

**Resolution
of
Vista Mesa Homeowner's Association, Inc.**

Covenant Enforcement Policy

The undersigned being all of the Directors of Vista Mesa Homeowner's Association, Inc. a Colorado non-profit corporation (the "Association") hereby consents to, votes in favor of, and adopts the following resolution:

WHEREAS, the Board of Directors is empowered to govern the affairs of the Association pursuant to Article VII, Section 7.1(a) of the Bylaws;

WHEREAS, the Board of Directors, in an effort to comply with this statute, desires to establish a policy pertaining to covenant enforcement procedures;

IT IS THEREFORE RESOLVED that the policy attached hereto as Exhibit A (hereafter referred to as "The Covenant Enforcement Policy") shall be adopted and hereby established as the policy of this Association;

IT IS FURTHER RESOLVED that this policy shall remain in effect until amended or hereby terminated by a majority vote of the Board of Directors, and

IT IS FURTHER RESOLVED that this policy shall supersede any and all prior Covenant Enforcement Policies enacted by the Board of Directors, and

IT IS FURTHER RESOLVED that this policy shall take effect August 1, 2010. EXECUTED this 29th day of July, 2010.



President



Vice President



Treasurer



Member

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EXHIBIT A

Covenant Enforcement Policy

Notice of Violations: Anyone observing an alleged violation should notify the management company in writing, of the alleged violation within a reasonable amount of time. For proper documentation, such notification can be provided by email or in writing and should include the name and address of the alleged violator, as well as the time, date, and location of the alleged violation. The person observing the alleged violation needs to include their name, address and phone number when providing the notification to the management company. Anonymous reports will not be considered valid. Violations may also be reported in person at any meeting of the Board. Information may be required to validate any alleged violation. The management company will handle the report confidentially within reason or unless disclosure is legally required to pursue any legal action necessary. Please note that the Management Company does a periodic drive through of the Association and also will report alleged violations.

The property manager may investigate the alleged violations as an impartial decision maker (IDM) as it relates to the validity of the complaint. When a complaint is such that the person reporting the violation is the only witness, the alleged violator will be sent a letter. After the initial complaint the Board may be asked to help verify the validity of the complaint. If the complaints continue, the person making the complaints may be asked for proof of the alleged violation. Such proof could be a picture, audio tape or something similar.

Any alleged violator is entitled to a hearing and to be heard by an IDM. The IDM can be a Board member, an outside party, or a Manager who will receive no benefit or detriment from the outcome of the decision. The owner/violator will receive written notice of the Hearing which has been scheduled to discuss the violation, as well as the identity of the proposed IDM. The owner/violator must submit a written letter at least five days before the scheduled hearing if he or she believes that the person chosen is not an IDM. If the owner/violator has objected, in writing, to the IDM, a member (in good standing) of the community may be asked to be the IDM and hear the violation hearing. The hearing may be held in an executive session to protect the owner/violator's privacy and/or if the hearing will involve legal actions. If there are no privacy or lawsuit issues the hearing may be held in open session.

The Board may ask any person, other than the owner/violator, to leave during the hearing, including any witnesses.

The Board may proceed directly to the hearing notice on any violation that is considered by the Board, at its discretion, to constitute a health or safety risk to a homeowner or the community. Any hearing or request for hearing shall not stop the other enforcement procedures. If the Board, at its sole discretion, decides the violator is working with the Board to resolve the violation, the Board may turn the hearing into a meeting.

The Board or agent shall provide notice by personal delivery, email, regular mail and/or certified U.S. Mail, return receipt requested, to the Owner of any Hearing scheduled to deal with the violation. A copy of the Notice may be sent to the alleged violator; such as a tenant, contractor,

guest or family member of the owner. The Notice shall be deemed received by the Owner three (3) days after mailing. The Notice may be mailed to the property address if the owner has failed to register a current mailing address with the Association. The Board may have an agent send a copy of the violation letter to the complaining party at its discretion.

If the Owner plans to be represented by legal counsel at the Hearing, the Owner must give the Board at least five (5) days prior written notice of said representation.

Owners must be in good standing to run for the Board of Directors. Any owner with a violation letter or a fine within the last 6 months may not run for a Board position. Owners with violations may result in loss of voting rights, or other rights of a member in good standing of the Association (including the right to notice of or to speak at meetings, and to inspect the records of the Association).

Notification of Violations:

- 1. First Notification:** Notice of violation will be by personal phone call, door tag, or letter sent by mail.
- 2. Second Notification:** If violation is not corrected, a second letter will be sent to the owner of the unit and in the case of a rental unit a letter will also be sent to the resident of the unit. The letter will state the Rules and Regulation, or provision of the Association governing documents that is being violated.
- 3. Hearing Notification:** The Board will state either a time and date for a hearing or state that an owner may request a hearing, and the procedure for making such a request. The Board may conduct the hearing even if the violator fails to appear or refuses to participate.
- 4. Fine Notification:** If after notice and hearing (where the owner was present or not) or if no hearing is requested, any owner, occupant or other person who is found to be in violation of the governing documents or any portion thereof, shall be subject to a minimum fine of \$50.00 per violation per day or occurrence. Each incident or each day of a continuing violation shall be considered a separate violation for which an additional fine may be imposed retroactively. A repeat offender may constitute a higher fee schedule to be set at the Board's discretion. In addition, the owner will be liable for the actual cost of investigation, legal fees, demand letters and costs of other remedial measures. Owners shall be responsible for the compliance and fines of their tenants, occupants and guests. The Association may suspend voting rights and exercise other rights and remedies, as well as taking legal action, including recovery of costs, expenses and reasonable attorney fees and may file a lien against the unit which may be foreclosed as provided by the Declaration.
- 5. Fines:** Are due and payable within 10 days after the fine was imposed. Fines will be considered delinquent thirty (30) days after the due date. A delinquent fine may result in a lien being filed on the unit for nonpayment and bear interest, late fees, and legal fees. Failure

to pay any fines may result in loss of voting rights, or other rights of a member in good standing of the Association (including the right to notice of or to speak at meetings, and to inspect the records of the Association). Payment of assessed fines does not relieve the violator from the responsibility of correcting the covenant violation.

6. Unsolved violations may be turned over to the attorney for legal action or for Alternative Dispute Resolution.
7. The Board may hire an attorney to order a cease and desist order and the violator will be responsible for the cost of such attorney's fees.