



c/o Warren Management Group; 5585 Erindale Drive, Suite 106; Colorado Springs, CO 80918

POLICY ON ACC MEMBERSHIP AND VOTING

WHEREAS, the Board of Directors is empowered to adopt and publish rules and regulations by King's Deer Highlands Bylaws, Article VII.1 (a)

WHEREAS, regular participation by ACC members in the ACC decision process is vital to achieving uniform covenant interpretations and enforcement.

WHEREAS, the Board of Directors desires that new voting members of the ACC 1) have prior exposure to the covenants of both Classic and Highlands, 2) have some experience in addressing issues confronting the ACC, and 3) be familiar with ACC procedures.

WHEREAS, the Board of Directors appoints ACC members (Classic covenants 1.B, Highlands covenants 1.C.)

WHEREAS, Classic covenants direct three members on the ACC. (Classic covenants 13.B.(1))

WHEREAS, Highlands covenants direct three or more ACC members. (Highlands covenants 13.B.(1))

WHEREAS, a two-thirds vote (2/3) of the Committee shall determine approval or disapproval for Classic projects. (Classic covenants 13.C.(3)(g))

WHEREAS, a majority vote of the Committee shall determine approval or disapproval for Highlands projects. (Highlands covenants 13.C.(3)(g))

WHEREAS, an ACC decision must be rendered within sixty (60) days after written receipt of any written submission, else approval shall not be required and the related covenants requiring Committee approval shall be deemed to have been fully complied. (Classic covenants para 13.C.(3)(f), Highlands covenants para 13.C.(3)(g))

WHEREAS, the ACC shall report its decisions to the Board of Directors for review prior to the Committee notifying the applicant and the Board may reverse or modify the Committee decision. (Highlands Covenants para 13. C.(3)(g))

WHEREAS, the Board shall resolve all questions and interpretation and the covenants shall be interpreted in accordance with their general purpose and intent. (Highlands Covenants para 12.D.(5))

WHEREAS, a timely response to project applicants will encourage compliance by association members to obtain the required ACC approval before starting a project.

WHEREAS, the Board of Directors typically meets no more frequently than once a month, and the ACC generally meets twice a month.

WHEREAS, ACC members serve two year terms. (Classic covenants 13.B.(1), Highlands covenants 13.B.(2))

WHEREAS, the Board of Directors may serve as the ACC. (Highlands covenants 13.B(1))

WHEREAS, Classic covenants authorize the ACC to appoint replacements for ACC who do not complete their two year term. (Classic covenants 13.B(1))

WHEREAS, uniform ACC membership requirements and uniform ACC voting rules for applying both the Classic and the Highlands covenants will reduce potential confusion in conducting ACC business, and will reduce errors from interpreting the two covenants of the Association.

WHEREAS, ACC members must avoid conflicts of interest.

WHEREAS, ACC members must participate regularly with the ACC to maintain an acceptable level of knowledge on the issues and policies that formulate decisions of the ACC.

NOW, THEREFORE, BE IT RESOLVED, that the following Rules have been adopted by the Board of Directors of the Association:

1. The Board of Directors shall make all membership appointments to the ACC.
2. The ACC Chair shall be appointed by the Board of Directors and shall be either an active ACC member or a member of the Board of Directors. The ACC Chair should, when possible, be an individual experienced in the ACC.
3. Candidate ACC members must participate fully in at least two ACC meetings within a two month period, before being appointed by the Board of Directors as voting ACC members.
4. An ACC member missing three consecutive meetings shall automatically lose his voting privilege. The voting privilege may be restored by attending one meeting as a non-voting member and reviewing minutes of all missed ACC meetings.
5. ACC members shall be in good standing with the Association. Accounts must be paid in full by their due date. No outstanding or unresolved covenant violation against an ACC member property shall proceed unresolved beyond the initial notification stage. Any ACC member who does not meet these criteria shall not cast a vote in ACC business and shall not chair ACC meetings.
6. An ACC member shall not vote on issues that relate directly to properties they, or their family members, own. An ACC member shall not vote on matters that directly or indirectly affect him financially. An ACC member must excuse himself from considering an application due to a conflict of interest when the conflict is first apparent to the ACC member.
7. Each year, within two months of the Annual Meeting, the Board of Directors shall review the current membership of the ACC and validate the approved voting members.
8. A quorum of the ACC shall be three or more voting members.
9. Classic project approval or disapproval shall require a two-thirds majority vote of a quorum.
10. Highlands project approval or disapproval shall require a majority vote of a quorum.
11. The Board of Directors may appoint replacements for ACC members who do not complete their two-year term. Replacement candidates must meet the requirements of all candidate ACC members.
12. The ACC is authorized by the Board of Directors to make decisions and notify the applicant without waiting for review by the Board of Directors, unless circumstances described in rule 13 occur.
13. At the time of an ACC decision on an application, if the ACC Chair is aware that the decision is likely to be appealed to the Board of Directors, or if an ACC decision is contrary to a policy, rule or guidance expressed by the Board of Directors, the ACC Chair shall withhold formal notification of the ACC decision to the applicant until after the Board of Directors has reviewed and approved the ACC decision.
14. The Board of Directors may waive any restriction herein when the Board considers the waiver in the best interest of the Association, provided that it does not violate any covenants.

These Rules shall become effective on the day following their adoption by the King's Deer Board of Directors.

DATED AND ADOPTED THIS 18TH DAY OF APRIL, 2005

signed
Daniel Rivers
President
King's Deer Highlands Homeowners Association

signed
Mary Fortey
Secretary
King's Deer Highlands Homeowners Association