

KIPLING SUN TOWNHOMES ASSOCIATION, INC.

RULES AND REGULATIONS

AS OF

February 17, 2011

RULES AND REGULATIONS-KIPLING SUN TOWNHOMES ASSOCIATION, INC.

GENERAL: (adopted approximately 1997)

- All owners of lots shall furnish the Management Contractor or Board of Directors a photocopy of proof of ownership. The owners of each lot shall have one registered mailing address on file with the Management Contractor or Board of Directors. (Any change of address of the registered owner must be filed with the Management Contractor within 30 days.)...(Section 10.1 By-Laws)
- All owners of lots who lease the unit to a tenant shall provide a copy of the lease to the Management Contractor or Board of Directors within 10 days after the execution of such lease. No owner may lease less than the entire dwelling unit- (CC & R 10.7)
- All plans and specifications in connection with fence, wall, driveway, or other structure, any exterior maintenance and remodeling of any residence, including but not limited to installing wiring for electrical, telephone installation, television antenna, satellite television, machines, air conditioning units, solar energy devices, hot tubs, or any alteration of the above, on the exterior of the unit, must be authorized by the Board of Directors and the Architectural Control Committee. Prior written approval shall be required. (CC & R Sections 8.1,11.4, By-Laws Section 7.5 E)
- If, due to the act or neglect of an owner, family of or guest of owner OR PET OF OWNER), loss or damages shall be caused to any person or property, including the Project or any lot or Dwelling Unit therein, such owner shall be liable and responsible for the same except to the extent that such damage or loss is covered by insurance obtained by the association and the carrier of the insurance has waived its rights of subrogation against such owner. (CC & R Sections 9.1,10.12) Included but not limited to are the following: Damage to lawn/sod/trees by any pet, water damage from hot tubs, damage caused to unit due from any vehicle-including gutter spouts, damage to any unit caused by any wild animal/rodents due to negligent storage of garbage in or out of unit, damage to unit caused by negligent operation of any fire grill.
- No owner shall hang garments, rugs, and other materials from the windows, or from any of the facades, balconies, or porches of the building. Owners shall not place any coverings on the exterior window roof of their dwelling unit without the prior approval of the Architectural Control committee. This includes but is not limited to: Porch swings and clothes lines. (By-Laws Section 7.5 B, CC & R 6.5)
- No business activity of any kind shall be conducted in any dwelling out or on the project, except that permitted by the association. (By-Laws Section 7.5 C, CC & R 10.8)
- No gardening or planting or alteration of the landscaping shall be done by any owner or tenant.
- No signs or advertising devices of any nature shall be erected or maintained without the prior written consent of the Board of Directors. If a Lot is for sale, one dignified "For Sale" sign may be placed in a front window of the dwelling unit on the Lot, which is for sale. No signs or adhesive letters shall be placed on any part of the exterior of your unit (CC & R 10.10).
- No bedsheets, etc. may be used as window coverings.
- No firewood, car fenders, nor anything else shall be stored anyplace but your garage.

PARKING AND VEHICLES: (adopted approximately 1997)

- If the association *deems it* advisable, all owner's automobiles parked in a common area may be required to be registered with the Management Contractor and display a dwelling unit "tax" or
- If the association deems it advisable, all owner's automobiles parked in a common area may be required to be registered with the Management Contractor and display a dwelling unit "tag or decal" which would be provided for such a purpose. (By board resolution all owners with vehicles are required to provide registration information and vehicle make and model to the Management Contractor within 30 days) This information will be kept confidential and may be used to inform any owner of any problem, parking infraction, or damage to the vehicle as a courtesy to owner. (By Laws, Section 7.5)
- No part of the Project, including the public streets and private streets, drives, or parking areas shall be used as a parking, storage, display, or accommodation area for any type of house trailer, camping trailer, boat trailer, hauling trailer, running gear, boat or accessories thereto, truck or recreational vehicle, except as a temporary expedience for loading, delivery, or emergency. (CC&R section 10.3)
- No automobile repairs shall be performed within the project, except cleaning, (By-Laws 7.5, CC &R 10.13)
- No junk vehicles or inoperable vehicles shall be parked or stored in the Project (By-Laws Section 7.5)
- Owners and or tenants shall park all vehicles in their garages and all visitors shall park in assigned visitor spaces or the public street. (By-Laws Section 7.5) (Board Resolution).
- Any exterior parking spaces in the Project shall be exclusively "reserved for guests of owners or tenants. (By-Laws Section 7.5)
- No Noisy vehicles shall be permitted on the premises. (By-Laws Section 7.5)
- No owner, tenant, or family of or guest of owner or tenant, shall cause any sound to be emitted on any part of the project from any vehicle which is unreasonably loud or annoying. This includes operation of any vehicle horn or alarm system except in any emergency or by accident. (CC&R Section 10.9)

