



Lansky, Weigler & Porter, P.C.

● **Myra J. Lansky**
mlansky@lanskyweigler.com

April 27, 2010

Owners
The Summit at Rock Creek
Homeowners Association, Inc.

Re: Construction Defect Reconstruction

Dear Owners:

Lansky, Weigler & Porter, P.C., is legal counsel to The Summit at Rock Creek Homeowners Association, Inc. The Association's Board of Directors has requested we communicate with you regarding completion of the Association's reconstruction project.

The Summit at Rock Creek is a Townhome community in which each owner has record title to his or her lot and the improvements located upon the lot. Maintenance, repair and insurance responsibilities for all improvements on a lot belong to the owner of the lot unless shifted to another by an agreement. The Association's Declaration of Covenants contains such agreements to shift some of the individual owners' responsibilities for their property to the Association. Each owner became a party to these agreements by the act of purchasing property subject to the Declaration.

As you are aware, the Association recovered a settlement from DR Horton in 2006 for certain construction defects within the community. As a result of the litigation and subsequent settlement, the Association completed repairs and replacements to portions of your properties that are not the Association's responsibility under the Declaration.

The Board is pleased to let you know the reconstruction project is now complete. All project work on lots had a one-year warranty which has now expired. The Association will no longer facilitate repairs for items that are the owners' responsibility.

We have included a copy of the Association's Maintenance and Insurance Chart for your review. This is a great tool to identify those items for which the Association is responsible.

Attorneys at Law

1401 17th Street, Suite 560
Denver, Colorado 80202
www.lanskyweigler.com

- **Direct 303.382.4166**
- **Office 303.297.1900**
- **Fax 303.293.8938**

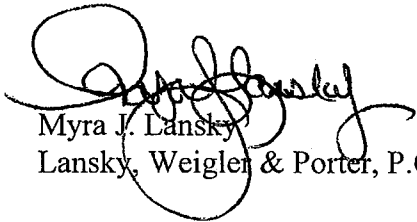
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The Summit at Rock Creek
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The Board of Directors will also be adopting two policies regarding the Reconstruction Fund. We have included both for your review. The Investment Policy outlines specific procedures and investment guidelines for the remaining Five Million Dollars that must be held in a separate account according to the settlement agreement with DR Horton. The Disbursement Policy identifies the procedures the Board will follow in the event these funds are needed in the future for repair and remediation of those specific items for which the settlement was paid. Both policies shall become effective May 15, 2010, fifteen days after delivery of notice to the membership.

Should you have any questions, comments or concerns, please feel free to contact your Community Manager, Melissa Keithly, at 303-233-4646.

Respectfully,



Myra J. Lansky
Lansky, Weigler & Porter, P.C.

MJL/me

c: Board of Directors
The Summit at Rock Creek Homeowners Association, Inc.
Association & Community Management

Lansky, Weigler & Porter, P.C.

MAINTENANCE AND INSURANCE CHART

THE SUMMIT AT ROCK CREEK

HOMEOWNERS ASSOCIATION, INC.

As of May 1, 2008

Item	Owner Maintains	Association Maintains	Owner Insures (Liability and/or Casualty)	**Association Insures (Liability and/or Casualty)
LOTS				
Roofs, gutters, skylights and soffits		X		X
Exterior wall surfaces, including paint, trim and siding, but not including windows and pedestrian doors		X		X
Landscaping	X *(Back yards)	X *(Front yards)	X *(Back yards)	X *(Front yards)
Sidewalks and concrete driveways		X	X *(Liability)	X
All structural components of a residence, including studs and thermal board, but excluding the roof and exterior wall surfaces	X		X * Other than Original Specifications	X * Original Specifications
Foundations, caissons, and patios	X		N/A	N/A
Interior of the residences including all walls, floors, ceilings	X		X	

