

Association Annual Disclosure pursuant to §38-33.3-209.4(2), C.R.S.

Timber Springs Property Owners Association, Inc

Association services administration transferred from Timber Springs Metropolitan District as of
January 1, 2019 due to District effectively entering inactive status

Timber Springs Drive, Edwards, CO

Designated Agent:

Marchetti & Weaver, LLC

License # ENT1224

28 Second St, Suite 213, Edwards CO 81632

970-926-6060

Beth Johnston; bethj@mwcpaa.com; (970) 926-6060 ext 1

Declaration recorded in Eagle County on August 20, 2001, Reception Number 760130

- 1) Fiscal Year Commences: January 1, 2020
- 2) Current Year Budget for: 2020
- 3) List of current Regular and Special Assessments, by unit type (may be included with budget) –
Operating Assessments \$8,125 per lot
Reserve Fund Assessments \$4,000 per lot
Special Assessments – none anticipated
- 4) Prior Year Annual Financial Statements, including Reserve Funds, if applicable
- 5) Most Recent audit or financial review – n/a
- 6) Association Insurance Policies:
Commercial General Liability – expires 1/1/2021
Automobile Liability - expires 1/1/2021
Fidelity – expires 1/1/2021
Directors and Officers – expires 1/1/2021
- 7) Association Governing Documents (Article of Inc., Bylaws, Rules & Regulations)
- 8) Association Responsible Governance Policies under 38-33.3-209.5
 - i. Collections of unpaid assessments
 - ii. Handling of conflicts of interest involving board members
 - iii. Conduct of meeting
 - iv. Enforcement of covenants and rules
 - v. Inspection and copying of records by unit owners
 - vi. Investment of reserve funds
 - vii. Procedures for adoption of policies, procedures and rules
 - viii. Procedures for address disputed between Association and unit owners
 - ix. Reserve study requirements
- 9) Prior Year Minutes of Executive Board and Member meetings – Timber Springs Property Owners Association and Timber Springs Metropolitan District meeting minutes are included

**Timber Springs Property Owners Association
Statement of Revenues, Expenses and Changes in Fund Balance
Actual, Budget and Forecast for the Periods Indicated
Modified Accrual Basis**

	TSMF For				
	Comparison	POA	Approved	Approved	
	Only	Approved	2020	2021	
	12/31/2018	2019	Budget	Budget	
	Actual	Budget			Notes
Revenues and Other Financing Sources					
Reserve Fund Assessments per Unit		4,000	4,000	4,000	8 lots
Operating Fund Assessments per Unit		8,000	8,125	8,125	8 lots
Total Assessments per Unit		12,000	12,125	12,125	
Operating Fund					
Operating Assessments/Property Taxes	104,019	64,000	65,000	65,000	match operating expenses
Fee Income (Design Review, Title Statement)		0	0	0	
Late Fees, Penalties, Other Income	0	0	0	30	Holy Cross Energy refund
Interest Income	3,206	0	0	0	
Total Revenues and Other Financing Sources	107,225	64,000	65,000	65,030	
General & Administrative					
Accounting, Admin & Management	14,586	14,500	14,935	15,872	SALY + 3% increase
Insurance	3,063	2,500	1,589	1,533	
Legal - General	0	1,000	1,030	1,000	
Dues and Subscr (DORA, SOS)	327	412	34	50	SOS, DORA renewals
Design Review, Title Statement Expense			0		
Office Overhead & Expense	1,379	600	618	829	
Treasurer's Fees (Eagle County)	2,970				
Total G&A Expenses	22,325	19,012	18,206	19,284	
Operations					
Fishing Access	413	309	438	371	SALY + 3% increase
Water Rights (CRWCD Water Lease)	835	860	886	886	SALY + 3% increase
Gate Repairs & Maintenance	241	2,575	2,652	2,000	reduce due to gate replacemen
Holiday Lights	613	1,500	1,545	3,000	replace 25% of lights as needed
Landscape Mtce - Flower Beds	4,960	7,622	7,851	7,416	per 2020 bid + 3%
Landscape Mtce - Turf	1,589	2,060	2,122	1,849	per 2020 bid + 3%
Landscape Mtce - Irrigation	1,194	1,648	1,697	2,000	per 2020 bid + reapiers est
Landscape Mtce Tree Care	1,165	1,545	1,591	1,916	per 2020 bid + 3%
Irrigation System/Ditch Maintenance	1,216	1,200	1,800	2,000	pump maint, replace irr heads
Management	2,625	5,500	5,665	3,465	expected 5% increase in rate
Road Repairs & Maintenance	0	7,500	7,725	7,500	crackfill & sealcoat
Road Sweeping/Cleaning	1,192	1,030	1,061	1,093	
Snowplowing	5,000	5,665	5,835	5,665	extra plows, heavy snow in 201
Utilities-Electricity, Phone, Internet	2,277	2,441	2,514	3,056	
Weed and Pest Control	1,305	2,300	2,369	2,500	
Contingency/Other	0	1,000	1,000	1,000	
Total Operations & Maintenance Exp	24,624	44,755	46,751	45,716	
Total Expenditures	46,950	63,767	64,957	65,000	
Revenue Over (Under) Expenditures	60,275	233	43	30	
Beginning Fund Balance		0	496	9,651	2019 actual + 2020 revenue ov
Ending Operating Fund Balance		233	539	9,680	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

**Timber Springs Property Owners Association
Statement of Revenues, Expenses and Changes in Fund Balance
Actual, Budget and Forecast for the Periods Indicated**

	TSMF For				
	Comparison	Fiscal Yr	Approved	Approved	
	Only	Ending	2020	2021	
	12/31/2018	2019	Budget	Budget	
	Actual	Budget			Notes
Replacement Reserve Fund					
Revenues					
Reserve Fund Assessment		32,000	32,000	32,000	
Road Damage Fee		0	0		
Interest Income - Reserve		1,631	1,333	733	
Total Revenues	0	33,631	33,333	32,733	
Expenditures					
Road Overlay/Major Repair Costs		0	0	0	per Elam estimate
Gate Major Repairs/Replacement		40,000	0	0	
Entry Landscaping Enhancements	18,695	20,000	20,000	0	3 phase proj 2018-2020
Irrigation System Repairs/Replacement		3,500	0		move to operations budget
Total Expenditures	18,695	63,500	20,000	0	
Revenue Over (Under) Expenditures	(18,695)	(29,869)	13,333	32,733	
Beginning Reserve Fund Balance	121,517	0	133,291	150,787	
Transfer Fund Balance from Metro District to POA	(163,097)	163,097			
Ending Reserve Fund Balance	0	133,228	146,624	183,520	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

List of Assessments, Fees and Charges

Current Regular and Special Assessments, Fees and Charges:

- 1) Annual Assessments, per Lot, due by January 31 each year. Association does allow payment of assessments quarterly, if preferred:
 - a. 2020: Operating \$8,125 Reserve \$4,000 Total \$12,125
 - b. 2021: Operating \$8,125 Reserve \$4,000 Total \$12,125
- 2) Reserves/Working Capital: \$330 per Lot
- 3) Special Assessments: no special assessments pending at the time of preparation
- 4) Title Statement preparation fee: \$100
- 5) Record Change Fee: \$0
- 6) Document Access Fee: \$0

Timber Springs Property Owners Association
Statement of Revenues, Expenses and Changes in Fund Balance
Actual, Budget and Forecast for the Periods Indicated
Modified Accrual Basis

Printed: 02/16/20

	TSMC For Comparison Only 12/31/2018 <u>Actual</u>	POA Approved 2019 <u>Budget</u>	Variance Favorable (Unfavor)	Fiscal Yr Ending 2019 <u>Forecast</u>	12 Month Ended 12/31/19 <u>Actual</u>	12 Month Ended 12/31/19 <u>Budget</u>	Variance Favorable (Unfavor)	Approved 2020 <u>Budget</u>	Prelim 2021 <u>Budget</u>	<u>Notes</u>
Revenues and Other Financing Sources										
Reserve Fund Assessments per Unit		4,000						4,000	4,000	8 lots
Operating Fund Assessments per Unit		8,000						8,125	8,125	8 lots
Total Assessments per Unit		12,000						12,125	12,125	
Operating Fund										
Operating Assessments/Property Taxes	104,019	64,000	0	64,000	64,000	64,000	0	65,000	65,000	match operating expenses
Fee Income (Design Review, Title Statement)		0	0	0	0	0	0	0	0	
Late Fees, Penalties, Other Income	0	0	29	29	29	0	29	0	30	Holy Cross Energy refund
Interest Income	3,206	0	0	0	0	0	0	0	0	
Total Revenues and Other Financing Sources	107,225	64,000	29	64,029	64,029	64,000	29	65,000	65,030	
General & Administrative										
Accounting, Admin & Management	14,586	14,500	(910)	15,410	15,476	14,500	(976)	14,935	15,872	SALY + 3% increase
Insurance	3,063	2,500	1,012	1,488	1,488	2,500	1,012	1,589	1,533	
Legal - General	0	1,000	750	250	0	1,000	1,000	1,030	1,000	
Dues and Subscr (DORA, SOS)	327	412	367	45	45	412	367	34	50	SOS, DORA renewals
Design Review, Title Statement Expense					0	0	0	0		
Office Overhead & Expense	1,379	600	(205)	805	807	600	(207)	618	829	
Treasurer's Fees (Eagle County)	2,970					0				
Total G&A Expenses	22,325	19,012	1,014	17,998	17,815	19,012	1,197	18,206	19,284	
Operations										
Fishing Access	413	309	(51)	360	360	309	(51)	438	371	SALY + 3% increase
Water Rights (CRWCD Water Lease)	835	860	0	860	860	860	0	886	886	SALY + 3% increase
Gate Repairs & Maintenance	241	2,575	(146)	2,721	2,721	2,575	(146)	2,652	2,000	reduce due to gate replacemen
Holiday Lights	613	1,500	981	519	519	1,500	981	1,545	3,000	replace 25% of lights as needed
Landscape Mtce - Flower Beds	4,960	7,622	2,342	5,280	5,280	7,622	2,342	7,851	7,416	per 2020 bid + 3%
Landscape Mtce - Turf	1,589	2,060	(73)	2,133	2,133	2,060	(73)	2,122	1,849	per 2020 bid + 3%
Landscape Mtce - Irrigation	1,194	1,648	593	1,055	1,055	1,648	593	1,697	2,000	per 2020 bid + reapirs est
Landscape Mtce Tree Care	1,165	1,545	65	1,480	1,480	1,545	65	1,591	1,916	per 2020 bid + 3%
Irrigation System/Ditch Maintenance	1,216	1,200	1,200	0	0	1,200	1,200	1,800	2,000	pump maint, replace irr heads
Management	2,625	5,500	2,527	2,973	3,028	5,500	2,473	5,665	3,465	expected 5% increase in rate
Road Repairs & Maintenance	0	7,500	975	6,525	6,525	7,500	975	7,725	7,500	crackfill & sealcoat
Road Sweeping/Cleaning	1,192	1,030	455	575	568	1,030	463	1,061	1,093	
Snowplowing	5,000	5,665	(1,885)	7,550	7,420	5,665	(1,755)	5,835	5,665	extra plows, heavy snow in 201
Utilities-Electricity, Phone, Internet	2,277	2,441	239	2,202	2,221	2,441	220	2,514	3,056	
Weed and Pest Control	1,305	2,300	(137)	2,437	2,437	2,300	(137)	2,369	2,500	
Contingency/Other	0	1,000	1,000	0	0	1,000	1,000	1,000	1,000	
Total Operations & Maintenance Exp	24,624	44,755	8,086	36,670	36,606	44,755	8,150	46,751	45,716	
Total Expenditures	46,950	63,767	9,100	54,668	54,421	63,767	9,346	64,957	65,000	
Revenue Over (Under) Expenditures	60,275	233	9,129	9,361	9,608	233	9,375	43	30	
Beginning Fund Balance		0	0	0	0	0	0	496	9,651	2019 actual + 2020 revenue ov
Ending Operating Fund Balance		233	9,129	9,361	9,608	233	9,375	539	9,680	

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

Timber Springs Property Owners Association
 Statement of Revenues, Expenses and Changes in Fund Balance
 Actual, Budget and Forecast for the Periods Indicated

Printed: 02/16/20

	TSMC For Comparison Only 12/31/2018 <u>Actual</u>	Fiscal Yr Ending 2019 <u>Budget</u>	Forecast Variance Favorable (Unfavor)	Fiscal Yr Ending 2019 <u>Forecast</u>	12 Month Ended 12/31/19 <u>Actual</u>	12 Month Ended 12/31/19 <u>Budget</u>	Variance Favorable (Unfavor)	Approved 2020 <u>Budget</u>	Prelim 2021 <u>Budget</u>
Replacement Reserve Fund									
Revenues									
Reserve Fund Assessment		32,000	0	32,000	32,000	32,000	0	32,000	32,000
Road Damage Fee		0	0	0	0	0	0	0	
Interest Income - Reserve		1,631	(977)	653	658	1,631	(973)	1,333	733
Total Revenues	0	33,631	(977)	32,653	32,658	33,631	(973)	33,333	32,733
Expenditures									
Road Overlay/Major Repair Costs		0	0	0	0	0	0	0	0
Gate Major Repairs/Replacement		40,000	(7,275)	47,275	47,275	40,000	(7,275)	0	0
Entry Landscaping Enhancements	18,695	20,000	8,975	11,025	11,025	20,000	8,975	20,000	0
Irrigation System Repairs/Replacement		3,500	3,500	0	0	3,500	3,500	0	0
Total Expenditures	18,695	63,500	5,200	58,300	58,300	63,500	5,200	20,000	0
Revenue Over (Under) Expenditures	(18,695)	(29,869)	4,223	(25,647)	(25,642.38)	(29,869)	4,227	13,333	32,733
Beginning Reserve Fund Balance	121,517	0	0	0	0	0	0	133,291	150,787
Transfer Fund Balance from Metro District to POA	(163,097)	163,097	0	163,097	163,097	163,097	0		
Ending Reserve Fund Balance	0	133,228	4,223	137,451	137,454	133,228	4,227	146,624	183,520

Notes

per Elam estimate

3 phase proj 2018-2020
move to operations budget

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.

