

**RESOLUTION OF THE
BELLE CREEK MASTER ASSOCIATION, INC.
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, Bylaws of the Association, Covenant Violation Guidebook, and Colorado law (collectively, the “**Governing Documents**”)

EFFECTIVE

DATE: May 1, 2014

RESOLUTION: The Association hereby adopts the following procedures to be followed when enforcing the Governing Documents:

1. Intent of Resolution. This Resolution is adopted to ensure the protection of the health, safety and welfare of the residents and property owners of the Association, to preserve property values, enhance the quality of life for all residents, and provide a fair and consistent enforcement process of the Governing Documents.
2. Enforcement Policy. The Association may enforce the Governing Documents through administrative proceedings or judicial action, and any non-compliance with the Governing Documents by any owner, renter or guest will be the responsibility of the owner of the respective property subject to this Resolution (“the “**Owner**”). This Resolution is for the guidance of the Board of Directors of the Association (“**Board**”) and the Association’s authorized representative or managing agent, or any committee or individual as may be appointed by the Board from time to time (the “**Association Representative**”) and is not intended to limit or restrict the authority of the Board. The Board may intervene at any time with respect to any authority granted to or action undertaken by the Association Representative.
3. Reporting Violations. Complaints regarding alleged violations may be reported by submission of a written complaint by an Owner or resident within the community, a group of Owners or residents, or upon the Association Representative’s own observation.
4. Complaints. Complaints by Owners or residents shall be in writing and submitted to the Association Representative. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant (“**Complainant**”), the alleged violation if known, and set forth a statement describing the alleged violation, referencing the specific provisions of the Governing Documents 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 or Association Representative.

5. Investigation. Upon receipt of a complaint by the Association Representative, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by the Association Representative.
6. Initial Advisory Letter. If a violation is found to exist, an “**Advisory Letter**” shall be sent to the Owner by first-class United States mail to the address of the Owner on record, notifying the Owner of: (i) the restriction or provision of the Governing Documents allegedly violated and the nature of the violation, (ii) that the Owner must have the alleged violation corrected with 10 calendar days after mailing date of the Advisory Letter, and (iii) that failure to timely cure the alleged violation may result in potential fines or other sanctions. If, in the discretion of the Association Representative, the alleged violation requires more than 10 days to cure, the Association Representative may extend the cure period or require the Owner to commence such cure within 10 days after the date of the Advisory Letter and diligently prosecute the same to completion. The Association Representative may, in its sole discretion, determine that an Advisory Letter is not necessary or appropriate and may instead immediately send a Notice as provided in paragraph 7 below.
7. Notice of Complaint and Opportunity to Be Heard. If an Owner fails to cure (or provide adequate proof that he or she is diligently seeking to cure, if applicable) an alleged violation within 10 days of the date of mailing of the Advisory Letter, or if the Association Representative determines, in its sole discretion, an Advisory Letter is not necessary or appropriate, the Association Representative shall send a notice of complaint and opportunity to be heard (“**Notice**”) to the Owner. The Notice shall be sent to the Owner by first-class United States mail, to the address on record for the Owner. The letter shall further state that the Owner is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 10 days of the mailing date on the Notice.
8. Notice of Hearing. If a hearing is requested by an Owner, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, shall serve a written notice of the hearing to all parties involved at least 10 days prior to the hearing date.
9. Impartial Decision Maker: Pursuant to Colorado Law, an Owner alleged to have violated the Governing Documents 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.

10. 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 Owner 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.

11. Failure to Timely Request Hearing. If an Owner fails to request a hearing within 10 days of the mailing of the Notice, or fails to appear at any hearing, a decision with respect to the alleged violation may be made 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 Owner may be assessed a fine pursuant to these policies and procedures and the Board may revoke or suspend the Owner's privileges and take such other actions as it may deem necessary or appropriate to assure compliance with the Governing Documents.
12. Notification of Decision. The decision of the Board, committee or other person, shall be in writing and provided to the Owner and any Complainant within 14 days of the hearing, or if no hearing is requested, within 14 days of the final decision.
13. Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations:

First Violation	Advisory Letter
Second Violation (of same covenant or rule)	Warning Letter (with threat of a fine)
Third Violation (of same covenant or rule)	\$25
Fourth Violation (of same covenant or rule)	\$50
Fifth and subsequent violations Or Continuous Violations (of same covenant or rule)	\$100

14. Continued Violation After Second and Subsequent Warning Letters. If an Owner does not come into compliance within 10 days of the second or subsequent warning letter, this will be considered a third or subsequent violation and penalties and fines as set forth in this Resolution will be imposed.
15. Continuous Violation: A "**Continuous Violation**" is defined as a violation of Owner obligations that is uninterrupted by time. For example, the failure to remove an unapproved exterior improvement, failure to repair a damaged fence, or failure to perform adequate removal of weeds from rockbeds and planters. In the event that a continuous violation exists for more than 30 calendar days uninterrupted, such violation, the Association may in its discretion, in addition to any other remedy, impose a fine of up to \$100 for each day that a Continuous Violation continues.
16. Fine Limitations: No limit exists on the amount of fines that may be accrued in accordance with the other provision of this policy on an Owner's account for failure to comply with the covenants, rules

and restrictions of the Common Interest Community. Owner accounts may be turned over to the attorneys in accordance with the Board's collection policy.