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Item	Owner Maintains	Association Maintains	Owner Insures (Liability and/or Casualty)	** Association Insures (Liability and/or Casualty)
Doors, windows, and garage doors	X		X * Other than Original Specifications	X * Original Specifications
Garage interior	X		X	
Garage Door Openers	X		X	
All furniture, furnishings, wall and floor covering, contents, personal property	X		X	
All appliances and equipment including disposal, furnace, air conditioner, etc.	X		X	
All fixtures, cabinets, etc.	X		X	
Exterior spigots	X		N/A	
Utilities serving more than one residence		X		N/A
Utilities serving only one residence	X		N/A	
Interior Pest Control (including removal of insects, animals, etc.)	X		X	
Decks, fences, and porches	X	X (paint/stain only)	X * Other than Original Specifications	X * Original Specifications
Interior fire sprinklers (Buildings 7, 9, 11 and 13 only)	X		N/A	

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Item	Owner Maintains	Association Maintains	Owner Insures (Liability and/or Casualty)	**Association Insures (Liability and/or Casualty)
REMINDER: ANY AND ALL EXTERIOR IMPROVEMENTS, MODIFICATIONS, OR ADDITIONS, MUST BE APPROVED BY THE ARCHITECTURAL REVIEW COMMITTEE PRIOR TO BEGINNING ANY WORK				
COMMON AREAS (HOA PROPERTY)				
Clubhouse and swimming pool		X		X
Drainage structures or facilities		X		X
Fences and retaining wall		X		X
All landscaping, and driveways		X		X

*Original Specifications shall mean as offered by the developer to the public prior to individual purchaser upgrades.

** Association Insurance Coverage is subject to allocation of the appropriate portion of the deductible amount under the Association's insurance policies.

CERTIFICATION: The undersigned, being the President of The Summit at Rock Creek Homeowners Association, Inc., a Colorado non-profit corporation, certifies that the foregoing allocation of Maintenance and Insurance responsibilities was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on MARCH 25, 2008, and in witness thereof, the undersigned has subscribed his/her name.

THE SUMMIT AT ROCK CREEK HOMEOWNERS ASSOCIATION, INC.

By: C. Padgett
President

**SUMMIT AT ROCK CREEK HOMEOWNERS ASSOCIATION, INC.
POLICY AND PROCEDURE
INVESTMENT OF RE-CONSTRUCTION FUND**

Adopted April 27, 2010

The following policy and procedure has been adopted by the Summit at Rock Creek Homeowners Association, Inc. ("Association") pursuant to Colorado statutes, for investment of the Association's Re-construction fund.

PURPOSE

The purpose of this policy is to institute proper guidelines for the ongoing management of the Association's investment of its re-construction fund.

INVESTMENT OBJECTIVES

The principal represents the re-construction fund shall maintain Five Million Dollars in a separate account for a period of 10 Years after the re-construction is complete. Re-construction fund shall be invested in a manner that assures maximum safety and appropriate liquidity and, secondarily, maximizes yield within such constraints. The investment objectives are, in order of priority, as follows:

1. Preservation and safety of principal;
2. Liquidity to meet expected and unexpected expenditures; and
3. Maximization of yield.

INVESTMENT RESPONSIBILITIES

The Board of Directors has sole authority to approve and amend, alter or otherwise make changes to the investment policy. Any modifications to this policy shall be in writing and approved by the Board.

The Board shall have direct control with regard to opening appropriate bank accounts and establishing safekeeping accounts or other arrangements for the custody of securities and execute such documents as may be necessary. The Board may employ the service of a qualified investment advisor to direct a portion or all of the investment activities of the Association consistent with guidelines set forth in this investment policy.

The Board will monitor ongoing investment activities to ensure proper liquidity is being provided and that the investment strategy is consistent with the Association's objectives. The Board of Directors shall review investment performance no less than quarterly.

INVESTMENT GUIDELINES

A. Eligible Investments

The portfolio will be limited to the following investments:

1. Certificates of deposit (CDs);
2. Money market deposit accounts;
3. Money market funds;
4. U.S. treasuries and U.S. treasury zero coupons.
5. Domestic Municipal Bonds

B. Credit Quality Restrictions

AAA-rated, U.S. Treasury securities or insured debt instruments.

C. Maturity Limits

1. No individual investment may exceed 20 years in maturity; and
2. The weighted average maturity of the portfolio will not exceed 10 years. The Association must structure its investment portfolio in order to meet anticipated cash requirements.

D. Strategy

Investments shall be structured so they mature in successive years allowing the Association to minimize the interest rate risk.

E. Custodian

Investments will be held in custodial accounts with approved banks or financial institutions federally insured either through FDIC, AFGI or the US Government, with no more than \$100,000.00 held in any one bank. Municipal bonds through approved financial institutions need to be insured.

PROCEDURES

1. Transfers of budgeted fund interest earned to the Operating fund shall be made on a monthly, quarterly or annual basis.
2. A quarterly report of earnings shall be prepared by management, financial advisor, or the treasurer and presented at a Board meeting;
3. Two Board member signatures must be required to withdraw funds from investment accounts. An exception may be made for transfers between accounts of the Association so long as both accounts require two Board member signatures for withdrawals of funds; and

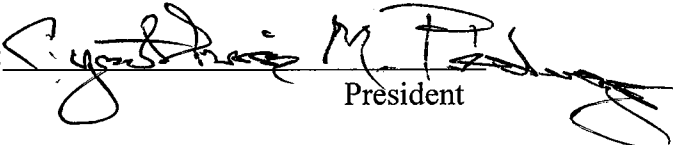
4. In addition to any requirements provided by the Association's governing documents, the Association shall obtain coverage by fidelity insurance to protect the Association from loss due to theft for any person with access to its investments.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Summit at Rock Creek Homeowners Association, Inc., a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on April 27, 2010 and in witness thereof, the undersigned has subscribed is/her name.

**SUMMIT AT ROCK CREEK
HOMEOWNERS ASSOCIATION, INC.,**
a Colorado non-profit corporation

By: _____


President

**SUMMIT AT ROCK CREEK HOMEOWNERS ASSOCIATION, INC.
POLICY AND PROCEDURE
DISBURSEMENT OF RE-CONSTRUCTION FUND**

Adopted April 27, 2010

The following policy and procedure has been adopted by The Summit at Rock Creek Homeowners Association, Inc. ("Association") pursuant to Colorado statutes, procedures and approval on expenditures of the Association's Reconstruction Fund.

PURPOSE

The purpose of this policy is to institute proper guidelines for the ongoing management of the Association's Reconstruction fund.

FUND OBJECTIVES

The Association shall maintain a minimum of Five Million Dollars in a separate account for a period of 10 Years after the reconstruction is complete. Reconstruction was completed on December 31, 2009,

DISBURSEMENT GUIDELINES

The Board of Directors has sole authority to approve and amend, alter or otherwise make changes to the disbursement policy. Any modifications to this policy shall be in writing and approved by the Board.

The Association's authority to expend funds is restricted by the limitation of the Declaration and the settlement agreement reached in its construction defect litigation with DR Horton.

The Declaration specifically prohibits the Association from expending funds to repair limited common elements, unless reimbursement is received from the involved owners.

The settlement agreement was obtained only for those defects on the individual lots that were named in the construction defect lawsuit and which temporarily overrides the provisions of the Declaration for those specific repairs.

PROCEDURES

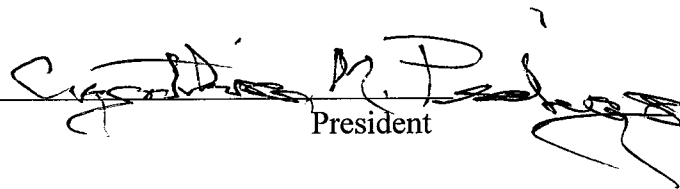
1. Should an Owner feel there is potential damage occurring from soil movement, the Owner shall be responsible for providing sufficient evidence that there is a significant problem, i.e. *A report from a licensed engineer documenting his/her findings.*
2. The Association Board will employ a licensed engineer to determine if the damage qualifies for repair and remediation.
3. The Board will only proceed with repair and remediation if its engineer determines that the damages qualify for repair and remediation pursuant to the settlement agreement. The repair and remediation will be performed as specified in the scope of work and specifications determined by the Association's Engineer.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of The Summit at Rock Creek Homeowners Association, Inc., a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on April 27, 2010 and in witness thereof, the undersigned has subscribed his/her name.

**SUMMIT AT ROCK CREEK
HOMEOWNERS ASSOCIATION, INC.,**
a Colorado non-profit corporation

By: _____



President