

**RESOLUTION
OF THE
ALEXANDER ESTATES HOMEOWNERS 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:**

July 1, 2009

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. 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. Enforcement Notice. If a violation is found to exist, the Association shall prepare a written notice ("Enforcement Notice") setting forth:

- (a) The proposed fine;
- (b) The alleged act or omission giving rise to the proposed fine;
- (c) The specific provisions of the Declaration, Bylaws, and/or the Rules under which such proposed fine is warranted;
- (d) A statement notifying the recipient of the Enforcement Notice that he or she is entitled to a hearing on the merits of the matter only if a written request for such a hearing is received by the Association within 10 days after receipt of the Enforcement Notice.

5. Notice of Hearing. Any alleged Violator who desires a hearing on the merits of the matter addressed in an Enforcement Notice shall so notify the Association by written request received by the Association within 10 days after the alleged Violator received the Enforcement Notice. If an alleged Violator timely requests a hearing, the Association shall set a date and time for the hearing and deliver notice of the hearing to the alleged Violator at least 10 days prior to the date of the hearing; provided that the hearing shall be held no sooner than 14 days after the Association receives the alleged Violator's timely request for a hearing.

6. 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.

7. Hearing. The President of the Association or such other Impartial Decision Maker (the "Presiding Officer") shall preside at the hearing and shall ensure that the hearing is conducted in an orderly and civil manner. After calling the hearing to order, the Presiding Officer shall designate another director or officer or the manager or managing agent of the Association to describe the fine the Association believes is warranted and to present the reasons and evidence of which such belief is based. Once the reasons and evidence supporting the fine have been presented, the alleged Violator shall have an opportunity to present any reasons and evidence indicating why a fine should not be imposed. Any such presentation may be supported by documentary or testimonial evidence; provided, however, that formal rules of evidence shall not apply. Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners. The Board may adopt rules governing hearings that are not inconsistent with the Bylaws. An alleged Violator may be represented at a hearing by legal counsel.

8. Decision. The Impartial Decision Maker shall decide whether a fine is permitted and warranted based on the evidence and information made available to it and the applicable provisions of the Declaration, Bylaws, and/or Rules. If an alleged Violator fails to request a hearing in response to an Enforcement Notice or fails to appear at the hearing held, the Impartial Decision Maker may reach its decision based on the evidence and information available to it without further notice to the alleged Violator. The Impartial Decision Maker shall, within a reasonable time not to exceed 10 days, render its decision in writing and shall explain its reasons for the decision it reaches. The Impartial Decision Maker's decision shall be delivered to the alleged Violator and shall become effective and final upon the alleged Violator's receipt of it.

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

First violation	\$50.00
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Second violation
(of same covenant or rule) \$100.00

Third and subsequent
violations
(of same covenant or rule) \$150.00

Third and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. Any Owner committing 10 or more violations in a 12 month period (whether such violations are of the same covenant or different covenants) may be immediately turned over to the Association's attorney for appropriate legal action.

10. 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.

11. 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.

12. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

13. 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.

14. 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.

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

**PRESIDENT'S
CERTIFICATION:**

The undersigned, being the President of the Alexander Estates Homeowners 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

July 1, 2009 and in witness thereof, the undersigned has subscribed his/her name.

**ALEXANDER ESTATES HOMEOWNERS
ASSOCIATION,**
a Colorado nonprofit corporation

By: _____

President