HANDLING OF GARBAGE AND GARBAGE CONTAINERS: (est. 1997)

- Owners and or tenants shall not throw garbage or trash outside the disposal installations provided for such purposes. No unsightliness or waste shall be permitted on or in any part of the Project No owner or tenant shall keep or store anything, except in garbage containers, on the common area or the exterior of any Lot (By-Laws Section 7.5, CC & R 10.10) This means you must use the garbage containers provided by the current garbage collection contractor. You *may* not place plastic garbage bags at the end of your driveway.
- All garbage containers must be stored inside your garage and not in any part of the common area or any part of your lot (CC & R Section 10.10)

NOISE, NOXIOUS. OFFENSIVE. HAZARDOUS, OR ANNOYING ACTIVITIES:

(Adopted est. 1997)

- No owner or tenant, their families or guests, shall use radio's, phonographs, television sets, amplifiers, and any other instruments or devices in such a manner as may disturb, or which may tend to disturb other occupants of dwelling units. (CC & R 10.9) (By-Laws Section 7.5)
- No owner, tenant or their families or guests, shall cause any odor to be emitted from any part of the project, which is noxious or offensive to others, and no light shall be emitted from any part of the project, which is unreasonably bright or causes unreasonable glare. (CC & R 10.9)

These sections may also violate the laws of the State of Colorado and residents are advised to contact the Jefferson County Sheriff's Department at (303) 271-5510.

PETS: (Adopted est. 1997)

- No unsightliness or waste shall be permitted on or in any part of the project. Droppings from pets of any kind are "waste". The pet owner must pick up all pet droppings, at the time of occurrence. (CC & R 10.10)
- Pets are required to be leashed at all times outside of the dwelling unit.

KIPLING SUN TOWNHOMES ASSOCIATION, INC
RULES AND REGULATIONS

ADMINISTRATIVE MATTERS: (Adopted-2003, revised-2008)

1. Any ongoing contract or expenditure (management services, landscape services, etc.) must contain a clause in both the proposal and the contract, which states: **"that in no event these services shall exceed \$ ____ [agreed upon amount] for the period ended ____."** If this amount is greater than 3.00% per annum (the last 10 year average of the C.P.I, per the Federal Reserve Bank is 2.66%) in excess over the prior expenditures for this service the contract for those services must be let for competitive bids for that service. (Adopted by directive of 2/3 of owner's, 1/03)

For ongoing services (such as Legal Services; CPA-Audit Services; and Association Management Services) where a historical perspective and other talents are of value to the Association, selection should not be made solely based upon the lowest bid and should these vendors be providing currently satisfactory services and the anticipated renewal price is deemed competitive, such services do not necessarily have to be competitively bid. (Paragraph adopted 4/17/08)

2. The Board of Directors shall cause a written communication (newsletter) to be supplied to each homeowner not less than semi-annually. Such newsletter may be transmitted by mail, hand delivery or via electronic means. (Adopted by directive of 2/3 of owner's 1/03)

3. **VANDALIZING AND WANTON DESTRUCTION:** (Adopted 2003)

It shall be considered improper and in violation of the Rules and Regulations of the Kipling Sun Townhomes Association, Inc. (HOA) for any person to vandalize, deface, remove without authorization, or otherwise destroy or deface property of the HOA including but not limited to signage and postings. If such acts can be attributed to the homeowner or guests of the homeowner or residents of the homeowner's property (unit), the Board may, upon hearing, levy a fine against that homeowner as provided elsewhere in these rules. (Adopted by the Board, 11/03)