Timber Springs Property Owners Association
 Balance Sheets
 As of the Dates Indicated

Printed: 02/16/20

Operating Fund	12/31/19
Current Assets	
Cash in Bank - Checking	1,254
Cash in Bank - Savings	
Total Cash	<u>1,254</u>
Accounts Receivable	0
Prepaid Expenses	321
Due From (To) Reserve Fund	
Total Current Assets	<u>1,576</u>
Fixed Assets	53,021
Accumulated Depreciation	(11,937)
Total Assets	<u><u>42,660</u></u>
;	
Liabilities and Fund Equity	
Current Liabilities	
Accounts Payable	1,033
Due To (From) Reserve Fund	(11,705)
Construction Deposits	
Total	<u>(10,672)</u>
Fund Equity	
Operating Fund Balance	9,608
Invested in Capital Assets	41,084
Working Capital Deposits	2,640
Total Fund Equity	<u>53,332</u>
Total Liabilities and Fund Equity	<u><u>42,660</u></u> =
Replacement Fund	12/31/19
Current Assets	
Cash in Bank - Reserve Savings	149,159
Due From (to) Operating Fund	(11,705)
Due From Metro District	0
Total Assets	<u>137,454</u>
Liabilities and Fund Equity	
Current Liabilities	
Due To (from) Operating Fund	0
Total Liabilities	<u>0</u>
Fund Equity	
Fund Balance	137,454
Total Fund Equity	<u>137,454</u>
Total Liabilities and Fund Equity	<u><u>137,454</u></u> =

No assurance is provided on these financial statements; substantially all disclosures required by GAAP omitted.



Mountain West Insurance & Financial Services, LLC

Two Rivers Park Plaza, 201 Centennial, 4th Floor
Glenwood Springs, CO 81601
PO Box 1576 Glenwood Springs, CO 81602
(800) 255-6390 Toll Free
(970) 945-9111 Office
www.mtnwst.com

January 9, 2020

Insurance Ready Reference for Timber Springs Property Owners Association, Inc.

Please retain this form in your insurance file along with your policy.

Thank you for choosing our agency for your Community Association Master Insurance Policy. To provide the best possible service to the unit owners, we ask that you review and observe the following procedures regarding coverage, claim reporting and certificates of insurance.

Retain this form for future reference with the actual policy to answer any questions that may arise. Coverage questions should be referred to your service team. It is preferred that the property manager or a board member makes contact.

Please provide a copy of the enclosed Association Insurance Summary, a certificate of insurance, and a copy of the association declarations and bylaws to each unit owner.

Your Service Team

Commercial Account Executive: Stefan Hodgden
Commercial Account Manager: Dawndrea Morse
Phone: 970-945-9111
Toll Free: 800-255-6390
Fax: 970-945-2350

Claim Reporting

Report all claims promptly at 970-945-9111 to the attention of Dawndrea Morse.

Certificates

All requests for certificates of insurance for lending purposes must be emailed or faxed to our office and must include the full name, physical address and complete mortgagee clause for each owner. Blank certificates may not be issued under any circumstance.

Coverage

Please reference the following pages for a summary of all insurance policies written through Mountain West Insurance & Financial Services, LLC.

This notice is furnished to you in accordance with Colorado Revised Statute 38-33.3-209.4 (2) (f)



Mountain West Insurance & Financial Services, LLC

Two Rivers Park Plaza, 201 Centennial, 4th Floor
Glenwood Springs, CO 81601
PO Box 1576 Glenwood Springs, CO 81602
(800) 255-6390 Toll Free
(970) 945-9111 Office
www.mtnwst.com

January 9, 2020

**Insurance Summary for
Timber Springs Property Owners Association, Inc.**

Package Policy

Carrier: American Alternative Insurance
Policy #: CAU513693
Policy Term: 01/01/20 to 01/01/21
Building/Structures: Incidental only – no residential coverage
Personal Property: \$5,000
Property Deductible: \$1,000
General Liability: \$1,000,000
Medical Payments: \$5,000

Hired & Non-Owned Auto Policy

Carrier: American Alternative Insurance
Policy #: CAU513693
Policy Term: 01/0/20 to 01/01/21
Auto Liability: \$1,000,000
Deductible: \$0

Directors and Officers Liability

Carrier: Travelers
Policy #: 106965784
Policy Term: 08/09/19 to 01/01/21
Limit: \$1,000,000
Deductible: \$0

Fidelity

Carrier: American Alternative Insurance
Policy #: CAU513693
Policy Term: 01/0/20 to 01/01/21
Combined Fidelity Limit: \$150,000
Employee Dishonesty / Forgery or Alteration / Computer Fraud / Funds Transfer Fraud

Disclaimer

This is only a summary of the insurance policy(ies) written through Mountain West Insurance for Timber Springs Property Owners Association, Inc. Please consult the actual policy(ies) for complete coverage, limits, endorsements and exclusions.



STATE OF COLORADO

DEPARTMENT OF
STATE

CERTIFICATE

I, DONETTA DAVIDSON, SECRETARY OF STATE OF THE STATE OF
COLORADO HEREBY CERTIFY THAT ACCORDING TO THE RECORDS OF
THIS OFFICE,

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC.
(COLORADO NONPROFIT CORPORATION)

BECAME INCORPORATED UPON FILING ARTICLES OF INCORPORATION
DATED June 06, 2001.

DATED: June 06, 2001

A handwritten signature in cursive script that reads "Donetta Davidson".

SECRETARY OF STATE

FILED
DONETTA DAVIDSON
COLORADO SECRETARY OF STATE

**ARTICLES OF INCORPORATION
OF
TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC.**

The undersigned, acting as incorporator of a corporation under the Colorado Revised Nonprofit Corporation Act, hereby certifies the following Articles:

**ARTICLE 1
NAME**

20011113322 #
\$ 100.00
SECRETARY OF STATE
06-06-2001 07:50:10

The name of the corporation is Timber Springs Property Owners Association, Inc.

**ARTICLE 2
PERIOD OF EXISTENCE**

Timber Springs Property Owners Association, Inc. (the "Association") shall have perpetual existence.

**ARTICLE 3
PURPOSES AND POWERS**

3.1 Purposes. The purposes and objectives for which the Association is formed are as follows:

3.1.1 To promote, undertake and advance any and all lawful activities and objectives for the general benefit, well-being, advancement, improvement and enjoyment of the Association and its members;

3.1.2 To provide for the care, upkeep and supervision of Timber Springs (the "Property"), as more fully described in the Declaration of Covenants, Conditions, Restrictions and Easements for Timber Springs and all supplements and amendments thereto filed of record from time to time in the Office of the Clerk and Recorder, Eagle County, Colorado (the "Declaration"), including the Common Area, including any easements and/or Roads not otherwise maintained by any other authority (each capitalized term not otherwise defined in these Articles of Incorporation shall have the meanings specified or used in the Declaration);

3.1.3 To provide an entity for the furtherance of the interests of the Owners of the Property.

3.2 Powers. Subject to any specific limitation imposed by these Articles of Incorporation, the Association shall have the following powers:

3.2.1 All of the powers conferred upon nonprofit corporations by the laws of the State of Colorado in effect from time to time.

COMPUTER UPDATE COMPLETE
MJ

3.2.2 All of the powers necessary or desirable to perform the obligations and duties and exercise the rights and powers of the Association under the Declaration, including, without limitation, the following powers:

3.2.2.1 Subject to the budgeting procedures contained in the Declaration, to make and collect assessments against Members for the purpose of paying the costs, expenses and any losses of the Association, or of exercising its powers or of performing its functions;

3.2.2.2 To manage, control, operate, maintain, repair and improve the Common Area (including easements and/or Roads not otherwise maintained by any other authority), and perform or delegate any Function;

3.2.2.3 To enforce covenants, restrictions and conditions affecting the Property to the extent the Association may be authorized under any such covenants, restrictions or conditions and to make and enforce rules and regulations for use of the Property;

3.2.2.4 To engage in activities which will actively foster, promote and advance the interests of the Owners;

3.2.2.5 Subject to restrictions set forth in the Declaration, to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal with and in, real, personal and mixed property of all kinds, and any right or interest therein, for any purpose of the Association;

3.2.2.6 Subject to restrictions set forth in the Declaration, to borrow money and secure the repayment of monies borrowed for any purpose of the Association, limited in amount or in other respects as may be provided in the Bylaws or in the Declaration;

3.2.2.7 To enter into, make, perform or enforce contracts of every kind and description, including, without limitation, a contract for management services, and to do all other acts necessary, appropriate or advisable in carrying out any purpose of the Association, with or in association with any person, firm, association, corporation or other entity or agency, public or private; and

3.2.2.8 To adopt, alter, and amend or repeal such Bylaws as may be necessary or desirable for the proper management of the affairs of the Association, provided, however, that such Bylaws may not be inconsistent with or contrary to any provisions of these Articles of Incorporation or the Declaration.

The foregoing enumeration of powers shall not limit or restrict in any manner the exercise of other and further rights and powers which may now or hereafter be allowed or permitted by law; and the powers specified in each of the paragraphs of this Article 3 are independent powers, not to be restricted by reference to or inference from the terms of any other paragraph or provisions of this Article 3, except for those limitations set forth in paragraph 3.3 below.

3.3 Restrictions Upon Purposes and Powers; Dissolution. The foregoing purposes and powers of the Association are subject to the following limitations:

3.3.1 The Association shall be organized and operated exclusively for nonprofit purposes as set forth in the Internal Revenue Code of 1986, as it is now or may hereafter be amended, or in any corresponding provision of any future law of the United States of America providing for exemption of similar organizations from income taxation.

3.3.2 No part of the net earnings of the Association shall inure to the benefit of any Member (except that reasonable compensation may be paid for services rendered to or for the Association and affecting one (1) or more of its purposes and objectives, and reimbursement may be made for any expenses incurred for the Association by any officer, director, Member, agent, or employee, or any person or corporation, pursuant to and upon authorization of the Executive Board).

3.3.3 The Association shall not pay any dividends. Subject to restrictions set forth in the Declaration, no distribution of the corporate assets to Members (as such) shall be made until all corporate debts are paid, and then only upon final dissolution of the Association by the affirmative vote of all of the Members at any regular or special meeting called for that purpose at which a quorum shall be represented. Upon such dissolution and distribution, the assets remaining after payment of all debts shall be distributed pro rata among the Members of the Association.

**ARTICLE 4
INITIAL REGISTERED OFFICE AND AGENT**

The initial registered office of the Association shall be 105 Edwards Village Boulevard, Building G, P.O. Box 988, Edwards, Colorado 81632. The initial registered agent at such office shall be Lance Badger. The principal office is located at 105 Edwards Village Boulevard, Building G, P.O. Box 988, Edwards, Colorado 81632.

**ARTICLE 5
MEMBERSHIP**

5.1 Qualifications. The Association shall be a membership corporation without certificates or shares of stock and shall consist of one class of membership consisting of all Owners including Declarant so long as Declarant continues to own an interest in any Lot. The rights and obligations of membership are set forth in the Declaration and Bylaws of the Association. Membership shall terminate automatically without any Association action whenever such entity or individual ceases to own a Lot. Termination of membership shall not relieve or release any former Member from any liability or obligation incurred by virtue of, or in any way connected with, ownership of a Lot, or impair any rights or remedies which the Association or others may have against such former Member arising out of, or in any way connected with, such membership.

5.2 Suspension of Voting Rights. The Association may suspend the voting rights of a Member for failure to pay any Assessments or for failure to otherwise comply with the rules and

regulations or the Bylaws of the Association, or with any other obligations of the Members under the Declaration, or agreement(s) created pursuant thereto.

5.3 Bylaws. The Bylaws may contain provisions, not inconsistent with the foregoing, setting forth the rights, privileges, duties and responsibilities of the Members.

**ARTICLE 6
EXECUTIVE BOARD**

The business and affairs of the Association shall be conducted, managed, and controlled by an Executive Board, the members of which are sometimes referred to as "directors".

6.1 Number; Manner of Election. The Executive Board shall consist of not less than three (3) members, and the names and addresses of the members of the initial Executive Board are as follows:

<u>Name</u>	<u>Address</u>
Lance Badger	P.O. Box 988 Edwards, Colorado 81632
David Hill	P.O. Box 988 Edwards, Colorado 81632
John Reed Replaced w/ Steve Boblak	P.O. Box 988 Edwards, Colorado 81632

The initial members of the Executive Board shall serve until the earlier of (a) the date of replacement by Declarant during the time period Declarant owns an interest in any Lot, or (b) the date of election by the Owners after Declarant no longer owns any interest in a Lot. After Declarant no longer owns an interest in any Lot, the terms of office of directors and the manner of their selection or election shall be determined according to the Bylaws from time to time in effect. Directors may be removed and vacancies on the Executive Board shall be filled in the manner provided in the Bylaws.

**ARTICLE 7
OFFICERS**

The Executive Board may appoint a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers as the Board, in accordance with the provisions of the Bylaws, believes will be in the best interests of the Association. The officers shall have such duties as may be prescribed in the Bylaws.

**ARTICLE 8
NON-LIABILITY AND INDEMNIFICATION**

8.1 Limitation on Liability. To the fullest extent permitted by the Colorado Revised NonProfit Corporation Act, as the same exists or may hereafter be amended, a director of the Association shall not be liable to the Association or its Members for monetary damages for breach of fiduciary duty as a director.

8.2 Definitions. For purposes of this Article, the following terms shall have the meanings set forth below:

8.2.1 Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

8.2.2 Indemnified Party. Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a director or officer of the Association or a member of a committee formed by the Association or, while a director or officer of the Association or a member of a committee, is or was serving at the request of the Association as a director, officer, member, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, committee or other enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

8.3 Indemnification. The Association shall indemnify any Indemnified Party in any Proceeding to the fullest extent permitted by law, including, without limitation, the advancement of expenses incurred by an Indemnified Party.

