interest for that issue. The member shall declare the conflict of interest for that issue in an open meeting prior to any discussion or action on that issue. After making such declaration, the member may participate in discussion but shall not vote on that issue.

4. **Conduct of Meetings.** The dates, times and locations of Board of Directors meetings shall be posted in a conspicuous location. The Board of Directors may establish the order of business and prescribe reasonable rules for the conduct of all meetings of the Board and Unit Owners. Meetings shall be conducted in a businesslike manner and run under the generally accepted principles of "Roberts Rules of Order." The Board of Directors shall establish and agenda for each Board meeting and the agenda will include, at the opening of each Board of Directors meeting, an opportunity for attending homeowners to speak. The Board of Directors may limit the time for speakers, based on the agenda and to insure an opportunity for all owners to have a forum at the meeting. Only one motion may be made at a time and discussion will be allowed prior to a vote being taken. Homeowners may speak to a motion under discussion, but the Board of Directors may limit the discussion to a reasonable time. The Board shall provide for a reasonable number of persons to speak on each side of an issue.

Notices of annual, special or other meetings shall be mailed to owners not less than ten nor more than fifty days in advance of any meeting of the unit owners and shall be hand delivered or sent prepaid by United States mail to the mailing address designated by the unit owner. The agenda will include an opportunity for unit owners to speak to issues and concerns. The Board of Directors may limit the time for speakers, based on the agenda and to insure an opportunity for all owners to have a forum at the meeting. Only one motion may be made at a time and discussion will be allowed prior to a vote being taken. Homeowners may speak to a motion under discussion, but the Board of Directors may limit the discussion to a reasonable time and a reasonable number of persons to speak on each side of an issue.

Votes for Board of Director's positions on the Board shall be taken by secret ballot and, upon the request of one or more unit owners, a vote on any other matter affecting the community on which all unit owners are entitled to vote shall be by secret ballot. Ballots shall be counted by a neutral third party or by a unit owner who is not a candidate, and who is selected at random from a pool of two or more such unit owners. The vote shall be reported without reference to names, addresses or other identifying information with respect to the secret ballots. Votes allocated to a unit may be cast pursuant to a proxy duly executed by a unit owner. The association is entitled to reject a vote, consent, written ballot, waiver, proxy appointment or proxy appointment revocation if the secretary or other officer or agent authorized to tabulate votes, acting in good faith, has reasonable basis for doubt about the validity of the signature or about the signatory's authority to sign for the unit owner.

Minutes shall be kept of all association meetings. Meetings may not be audio or video recorded.

5. Enforcement of Covenants.

a. Written notice of violation shall be served on the Owner and/or resident (e.g., tenant or other lawful occupant) by mail or by posting on an offending vehicle. An Owner shall have the right to appeal any notice of violation and request a hearing.

b. Should an owner fail to correct the violation or to request a hearing within ten (10) days of such notice, the following schedule for fines is established for violations of these Covenants and Rules and Regulations:

(1) First offense: Written notice of violation and request for compliance.

(2) Second offense: Written notice of violation and a fifty dollar (\$50.00) assessment.

(3) Third offense: Written notice of violation and a seventy five dollar (\$75.00) assessment.

(4) Fourth and subsequent offenses: Written notice of violation and a one hundred dollar (\$100.00) assessment.

(5) The Board may impose additional fines for habitual offenders.

c. An Owner (or resident, by written consent of owner) shall have the right to appeal any notice of violation and/or fine by appearing at the regular monthly meeting of the board.

d. In addition to the above fine schedule, Owners or residents may be denied use of the recreational facilities and voting rights may be suspended for any infraction of the published Rules and Regulations, with reinstatement pursuant to Board approval.

6. Inspection of Association Records. The books, records and papers of the Association, shall at all times, during reasonable business hours, be subject to availability,

inspection and photocopying by any Owner at the Owner's expense at the principal office of the Association as long as the request is made in good faith and for a proper purpose and the request describes with reasonable particularity the records sought and the purpose of the request and indicate the records are relevant to the purpose of the request.

The Association shall keep a copy of each of the following records at its principal office:

- a. Articles of Incorporation, the Declaration of Covenants, Bylaws and Rules and Regulations;
- b. Resolutions adopted by its executive Board relating to the characteristics, qualifications, rights, limitations, and obligations of unit owners;
- c. Minutes of all owners' meetings and records of all action taken by unit owners without a meeting, for the past three years;
- d. All written communications within the past three years to unit owners generally as unit owners;
- e. List of the names and business or home addresses of its current directors and officers;
- f. Its most recent annual report, if any;
- g. All financial audits or reviews conducted during the immediately preceding three years.

The Association is not required to provide access to any information which contains confidential information about any owner or any documents which the Association's counsel has advised the Association is subject to the attorney-client privilege.

7. Investment of Association Reserve Funds. Reserve funds for the Association shall be held and invested only (a) in demand deposit bank accounts, savings accounts, certificates of deposit, or money market accounts that are fully insured by the Federal Deposit Insurance Company and, (b) in notes and bonds issued by the United States of America. If any such investment is not a demand investment or has a penalty for its liquidation prior to its maturity, the maturity of such investment must match the Association's anticipated need for the cash to be realized from such investment.

8. Adoption of Rules and Policies by the Board of Directors. The Board of Directors shall regularly review policies, procedures and rules to insure compliance with law and the governing documents of the association, as it deems necessary to ensure the proper use, development, improvement, repair, maintenance and replacement of real and personal property within the community which are established for the mutual benefit of all Association Owners.

9. Construction and Interpretation of Resolution.

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

b. 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 Association and the Provence community.

c. The Board may deviate from the procedures set forth in this Resolution if such actions were taken in good faith and in the exercise of reasonable business judgment.

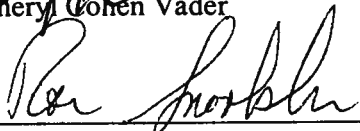
d. This Resolution may be amended from time to time by the Board of Directors.

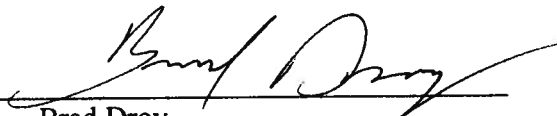
10. Certification as to Board of Directors. The undersigned certify they are all of the directors of the Association.

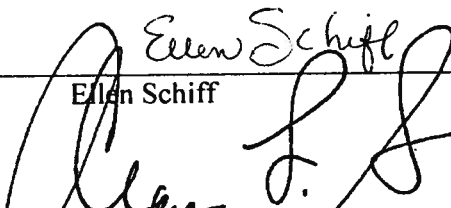
11. Certification as to Accuracy. The undersigned executing this Consent and Certification certifies that they are duly authorized to execute this instrument and the information contains herein is true, complete and accurate, to the best of such individual's information, knowledge and belief.

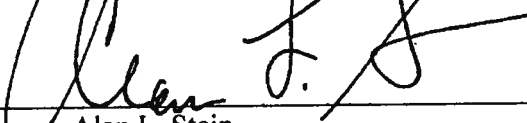
Dated: As of January 1, 2006


Cheryl Cohen Vader


Ron Smookler


Brad Droy


Ellen Schiff


Alan L. Stein

Being all of the Directors of the Association.