4. **FINANCE COMMITTEE** (Adopted 2005)

There is established a Finance Committee of not more than three persons for the HOA to be a standing, permanent committee (similar to the ACC) to be composed of staggered terms; initially composed of Judie Anguiano (1 year), Larry Kemp (3 years) and Kevin Moore (2 years) subsequent appointments to be made by the Board or the President on ensuing September firsts. The duties of the committee shall be to review and recommend to the Board regarding the annual budget, the annual audit, the updated status and any need for modification of the reserve study, the periodic financial statements and any other duties as assigned by the Board of Directors or the President. The Finance Committee should examine the relationship and selection process for the CPA, legal counsel, and management and develop policy resolution recommendations regarding these professional services. Members on the committee when appointed will serve a three-year term. (Adopted by the Board 8/22/05 & 2/21/08)

5. **BOARD TELEPHONE AND EMAIL ACTIONS:** (Adopted 10/11/05)

It is the desire of the HOA to allow for fullest homeowner participation and understanding of community issues wherever possible while allowing for proper response to emergency and time sensitive situations. It is further the desire of the Board to conduct timely Board meetings with substantive discussion and information.

Accordingly, the use of telephone and Electronic communication is allowed for actions, however these actions should generally be confined to ministerial, emergency or time sensitive matters (such as simple architectural request approvals) where a simple yes or no response will suffice. Simple clarification questions are permitted. Any Board member may request/insist the item shall be placed on the agenda at the next meeting (or emergency meeting if necessary) for debate and discussion.

6. SATELLITE DISH POLICY: (adopted June 21, 2008)

Installation of Satellite Dishes is not allowed on roof tops. This type of installation can lead to leaks in the roofing and resulting in structural damages.

In addition to any other fines or assessments provided for under the governing documents of the Association, when it is discovered that a satellite dish has been improperly installed to a rooftop at Kipling Sun Townhomes the following will be the procedure and costs to the owner of the unit.

- The owner will be notified by letter that they have 15 days to remove the dish, obtain the appropriate permission for installation and install it properly or the HOA will remove the dish.
- If the owner does not remove the dish, the HOA's contractor will be contacted to remove the dish, not re-install the dish and leave the dish undamaged insofar as possible on the ground and to repair roof at the location where the dish was installed.
- The HOA's contractor will not re-install the dish. The HOA and the HOA's contractor will have no liability in the condition of the satellite dish or for it being lost or stolen.
- Home owners are encouraged neither to be on the roofs nor to perform any repair /remedial work.
- If the owner has attempted to repair the roof after discovery of an improperly installed dish, the owner will be charged the amount of the inspection fee from the HOA's general contractor (\$50 in 2008) plus an administrative fee (\$10 in 2008). The owner will also be charged any and all additional fees by the contractor for any and all remedial work to the homeowners attempted repairs.
- If it is necessary to remove the satellite dish and or repair the roof, the owner will be charged any and all contractor's fees (currently \$215 in 2008) plus an administrative fee (\$10 in 2008)
- Recovery of any fees or charges from the provider/installer for an improper dish installation is the sole responsibility of the owner.
- Reinstallation fees or charges from the provider/installer are the sole responsibility of the home owner.

7. TRANSFER FEE RULE

- Effective January 1, 2009, each Lot, in addition to other sums due the Association upon transfer of the Lot to a new Owner, shall be subject to a transfer fee obligation

to the Association, which transfer fee obligation is to be paid by the new Owner at the time of the closing of conveyance of a Lot.

