

**POLICY
FOR THE
20TH HOLE TOWNHOMES ASSOCIATION, Ltd.
PROCEDURE FOR COVENANTS AND RULES ENFORCEMENT**

SUBJECT: Adoption of a policy regarding the enforcement of covenants, 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, including but not limited to *Colorado Revised Statutes 38-33.3-209.5*.

EFFECTIVE DATE: June 25, 2008

RESOLUTION: The Association hereby adopts the following procedures regarding the enforcement of covenants and rules.

1. Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, Board or Association Committee member by submission of a written complaint. A violation by a tenant or guest shall be treated as a violation by the Owner of the unit occupied.
2. Complaints. Complaints by Owners or residents shall be in writing and submitted to the Board of Directors. The complaining party 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 Board of Directors.
3. Investigation. Upon receipt of a complaint by the Board of Directors, 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, a warning letter shall be sent to the Violator explaining the nature of the violation. The Violator will have 10 days from the date of the letter to come into compliance.
5. Continued Violation After Initial Warning Letter. If the alleged Violator does not come into compliance within 10 days of 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. The Violator will have 10 days from the date of the second letter to come into compliance. The second letter shall provide 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 14 days of the date on the second violation letter.
6. Continued Violation After Second Letter. If the alleged Violator does not come into compliance within the time frame specified in the second letter, this will be considered a third violation for which an additional fine may be imposed following notice and opportunity for a hearing. A third letter shall then be sent to the alleged Violator. The Violator will have 10 days from the date of the third letter to come into compliance. The third letter shall provide notice and an opportunity for a hearing, and explain that 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 14 days of the date on the third violation letter.
7. Continued Violation After Third Letter. If the alleged Violator does not come into compliance within the time frame specified in the third letter, this will be considered a fourth violation for which an additional fine may be imposed following notice and opportunity for a hearing. A fourth letter shall then be sent to the alleged Violator. The Violator will have 10 days from the date of the fourth letter to come into compliance. The fourth letter shall provide notice and an opportunity for a hearing, and explain that 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 14 days of the date on the fourth violation letter.
8. 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 at least 7 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 Board, hearing committee or other person conducting the hearing, 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 Board, hearing committee, or individual conducting the hearing, 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.

10. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within 14 days of the second letter, or fails to appear at the hearing, the Board, hearing committee or individual conducting the hearing, 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 Board, hearing committee or other person conducting the hearing, shall be in writing and provided to the Violator and Complainant within 14 days of the hearing, or if no hearing is requested, within 14 days of the final decision.

12. Appeals. The Violator may file a written appeal to the Board of Directors of any adverse decision of the hearing committee within 14 days of the decision.

13. Fine Schedule. Penalties are separate and additional for each Violation deemed to exist. The following fine schedule has been adopted for all recurring covenant violations:

First Violation	Warning letter
Second Violation (of same covenant or rule)	\$50.00
Third Violation (of same covenant or rule)	\$100.00
Fourth and Subsequent Violations (of same covenant or rule)	\$200.00

Third and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. Any Owner committing three or more violations in a 6 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.

14. Continuous Violations. Continuous violations are defined as violations of Owner obligations that are uninterrupted by time. Each day of noncompliance with such violations constitutes a separate violation.

If an Owner is determined as having a continuous violation, in accordance with the terms of this Policy, such Owner may be subject to a daily fine of \$25.00 each, per day, per Violation if not corrected, following a notice and opportunity for a hearing as set forth above.

15. Collection of Fines. Unpaid fines are collectible in the same manner as unpaid monthly assessments and may result in a lien on an owner's unit.

16. 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.

17. 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.

18. Other Remedies.

A. Enforcement by Law Enforcement Agencies:

(1) Disturbing the Peace: The Arapahoe County Sheriff has jurisdiction over disturbance of peace complaints. Complaints should be directed to the Sheriff's office (303-795-4711)

(2) Complaints about Pets: The Arapahoe County Animal Control Section has jurisdiction over pet leash, pet noise, and pet cruelty complaints. Complaints should be directed to Animal Control Office (720-874-6750)

(3) Complaints about Trash, Litter and Odors: The Arapahoe County Health Department has Jurisdiction over many issues, including offensive odors, pet litter, trash, etc. Complaints should be directed to the Health Department (303-220-9200)

B. Injunctive Relief: The Association may obtain a court order to have a violation cured. Ignoring a court order will subject the violator to criminal charges of contempt of court. All costs incurred to obtain and enforce a court order, including attorney fees, will be assessed against the Owner's Unit.

C. **Alternative Dispute Resolution:** Upon mutual agreement of the parties, alternative dispute resolution (mediation or arbitration) may be utilized to resolve disputes.

19. **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.

20. **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.

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

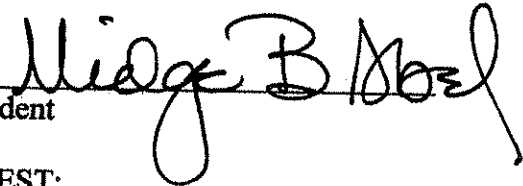
**PRESIDENT'S and
SECRETARY'S
CERTIFICATION**

The undersigned, respectively being the President and Secretary of the 20th Hole Townhomes Association, Ltd., 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 6-25-2008, and in witness thereof, the undersigned have subscribed their names.

20th Hole Townhomes Association, Ltd.

By:

President



ATTEST:

By:

Secretary



Original signed copy on file: