

**RESOLUTION OF THE
GRASS MESA 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 standard 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, and Colorado law.

EFFECTIVE DATE: April 1, 2016

RESOLUTION: The Association hereby adopts the following procedures to be followed when enforcing 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, and 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 Association's managing agent who will forward the complaint to the Board of Directors. The managing agent will handle the paperwork only and shall have no authority to determine guilt, impose penalties, or assess fines. A standardized complaint form shall be available from the managing agent or the Association. 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. The alleged Violator and the Owner of the Lot, if the Lot is leased, will be notified that a complaint has been filed and the nature of the complaint.
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 of Directors designated individual or committee. The Board of Directors 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 and the action required to remedy 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 and subsequent letter(s) shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Resolution. 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. Notice of Hearing. If a hearing is requested by the alleged Violator, the Board of Directors, committee, or other person conducting such hearing as may be determined in the sole discretion of the Board of Directors, shall serve a written notice of the hearing to all parties involved at least 15 days prior to the hearing date.
7. 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 of Directors 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 of Directors, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board of Directors shall, within a reasonable time not to exceed 30 days, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Board members present at the hearing. 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.
8. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within 14 days of any letter, or fails to appear at any hearing, the Board of Directors 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.
9. Notification of Decision. The decision of the Board of Directors, committee, or other person shall be in writing and provided to the Violator and Complainant within 30 days of the hearing, or if no hearing is requested, within 30 days of the final decision.
10. Fine Schedule. 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)	\$75.00

Fourth and Subsequent Violations
(of same covenant or rule)

\$100.00

Fourth and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. The Board of Directors reserves the right to levy fines in excess of the above schedule if the fines set forth in this Policy are not likely to provide effective incentives to induce compliance. Any Owner committing six or more violations in a twelve 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.

11. 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. *For example: the failure to remove an inoperable vehicle from a visible portion of a Lot.*

If an Owner is determined to have a continuous violation, in accordance with the terms of this Resolution and following a notice and opportunity for a hearing as set forth above, such Owner may be subject to a fine ranging from \$25–\$100 each day per covenant that is not corrected. The Board of Directors shall have the sole authority to determine the amount of the fine and may consider the gravity of the violation, the number of days the violation has persisted, whether the violator is a repeat offender, etc. The Board of Directors may increase the fine gradually as the violation remains uncured (e.g. fining the violator \$25 per day per violation for the first 15 days, \$50 per day per violation for days 16–30, \$75 per day per violation for days 31–45, and \$100 per day per violation for each day thereafter).
12. Waiver of Fines. The Board of Directors may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board of Directors 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.
13. 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.
14. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
15. 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 laws of the State of Colorado governing the Association.
16. Deviations. The Board of Directors may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
17. 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 Grass Mesa 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 MARCH 21, 2016 and in witness thereof, the undersigned has subscribed his/her name.

**GRASS MESA HOMEOWNERS
ASSOCIATION,**

a Colorado nonprofit corporation

By: 

President