8.4 Insurance. By action of the Executive Board, notwithstanding any interest of the directors in such action, the Association may purchase and maintain insurance, in such amounts as the Executive Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him and incurred by him in his capacity of or arising out of his status as an Indemnified Party, whether or not the Association would have the power to indemnify him against such liability under applicable provisions of laws.

8.5 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as to the Executive Board may appear appropriate in each specific case and circumstance including, without limitation, any one or more of the following: (a) that any counsel representing the Indemnified Party in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the Indemnified Party and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any Proceeding made, initiated or threatened against the Indemnified Party; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to

all of the Indemnified Party's right of recovery, and that the Indemnified Party shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

**ARTICLE 9
AMENDMENTS**

The Association reserves the right to amend, alter, or change any provision contained in these Articles of Incorporation by a vote of at least sixty percent (60%) of the Members of the Association at any regular or special meeting of the Members of the Association, provided, however, that no amendment to these Articles of Incorporation shall be contrary to or inconsistent with any provision of the Declaration, and any amendment which materially adversely affects one or more Members shall require the consent of such Member(s). No amendment which affects the rights of Declarant reserved in the Association Documents shall be valid without the written consent of Declarant.

**ARTICLE 10
INCORPORATOR**

The name and address of the incorporator of the Association is as follows:

Wear, Travers, Krueger & Perkins, P.C.
1000 South Frontage Road West, Suite 200
Vail, Colorado 81657

Dated this 5th day of June, 2001.

WEAR, TRAVERS, KRUEGER & PERKINS, P.C.

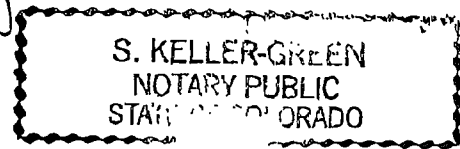
By: *Carol Davis Krueger*
Carol Davis Krueger, Assistant Vice President

STATE OF COLORADO)
)ss.
COUNTY OF EAGLE)

Before me, *Sharon Keller Green* a Notary Public of Colorado, on the 5th day of June, 2001 personally appeared Carol Davis Krueger as Assistant Vice President of Wear, Travers, Krueger & Perkins P.C., a Colorado professional corporation, to me known and known to be the person who signed the foregoing Articles of Incorporation, who being duly sworn acknowledged that she signed, sealed and delivered the same as her voluntary act and deed, for the uses and purposes therein expressed, and that the facts stated therein are true.

Witness my hand and official seal.
My Commission Expires: *10/02/01*
[SEAL]

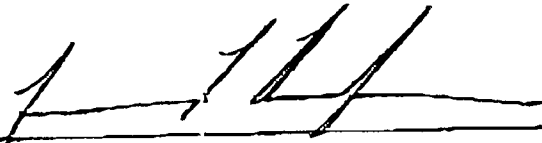
Sharon Keller Green
Notary Public



Separate Acceptance

With the execution of this document, the undersigned hereby assents to the undersigned's appointment as initial registered agent of Timber Springs Property Owners Association, Inc. as set forth in the Articles of Incorporation of Timber Springs Property Owners Association, Inc.

Signed this 5th day of June, 2001.



Lance Badger

**BYLAWS
OF
TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION, INC.**

**ARTICLE 1
OFFICES**

Timber Springs Property Owners Association, Inc. (the "Association") is a Colorado non-profit corporation, with its principal office located at 105 Edwards Village Boulevard, Building G, P.O. Box 988, Edwards, Colorado 81632. The Association may also have other offices and may carry on its purposes at such other places within and outside the State of Colorado as the Executive Board may from time to time determine.

**ARTICLE 2
DEFINITIONS AND ASSENT**

2.1 Definitions. The definitions contained in the Declaration of Covenants, Conditions, Restrictions and Easements for Timber Springs, as amended from time to time and recorded in the Office of the Clerk and Recorder of Eagle County, Colorado, shall apply to these Bylaws, and all defined terms used in the Bylaws shall have the same meaning as defined terms used in the Declaration.

2.2 Assent. All present or future Owners, their families, present or future tenants, and their guests and invitees, and any other persons using the facilities of Timber Springs (the "Property") in any manner are subject to the Association Documents, including these Bylaws. The acquisition or rental of any of the Lots in Timber Springs or the occupancy of any improvements located thereon shall constitute ratification and acceptance of these Bylaws.

**ARTICLE 3
MEMBERSHIP, VOTING, QUORUM AND PROXIES**

3.1 Membership and Voting. The Association shall be a membership corporation without certificates or shares of stock. The Association shall have one (1) class of voting membership consisting of all Owners, and, except as otherwise provided for in the Declaration or Articles of Incorporation, each Owner shall be entitled to vote in Association matters on the basis of one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members of the Association. The vote for each such Lot shall be exercised by one (1) person or alternative persons (who may be a tenant of the Owners) appointed by proxy in accordance with these Bylaws. In the absence of a proxy, the vote allocated to the Lot shall be suspended in the event more than one (1) person or entity seeks to exercise the right to vote on any one matter. Any Owner may assign his voting right to a tenant provided that a copy of a proxy appointing the tenant is furnished to the Secretary of the Association prior to any meeting in which the tenant exercises the voting right. In no event shall more than one (1) vote be cast with respect to any one (1) Lot.

Membership shall terminate automatically without any Association action whenever an Owner ceases to own a Lot. Termination of membership shall not relieve or release any former



Owner from any liability or obligation incurred by virtue of, or in any way connected with, ownership of a Lot, or impair any rights or remedies which the Association or others may have against such former Owner arising out of, or in any way connected with, such membership.

3.2 Declarant Control. Notwithstanding anything to the contrary provided for herein, Declarant shall be entitled to appoint and remove the members of the Association's Executive Board and officers of the Association so long as Declarant owns any interest in any Lot.

3.3 Election of Directors. Upon Declarant's conveyance of all of Declarant's interest in each of the Lots, the Owners shall elect directors to the Executive Board, and each Member shall have the right to vote the number of votes to which he is entitled for as many persons as there are directors to be elected, and for whose election he is entitled to vote. Cumulative voting shall not be allowed.

3.4 Quorum. Except as otherwise provided in these Bylaws or in the Declaration, the presence in person or by proxy of a majority of the votes entitled to be cast at such meeting shall constitute a quorum.

3.5 Proxies. Votes may be cast in person or by proxy. Proxies must be filed with the Secretary before the appointed time of each meeting. All proxies must be in writing and may be either general or for a particular meeting. A proxy holder need not be an Owner.

3.6 Majority Vote. Unless a different percentage is required by law, the Declaration, the Articles of Incorporation or these Bylaws, the affirmative vote of more than fifty percent (50%) of the votes represented at a meeting duly called and convened at which a quorum is present shall be sufficient to adopt decisions binding on all Members.

ARTICLE 4 MEETINGS

4.1 Annual Meeting. The annual meeting of the Members shall be held at a time and date designated by the Executive Board in each calendar year for the purpose of electing directors and for the transaction of such other business as may come before the meeting.

4.2 Special Meeting. Special meetings of the Members for any purpose other than those regulated by statute may be called by the President of the Association, by a majority of the Executive Board, or by petition of at least fifty percent (50%) of the Members of the Association.

4.3 Notice of Meetings. The President or Secretary shall give, or cause to be given, written notice of the time, place and if a special meeting, the purpose, of each meeting by mailing, postage prepaid, or hand-delivering such notice at least ten (10) days, but not more than fifty (50) days, prior to such meeting to each Member of the Association at the address of such Members that appears in the records of the Association. The Executive Board may set a record date for determination of Members entitled to notice of and to vote at a meeting. If no such record date is set by the Executive Board, the date of mailing of the written notice of meeting shall for all purposes be deemed the record date for such meeting.

4.4 Adjourned Meetings. If, at the time and place of meeting, a quorum is lacking, the chairman of the meeting, or the Members holding a majority of the votes present in person or by proxy, may adjourn the meeting from time to time until a quorum exists. At any adjourned meeting at which a quorum exists, any business may be transacted which might have been transacted at the original meeting.

4.5 Waiver of Notice. Any Member may at any time waive any notice required to be given under these Bylaws, by statute or otherwise. The presence of a Member in person at any meeting of the Members shall constitute a waiver, unless such presence is for the express purpose of objecting to the meeting for the reason that it was not lawfully called.

4.6 Place of Meetings. A waiver of notice signed by all Members entitled to vote at a meeting may designate any place, either within or outside Colorado, as the place for such meeting. If there is no such waiver, the place for annual and special meetings shall be the principal office of the Association.

4.7 Action of Members Without a Meeting. Any action required to be taken or which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the Members entitled to vote with respect to such action.

4.8 Order of Business. The order of business at all meetings of Members shall be as follows:

- (a) Roll call;
- (b) Statement of compliance with procedures for notice of meeting or waiver of notice;
- (c) Reading of minutes;
- (d) Reports of officers;
- (e) Reports of committees;
- (f) Election of directors (annual meetings only);
- (g) Unfinished business;
- (h) New business; and
- (i) Adjournment.

4.9 Rules of Meetings. The Executive Board may prescribe reasonable rules for the conduct of all meetings of the Executive Board and Members and in the absence of such rules, Robert's Rules of Order shall be used.

ARTICLE 5 EXECUTIVE BOARD

5.1 Association Responsibilities. The Owners will constitute the Association, who will have the responsibility of administering the Property through an Executive Board. In the event of any dispute or disagreement between any Owners relating to the Property, or any questions of interpretation or application of the provisions of the Declaration, Articles or Bylaws,

such dispute or disagreement shall be submitted to the Executive Board. The determination of such dispute or disagreement by the Executive Board shall be binding on all such Owners, subject to the right of Owners to seek other remedies provided by law after such determination by the Executive Board.

5.2 Number of Directors on Executive Board. The affairs of the Association shall be managed by an Executive Board of three (3) directors who shall be members of the Association or the delegates of Members who may be appointed by proxy under Section 3.5 above (except the directors selected by Declarant as provided in Section 3.2 need not be members of the Association). The number of the Executive Board shall be established from time to time by amendment to these Bylaws.

5.3 Term of Office of Directors. The term of office for the initial directors appointed by Declarant shall be for a term commencing with the formation of the Association until the earlier of (a) the date of replacement by Declarant during the time period Declarant owns an interest in any Lot, or (b) the date of election by the Owners after Declarant no longer owns any interest in a Lot. Declarant may elect to replace any such director appointed by it at any time. Upon Declarant's conveyance of all of Declarant's ownership interest in each of the Lots, the term of the directors shall be staggered at the outset in order to establish a system of three (3) year terms in which at least one-third (1/3) of the Executive Board is elected each year, and the Executive Board shall identify in which year each director is subject to election. At the expiration of the initial staggered term of such directors, a successor shall be elected to serve for a term of three (3) years. Each director shall hold office until such director's successor is elected by the Association and qualified.

5.4 Removal of Directors; Vacancies. Directors may be removed and vacancies on the Executive Board may be filled as follows:

5.4.1 By the Members. After Declarant's conveyance of its interest in each of the Lots and the election of the directors on the Executive Board by the Members, any director may be removed, with or without cause, at any regular or special meeting of the Members by a majority of votes of the Members entitled to vote for a successor. A successor to any director removed may be elected at such meeting to fill the vacancy created by removal of the director. A director whose removal is proposed by the Members shall be given notice of the proposed removal at least ten (10) days prior to the date of such meeting and shall be given an opportunity to be heard at such meeting.

5.4.2 By the Executive Board. Any director who has three (3) consecutive unexcused absences from Executive Board meetings or who is delinquent in the payment of any Assessment for more than thirty (30) days may be removed by a majority vote of the directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Executive Board. In the event of the death, disability, resignation or removal by the Executive Board, as set forth in this subsection 5.4.2, of a director, a vacancy may be declared by the Executive Board, and the Executive Board may appoint a successor. Any successor appointed by the Executive Board shall serve for the remainder of the term of the director replaced.

5.5 Powers and Duties. The Executive Board shall have the powers and duties necessary for the administration of the affairs of the Association and for the operation and maintenance of a first class residential project. The Executive Board may do all such acts and things as are not by law, the Articles, these Bylaws or the Declaration either prohibited or directed to be exercised and done by the Owners.

5.6 Other Powers and Duties. The Executive Board shall be empowered and shall have the duties as follows:

5.6.1 to administer and enforce the covenants, conditions, restrictions, easements, uses, limitations, obligations and all other provisions set forth in the Declaration and in the Articles and these Bylaws;

5.6.2 to establish, make and enforce compliance with such reasonable rules and regulations as may be necessary for the operation, use and occupancy of the Lots and the Common Area, with the right to amend same from time to time (a copy of such rules and regulations shall be delivered or mailed to each Owner promptly upon the adoption thereof);

5.6.3 to keep in good order, condition and repair the Common Area and all items of personal property owned by the Association, if any, and used in the enjoyment of the Property;

5.6.4 to obtain and maintain to the extent obtainable all policies of insurance required by the Declaration;

5.6.5 subject to the budgeting procedures contained in the Declaration, to periodically fix, determine, levy and collect the Assessments to be paid by each of the Owners towards the Common Expenses of the Association and to adjust, decrease or increase the amount of the Assessments, refund any excess Assessments to the Owners, credit any excess of Assessments over expenses and cash reserves to the Owners against the next succeeding assessment period, or place any excess Assessments into an Association working capital fund or designated replacement reserves;

5.6.6 to levy and collect Special Assessments in accordance with the provisions of the Declaration, whenever in the opinion of the Executive Board it is necessary to do so in order to meet increased operating or maintenance expenses or costs, or additional capital expenses, or because of emergencies. All Special Assessments shall be in statement form and shall set forth in detail the various expenses for which the Assessments are being made;

5.6.7 to impose penalties and collect Default Assessments by suit or otherwise, to collect costs and reasonable attorney's fees, and to enjoin or seek damages from an Owner as is provided in the Declaration;

5.6.8 to protect and defend the Property from loss and damage by suit or otherwise;

5.6.9 to borrow funds and to give security therefor in order to pay for any expenditure or outlay required pursuant to the authority granted by the provisions of the Declaration or these Bylaws and to execute all such instruments evidencing such indebtedness as the Executive Board may deem necessary or desirable;

5.6.10 to enter into contracts within the scope of its duties and powers;

5.6.11 to establish bank accounts which are interest-bearing or non-interest bearing, as may be deemed advisable by the Executive Board;

5.6.12 to keep and maintain detailed, full and accurate books and records showing in chronological order all of the receipts, expenses or disbursements pursuant to appropriate specificity and itemization and to permit inspection thereof as is provided in the Declaration and these Bylaws and, upon the vote of at least sixty percent (60%) of the Owners, to cause a complete audit to be made of the books and records by a competent certified public accountant;

5.6.13 to designate and remove the personnel necessary for the operation, maintenance, repair and replacement of the Common Area and performance of any Functions (as such term is defined in the Declaration);

5.6.14 to suspend the voting rights of an Owner for failure to comply with these Bylaws or the rules and regulations of the Association or with any other obligations of the Owners pursuant to the Declaration;

5.6.15 to buy or otherwise acquire, sell or otherwise dispose of, mortgage or otherwise encumber, exchange, lease, hold, use, operate and otherwise deal with and in, real, personal and mixed property of all kinds, and any right or interest therein, for any purpose of the Association, subject to the Declaration and Bylaws of the Association;

5.6.16 in general, to carry on the administration of the Association and to do all of those things necessary and/or desirable in order to carry out the governing and operating of the Property.

