

Crestline Townhomes Association, Inc.
c/o Diversified Property Management
7834 N. Academy Blvd
Colorado Springs, CO 80920
Phone: (719) 578-9111

February 16, 2010

Crestline Townhomes Association

Re: *Assessments for the Association's Roof Repair Loan*

Dear Owners:

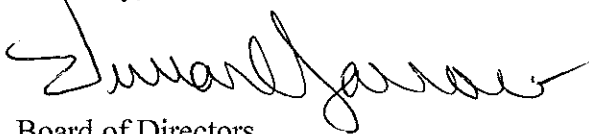
Thank you for continuing to pay your Association assessments. Your payments allow us to better operate and manage our Community.

In early 2008, the Association obtained a loan to repair the roofs on several buildings within the Association property. Owners were, and are, equally responsible for repayment of their prorated share of this loan.

To provide Owners flexibility regarding their individual obligations, the Association offered three options to repay their prorated portion of the loan. These options included (1) a one-time payment of \$1,282.00, paid no later than June 15, 2008, (2) monthly payments of \$26.77 over 60 months or (3) monthly ACH withdrawal of \$26.77 over 60 months. Those Owners who did not choose the one-time payment option above have been assessed \$26.77 per month for the remainder of the repayment period.

Many of the Owners selected the second or third payment option, which requires the Association to continue collecting monthly payments from those Owners for five years. In order to facilitate collection of each Owner's repayment funds, the Association's Board of Directors recently adopted a resolution to increase each Owner's monthly assessment to \$141.77, beginning January 1, 2010. This increased assessment includes each Owner's regular monthly assessment, as well as the additional \$26.77 monthly charge for the roof loan. Those Owners who chose the first option will be credited \$26.77 each month, and will only be obligated to pay their regular monthly assessment of \$115.00. While the assessment is expected to increase in future years, your chosen method of payment for the roof repair loan will remain the same.

Sincerely,



Board of Directors
Crestline Townhomes Association, Inc.

**RESOLUTION
OF THE
CRESTLINE TOWNHOMES ASSOCIATION**

SUBJECT: Assessments Regarding Roof Repair Loan.

PURPOSE: To provide notice to the Owners regarding ongoing repayment of the loan the Association obtained to repair building roofs.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:** FEBRUARY 19, 2010.

RESOLUTION: The Association hereby gives notice of its adoption of the following Resolution:

1. Roof Repair Loan. Pursuant to Article IX of the Declaration, in early 2008 the Association obtained a loan to repair the roofs on several buildings within the Association property.
2. Assessment Options Provided in 2008. The Association provided its owners three options to repay their prorated portion of the Association's loan:
 - a. One-time payment of \$1,282.00, paid no later than June 15, 2008.
 - b. Monthly payments of \$26.77 over 60 months.
 - c. Monthly ACH withdrawal of \$26.77 over 60 months.
3. Option chosen if choice was not affirmatively made by an Owner. For those Owners who did not choose the one-time payment option above, they have been, and will continue to be, assessed \$26.77 per month for the remainder of the repayment period (60 months).
4. Annual Assessment. To facilitate collection of each owner's payment (if the one-time payment was not timely made), the Association increased each Owner's monthly assessment to \$141.74 beginning January 1, 2010. This

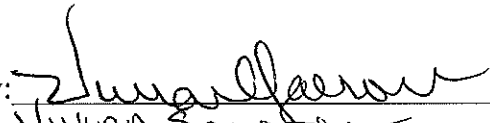
increased assessment includes each owner's \$26.77 monthly charge for the roof repair loan. Owners who timely chose and paid the one-time payment option will automatically be credited \$26.77 each month.

5. Association Financial Viability. Increasing the regular monthly assessment allows the Association to (1) collect the loan repayment funds easily, (2) facilitates "on time" payment from Owners, and (3) decreases management costs.

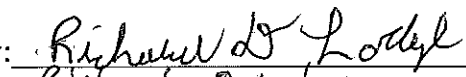
**PRESIDENT'S
AND
SECRETARY'S**

CERTIFICATION: The undersigned, respectfully being the President and Secretary of the Crestline Townhomes Association, a Colorado nonprofit corporation, certify that the foregoing Resolution was approved and adopted by the Board of Directors of the Association at a duly called and held meeting of the Board of Directors of the Association on FEBRUARY 19, 2010 and in witness thereof, the undersigned have subscribed their names.

CRESTLINE TOWNHOMES ASSOCIATION, a Colorado nonprofit corporation,

By: 
VIVIAN SPANTAK, President

ATTEST:

By: 
RICHARD D. LODGE, Secretary