

**SAN JUAN VISTA LANDOWNERS' ASSOCIATION, INC.
POLICY REGARDING THE ENFORCEMENT OF RESTRICTIVE COVENANTS AND
RULES**

All Member/Owners of Lots within San Juan Vista Subdivision, Filing No. 1 (the "Subdivision") are bound by the provisions of the Protective Covenants of the Subdivision (the "Covenants"). In addition, all Member/Owners of Lots are bound by the provisions of the Articles of Incorporation and Bylaws of the San Juan Vista Land Member/Owners' Association, Inc. (the "Association"). This Policy is adopted pursuant to the authority granted to the Association by the Covenants, Articles and Bylaws and pursuant to the authority granted by Colorado Revised Statutes §38-33.3- 302(1)(a) and §38-33.3-209.5.

To the extent that the Covenants, Articles, Bylaws, or the Rules and Regulations (collectively called the "Rules") are in conflict, the provisions of the Covenants shall first control, followed by the Articles, Bylaws and Rules and Regulations, in that order. In other words, a violation of the Covenants, Articles or Bylaws or the failure to comply with an order of the Board of Directors of the Association (the "Board") shall be deemed to be a violation of this Policy and subject to the enforcement provisions contained herein.

These Rules are binding on all Member/Owners of Lots, residents, tenants, and their families and guests. All references in this Policy to Lot Member/Owners, residents and tenants are interchangeable and each shall be jointly and severally liable and responsible for actions or violations.

ENFORCEMENT OF COVENANT AND RULES POLICY

1. Without limiting or otherwise affecting any remedy found in the Covenants, Articles and Bylaws, a complaint which alleges a violation of the Rules may be initiated by any Lot Member/Owner or the Board.

2. Any complaint hereunder which alleges a violation of the Rules shall be made in writing to the Board or its duly authorized agent. No oral complaints will be accepted. Complaints should be made as soon as possible after the alleged violation has occurred. The complaint shall, at a minimum, include the following:

- (a) The name, address and telephone number of the complainant.
- (b) The Lot Member/Owner's/Resident's name and Lot number or the address of the Lot against whom the complaint is being filed.
- (c) The specific details or description of the alleged violation, including the date, time and location of the alleged violation.
- (d) If possible, photographs showing the alleged violation.
- (e) The signature of the complainant and the date on which the complaint is made.

3. After receipt of a complaint hereunder, the Board or its designee shall review the allegations of the complaint. If permitted by the alleged offending Member/Owner, the Board or its designee shall conduct a walk-through of the subject Lot and determine whether the complaint states a valid complaint, without making a determination as to ultimate merits of the complaint.

4. The filing of a false complaint or complaints under these Rules or the repeated filing of frivolous complaints shall be deemed a violation of these Rules and subject to the enforcement provisions contained in them. The use of these Rules in a manner deemed to be harassment of other Member/Owners or Residents shall also be deemed a violation of these Rules and subject to the enforcement provisions contained herein.

5. Harassment of, or retaliation against any complainant by the alleged violator or any person associated with the alleged violator shall be deemed a violation of these Rules and subject to the enforcement provisions contained herein.

6. The Member/Owner is ultimately liable for any violation of Rules committed by a resident, guest, tenant, service person or other Person or animal associated with the Lot.

7. Upon receipt of a complaint deemed valid by the Board or its duly authorized agent, the Board will notify the Member/Owner/Resident of the violation by letter at the address of the Member/Owner as reflected on the records of the Association.

8. The notice of violation will include the following:

(a) copy of the written complaint or otherwise specific details of the alleged violation as deemed appropriate by the Board.

(b) information on any applicable fine or other charge that may be levied and the date by which the levied fine or charge must be paid if no hearing is requested.

(c) if relevant, the notice of violation will set a date by which the violation must be remedied.

(d) include information on how the alleged violator may request a hearing before the Board concerning the violation and/or charge or fine.

(e) that this hearing shall consist of impartial decision makers, as that term is defined in C.R.S. §209.5(2)(b)(II).

(f) contain the last date by which a request for hearing must be received by the Board. This date will be no less than ten (10) days from the date the notice is mailed by certified mail, return receipt requested, or hand delivered, whichever occurs first.

