

**UPDATED RESOLUTION OF THE
UNIVERSITY PARK HOMEOWNER'S ASSOCIATION REGARDING POLICIES AND
PROCEDURES FOR COVENANT AND RULE ENFORCEMENT**

SUBJECT: Adoption of a policy regarding the enforcement of covenants and rules and procedures for the notice of alleged violations, conduct of hearings and imposition of fines.

PURPOSE: To adopt a uniform procedure to be followed when enforcing covenants and rules to facilitate the efficient operation of the Association.

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

EFFECTIVE DATE: March 14, 2013

RESOLUTION: The Association hereby adopts the following procedures to be followed when enforcing the covenants and rules of the Association:

1. Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s) by submission of a written complaint.
2. Complaints.
 - (a) Complaints by Owners or residents shall be in writing and submitted to the Board of Directors in care of the Association's manager. 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 Board of Directors, a committee member, or the manager, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director or Manager.
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 a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.
4. Initial Warning Letter. If a violation is found to exist, an initial warning letter shall be sent to the Violator explaining the nature of the violation. The Violator will have a determined time from the date of the letter to come into compliance. The foregoing procedure will not be used, however, in the event the violation is determined by the Board to be a Repetitious Violation as defined in Paragraph 12 of this policy. In such event, the procedure outlined in Paragraph 12 shall be followed.

5. Continued Violation After Initial Warning Letter. If the alleged Violator does not come into compliance within the timeline set of the initial warning letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. Second and subsequent letter(s) shall then be sent to the alleged Violator, explaining the nature of the violation, the proposed fine to be imposed, providing the opportunity for a hearing. The letter(s) shall further state that the alleged Violator is entitled to a hearing on the merits of the matter at the next Board meeting provided that such hearing is requested in writing prior to the Board meeting. The foregoing procedure will not be used, however, in the event the violation is determined by the Board to be a Repetitious Violation as defined in paragraph 12 of this policy. In such event, the procedure outlined in paragraph 12 shall be followed.

6. Notice of Hearing. If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved prior to the hearing date.

7. Impartial Decision Maker. Pursuant to Colorado law, the alleged Violator has the right to be heard before an "Impartial Decision Maker". An Impartial Decision Maker is defined under Colorado law as "a person or group of persons who have the authority to make a decision regarding the enforcement of the association's covenants, conditions, and restrictions, including architectural requirements, and other rules and regulations of the association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the association." Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint to act as the Impartial Decision Maker the entire Board, specified members of the Board, any other individual or group of individuals.

8. 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 is required to be in attendance at the hearing. The Impartial Decision Maker 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 Board, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Impartial Decision Maker shall, within a reasonable time, not to exceed 14 days, render its written findings and decision, and impose a fine, if applicable. 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.

9. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing prior to the Board meeting, or fails to appear at any hearing, the Impartial Decision Maker 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.

10. Notification of Decision. The decision of the Impartial Decision Maker shall be in writing and provided to the Violator within 14 days of the hearing, or if no hearing is requested, within 14 days of the final decision.

11. Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations:

First notice of violation:	Courtesy reminder letter
Second notice of violation:	Warning letter/Notice of Hearing
Third and subsequent notice of violations:	\$100.00 per occurrence

The Board may impose a fine of \$100 to \$1000 per occurrence for making a major architectural or landscaping change to a property without prior approval from the ACC and/or LC. The Board, at its sole discretion, shall determine what constitutes a major architectural or landscaping change. Examples of this type of major change are (but not limited to):

- Large scale landscaping installations or changes;
- Making significant changes to the exterior of an existing home, such as: paint or stucco color, type of roofing material, type of siding, installation of decorative stone, installation or replacement of driveways, patios, colored concrete;
- Putting an addition, porch, sun room, large deck, patio cover, etc. onto a home;
- Installing a yard fence or privacy wall;
- Beginning new home construction;
- Applying exterior materials or colors to a new home;
- Significant deviations from approved plans during remodeling or new home construction.

When made aware of the unapproved architectural or landscaping change, the Board will issue a cease and desist letter and will allow the builder/homeowner 14 days from the date of Association notice to submit proper plans for review by the ACC. The Board will use a three (3) year timeline when considering violations.

Continuing violations shall be considered a separate occurrence for each day as they continue and a per diem fine may be imposed, after the hearing, until such time as the work ceases, plans are submitted or the violation is remedied, as the case may be. All fines shall be due and payable upon notice of the fine and will be late if not paid within 10 days of the date that the Owner is notified of the imposition of the fine. An interest charge of 18% per annum shall be invoked, plus a monthly late charge. All fines and late charges shall be considered an assessment and may be collected as set forth in the Declaration. Fines shall be in addition to all other remedies available to the Association pursuant to the terms of the Declaration and Colorado law, including the Association's right to collect attorney fees as authorized by Colorado law.

The Board reserves the right to fine upon first notice of violations of rules that involve health and safety issues, homeowners with previous violations and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice, the Board reserves the right to levy fines in excess of the above referenced schedule, if the fines set forth in this schedule are not likely to provide effective incentives to induce compliance. The Board may waive all, or any portion, of the fines if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violator coming into compliance with the Declaration, Bylaws or rules.

12. Repetitious Violations. Repetitious Violations are defined as a series of identical or substantially similar individual violations that occur repeatedly or continuously within a period of time to be determined in the discretion of the Board, with each individual violation separated by a period of no less than 1 day, nor more than 90 days, the result of which is a pattern of violations of the same covenant restriction. In the event of such Repetitious Violation, in the discretion of the Board, each instance of noncompliance may constitute a separate violation, and the Board shall not be required to provide a period of 14 days from each violation for the alleged Violator to come into compliance. A warning letter shall be sent for the first violation in the series. After the warning letter, the Board may cause violation notices to be sent for each violation in the series stating the amount of the fine to be imposed (pursuant to the Fine Schedule in Paragraph 11), and giving notice and an opportunity for a hearing. The Board shall individually consider each violation for which a hearing is requested, but is permitted to combine any and all hearings requested for Repetitious Violations on one date.

An example of a Repetitious Violation is repeatedly or continually parking a restricted recreational vehicle in the community. In any case, the Owner will receive a warning letter on the first instance of the violation. On the second and subsequent instances of the violation, the owner will receive a \$100 fine letter, and notice and opportunity for a hearing. If hearings are requested, the Board may set them all on the same date.

13. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the 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.

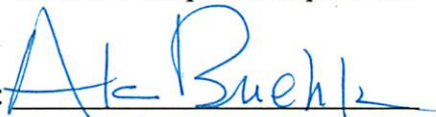
15. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

16. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

17. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of University Park Homeowner's Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on March 14, 2013 and in witness thereof, the undersigned has subscribed his/her name.

UNIVERSITY PARK HOMEOWNER'S ASSOCIATION,
a Colorado nonprofit corporation

By: 
President