

REDSTONE PROPERTY OWNERS ASSOCIATION

EXECUTIVE BOARD

RESOLUTION

ENFORCEMENT OF COVENANTS AND RULES

December 11, 2008

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

RESOLVED, that the following Policy of the Association ("Policy") 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 Redstone Townhomes, a group of Owners or residents, the Association's Managing Agent, Executive Board member(s) or committee member(s) by submission of a written complaint ("Complaint").
2. Complaints.
 - a. Complaints by Owners or residents shall be in writing and submitted to the Executive Board through the Association's Managing Agent. 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 Managing Agent, if any, may be made in writing or by any other means deemed appropriate by the Executive Board if such violation was observed by the Director or Managing Agent.
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 Managing Agent 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 Managing Agent 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, her 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 Executive Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Executive 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: **[CONFIRM]**

- 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 Executive Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Executive 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 rules and regulations or design guidelines adopted pursuant to Section ___ of the Declaration, if any, then enforcement provisions of the design guidelines or 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 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 and the law of the State of Colorado governing Redstone Townhomes.

18. Deviations. The Executive 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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CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Redstone Town Home Property Owners Association, 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 12/11/08, at which a quorum was present.

Dated: 12/11/, 2008 *ubs*



Secretary

Printed Name: ELIZABETH SPITZNAGER