5.7 Manager. The Executive Board may employ for the Association a Manager (at a compensation established by the Executive Board) to perform such duties and services as it shall authorize. The Executive Board may delegate any of the powers and duties granted to it but, notwithstanding such delegation, shall not be relieved of its responsibility under the Declaration, the Articles or these Bylaws.

5.8 Regular Meetings. Regular meetings of the Executive Board may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least one (1) such meeting shall be held each year. Notice of regular meetings of the Executive Board shall be given to each director, personally or by mail, telephone or telegraph, at least three (3) business days prior to the day named for such meeting.

5.9 Special Meetings. Special meetings of the Executive Board may be called by the President, on his own initiative, on three (3) days' notice to each director, given personally, or by mail, telephone or telegraph, which notice shall set forth the time, place and purpose of the meeting. Special meetings of the Executive Board shall be called by the President or Secretary in like manner and on like notice on receipt of a written request to call such a special meeting from at least two (2) directors.

5.10 Waiver of Notice. Before or at any meeting of the Executive Board, any director may, in writing, waive notice of such meeting, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Executive Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Executive Board, no notice shall be required and any business may be transacted at such meeting.

5.11 Executive Board's Quorum. At all meetings of the Executive Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Executive Board. If at any meeting of the Executive Board there be less than a quorum present, the majority of those present may adjourn the meeting from time to time for periods of no longer than one (1) week until a quorum is obtained or until a conclusion can be reached. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

5.12 Compensation; Fidelity Bonds. The members of the Executive Board shall serve without salary or compensation. The Executive Board may employ professional consultants for the Association at a compensation established by the Executive Board. Fidelity bonds or insurance must be maintained by the Association to protect against dishonest acts on the part of its directors, officers, trustees, employees, managers and on the part of all others who handle or are responsible for handling the funds belonging to or administered by the Association in an amount not less than what would constitute two (2) months' current assessments plus reserves as calculated from the current budget of the Association. Any such fidelity coverage shall name the Association as an obligee or insured, as applicable, and such bonds shall contain waivers by the issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees," or similar terms or expressions. The premiums on such bonds shall be paid by the Association. All funds and accounts of the Association being held by a Manager or other third persons shall be kept in an account separate from the funds of other parties held by such managing agent or third party, and all reserves of the Association shall be kept in an account separate from the operational account of the Association. The Association shall provide to each Member free of charge, an annual accounting of Association funds and a compilation financial statement prepared by or under the supervision of a certified public accountant each year for which an audited financial statement is not prepared.

5.13 Informal Action by Directors. Any action required or permitted to be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors entitled to vote with respect to the subject

matter thereof. Such consent shall have the same force and effect as the unanimous vote of the directors.

5.14 Teleconference Meetings. Any regular or special meeting of the Executive Board may be conducted by teleconference, followed by minutes of such meeting, which shall be distributed to each director.

5.15 Executive Board Committees. The Executive Board may by resolution provide for such standing or special committees as it deems desirable, and discontinue the same at its pleasure. Each such committee shall have such powers and perform such duties, not inconsistent with law, as may be delegated to it by the Executive Board. Vacancies in such committees shall be filled by the Executive Board or as the Executive Board may provide.

ARTICLE 6 OFFICERS

6.1 General. The officers of the Association (who shall be elected from among the members of the Executive Board) shall be a President, one or more Vice Presidents, a Secretary, and a Treasurer. The officers shall be elected by an affirmative vote of a majority of the members of the Executive Board. The Executive Board may elect such other officers, assistant officers, committees and agents, including Assistant Secretaries and Assistant Treasurers, as they may consider necessary or advisable, who shall be chosen in such manner and hold their offices for such terms and have such authority and duties as from time to time may be determined by the Executive Board. One (1) person may hold two (2) offices. In all cases where the duties of any officer, agent or employee are not prescribed by the Bylaws or by the Executive Board, such officer, agent or employee shall follow the orders and instructions of the President.

6.2 Removal of Officers. Upon an affirmative vote of a majority of the members of the Executive Board, any officer may be removed, either with or without cause, and his successor elected at any regular meeting of the Executive Board, or at any special meeting of the Executive Board called for such purpose.

6.3 Vacancies. A vacancy in any office, however occurring, may be filled by an affirmative vote of a majority of the members of the Executive Board for the unexpired portion of the term.

6.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Executive Board. He shall have the general and active control of the affairs and business of the Association and general supervision of its officers, agents and employees. The President has the authority to prepare, execute, certify and record documents reflecting amendment to the Declaration which are properly amended pursuant to the provisions of the Declaration.

6.5 Vice Presidents. The Vice Presidents shall assist the President and shall perform such duties as may be assigned to them by the President or by the Executive Board. In the

absence of the President, the Vice President elected by the Executive Board shall have the powers and perform the duties of the President.

6.6 Secretary. The Secretary shall keep the minutes of the proceedings of the Members and the Executive Board. He shall see that all notices are duly given in accordance with the provisions of these Bylaws, the Declaration and as required by law. He shall be custodian of the corporate records. He shall keep at its registered office or principal place of business within or outside Colorado a record containing the names and registered addresses of all Members, the designation of the Lot owned by each Member and, if such Lot is mortgaged, the name and address of each mortgagee. He shall, in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Executive Board. Assistant Secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

6.7 Treasurer. The Treasurer shall be the principal financial officer of the Association and shall have the care and custody of all funds, securities, evidences of indebtedness and other personal property of the Association and shall deposit the same in accordance with the instructions of the Executive Board. He shall receive and give receipts and acquittances for monies paid in on account of the Association, and shall pay out of the funds on hand all bills, payrolls and other just debts of the Association of whatever nature upon maturity. He shall perform all other duties incident to the office of the Treasurer and, upon request of the Executive Board, shall make such reports to it as may be required at any time. He shall, if required by the Executive Board, give the Association a bond in such sums and with such sureties as shall be satisfactory to the Executive Board, conditioned upon the faithful performance of his duties and for the restoration to the Association of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Association. He shall have such other powers and perform such other duties as may be from time to time prescribed by the Executive Board or the President. The Assistant Treasurers, if any, shall have the same powers and duties, subject to the supervision of the Treasurer.

ARTICLE 7 INDEMNIFICATION

7.1 Definitions. For purposes of this Article 7, the following terms shall have the meanings set forth below:

7.1.1 Proceeding. Any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

7.1.2 Indemnified Party. Any person who is or was a party or is threatened to be made a party to any Proceeding by reason of the fact that he is or was a director or officer of the Association or a member of a committee formed by the Association or, while a director or officer of the Association or a member of a committee, is or was serving at the request of the Association as a director, officer, member, partner, trustee, employee or agent of another

corporation, partnership, joint venture, trust, committee or other enterprise including, without limitation, any employee benefit plan of the Association for which any such person is or was serving as a trustee, plan administrator or other fiduciary.

7.1.3 Indemnification. The Association shall indemnify any Indemnified Party in any Proceeding to the fullest extent permitted by law, including, without limitation, the advancement of expenses incurred by an Indemnified Party.

7.1.4 Insurance. By action of the Executive Board, notwithstanding any interest of the directors in such action, the Association may purchase and maintain insurance, in such amounts as the Executive Board may deem appropriate, on behalf of any Indemnified Party against any liability asserted against him and incurred by him in his capacity of or arising out of his status as an Indemnified Party, whether or not the Association would have the power to indemnify him against such liability under applicable provisions of laws.

7.2 Right to Impose Conditions to Indemnification. The Association shall have the right to impose, as conditions to any indemnification provided or permitted in this Article 7, such reasonable requirements and conditions as to the Executive Board may appear appropriate in each specific case and circumstance including, without limitation, any one or more of the following: (a) that any counsel representing the Indemnified Party in connection with the defense or settlement of any Proceeding shall be counsel mutually agreeable to the Indemnified Party and to the Association; (b) that the Association shall have the right, at its option, to assume and control the defense or settlement of any Proceeding made, initiated or threatened against the Indemnified Party; and (c) that the Association shall be subrogated, to the extent of any payments made by way of indemnification, to all of the Indemnified Party's right of recovery, and that the Indemnified Party shall execute all writings and do everything necessary to assure such rights of subrogation to the Association.

ARTICLE 8 AMENDMENT OF BYLAWS

8.1 Amendment by the Members. These Bylaws may be amended by the affirmative vote of at least seventy percent (70%) of the Members within the Association present or represented by proxy at any regular or special meeting. However, notwithstanding the foregoing, no provisions of these Bylaws may be amended by a number of Owners which is less than the number of Owners that is required within that particular provision to take certain action. Amendments may be proposed by the Executive Board or by petition signed by at least a majority of the Members. A statement of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment will be voted upon.

8.2 Amendment by the Executive Board. These Bylaws may be amended by the unanimous vote of the Executive Board at any regular or special meeting. A statement of any proposed amendment shall accompany the notice of any regular or special Executive Board meeting at which such proposed amendment will be voted upon. No amendment may be adopted by the Executive Board which conflicts with an amendment adopted by the Members.

8.3 Scope of Amendments. These Bylaws may not be amended in a manner inconsistent with the Articles of Incorporation of the Association, the Declaration, or any applicable provision of Colorado law. In addition, any amendment which materially adversely affects one or more Members shall require the consent of such Member(s). No amendment which affects the rights of Declarant reserved in the Association Documents shall be valid without the written consent of Declarant.

ARTICLE 9 MISCELLANEOUS

9.1 Registration of Mailing Address. If a Lot is owned by two (2) or more Owners, such co-owners shall designate one (1) address as the registered address required by the Declaration and shall designate the "voting member." An Owner or Owners shall notify the Secretary of his or their (a) registered address within five (5) days after any transfer of title or change of address, and (b) "voting member" within five (5) days after any transfer of title or designation thereof. Such notice shall be written and signed by all of the Owners to which it relates or by such persons authorized to sign on behalf of such Owners.

9.2 Notice to Association. Every Owner shall timely notify the Association of the name and address of any mortgagee, purchaser, transferee or lessee of his Lot. The Association shall maintain such information at the office of the Association.

9.3 Proof of Ownership. Except for those Owners who initially purchase a Lot from Declarant, every person becoming an Owner shall immediately furnish to the Executive Board a photocopy or a certified copy of the recorded instrument vesting in that person such ownership, which instrument shall remain in the files of the Association. A Member shall not be deemed to be in good standing nor shall he be entitled to vote at any annual or special meeting of Members unless this requirement is first met.

9.4 Character of Association. This Association is not organized for profit. No Member, member of the Executive Board, officer or person for whom the Association may receive any property or funds shall receive any pecuniary profit from the operation thereof, and in no event shall any part of the funds or assets of the Association be paid as salary or compensation to, or distributed to, or inure to the benefit of, any of the Executive Board, officers or Members, except upon a dissolution of the Association; provided, however, that (a) reasonable compensation may be paid to any Member, Manager, director, or officer while acting as an agent or employee of the Association for services rendered in effecting one or more of the purposes of the Association, and (b) any Member, Manager, director, or officer may, from time to time, be reimbursed for his actual and reasonable expenses incurred in connection with the administration of the affairs of the Association.

9.5 Right of Entry. The Manager and any person authorized by the Executive Board shall have the right to enter upon each Lot in case of any emergency originating in or threatening such Lot whether or not the Owner or occupant is present at the time.

9.6 Fiscal Year. The fiscal year of the Association shall be determined by the Executive Board and shall be subject to change by the Executive Board as necessary.

9.7 Annual Budget. Within thirty (30) days after the adoption of any proposed budget for the Association, the Executive Board shall mail, by ordinary first-class mail, or otherwise deliver a summary of the budget to all of the Owners and shall set a date for a meeting of the Owners to consider ratification of the budget not less than fourteen (14) nor more than sixty (60) days after mailing or other delivery of the summary. Unless at that meeting a majority of the Owners of Lots reject the budget, the budget is ratified, whether or not a quorum is present. In the event that the proposed budget is rejected, the periodic budget last ratified by the Owners must be continued until such time as the Owners ratify a subsequent budget proposed by the Executive Board. The Executive Board shall adopt a budget and submit the budget to a vote of the Owners as provided herein no less frequently than annually. The Executive Board shall levy, and assess the Association's annual Assessments in accordance with the annual budget.

9.8 Inspection of Records. Any Owner or mortgagee holding a first lien may inspect the Association's records of receipts and expenditures at any reasonable time during convenient weekday business hours, and, upon fourteen (14) days' notice to the Executive Board, the Manager (if any) or registered agent of the Association, and upon payment of a reasonable fee, not to exceed Twenty Dollars (\$20.00), any Owner or first mortgagee shall be furnished a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner, as more fully set forth in the Declaration.

9.9 Captions. The captions and headings in these Bylaws are for convenience only and shall not be considered in construing any provision of these Bylaws.