9. Except as otherwise provided in this Policy, the following schedule of fines will apply to violations of any Rule or a direct order of the Board:

a. If the Lot Member/Owner fails to request a hearing as provided in Sections 8(d)(e)(f) above, the Board will issue a written directive to the offending Member/Owner either to

remedy the violation or to submit a plan and proposed timeline for remediation of the violation, which may be considered and approved by the Board in its reasonable discretion, within thirty (30) days after notice of violation is received. Failure to remedy the violation or to submit and thereafter comply with and complete an approved plan for remediation in accordance with the written directive will subject the offending Member/Owner to a fine of \$10.00 per day for each and every day that the violation is not remedied, said fines to commence on the thirty-first (31st) day after the date of the notice of violation or upon the Board's determination that the Member/Owner has failed to comply with and complete an approved plan for remediation, whichever occurs last. The Association may also institute litigation to obtain an injunction or other order to prevent future violations.

10. In addition to any fine assessed, the Lot Member/Owner will be responsible for any costs or expenses associated with the violation, including, but not limited to repair of damaged property and any attorney's fees or other fee incurred by the Association which may be associated with the violation or collection of the fine, costs or expenses.

11. Fines and assessments for costs, expenses and damages associated with the violation will be assessed to the Lot Member/Owner as part of his annual assessment. Pursuant to C.R.S., 38-33.3-316, the Association shall have a statutory lien on a Lot for any unpaid fines, costs, expenses and damages imposed against a Lot Member/Owner hereunder, which may be collected in any manner as permitted as law.

12. Within the time limits as provided in Section 8(f) above, Member/Owner may request a hearing before the Board at the next scheduled meeting or at any meeting set by the Board for such purpose.

13. As a part of the Notice of Violation, a date is specified by which a hearing must be requested. The Member/Owner/Resident must prepare a request for a hearing and mail the request to the Association in sufficient time to arrive no later than the last date stipulated in the Notice of Violation.

13. Upon timely receipt of the request for a hearing, the President of the Association or his designee will schedule a hearing before the Board at the next regularly scheduled Board meeting or a special meeting called for such purpose. The goal in scheduling of the hearing shall be to promptly resolve all complaints provided that reasonable notice of the hearing can be given to the alleged violator and complainant.

14. Once the President has determined when the hearing will be conducted, the Association or its duly authorized agent will notify the alleged violator and the complainant of the date, time and place of the meeting during which the hearing will be conducted. Unless expressly requested by both the alleged violator and the complainant, the hearing will be conducted in "Executive Session" at the regular or special meeting of the Board.

15. At the hearing, the Board will hear and consider arguments, evidence, or statements regarding the alleged violation and any defense thereof. The complainant will be required to provide evidence and/or testimony related to the violation. Following the hearing and due

consideration, the Board will issue its determination regarding the alleged violation. The decision of the Board will be binding on the alleged violator and complainant.

16. Any fine or costs, expenses and damages associated with the violation that may be levied for which a hearing has been requested will not become due until the Board has held a hearing and determined whether a violation has occurred and whether a fine or such costs, expenses and damages shall be levied or assessed. However, the request for a hearing shall be without prejudice to other legal or equitable remedies that may be pursued by the Board during this time, pursuant to Colorado state law, the Covenants, Articles and the Bylaws. Generally, the Board will make its determination immediately following the hearing and advise the alleged violator and the complainant of its decision at that time. However, if additional information or an opinion from the Association's attorney is needed by the Board, the determination will be made at a later date and the alleged violator and complainant will be notified of the determination at a later date in writing.

17. If no request for a hearing is filed within the prescribed period of time, the right to a hearing will be deemed waived and the allegations contained in the Notice of Violation will be deemed admitted and any prescribed remedy will be instituted.

18. Failure of an alleged violator to attend a requested hearing without an advance request to continue the hearing date for good cause will be deemed a waiver of the right to a hearing and the allegations contained in the Notice of Violation will be deemed admitted and any prescribed remedy will be instituted.

19. Failure of the complainant to attend a requested hearing without an advance request to continue the hearing date for good cause will be deemed a withdrawal of the Complaint and dismissal of the hearing.

20. If any clause, phrase, provisions or portion of this Policy or the application of them to any person or circumstance shall be held to be invalid under applicable law, such event shall not affect, impair or render invalid or enforceable the remainder of this Policy nor any other clause, phrase, provision, or portion hereof, nor shall it affect the application of any clause, phrase, provision or portion hereof to other permitted persons or circumstances.

21. The Board shall review this Policy annually. The Board may amend this Policy when such modification is deemed to be in the best interests of the Association.

END OF POLICY