

**EXHIBIT 1**  
**To RESPONSIBLE GOVERNANCE POLICIES, Adopted August 21, 2008**  
**THE RESERVE AT UTE CREEK HOMEOWNERS ASSOCIATION**

POLICY AND PROCEDURES REGARDING COMPLAINTS, WRITTEN NOTICES FOR VIOLATION OF  
COVENANTS AND/OR DESIGN GUIDELINES, HEARINGS AND FINES

This document states the policies and provides the procedures that the Association, by its Board of Directors, will follow in addressing violations of The Declaration of Covenants, Conditions, and Restrictions of the Reserve at Ute Creek (the "Declaration") and the Design Guidelines of the Reserve at Ute Creek, except for those violations with regard to payment of assessments which are addressed in and governed by Article 5 of the Declaration and in Section II.A. of the Responsible Governance Policies that are part of the Rules of the Association.

1. Reporting Violations: Complaints regarding alleged violations may be reported either in writing or verbally by an Owner or group of Owners within the community, Board of Directors (Board) member(s) or committee member(s). Complaints shall contain the information listed below in order to be investigated. At the discretion of the Board, verbal complaints or written complaints failing to include any of the information required in this provision may or may not be investigated or pursued:
  - Identity and address of the complainant,
  - Address of the alleged violator and name of the alleged violator if complainant knows it,
  - Description of the alleged violation and reference to the applicable Section of the Declaration or Design Guidelines that is allegedly being or has been violated,
  - Date violation was observed and any other pertinent or helpful information that will assist the Board in its investigation.
2. Investigation: Following receipt of a complaint by the Board, two Board members, or designees, will investigate the alleged violation. If additional information is needed, the complaint may be returned to the complainant or may be investigated further by the Board or by a designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.
3. Written Notices of Violations: The Board, if based on its investigation it believes a violation has occurred or is occurring, will give notice of any violation of the Declarations and or Design Guidelines in the following manner:
  - A. Demand for Abatement: A notice (the Demand for Abatement) will be hand delivered or mailed by certified mail, return receipt requested to the Lot's owner of record. If the Lot is rented or leased under contract, it is the responsibility of the Owner of the Lot to inform the tenant/occupant of the Demand for Abatement and to assure that the tenant/occupant complies with the Demand for Abatement. The Board, in its sole and absolute discretion, may also elect to provide notice of the violation to the tenants/occupants of the Lot by certified mail, return receipt requested or by hand delivery. The Demand for Abatement shall contain the following information.
    - The alleged violation, with reference to the Declaration and or Design Guideline Article and Section;
    - The action required to abate the violation;
    - A time period, not less than ten days, during which the violation may be abated without further sanction, if such violation is a continuing one. If such violation is not a continuing one, a statement that any additional similar violation could result in the

imposition of a sanction after notice and hearing (Appendix 1 attached hereto sets forth the time period which typically will be required for abatement, but the Board may vary this in its sole and absolute discretion, based on the particular facts and circumstances, including but not limited to the severity of the violation and the affect of the violation on the health, safety and aesthetics of the Community);

- The HOA's website for information on current Board membership: <http://neighborhoodlink.com/longmont/reserveutcreek>;
- Certificate of Mailing.

Follow Up Process: Two Board Members or their delegates shall verify whether or not corrective action was made by the Lot Owner within the time period required in the Demand for Abatement. Findings will be written and filed in the records of the Association. A copy of the Demand for Abatement and complaint record shall be maintained by the Board both in written and electronic form in the records of the Association.

- B. Notice of Hearing: If the violation continues past the time period required for correction in the Demand for Abatement or if the same violation subsequently occurs within a 24 month time period from the date of the previous violation, the Board or its agent shall serve the violator with a Notice of Hearing to be held by the Board. A Notice of Hearing will be hand delivered or mailed by certified mail, return receipt requested to the Lot's Owner of record. The Notice of Hearing shall contain:

- Alleged violation;
- Date of Demand for Abatement letter;
- Date of Hearing;
- Place of Hearing;
- Time of Hearing;
- Invitation to attend the hearing and produce any statement, evidence, and witness on his or her behalf;
- The proposed sanction to be imposed on the Lot owner;
- The address of the HOA's website for information on current Board membership and the Association's governing documents: <http://neighborhoodlink.com/longmont/reserveutcreek>;
- Certificate of Mailing.

A copy of the Notice of Hearing shall be maintained by the Board both in written and electronic form in the records of the Association.

- C. Hearing: The Hearing shall be held pursuant to the Notice of Hearing, affording the Lot Owner a reasonable opportunity to be heard. Members of the Association may attend Hearings (like any other meeting of the Board) and provide evidence and information to the Board as part of the Hearing conducted by the Board. Hearings will require a Quorum of the Board, consisting of a simple majority of the Board, in attendance in person.

Prior to the effectiveness of any sanction imposed by the Board, proof of the Notice of Hearing and the service of it on the Lot Owner shall be placed in the minutes of the Hearing. Such proof shall be deemed adequate if a copy of the Notice of Hearing, together with a statement of the date and manner of delivery, is entered by the Officer, Director, or agent who delivered such Notice.

The notice requirement shall be deemed satisfied if the alleged violator appears at the Hearing.

In the event at the close of the Hearing, the Board requires more time to reach a decision and provide a written decision to the Owner, the Board shall render its decision and provide written notice of its decision to the Owner not more than 30 calendar days from the date of the close of the Hearing. Hearings shall be open to attendance by all Members of the Association.

At the Board's discretion, Hearings may be continued and/or postponed and rescheduled.

- D. Minutes/Decision: The Minutes of the Hearing shall contain a written statement of the results of the Hearing and the sanction, if any, imposed.

The Decision of the Board shall be final.

A written copy of the Board's decision shall also be provided to the homeowner within 10 calendar days of the hearing. A copy of the Hearing Minutes shall be maintained by the Board both in written and electronic form.

4. Schedule of Fines: In the event determines that a violation of the Declaration, the Design Guidelines or the Rules has occurred then the Board shall have the right to impose the Fines for the violations listed in Exhibit 2 of the Responsible Governance Policies. Any Fines imposed by the Board on an Owner as a result of a Hearing must be paid and collected within the time period determined by the Board at the Hearing. When the Board has deferred its decision to a later date, the written decision will include the amount of the Fine, the time for payment of the Fine, and the address to submit payment. All Fines are payable by cash or check (payable to: "Reserve at Ute Creek HOA").
5. Waiver of Fines: The Board may waive all, or any portion, of the Fine if, in its sole discretion, such waiver is appropriate under the circumstances.
6. Other Enforcement Means: This fine schedule and enforcement process is adopted in addition to all other enforcement means available to the Association through the Declaration, the Bylaws, the Act and other Colorado law. The use of this process does not preclude the Association from using any other enforcement means.
7. Supplement/Conformance to Law: The provisions of this enforcement policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the Bylaws, in particular the Notice and Hearing procedure outlined in the Bylaws. It is intended that the procedures specified herein shall comply with the "due process" requirements stated in Section 38-33.3-209.5(2) of the Act and other applicable requirements of the Act and other Colorado law that govern the Association.