9.10 Numbers and Genders. Whenever used herein, unless the context shall otherwise provide, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

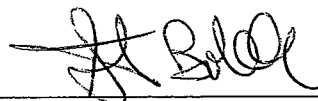
CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Bylaws constitute the original Bylaws of the Association, as duly adopted by written action of the Executive Board and of the Members of the Association, to be effective as of June 6, 2001.

IN WITNESS WHEREOF, I have hereunto subscribed my name to be effective as of June 6, 2001.



Steve Boblak, Secretary

RECORD OF PROCEEDINGS

**Minutes of Action Taken
By Consent of the Directors
Without a Meeting
Timber Springs Property Owner's Association
August 6, 2007**

As permitted by law, the undersigned Directors, being all of the Directors of the Timber Springs Property Owner's Association, unanimously agree to waive the notice requirement for a meeting and to adopt the following action(s) without a meeting.

The Policies and Procedures enumerated below and a copy of which are attached hereto and incorporated herein are hereby unanimously adopted:

1. Conduct of Meetings
2. Inspection and Copying of Association Records
3. Conflicts of Interest
4. Collection of Unpaid Assessments
5. Enforcement of Covenants and Rules
6. Investment of Reserve Funds
7. Adoption and Amendment of Policies, Procedures and Rules
8. Disputes between the Association and its members

These minutes may be executed in counterparts.

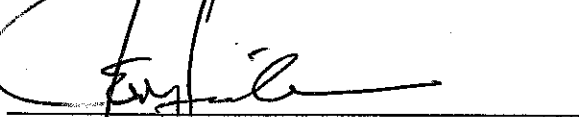
Dated this 6th day of August, 2007.



Michael Barry



Patrick Martin



Jerry Fjala

Wear, Travers & Perkins
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
THE GLEN LYON BUILDING
1000 S. FRONTAGE ROAD WEST, SUITE 200
VAIL, COLORADO 81657

JAMES R. WEAR
RICHARD D. TRAVERS
GREGORY W. PERKINS

WENDY R. ST. CHARLES
TIMOTHY N. DEVLIN
ERIN D. MCMANUS

TELEPHONE: (970) 476-7646
FACSIMILE: (970) 476-7118
E-MAIL: weartrav@weartrav.com

MEMORANDUM

TO: Executive Board
Timber Springs Property Owners Association, Inc.

FROM: Timothy N. Devlin
Wear Travers & Perkins, P.C.

DATE: July 27, 2007

RE: Senate Bill 100/89 Compliance

Colorado law relating to property owners' associations was significantly amended during the 2005 and 2006 sessions of the Colorado legislature, by acts commonly known as "Senate Bill 100" and "Senate Bill 89". This memorandum summarizes the significant changes and sets forth action items for the Board's consideration to ensure compliance with the new laws.

1. DESIGN REVIEW MATTERS

Under certain circumstances, the Association may regulate, but may not prohibit, (i) display of the American flags or military service flags, or the installation of flagpoles; or (ii) display of political signs; and (iii) the removal of trees, shrubs or other vegetation for fire mitigation purposes. In addition, the Association can not require the use of cedar shakes or other flammable roofing materials.

Action Item: Staff to review Design Guidelines to determine if revisions are necessary to comply. The Board should then consider whether it desires to adopt regulations regarding display of signs and flags, or vegetation removal.

2. MEETINGS; OWNER AND BOARD EDUCATION

Notice of owners' meetings must now be posted in a conspicuous place, and associations are encouraged to post notices and agendas on a website.

The association is required to adopt written policies regarding the conduct of meetings. A form of such policy is attached to this memorandum for the Board's review and approval.

Contested board elections must now be conducted by secret ballot, and, at the request of 20% of unit owners in attendance at the meeting in person or by proxy, any other vote must be taken by a secret ballot.

In addition, associations are required to offer to their owners, at least annually and free of charge, education as to the general operation of the association and the rights and responsibilities of owners, the association and the board under Colorado law. We recommend that this education be offered in connection with the annual meeting of owners, for a short time either before or after the meeting.

The Association may, but is not required to, reimburse Board members for expenses incurred in attending seminars on responsible governance of owners' associations.

Action Items: Board review and adopt Meeting Policy (attached).
Schedule owner education in connection with annual meetings.

3. DISCLOSURES; ASSOCIATION RECORDS

If the association's address, designated agent, or management company changes, within 90 days after such change the association shall make updated information readily available at no cost to owners at their convenience, either by posting on an internet web page, maintenance of a literature table or binder at the association's principal place of business, or by mail or personal delivery: (i) the name of the association and its physical address and phone number; (ii) the name of the association's manager and its physical address and phone number; and (iii) the date and reception number for recording of the association's declaration.

In addition, within 90 days after the end of each fiscal year, the association must make the following information readily available at no cost to owners at their convenience, either by posting on an internet web page, maintenance of a literature table or binder at the association's principal place of business, or by mail or personal delivery: (i) the commencement date of the association's fiscal year; (ii) the association's operating budget for the current fiscal year; (iii) a list of current regular and special assessments by unit type; (iv) annual financial statements for the immediately preceding fiscal year; (v) the results of the most recent available financial audit or review; (vi) a list of all association insurance policies, including company names, policy limits and deductibles, additional named insureds and expiration dates of the policies; (vii) the association's

articles of incorporation, bylaws, and rules and regulations; (viii) the minutes of board of directors/ executive board and member meetings for the immediately preceding fiscal year; and (ix) the policies of the association adopted pursuant to CRS § 38-33.3-209.5 (see "POLICIES" section below).

Further, the association must keep the following permanent records: (a) minutes of all meetings of unit owners and all actions taken by the owners by written action or ballot in lieu of a meeting; (b) minutes of all meetings of the board of directors/ executive board and all actions taken by the board by written action or ballot in lieu of a meeting; (c) records of all actions of committees of the board in place of the board on behalf of the association; (d) all waivers of notices of meetings of owners and of the board or any committee of the board; (e) a record of unit owners in a form that permits preparation of a list of the names and addresses of all owners, showing the number of votes each unit owner is entitled to vote; (f) the articles of incorporation, bylaws, declaration and/or covenants of the association; (g) resolutions adopted by the board; (h) all written communications within the past three (3) years to unit owners as unit owners; (i) a list of the names and addresses of the current directors and officers of the association; (j) the association's most recent annual report, if any; and (k) all financial audits or reviews during the preceding three (3) years. The records described in this paragraph must be kept in written form or in another form capable of conversion into written form within a reasonable time, and must be reasonably available for examination and copying by an owner or such owner's authorized agent. To be reasonably available, the records must be available during normal business hours upon five (5) business days' notice, to the extent that: (x) the request is made in good faith and for a proper purpose; (y) the request describes with reasonable particularity the records sought and the purpose of the request; and (z) the records are relevant to the purpose of the request.

Action Items: Adopt policy for inspection and copying of records
Review records and retention policy with manager to confirm compliance

4. AUDIT OR REVIEW

The books and records of the association must be audited (using generally accepted auditing standards) or reviewed (using statements on standards for accounting and review services) at the discretion of the board of directors/ executive board or as described below. An audit is required only if (i) the association has annual revenues or expenditures of at least \$250,000.00, AND (ii) an audit is requested by owners of at least one-third of all units within the association. A review is required only upon request by owners of at least one-third of all units within the association. A person conducting a review need not be a CPA, but shall have at least a basic understanding of the principles

of accounting as a result of prior business experience, education above the high school level, or bona fide home study. Copies of any audit or review must be made available upon request to owners no later than thirty (30) days after its completion.

5. CONFLICTS OF INTEREST; STANDARD OF CARE

CCIOA now makes clear that the provisions of the Colorado Revised Nonprofit Corporation Act apply to directors' conflicting interest transactions. A "conflicting interest transaction" is defined as "[a] contract, transaction or other financial relationship between a[n] [association] and a director of the [association], or between the [association] and a party related to a director, or between the [association] and an entity in which a director of the [association] is a director or officer or has a financial interest". In the event of a conflicting interest transaction, the director should clearly disclose the material facts of the conflicting interest transaction at the first board meeting at which the matter is to be discussed. Thereafter, however, the director may participate in discussion of the matter and may vote on the matter. In addition, even if the provisions of the conflicting interest transaction statute are not followed, the transaction is not void or voidable by the association if: (i) the conflicting interest transaction is disclosed to or known by the board, and the transaction is approved or ratified by the affirmative vote of a majority of the disinterested directors; or (ii) the conflicting interest transaction is disclosed to or known by the members of the association entitled to vote thereon, and the transaction is approved or ratified by the affirmative vote of such members; or (iii) the conflicting interest transaction is fair as to the association.

In all events, the directors should exercise due care in their actions taken as a director, but CCIOA makes clear that if a director is not appointed by the declarant, but rather elected by the owners (as all Timber Springs Executive Board members are, they are not liable for actions taken or omissions made in the performance of such director's duties except for wanton and willful acts or omissions. Notwithstanding the foregoing, with regard to investment of reserve funds of the association, officers and directors are to discharge such duties (a) in good faith; (b) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (c) in a manner the director or officer reasonably believes to be in the best interest of the association.

The Board must adopt a written policy relating to Board members' conflicts of interest. A form is attached for the Board's consideration.

Action Item: Adopt conflict of interest policy.

6. RESPONSIBLE GOVERNANCE POLICIES

The association is required to adopt certain written policies, procedures and rules and regulations relating to certain matters. Several of these have been discussed in previous sections, but are repeated here for completeness. A copy of a proposed policy, for consideration by the Board, is attached to this memorandum:

- Conduct of Meetings
- Inspection and copying of association records
- Handling of conflicts of interest relating to Board members
- Enforcement of covenants and rules, including notice and hearing procedures and a schedule of fines
- Investment of reserve funds
- Procedures for the adoption and amendment of policies, procedures and rules
- Procedures for addressing disputes between the association and unit owners

Action Item: Review drafts of the various policies, provide input to revise same for this association, and adopt all.

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION
EXECUTIVE BOARD
RESOLUTION
CONDUCT OF MEETINGS

_____, 2007

The Executive Board of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association related to Conduct of Meetings is hereby adopted and ratified:

1. Owner Meetings. Meetings of the Owners of the Association shall be called pursuant to the Bylaws of the Association.

(a) *Notice*.

(1) In addition to any notice required in the Bylaws, notice of any meeting of the Owners shall be posted on the building bulletin board located in the entrance hall to the elevator on the parking garage level at least 10 days prior to each such meeting, or as may otherwise be required by Colorado law. **CONFIRM**

(2) The Association shall also post notice on its website of all Owner meetings. Such notice shall be posted 10 days prior to such meeting.

(3) If any Owner has requested that the Association provide notice via email and has provided the Association with an email address, the Association shall send notice of all Owner meetings to such Owner at the email address provided as soon as possible after notice is provided pursuant to the Bylaws but in no case less than 24 hours prior to any such meeting.

(b) *Conduct*.

(1) All Owner meetings shall be governed by the following rules of conduct and order:

(A) The President of the Association or designee shall chair all Owner meetings.

(B) All Owners and persons who attend a meeting of the Owners will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).

(C) Anyone wishing to speak must first be recognized by the Chair.

(D) Only one person may speak at a time.

(E) Each person who speaks shall first state his or her name and Unit address.

(F) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak for him/her.

(G) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.

(H) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.

(I) Each person shall be given up to a maximum of two minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, in his or her sole discretion, but shall be uniform for all persons addressing the meeting.

(J) All actions and/or decisions will require a first and second motion.

(K) Once a vote has been taken, there will be no further discussion regarding that topic.

(L) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.

(M) The Chair may establish such additional rules of order as may be necessary from time to time.

(c) *Voting.* All votes taken at Owner meetings shall be taken as follows:

(1) Election of Board members in a contested election shall be conducted by secret ballot. Each Owner entitled to vote pursuant to the Bylaws shall receive a ballot. The ballot shall contain identifying information concerning the ballot holder in order to verify voting accuracy, but such information shall be kept confidential by the Association and not part of the public record of the vote or the meeting. In the event an Owner holds a proxy for another Owner, upon presentation of such proxy to the Secretary of the Association or the Secretary's designee, the Owner shall receive a secret ballot to cast the vote of the Owner who provided the proxy. The proxy shall be kept and retained by the Association.

(2) All other votes taken at a meeting of the Owners shall be taken in such method as determined by the Executive Board including acclamation, by hand, by voice or by ballot, unless otherwise required by law. At the discretion of the Board or upon request of twenty percent (20%) of the Owners who are present at the meeting or represented by proxy, if a quorum has been achieved, a vote on any matter affecting the Association on which all Owners are entitled to vote shall be by secret ballot.

(3) Written ballots shall be counted by a neutral third party or by a committee of volunteers. Such volunteers shall be Owners who are selected or appointed at an open meeting, in a fair manner, by the Chair of the Board or another person

presiding during that portion of the meeting. The volunteers shall not be Board members and, in the case of a contested election for a Board position, shall not be candidates for such position.

(4) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor and against any issue, without reference to the names, addresses or other identifying information of Owners participating in such vote.

(d) *Proxies.* Proxies may be given by any Owner as allowed by C.R.S. 7-127-203. All proxies shall be reviewed by the Association's Secretary or designee as to the following:

- (1) Validity of the signature;
- (2) Signatory's authority to sign for the unit Owner;
- (3) Authority of the unit Owner to vote;
- (4) Conflicting proxies; and
- (5) Expiration of the proxy.

2. Board Meetings. Meetings of the Executive Board of the Association shall be called pursuant to the Bylaws of the Association.

(a) *Conduct.*

(1) All Board meetings shall be governed by the following rules of conduct and order:

(A) The President of the Association, or designee, shall chair all Board meetings.

(B) All persons who attend a meeting of the Board shall be required to sign in, listing their name and unit address.

(C) All Owners will be given an opportunity to speak as to any matter or ask questions of the Board during the Owner forum at the end of the meeting, or at such other time as determined by the Chair. Any Owner wishing to speak during the Owner forum shall so indicate at the time of sign in.

(D) Anyone desiring to speak shall first be recognized by the Chair.

(E) Only one person may speak at a time.