17. Violation Classification: The Board reserves the right to determine whether identified violations on a lot constitute one or more separate violations.
18. Failure to Identify Violations: Owners are responsible for identifying, correcting and preventing covenant violations from occurring on their lots. The Board's failure to identify violations on one or more Owner lots does not constitute Board approval of such violations or prevent the Board from subsequently enforcing such violations.
19. Owner Responsibilities:
 - A. Owners are responsible for maintaining their Lots in a manner that reasonably complies with the covenants and restrictions contained within the Declaration document. The Board will hold Owners, who rent or lease their homes, responsible for the reasonable maintenance of their lots—regardless of any contractual maintenance arrangements that may exist between Owners and their renters or their property management companies. In addition, the Board will hold Owners, who use the lots as their primary residence, responsible for the reasonable maintenance of their lots—regardless of the Owners' business, vacation or other schedules that may cause the Owners to be away from their lots for extended periods of time.
 - B. Owners are responsible for being familiar with the covenants and restrictions contained within the Declaration document and the Architectural Guidelines. In addition, Owners are responsible for being familiar with the Board's interpretations of various covenants and restrictions as provided in the Board's Covenant Violation Guidebook.
20. Covenant Violation Guidebook: The Covenant Violation Guidebook represents the Board's current views and guidance on the minimum Lot maintenance standards with which the Owners should comply. The Board may from time to time and in its sole discretion change the standards provided within the Covenant Violation Guidebook.
21. Weed Violations: When Owners receive a violation notice regarding excessive weeds (e.g. weeds in the lawn, weeds in the rockbeds, weeds in the driveway, weeds throughout the lot), Owners must correct such violations by removing such weeds. Applying chemicals and/or cutting down the height of weeds does not constitute correction of such violations.
 - a) The Board encourages Owners to carry out preventative measures (e.g. apply weed and feed to lawns, install/replace weed barriers, spray weed killing chemicals on rockbeds, sidewalks, driveways) to ensure an excessive amount of weeds does not develop on their lots. However, when an excessive amount of weeds already exists on a lot, the application of chemicals alone fails to properly address the current issue of an unsightly lot caused by an excessive amount of weeds.
 - b) Owners are required to remove weeds regardless of whether the Owners purposefully incorporate such weeds (e.g. "manicured" or trimmed weeds) into the overall landscaping plan for their lot.
 - c) Weeds are defined in accordance with the Colorado-state listed Noxious Weed list as published by the Colorado State University CoOp Extension.

22. Location or Proximity of Lots to Open Spaces: Generally, the Board will not excuse violations (especially related to yard maintenance) because of a Lot's proximity to open spaces. (For example, Owners may complain that weed issues on their Lots are due to the proximity of their Lots to unlandscaped open spaces.)
23. Turf Disrepair: Owners who receive violations regarding the disrepair of the front lawn will have 28 calendar days from the date of the letter to correct the disrepair issues with their lawn. (All other types of violations are subject to the compliance timeline established in paragraph 4 of this Policy.) The application of seed, fertilizer or other chemicals does not constitute a correction of a turf disrepair violation. Such actions are merely actions taken by an Owner to get the damaged turf back into compliance. Correction of a turf disrepair violation only occurs when the turf returns to an acceptable condition as further defined in the Board's Covenant Violation Guidebook.
24. Compliance Deadlines: The compliance deadline date to correct a violation is the date by which the violation must be corrected. The act of taking corrective action does not itself constitute correction of a violation. For example, starting fence repairs, spraying weeds, scrubbing oil stained driveways, installing weed barriers and painting the house do not constitute compliance until such actions have been completed and the related violation has been adequately corrected.
25. Black-out Period & Reset Conditions for Yard Maintenance: Yard maintenance deficiencies specifically related to (1) lawn mowing, (2) weeds and (3) turf disrepair are subject to violation notices between May 1st and October 31st. For the 6-month period between November 1st and May 1st, violation notices will not be issued for such deficiencies. Yard maintenance-related violations that remain open as of October 31st will be carried forward and treated as a continuous violation when such deficiencies are subject to inspection beginning after May 1st. Conversely, yard maintenance-related violations that are closed as of October 31st will not be carried forward and classified as a continued violation when yard maintenance deficiencies become subject to inspection again beginning on or after the subsequent May 1st.
26. Rental Properties—No Reset on Turnover: Violation notices and fines will not be reset when a turnover in renter occupancy occurs on a lot used as a rental property. Regardless of the contractual arrangements entered into between renters and Owners, Owners (not renters) are responsible to the Association for ensuring their lots are adequately maintained in a manner that complies with the covenants, conditions and restrictions of the Common Interest Community.
27. Change in Ownership—Violations Reset: Where a lot has open violations and a change in ownership occurs, first notices regarding existing lot violations will be issued to the new owners. For purposes of this paragraph, a change in ownership occurs only when none of the original owners on a lot's title become owners on the newly issued title for the lot.
28. 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 Governing Documents.
29. 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 Governing Documents and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

30. Advice and Direction: The Board nor its agents are neither responsible for nor required to provide homeowners with advice or direction on how to maintain their lots. Homeowners are responsible for acquiring the knowledge, tools, experience and/or assistance necessary to ensure their lots are adequately maintenance in accordance with the covenants, conditions and restrictions applicable to the common interest community.
31. Violations Not Conditionally Excused: The Board will not excuse violations on an Owner Lot because violations may exist on other Owner Lots.
32. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
33. 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.
34. Deviations. The Board and the Association Representative may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
35. Amendment. This policy may be amended from time to time by the Board of Directors.
36. Severability. If any portion of this Resolution is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this resolution, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.


PRESIDENT'S

CERTIFICATION:

The undersigned, being the President of the Belle Creek Master Association, Inc., 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 May 20, 2014 and in witness thereof, the undersigned has subscribed his/her name.

Belle Creek Master Association, Inc.
a Colorado nonprofit corporation

By:



Leonard Sandoval, President