- The transfer fee shall be in an amount equal to three months of the annual assessment to which such Lot is subject at the time of the transfer (\$525 in 2009, and in amounts to be determined in subsequent years, based on the annual assessment).
- The transfer fee shall be paid by the purchaser or new Owner of such Lot at the time of closing and collected by the title company (if any) and remitted to the then current community manager of the Association.
- The Association's statement of assessments, for assessments, transfer fees and other charges dues, shall be prepared by the Association's community manager in accordance with state law.
- The transfer fee may be deposited by the Association in a capital reserve account/fund of the Association.
- Like all other sums due the Association, the transfer fee shall be and is secured by a lien on the Lot conveyed.
- If a transfer fee has not been paid for conveyances on or after January 1, 2009, from the closing of the conveyance of a Lot, the amount of the transfer fee may be collected in accordance with the terms of Article IX and other provisions of the Declaration.
- The Association's transfer fee shall not apply to the following:
 - A transfer by a co-Owner to another co-Owner;
 - A transfer on the death of an owner, to the estate of that Owner;
 - A transfer to the surviving spouse of an Owner;
 - A transfer to child of an Owner following the Owner's death;
 - A transfer to an entity wholly owned by the Owner/grantor, provided that, upon any subsequent transfer of an ownership interest in such entity, the transfer fee shall become due;
 - A transfer to a trust that the Owner is the beneficiary of; provided, that upon any subsequent transfer of the Lot to a party other than the Owner, the transfer fee shall become due;
 - A transfer in lieu of foreclosure or foreclosure of a deed of trust; provided that upon the subsequent transfer to a third party, the transfer fee shall become due.

Section 4

Fine System Adopted by the Board of Directors

The Board of Directors has adopted a fine system that will be implemented immediately. This fine system is an effort to maintain quality and continuity within our complex, as well as to be fair and considerate of all residents. The fine system shall be applied against the respective homeowner's account for any CC&R / regulations (except parking) violations by the homeowner, residents and/or the homeowner's tenants. The Board of Directors has adopted the following system.

1 st Violation =	Letter issued
2 nd Violation =	\$25.00 Fine
3 rd Violation =	\$50.00 Fine
4 th Violation =	\$100.00 Fine
Each subsequent violation =	\$100.00 Fine

NOTE: Payments are applied first to fines and late fees and then to assessments.

8/24/2000

FINE SYSTEM FOR IMPROPER PARKING

Due to continued and flagrant abuses of the parking restrictions contained in the governing documents; finding endangerment to residents, additional Association costs incurred and finding sufficient authority in the governing documents, the Board of Directors has adopted the following fine system for any and all improper parking violations contained in the governing documents or other restrictions (parking in visitor parking, parking in fire lanes, parking in front of garages, failure to display parking sticker, etc.) occurring within one calendar year.

1 st Violation =	Letter issued
2 nd Violation =	\$100.00 Fine
3 rd Violation =	\$200.00 Fine
4 th Violation =	\$400.00 Fine
Each subsequent violation =	\$400.00 Fine

NOTE: Payments are applied first to fines and late fees and then to assessments.

Additionally, the Board has ordered, beginning in the 2012 year (as authorized in the governing documents) each homeowner/lessor (for vehicle identification purposes) to display a HOA supplied, numbered parking permit on their vehicle and for vehicles found to be in any violation to have a violation notice, in addition to the fine, affixed to the vehicle. The appropriate vehicle identification data shall be initially collected with the annual data collection letter sent out with the payment envelopes with appropriate warning letters for non-compliance.

2/17/11

NOTE: A lien is placed on any property owing the Association more than \$250.00 total. (2003 change) Any account over \$300-\$350 (2004) (2005) delinquent in excess of three months dues is referred to legal counsel for collection or action.

Section 5.

Violations Resulting in Fines

The adopted fine system shall be enforced for, but not be limited to, the following:

1. Pet droppings not being picked up (CC&R 10.10)
2. Garbage containers or other items stored in common areas (CC&R 10.13). No garbage cans are to be stored outside of the unit.
3. Unauthorized parking on the complex common areas (CC&R 10.13) There are to be no cars parked in front of the units/garages. It does not matter if your car is outside of the fire lane; there is no parking in these areas.
4. Homeowners or tenants parking in spaces designated for visitors. (CC&R 10.13)
5. Leasing or renting of units without submittal of written agreements to the property management company. (HOA representative) (CC&R 10.7)

8/24/2000