(F) Each person speaking shall first state his or her name and Unit address.

(G) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak for them.

(H) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.

(I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.

(J) Each person shall be given up to a maximum of two minutes to speak or to ask questions, although questions may not be answered until a later date. Each person may only speak once during the Owner forum and once on any other issue prior to a vote by the Board on such issue. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting.

(K) No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.

(L) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order shall be requested to immediately leave the meeting.

(b) *Owner Input.* After a motion and second has been made on any matter to be discussed, but prior to a vote by the Directors, Owners present at such time shall be afforded an opportunity to speak on the motion as follows:

(1) The Chair will ask those Owners present to indicate by a show of hands who wishes to speak in favor or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak.

(2) Following Owner input, the Chair will declare Owner input closed and there shall be no further Owner participation on the motion at hand unless a majority of the Executive Board votes to open the discussion to further Owner participation.

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

4. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing Timber Springs.

5. 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.

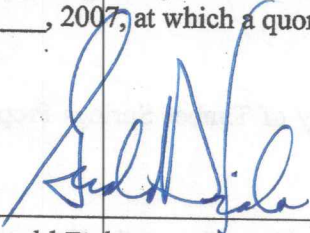
CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on _____, 2007, at which a quorum was present.

Dated: August 6, 2007.



Gerald Fiala, Secretary

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION
EXECUTIVE BOARD
RESOLUTION

INSPECTION AND COPYING OF ASSOCIATION RECORDS

_____, 2007

The Executive Board of Timber Springs Property Owners Association, Inc. a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association related to Inspection and Copying of Association Records is hereby adopted and ratified:

1. Record Retention. The Association shall permanently retain the following records as required by Colorado law:

- (a) Minutes of all Board and Owner meetings;
- (b) All actions taken by the Board or unit Owners by written ballot in lieu of a meeting;
- (c) All actions taken by a committee on the behalf of the Board instead of the Board acting on behalf of the Association; and
- (d) All waivers of the notice requirements for Owner meetings, Board meetings, or committee meetings.

2. Inspection/Copying Association Records. An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:

- (a) The inspection and/or copying of the records of the Association shall be at the Owners expense;
- (b) The inspection and/or copying of the records of the Association shall be conducted during the regular business hours of 9:00 a.m. to 4:00 p.m. at the offices of the Association's manager, from time to time;
- (c) The Owner shall give the Association's manager a written demand, stating the purpose for which the inspection and/or copying is sought, at least five (5) business days before the date on which the Owner wishes to inspect and/or copy such records; and
- (d) The Owner shall complete and sign the Agreement Regarding Inspection of Association Records prior to the inspection and copying of any Association record. A copy of the Agreement is attached to this Policy. Failure to properly complete or sign the Agreement shall be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association.

3. Proper Purpose/Limitation. Association records shall not be used by any Owner for:

- (a) Any purpose unrelated to an Owner's interest as an Owner;
- (b) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;
- (c) Any commercial purpose;
- (d) For the purpose of giving, selling, or distributing such Association records to any person; or
- (e) Any improper purpose as determined in the sole discretion of the Board.

4. Exclusions. The following records shall NOT be available for inspection and/or copying as they are deemed confidential:

- (a) Attorney-client privileged documents and records, unless the Board decides to disclose such communications at an open meeting;
- (b) Any documents that are confidential under constitutional, statutory or judicially imposed requirements;
- (c) The ballots forms from any secret ballot conducted by the Association, except that same may, at the sole discretion of the Board, be provided with redaction of information relating to the Owner(s) casting such ballots; and
- (d) Any documents, or information contained in such documents, disclosure of which would constitute an unwarranted invasion of individual privacy, including but not limited to social security numbers, dates of birth, personal bank account information, and driver's license numbers.

5. Fees/Costs. Any Owner requesting copies of Association records shall be responsible for all actual costs incurred by the Association. The Association may require prepayment of the actual cost of the requested records. Failure to pay such prepayment of costs shall be valid grounds for denying an Owner copies of such records. If after prepayment it is determined that the actual cost was more than the prepayment, Owner shall pay such amount prior to delivery of the copies. If after prepayment it is determined that the actual cost was less than the prepayment, the difference shall be returned to the Owner with the copies. There shall be no cost to any Owner accessing records which are required to be disclosed by Colorado law at no cost to Owners.

6. Inspection. The Association reserves the right to have a third party present to observe during any inspection of record by an Owner or the Owner's representative.

7. Original. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.

8. Creation of Records. Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile records in a particular format or order.

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

10. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing Timber Springs.

11. 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.

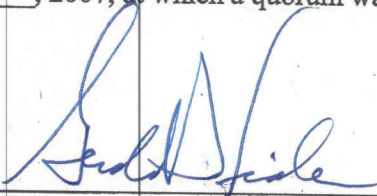
CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on _____, 2007, at which a quorum was present.

Dated: August 6, 2007.



Gerald Fiala, Secretary

EXHIBIT TO
TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION
EXECUTIVE BOARD
RESOLUTION
INSPECTION AND COPYING OF ASSOCIATION RECORDS

**AGREEMENT REGARDING INSPECTION AND COPYING OF RECORDS
OF THE TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION**

I have requested to inspect and/or obtain copies of the following records of the Timber Springs Property Owners Association (be as specific as possible): _____
The records shall be used for the following purpose(s) only: _____
I understand that under the terms of the Colorado Revised Nonprofit Corporation Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner. I further understand and agree that without limiting the generality of the foregoing, Association records may not be:

- (A) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;
- (B) used for any commercial purpose;
- (C) sold to, otherwise distributed to, or purchased by any person;
- (D) any other purpose prohibited by law; or
- (E) any purpose not related to the reason specified in this Agreement.

In the event any document requested is used for an improper purpose or purpose other than that stated above, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees resulting from such improper use. I will additionally be subject to any and all enforcement procedures available to the Association through its governing documents and Colorado law.

Understood and agreed to by:

Owner

Date: _____

Address: _____

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION

EXECUTIVE BOARD

RESOLUTION

DIRECTOR CONFLICTS OF INTEREST

_____, 2007

The Executive Board of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association related to Director Conflicts of Interest is hereby adopted and ratified:

1. **General Duty.** The Executive Board shall use its best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors shall exercise their power and duties in good faith and in the best interest of the Association. All Directors shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and Rules and Regulations. As of the date of adoption of this Policy, conflicting interest transactions of directors and officers of the Association are governed by C.R.S. §7-128-501, pursuant to C.R.S. §38-33.3-310.5, and the provisions of this Policy are intended to comply with such statutes.

2. **Definition.** A "conflicting interest transaction" is defined as a contract, transaction or other financial relationship between the Association and a director of the Association, or between the Association and a party related to a director, or between the Association and an entity in which a director of the Association is a director or officer or has a financial interest.

3. **Disclosure of Conflicting Interest Transaction.** Any conflicting interest transaction on the part of any Director shall be verbally disclosed to the other Directors in open session at the first open meeting of the Executive Board at which the interested Director is present prior to any discussion or vote on the matter. After disclosure, the interested Director may participate in the discussion of the matter, and may vote on the matter, in compliance with the Director's duties to the Association. The minutes of the meeting shall reflect the disclosure made, the composition of the quorum and record who voted for and against.

4. **Failure to Disclose Conflicting Interest Transaction.** No conflicting interest transaction entered into in violation of this policy shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the Association, solely because the conflicting interest transaction involves a Director or a party related to a Director or an entity in which a Director is a director or officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Association's Executive Board that authorizes, approves or ratifies the conflicting interest transaction or solely because the Director's vote is counted for such purpose if:

a. The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the Executive Board and the Executive Board in good faith authorized, approves, or ratifies the conflicting interest transaction

by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

b. The material facts as to the Director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members of the Association entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members entitled to vote thereon; or

c. The conflicting interest transaction is fair as to the Association.

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

6. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing Timber Springs.

7. 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.

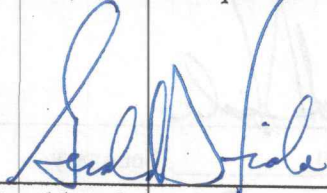
CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on _____, 2007, at which a quorum was present.

Dated: August 6, 2007.



Gerald Fiala, Secretary

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION
EXECUTIVE BOARD
RESOLUTION
COLLECTION OF UNPAID ASSESSMENTS

_____, 2007

The Executive Board of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association related to Collection of Unpaid Assessments is hereby adopted and ratified:

1. **Due Dates.** The annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable in full thirty (30) days after invoice to the Owners by the Association. Assessments or other charges not paid in full to the Association on or before the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association when due shall incur interest as provided below.

2. **Receipt Date.** The Association shall post payments on the day that the payment is received by the Association.

3. **Late Charges on Delinquent Installments.** 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 installment of the annual assessment within 30 days of the due date.

4. **Personal Obligation for Late Charges.** The interest charged on a delinquent assessment 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 reasonable 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 default assessment 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 effective date of this Resolution. 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 installment of the annual assessment is not timely made within 30 days of the due date.

6. 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.

7. Application of Payments. All payments received on account of any Owner, shall be applied to payment of any and all legal fees and costs (including attorney fees), 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.

8. Collection Process.

(a) After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the manager shall send a written notice ("First Notice") of non-payment, amount past due, notice that interest has accrued and request for immediate payment.

(b) After an installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the manager shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest has accrued, notice of intent to file a lien statement and request for immediate payment.

(c) After an installment of an annual assessment or other charges due to the Association becomes more than 120 days delinquent, the manager shall turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorney shall file a lien and 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.

(d) 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.

9. 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 \$50.00 fee.

10. 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 manager shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

11. 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.

12. 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 Executive Board shall determine appropriate under the circumstances.

13. 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.

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

15. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing Timber Springs.

16. 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.

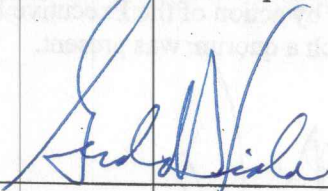
CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on _____, 2007, at which a quorum was present.

Dated: August 6, 2007.



Gerald Fiala, Secretary

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION
EXECUTIVE BOARD
RESOLUTION
ENFORCEMENT OF COVENANTS AND RULES

_____, 2007

The Executive Board of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association related to Enforcement of Covenants and Rules is hereby adopted and ratified:

1. **Reporting Violations.** Complaints regarding alleged violations may be reported by an Owner or resident within Timber Springs, a group of Owners or residents, the Association's management company, 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 Executive Board through 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 Executive Board, 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 the Association's manager or a member of public safety staff.

4. **Initial Warning Letter.** If a violation is found to exist, a warning letter shall be sent to the Violator explaining the nature of the violation. The Violator will have fifteen (15) days from the date of the letter to come into compliance. With respect to matters which are an immediate nuisance or capable of immediate cure, the Violator may be given such shorter period of time to come into compliance and the Association's manager or public safety staff may reasonably determine.

5. **Continued Violation After Initial Warning Letter.** If the alleged Violator does not come into compliance within the period of time stated in the first warning letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. A

second letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within ten (10) days of the date on the second violation letter. If the alleged Violator does not timely request a hearing, he or she shall be deemed to have waived any and all rights to a hearing with respect to the matter.

6. Continued Violation After Second Letter. If the alleged Violator does not come into compliance within the later of thirty (30) days of the second letter, or, in the event the alleged Violator has requested a hearing after receipt of the second letter, thirty (30) days after that hearing if the merits of the matter are determined against the alleged Violator at the hearing, this will be considered a third violation for which a fine may be imposed. A third letter shall then be sent to the alleged Violator, explaining that a violation has been found to exist, and that a fine is imposed pursuant to this Policy. The alleged Violator shall not be entitled to advance notice of the fine or an opportunity for a hearing because, in connection with delivery of the second letter to the Violator, Violator shall have either not requested a hearing and therefore waived any right thereto, or shall have had a hearing at which the merits of the matter were determined against the alleged Violator.

7. Continued Violation After Third Letter. If the alleged Violator does not come into compliance within thirty (30) days of the third letter, this will be considered a fourth violation for which a fine may be imposed. A fourth letter shall then be sent to the alleged Violator, explaining that a violation has been found to exist, and that a fine is imposed pursuant to this Policy. Again, The alleged Violator shall not be entitled to advance notice of the fine or an opportunity for a hearing because, in connection with delivery of the second letter to the Violator, Violator shall have either not requested a hearing and therefore waived any right thereto, or shall have had a hearing at which the merits of the matter were determined against the alleged Violator.

8. Notice of Hearing. If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board (the "Hearing Panel"), may serve a written notice of the hearing to all parties involved at least ten (10) days prior to the hearing date.

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 Hearing Panel 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 Hearing Panel, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Hearing Panel shall, within a reasonable time, not to exceed ten (10) days, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Hearing Panel members present at the hearing. 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. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within ten (10) days of any letter, or fails to appear at any hearing, the Hearing Panel may make a

decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these policies and procedures.

11. Notification of Decision. The decision of the Hearing Panel, shall be in writing and provided to the Violator and Complainant within ten (10) days of the hearing, or if no hearing is requested, within ten (10) days of the final decision.

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

- (a) First violation: Warning letter
- (b) Second violation (of same covenant or rule): \$100.00
- (c) Third violation (of same covenant or rule): \$500.00
- (d) Fourth and subsequent violations (of same covenant or rule): \$1,000.00

Third and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action.

13. 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.

14. 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. DRB Violations. Notwithstanding any provisions contained in this Resolution, in the event of any specific violations of applicable DRB rules, regulations or design guidelines, then enforcement provisions of the design guidelines or DRB rules and regulations shall apply if they are inconsistent with the provisions of this Resolution.

16. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration and Bylaws 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, Bylaws and the law of the State of Colorado governing Timber Springs.

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.

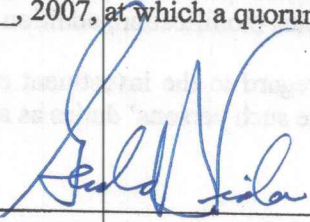
CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on _____, 2007, at which a quorum was present.

Dated: August 6, 2007.



Gerald Fiala, Secretary

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION
EXECUTIVE BOARD
RESOLUTION
INVESTMENT OF RESERVE FUNDS

_____, 2007

The Executive Board of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association related to Investment of Reserve Funds is hereby adopted and ratified:

1. Scope. In order to properly maintain areas in Timber Springs that are the responsibility of the Association, to comply with state statutes, to manage reserve funds, and to protect the market value of Owners' units and livability in Timber Springs, the Executive Board determines that it is necessary to have policies and procedures for the investment of reserve funds.

2. Purpose of the Reserve Fund. The purpose of the Reserve Fund shall be to responsibly fund and finance the projected repair and replacement of those portions of Timber Springs that the Association is responsible for and for such other funding as the Executive Board may determine. Certain of the portions of Timber Springs that the Association is responsible for typically have limited but reasonably predictable useful lives.

3. Investment of Reserves. The Executive Board of the Association shall invest funds held in the Reserve Funds accounts to generate revenue that will accrue to the Reserve Funds accounts balance pursuant to the following goals, criteria and policies:

(a) *Safety of Principal*. Promote and ensure the preservation of the Reserve Fund's principal.

(b) *Liquidity and Accessibility*. Structure maturities to ensure availability of assets for projected or unexpected expenditures.

(c) *Minimal Costs*. Investments costs (redemption fees, commissions, and other transactional costs) should be minimized.

(d) *Diversify*. Mitigate the effects of interest rate volatility upon reserve assets.

(e) *Return*. Funds should be invested to seek a reasonable rate of return.

4. Limitation on Investments. Unless otherwise approved by the Board, all investments will be FDIC (Federal Deposit Insurance Corporation) insured and/or guaranteed by the United States Government.

5. Investment Strategy. The investment strategy of the Association should emphasize a long-term outlook by diversifying the maturity dates of fixed-income instruments within the portfolio utilizing a laddered investment approach.

6. Independent Professional Investment Assistance. The Executive Board of the Association may hire a qualified investment counselor to assist in formulating a specific investment strategy.

7. Review and Control. The Board shall review Reserve Fund investments periodically to ensure that the funds are receiving competitive yields and shall make prudent adjustments as needed.

8. Reserve Study. In order to determine funding of the Reserve Fund, the Executive Board may determine, with the assistance and advice of professionals, the life expectancy of those portions of Timber Springs to be maintained by the Association and the anticipated costs of maintaining, replacing and improving those identified areas (hereinafter referred to as a "Reserve Study").

9. Review of Reserve Study. The Executive Board shall cause the Reserve Study, if any, and reserve funding to be reviewed and updated periodically, to adjust and make changes in costs, inflation and interest yield on invested funds, plus modification, addition or deletion of components.

10. Standard of Conduct. With regard to the investment of the Reserve Fund, the officers and Directors of the Association shall discharge such persons' duties as a Director or officer:

a. In good faith;

b. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

c. In a manner the Director or officer reasonably believes to be in the best interests of the Association.

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

12. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing Timber Springs.

13. 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.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on _____, 2007, at which a quorum was present.

Dated: August 6, 2007.



Gerald Fiala, Secretary

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION
EXECUTIVE BOARD
RESOLUTION

ADOPTION AND AMENDMENT OF POLICIES, PROCEDURES AND RULES

_____, 2007

The Executive Board of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association related to Adoption and Amendment of Policies, Procedures and Rules is hereby adopted and ratified:

1. **Scope** The Executive Board of the Association may, from time to time, adopt certain Policies as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board shall follow the following procedures when adopting any Policy.

2. **Drafting Procedure.** The Board shall consider the following in drafting the Policy: (a) whether the governing documents or Colorado law grants the Board the authority to adopt such a Policy; (b) the need for such Policy based upon the scope and importance of the issue and whether the governing documents adequately address the issue; and (c) the immediate and long-term impact and implications of the Policy.

3. **Notice and Comment.** A copy of the proposed Policy shall be provided to all Owners or posted on the Association's website and Owners shall be allowed a minimum of thirty (30) days to provide comment and/or feedback on the proposed Policy. The adoption of every Policy shall also be listed on the agenda for the Board meeting prior to adoption by the Board and any Owner who wishes to comment on the proposed Policy shall be afforded such opportunity in compliance with Colorado law.

4. **Emergency.** The Board may forego the notice and opportunity to comment in the event the Board determines in its sole discretion that providing notice and opportunity to comment is not practical given the emergency nature of such Policy.

5. **Adoption Procedure.** After the period for Owner comment expires, the Board may adopt any Policy. Upon adoption of a Policy, the Policy or notice of such Policy (including the effective date) shall be provided to all Owners by any reasonable method as determined by the sole discretion of the Board, including but not limited to posting on the Association's website.

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

7. **Supplement to Law.** The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing Timber Springs.

8. 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.

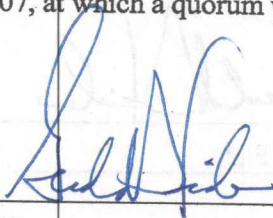
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That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on _____, 2007, at which a quorum was present.

Dated: August 6, 2007.



Gerald Fiala, Secretary

TIMBER SPRINGS PROPERTY OWNERS ASSOCIATION
EXECUTIVE BOARD
RESOLUTION
DISPUTE RESOLUTION

_____, 2007

The Executive Board of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association related to Dispute Resolution is hereby adopted and ratified:

1. **Intent to Avoid Litigation.** The Association, its officers, directors and committee members, all persons subject to the Declaration including Owners, and any person not otherwise subject to the Declaration who agrees to submit to this Policy (collectively, "**Bound Parties**") agree to encourage the amicable resolution of disputes involving Timber Springs Property Owners Association, without the emotional and financial costs of litigation. Accordingly, each Bound Party covenants and agrees that those claims, grievances or disputes described herein ("**Claims**") shall be resolved using the procedures set forth below in lieu of filing suit in any court.

2. **Claims.** Unless specifically exempted below, all claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of the Association Documents, or the rights, obligations and duties of any Bound Party under the Association Documents shall be subject to the provisions of this Section. Notwithstanding the above, unless all parties thereto otherwise agree, the following shall not be Claims and shall not be subject to the provisions of this Section:

a. Any suit by the Association against any Bound Party to enforce the provisions of the Declaration relating to Assessments and the collection of Assessments.

b. Any suit by the Association to obtain a temporary restraining order (or equivalent emergency equitable relief) and such other ancillary relief as the court may deem necessary in order to maintain the status quo and preserve the Association's ability to enforce the architectural standards and use restrictions and rules;

c. Any suit between Owners, which does not include the Association as a party, if such suit asserts a Claim which would constitute a cause of action independent of the Association Documents;

d. Any suit in which any indispensable party is not a Bound Party; and

e. Any suit as to which any applicable statute of limitations would expire within 180 days of giving the notice required below.

With the consent of all parties thereto, any of the above may be submitted to the alternative dispute resolution procedures set forth below.

3. Mandatory Procedures.

a. Notice. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") (collectively, the "Parties") shall notify each Respondent in writing (the "Notice"), stating plainly and concisely:

i. The nature of the Claim, including the Persons involved and Respondent's role in the Claim;

ii. The legal basis of the Claim (i.e., the specific authority out of which the Claim arises);

iii. Claimant's proposed remedy; and

iv. That Claimant will meet with Respondent to discuss in good faith ways to resolve the Claim.

b. Negotiation and Mediation.

i. The Parties shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. If requested in writing, accompanied by a copy of the Notice, the Executive Board may appoint a representative to assist the Parties in resolving the dispute by negotiation.

ii. If the Parties do not resolve the Claim within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional days to submit the Claim to mediation under the auspices of a reputable and knowledgeable mediation group providing such services in Eagle County, or, if the Parties otherwise agree, to an independent agency providing dispute resolution services in the Eagle County, Colorado, area.

iii. If Claimant does not submit a claim to mediation within thirty (30) days after Termination of Negotiations, or does not appear for the mediation, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to any person other than the Claimant.

iv. Any settlement of the Claim through mediation shall be documented in writing by the mediator. If the Parties do not settle the Claim within thirty (30) days after submission of the matter to the mediation process, or within such time as determined by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth that the Parties are at an impasse and the date that the mediation was to be mediated.

v. Within five (5) days of the Termination of Mediation, the Claimant shall make a final written settlement demand ("Settlement Demand") to the Respondent and the Respondent shall make a final written settlement offer ("Settlement Offer") to the Claimant. If the Claimant fails to make a Settlement Demand, Claimant's original Notice shall constitute the Settlement Demand. If the Respondent fails to make a Settlement

Offer, Respondent shall be deemed to have made a "zero" or "take nothing" Settlement Offer.

c. Final and Binding Arbitration.

i. If the Parties do not agree in writing to a settlement of the Claim within fifteen (15) days of the Termination of Mediation, the Claimant shall have fifteen (15) additional days to submit the Claim to arbitration in accordance with the rules of arbitration as may be required by the agency providing the arbitrator. The arbitrator shall be a single arbitrator to be appointed by the Parties. If the Parties are unable to agree upon an arbitrator within thirty (30) days of the Claim being submitted to arbitration, the presiding judge of Eagle County, Colorado shall appoint a qualified arbitrator upon application of a Party. No person shall serve as the arbitrator where that person has any financial or personal interest in the result of the arbitration. Any person designated as an arbitrator shall immediately disclose in writing to all Parties any circumstance likely to affect the appearance of impartiality, including any bias or financial or personal interest in the outcome of the arbitration ("Arbitrator Disclosure"). If any Party objects to the service of any arbitrator within fourteen (14) days after receipt of that Arbitrator's Disclosure, such arbitrator shall be replaced in the same manner in which that arbitrator was selected. If not timely submitted to arbitration or if the Claimant fails to appear for the arbitration proceeding, the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to persons other than Claimant.

ii. This subsection is an agreement to arbitrate and is specifically enforceable under the applicable arbitration laws of the State of Colorado. The arbitration award (the "Award") shall be final and binding, and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

d. Enforcement of Resolution. After resolution of any Claim, if any Party fails to abide by the terms of any agreement or Award, then any other Party may file suit or initiate administrative proceedings to enforce such agreement or Award without the need to again comply with the procedures set forth in this Section. In such event, the Party taking action to enforce the agreement or Award shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement or Award including, without limitation, attorneys' fees and court costs.

3. Claim for Damages. Damages alleged or awarded in connection with a Claim shall be limited to actual damages. No punitive, incidental, consequential or other damages shall be claimed or awarded.

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

5. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing Timber Springs Property Owners Association.

6. 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.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Timber Springs Property Owners Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on _____, 2007, at which a quorum was present.

Dated: August 6, 2007.



Gerald Fiala, Secretary

RECORD OF PROCEEDINGS

Minutes of 2019 Annual Member Meeting Timber Springs Property Owners Association March 5, 2019

The Annual Meeting of the members of the Timber Springs Property Owners Association was held on March 5, 2019 at 10:20 a.m., immediately following adjournment of the Timber Springs Metropolitan District meeting and concurrent with the Timber Springs Property Owners Executive Board meeting, at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, Edwards, Eagle County, Colorado.

Attendance

The following members were present and acting:

- Michael Barry, Lots 4 and 5
- Jerry and MaryLou Fiala, Lot 7 (via telephone)

The following members were present by Proxy:

- JMCG Colorado LLC (Chen), Lots 1, 2 and 3

Also in attendance were:

- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Secretary for the meeting
- Johann Marx, Jabulani Services

Call to Order

The annual meeting of the Timber Springs Property Owners Association was called to order by Director Barry on March 5, 2019 at 10:20 a.m. Mr. Marchetti certified for the record that notice of the meeting was provided as required by the Association's bylaws. The members, by attending, acknowledged receipt of the notice.

Minutes

The minutes of the Annual member meeting held on August 9, 2018, were reviewed. By motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the August 9, 2018, Annual Member Meeting as presented.

Financial Statement & 2020 Budget

The 2020 preliminary budget was discussed during the Executive Board meeting, held concurrently. Following discussion, there was no motion to veto the budget, and, the 2020 budget was approved as presented.

Election of Directors

One Director seat was up for election in 2019 and the floor was opened for nominations. Director MaryLou Fiala was nominated to serve another

RECORD OF PROCEEDINGS

Timber Springs Property Owners Association March 5, 2019 Annual Meeting Minutes

term. There being no other nominations, MaryLou Fiala was elected by acclamation for a 3-year term expiring 2022.

Amendment to Bylaws

Per Article 8, the Timber Springs Bylaws may be amended by an affirmative vote of at least 70% of the Members present or represented by proxy at a regular meeting. Mr. Marchetti presented the proposed Amendment to the Bylaws to article 5.2 explaining that it would change the number of Directors on the Executive Board from 3 directors to 3 to 5 members, thereby upholding the owners' desire to have all owners represented on the Executive Board. There being at least 70% of the members of the Association represented at the meeting, and by unanimous affirmative vote of said members, Section 5.2 of the Timber Springs Bylaws was amended as presented.

Owner Education

Ms. Johnston explained the state requirement that Associations provide at least one owner education training per year stating that this year's education topic was Colorado's Noxious Weeds Act presented by Mr. Marx. Mr. Marx reviewed the information on the Noxious Weeds Act provided in the board packet and explained what noxious weeds were, the importance of eliminating them, and the methods used to remove noxious weeds when they are found. Mr. Marx explained that the Association is responsible for treating the right of ways while owners were responsible for treating their private property. Mr. Marx reported that prevalence of the noxious weeds has decreased significantly in Timber Springs since treatment was started several years ago and that continued treatment was necessary to prevent future infestations.

Adjournment

There being no further business to come before the Association, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the annual meeting of the members of Timber Springs Property Owners Association on this 5th day of March, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the meeting

RECORD OF PROCEEDINGS

Minutes of Executive Board Meeting Timber Springs Property Owners Association March 5, 2019

The Executive Board meeting of the members of the Timber Springs Property Owners Association was held on March 5, 2019 at 10:20 a.m., immediately following adjournment of the Timber Springs Metropolitan District meeting and concurrent with the Timber Springs Property Owners Annual Member meeting., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, Edwards, Eagle County, Colorado.

Attendance

The following Directors were present and acting:

- Michael Barry term ends 2021
- Mary Chen (via Proxy) term ends 2020
- MaryLou Fiala (via telephone) term ends 2019

The following Directors were absent and excused:

- Pat Martin term ends 2021
- Debra Copit term ends 2020

Also in attendance were:

- Jerry Fiala, Lot 7 (via telephone)
- Ken Marchetti, Marchetti & Weaver, LLC
- Beth Johnston, Secretary for the meeting
- Johann Marx, Jabulani Services

Call to Order

The meeting of the Executive Board of the Timber Springs Property Owners Association was called to order by Director Barry on March 5, 2019 at 10:20 a.m. noting a quorum was present.

Changes to Agenda

There were no changes to the Agenda.

Minutes

The minutes of the Board meeting held on August 9, 2018, were reviewed. By motion duly made and seconded, it was unanimously

RESOLVED to approve the minutes of the August 9, 2018, Executive Board Meeting as presented.

Operations Report

Mr. Marx reported Premier Landscaping was hired for snow removal on a seasonal contract basis and no additional fees were anticipated for the season. Following discussion, and upon motion duly made and seconded, it was unanimously

RECORD OF PROCEEDINGS

Timber Springs Property Owners Association March 5, 2019 Annual Meeting Minutes

RESOLVED to ratify the 2018-2019 snow removal agreement with Premier Landscapes.

Mr. Marx reported that the seasonal entrance lights were still on and inquired when the owners would like them turned off. Following discussion, the Board requested that the lights stay on until the end of April or until the lights for Cordillera were turned off. The Board requested that once the seasonal entrance lights were turned off, the regular lights at the entrance be turned on to avoid the entrance area being too dark. Mr. Marx confirmed that the lights were in good shape and spares were on hand to replace as needed.

Discussion continued on the gate with Mr. Marx stating that no new bids were received since the previous meeting. General discussion continued on the best material for the new gate and if a timber overlay was desired. Ms. Johnston noted that \$40,000 had been included in the 2019 budget for the electronic systems upgrade and the new gate structure. Following discussion, it was decided that Mr. Fiala and Mr. Marx would research and present a comparison of cost between materials, design, and best options for the gate that would be sent to all owners for feedback with an estimated completion of the gate project by October 2019.

Mr. Marx reported that the irrigation pump had been replaced in the fall and the ditch would be cleaned in the spring. Discussion continued on the landscape enhancement project with Director Barry reporting that the northside of the entrance was completed in 2018 and that the 2019 work would focus on freshening up and enhancing the entrance sign area. Mr. Marx reported that Whittaker Landscaping had sent a revised totaling \$15,205 in August 2018 and the Board requested a revised bid and authorized \$10,000 for the project in 2019.

In a follow up after the meeting, the Board approved authorizing a total of \$14,590 for the entry landscape enhancement project for 2019.

Financial Report

Mr. Marchetti reviewed the financial statements and five-year forecast included in the meeting packet noting that all assets had been moved from the Metro District to the Property Owners Association effective January 1, 2019. Mr. Marchetti reviewed the operating and reserve fund balances noting the road overlay project was anticipated for 2024.

Mr. Marchetti reviewed the 2020 preliminary budget explaining that a 3% increase was anticipated for most expenses and operating assessments would be increased \$125 per year per lot. Reserve assessments were

RECORD OF PROCEEDINGS

Timber Springs Property Owners Association March 5, 2019 Annual Meeting Minutes

anticipated to remain the same. Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2020 budget as presented.

Investment of Reserve Funds

Mr. Marchetti recommended that the Association's reserve fund balance be invested to get higher returns since it was not anticipated to be needed until 2024. Potential investment options were discussed. Following discussion, the Board requested that a brokerage account be opened with Multi-Bank Securities (MBS) and most of the reserve fund balance be invested in brokered CDs with differing maturity dates of no longer than 5 years.

MOU with Metro District

Mr. Marchetti reviewed the Memorandum of Understanding during the Metro District meeting immediately prior to the Association Board meeting. There being no further questions, and by motion duly made and seconded, it was unanimously

RESOLVED to ratify the Memorandum of Understanding Regarding Transfer of Assets and Operations from the Timber Springs Metropolitan District to the Timber Springs Property Owners Association.

Election of Officers

Following discussion, and upon motion duly made and seconded, it was unanimously

RESOLVED to elect the following Directors to serve in the following officer positions until the next election of directors:

President	MaryLou Fiala	term ending 2022
Vice President	Michael Barry	term ending 2021
Secretary	Debra Copit	term ending 2020
Treasurer	Mary Chen	term ending 2020
Asst Sec/Treas	Pat Martin	term ending 2021

Association Legal Counsel

The Board discussed the need for Association specific legal counsel and decided to retain legal counsel as needed.

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Timber Springs Property Owners Association March 5, 2019 Annual Meeting Minutes

Future Meetings Following discussion, the Board set the next annual member meeting and board meeting for March 2020 with additional Board meetings to be called in 2019 if needed.

Adjournment There being no further business to come before the Association, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the Executive Board meeting of the members and the Board of Directors meeting of Timber Springs Property Owners Association on this 5th day of March, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the meeting

RECORD OF PROCEEDINGS

Minutes of Executive Board Meeting Timber Springs Property Owners Association August 13, 2019

The Executive Board meeting of the members of the Timber Springs Property Owners Association was held on August 13, 2019 at 1:30 pm., at the offices of Marchetti & Weaver, LLC, 28 Second Street, Suite 211, Edwards, Eagle County, Colorado.

Attendance

The following Directors were present and acting:

- Michael Barry (via telephone) term ends 2021
- Pat Martin term ends 2021
- MaryLou Fiala (via telephone) term ends 2019

The following Directors were absent:

- Mary Chen term ends 2020
- Debra Copit term ends 2020

Also in attendance were:

- Jerry Fiala, Lot 7 (via telephone)
- Beth Johnston, Secretary for the meeting
- Johann Marx, Jabulani Services

Call to Order

The meeting of the Executive Board of the Timber Springs Property Owners Association was called to order by Director Fiala on August 13, 2019 at 1:32 pm. noting a quorum was present.

Changes to Agenda

There were no changes to the Agenda.

Gate Controls Replacement

Mr. Marx reviewed the background of the gate controls failing earlier this summer and the need to replace the controls. Mr. Marx reported that two proposals for replacing the controls were received. The bid from Picasso Gate was over \$32,000 and did not include all work such as stone work or retrofitting the controls. The bid included in the board packet was for a local contractor recommended by Cordillera and included all work related to replacing the gate controls at an estimate of \$18,000. Director Martin inquired whether the pedestrian gate would be included in the gate design as requested by Mr. Chen. Mr. Marx explained that a keypad would be installed on the inside of exit gate to allow pedestrians and bicyclists to enter a code to open the gate. Ms. Johnston recounted an email exchange with Mr. Chen in which this option was presented in lieu of a separate pedestrian gate and that Mr. Chen indicated that option would be acceptable. Director Barry and Mr. Fiala concurred with the exchange.

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Timber Springs Property Owners Association August 13, 2019 Annual Meeting Minutes

Discussion then turned to funds available for the project. Ms. Johnston verified that the 2019 budget included \$40,000 for the gate replacement which could include the controls as well. Mr. Marx reported that the gate estimate and controls estimate came up to approximately \$46,000 total. Ms. Johnston recommended adding a 10% project contingency for a total of \$50,000 and said that the Association's reserve had sufficient funds to cover the overage. Following discussion, and by motion duly made and seconded, it was unanimously

RESOLVED to approve increasing the Reserve Gate Replacement budget line item for 2019 to \$50,000, and

FURTHER RESOLVED to approve the Jabulani Services Estimate 114 for replacement of the gate controls in an amount not to exceed \$18,000.

Entrance Lights Mr. Barry noted that the Timber Springs entryway was still quite dark and requested that Mr. Marx replace the current lights with LED lights to brighten the area. Mr. Fiala expressed that the entryway landscaping enhancements looked great this year.

Adjournment There being no further business to come before the Association, upon motion duly made and seconded it was unanimously

RESOLVED to adjourn the Executive Board of Directors meeting of Timber Springs Property Owners Association on this 13th day of August, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the meeting

RECORD OF PROCEEDINGS

Minutes of the Special Meeting of the Board of Directors Timber Springs Metropolitan District March 5, 2019

A Special Meeting of the Board of Directors of Timber Springs Metropolitan District was held Wednesday, March 5, 2019, at 10:00 a.m. in the conference room of the Marchetti & Weaver, LLC office located at 28 Second Street, Suite 213, Edwards, Eagle County, Colorado.

Attendance The following Directors were present and acting:

- Michael Barry
- Gerald Fiala (via phone)
- Mary Lou Fiala (via phone)

Also in attendance were:

- Johann Marx, Timber Springs Property Manager
- Ken Marchetti, Marchetti & Weaver LLC
- Beth Johnston, Marchetti & Weaver, Recording Secretary

Call to Order The special meeting of the Board of Directors of Timber Springs Metropolitan District was called to order by Director Gerald Fiala, noting a quorum was present.

Conflict Disclosure Board members were asked to disclose any potential conflicts of interest in accordance with State Statute. There were no potential conflicts disclosed by any Board members.

Consideration Of Agenda No changes were made to the agenda.

Minutes The August 9, 2018, meeting minutes were reviewed and upon motion duly made and seconded it was unanimously

RESOLVED to approve the August 9, 2018 meeting minutes as presented.

Election of Offices After general discussion, upon motion duly made and seconded, it was unanimously

RESOLVED to appoint the following offices for 2018

Michael Barry	President
Gerald Fiala	Secretary/Treasurer
Mary Lou Fiala	Asst Secretary / Asst Treasurer

Update of District Status Mr. Marchetti reviewed the background on the District's status. Mr. Marchetti reported that the District applied for inactive status but was denied since the District could not go inactive after having had operations. Mr. Marchetti reviewed the Resolution Transferring Assets and Operations

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Timber Springs Metropolitan District March 5, 2019 Special Meeting Minutes

to the Owners Association and the Memorandum of Understanding included in the packet explaining that they effectively inactivated the District with the POA taking over all operations although state required filings for the District would still need to be completed. Following discussion and upon motion duly made and seconded, it was unanimously

RESOLVED to ratify the Resolution Transferring all Assets and Operations to the Timber Springs Property Owners Association; and

FURTHER RESOLVED to ratify the Memorandum of Understanding Regarding Transfer of Assets and Operations Form the Metropolitan District to the Property Owners Association.

Financial Statement & 2018 Audit Exemption

Mr. Marchetti reviewed the Financial statements included in the packet explaining that all funds and activity had been moved to the Property Owners Association as of December 31, 2018.

Mr. Marchetti reviewed the 2018 Application for Exemption from Audit noting that it contained the same information as the financial statements but in a different format. After review, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the 2018 Application for Exemption from Audit as presented; and

FURTHER RESOLVED to approve the Resolution Approving an Exemption from Audit for the Fiscal Year 2018.

2020 Budget

Mr. Marchetti reported the meeting was published as the public hearing for adopting the 2020 budget. The public hearings were opened to take comments on the proposed 2020 budget. Mr. Marchetti explained that since the District was inactive, the 2020 proposed budget was \$0 with a 0-mill levy. Following discussion, the public hearing was closed, and upon motion duly made and seconded, it was unanimously

RESOLVED to approve the Resolutions to Adopt the 2020 Budget; and

FURTHER RESOLVED to approve the Resolution to Set Mill Levies at 0 mills for operations; and

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Timber Springs Metropolitan District March 5, 2019 Special Meeting Minutes

FURTHER RESOLVED to approve the Resolution to Appropriate Sums of Money for spending in 2020.

2019 Audit

Mr. Marchetti explained that since the District is active, it would need to complete an audit or application for exemption from Audit for 2019. Mr. Marchetti stated that the District would qualify for filing an Application for Exemption from Audit. Following discussion, the Board directed Marchetti & Weaver, LLC to prepare the 2019 Application of Exemption from Audit for consideration in early 2020.

Accounts Payable

Ms. Johnston reviewed the Accounts Payable list included in the Board packet explaining it covered the period from July 30, 2018 thru December 31, 2018, and that no further disbursements would be made from the District. Ms. Johnston reported that the District's bank accounts had been closed and all funds moved to the Property Owners Association. Following review, by motion duly made and seconded, it was unanimously

RESOLVED to approve the Accounts Payable list as presented.

24-Hour Posting Resolution

Mr. Marchetti explained state statute requires the District to designate a 24-hour posting location for notices each year. The Board reviewed the resolution and, upon motion duly made and seconded, unanimously

RESOLVED to approve the Resolution Establishing the Location for Posting Notices as the entry gate to Timber Springs, Edwards.

Consumer Data Privacy Policy Resolution

Mr. Marchetti explained a new state statute requires Districts to adopt a data privacy policy for handling sensitive data and reviewed the policy included in the packet. The Board reviewed the resolution and, upon motion duly made and seconded, unanimously

RESOLVED to approve the Resolution Adopting a Consumer Data Privacy Policy.

2020 Election Resolution

In May of even numbered years, the District is required to have an election. The draft 2020 Election Resolution calls the election, lists the Directors whose terms are up, designates the election official and authorizes the Designated Election Official to cancel the election if there are no more candidates than terms to fill. Mr. Marchetti reviewed the eligibility

RECORD OF PROCEEDINGS

Timber Springs Metropolitan District March 5, 2019 Special Meeting Minutes

requirements to serve on the Metropolitan District board. By motion duly made and seconded, it was unanimously

RESOLVED to approve the Election Resolution calling for the 2020 Regular District Election.

Meeting Calendar The Board confirmed that the next meeting is scheduled for March 2020, the date of which would be determine closer to that time.

Adjournment There being no further business to come before the Board at this time, upon motion duly made and seconded, it was unanimously

RESOLVED to adjourn the Special Meeting of Timber Springs Metropolitan District Board of Directors this 5th day of March, 2019.

Respectfully submitted,



Beth Johnston
Secretary for the Meeting