

Shadow Creek Homeowners Association

ENFORCEMENT OF COVENANTS AND RULES

1. Power. The Board has the power and duty to hear and make decisions regarding violations and written Complaints filed with the Board pursuant to these Policies and Procedures. The Board may determine enforcement action on a case by case basis, and take other actions as it may deem necessary and appropriate to assure compliance with the Declaration of Covenants, Conditions and Restrictions of Shadow Creek (the "Declaration"), the Association's Bylaws, the Architectural Control Guidelines, and Rules and Regulations promulgated under any of the foregoing, and to create a safe and harmonious living environment.

These enforcement provisions are in addition to other specific provisions outlined in the Association's Rules and Regulations, Declaration, Architectural Control Guidelines, Bylaws, or Articles of Incorporation (the "Documents"). The Association may choose a legal or equitable remedy or seek assistance from other enforcement authorities, such as police, fire, or animal control.

2. Complaint. The Notice and Hearing process may be initiated by a possible violation being observed by a member of the Board or managing agent, or by the filing of a written Complaint with the managing agent by an Owner or resident of the Association. Written Complaints should be mailed or delivered to the Association's managing agent at the address set forth in Section 7 below. Written Complaints must state the specific violation believed to exist, and as many details as available, such as time, date, location and persons involved.

If the Board determines that the Complaint is insufficient to provide grounds for holding a Hearing, it shall notify the complainant, who shall have seven (7) days to amend the Complaint to render it sufficient. If the complainant does not render the Complaint sufficient within said period of time, the Complaint shall be dismissed without a hearing.

3. Notice of Violation. If the Association determines that an Enforcement action may be warranted against an Owner or Permittee, it shall prepare a written notice (an "Enforcement Notice") setting forth:

- a. The Enforcement Action the Association believes is warranted;
- b. The alleged act or omission by the Owner or Permittee giving rise to the proposed Enforcement action;
- c. The specific provisions of the Declaration, Bylaws, and/or Rules under which such Enforcement Action allegedly is warranted; and
- d. A statement notifying the recipient of the Enforcement Notice (the "Respondent") that he, she or it shall be entitled to a hearing before the Board on the merits of the matter address in the Enforcement Notice only if a written

request for such hearing is received by the Association within 10 days after the receipt of the Enforcement Notice.

An Enforcement Notice may be prepared and delivered by any Director, officer or managing agent of the Association, and action by the Board shall not be necessary to authorize the preparation or delivery of an Enforcement Notice. If the Association seeks to take any Enforcement Action against a Permittee, then an Enforcement Notice shall be delivered to such Permittee's Owner, and such Owner shall be considered a Respondent with respect to such Enforcement Notice.

4. Hearing Request. Any Respondent who desires a hearing before the Board on the merits of the matter addressed in an Enforcement Notice shall so notify the Association by written request received by the Association within 10 days after the Respondent received the Enforcement Notice. If a Respondent timely requests a hearing pursuant to this policy, the Association shall set a date and time for the hearing and deliver notice of the hearing to the Respondent at least 10 days prior to the date of the hearing; provided however, that the hearing shall be held no sooner than 14 days after the Association receives the Respondent's timely request for a hearing. Upon a showing of good cause, the Board may reschedule the date or time of a scheduled hearing at the request of a Respondent.

5. The Hearing. The President of the Association shall preside at the hearing and shall ensure that the hearing is conducted in an orderly and civil manner. After calling the hearing to order, the President shall designate another director or officer or the manager or managing agent of the Association to describe the Enforcement Action the Association believes is warranted and to present the reasons and evidence on which such belief is based. Once the reasons and evidence supporting the Enforcement Action have been presented, the Respondent or Respondents shall have an opportunity to present to the Board any reasons and evidence indicating why the Board should not take the proposed Enforcement Action. Any presentation to the Board may be supported by documentary or testimonial evidence; provided, however, that formal rules of evidence shall not apply to the presentation of such evidence to the Board. A Respondent may be represented at the hearing by legal counsel.

6. Decision. The Board shall decide whether an Enforcement Action is permitted and warranted based on the evidence and information made available to it and the applicable provisions of the Declaration, Bylaws, and/or the Rules. If a Respondent fails to request a hearing or fails to appear at the hearing, the Board may reach its decision based on the evidence and information available to it without further notice to the Respondent. The Board shall render its decision in writing and shall explain its reasons for the decision it reaches. The Board's written decision shall be delivered to the Respondent and shall become effective and final upon the Respondent's receipt of it.

7. Service of Notices. Service of all notices or responses required or permitted to be given hereunder shall be made as follows:

If to an Owner and/or Permittee: By personal delivery to the Owner and/or Permittee, or by U.S. Mail, postage prepaid, addressed to the last registered address of the Owner and/or Permittee as contained in the Association's records.

If to the Association: By personal delivery or U.S. Mail, postage prepaid, addressed to the Shadow Creek Homeowners Association, c/o Metro Property Management, Inc., 10800 E. Bethany Drive, Suite 450, Aurora, Colorado 80014

Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the third (3rd) day following the date of mailing.

8. Enforcement, Attorney's Fees and Fines. The Association may enforce the Documents by any means available to the Association, including the levy of fines, suspensions of rights, or a lawsuit to force compliance, and may seek injunctive relief or damages, and may seek from any violator reimbursement of all attorney's and costs incurred by the Association. If the violation involves damage to Association property, the violator shall pay the costs of repair or replacement.

Fines may be levied for violations of the Documents as follows:

a. The Board shall apply the following penalty schedule relating to specific violations of the Documents:

<u>Number of offenses in any 12-month period</u>	<u>Fine Amount</u>
First Offense:	\$ 50.00
Second Offense	\$100.00
Third and Subsequent Offenses	\$200.00

Any continuing offense not cured or rectified, following a reasonable period in which to do so, shall be deemed an additional offense for the purpose of imposing an additional fine for a second, third offense, and subsequent offense. Additional violations, or violations still continuing, or violations which have an indefinite commencement or termination date, shall be subject to the maximum fine specified above, at the discretion of the Board.

b. The record Owner of the real estate subject to the Association's Declaration of Covenants, Conditions and Restrictions shall have the primary obligation to pay fines imposed for actions of their tenants, family members and guests.

c. Fines imposed pursuant to these enforcement policies and procedures shall become an assessment imposed and a lien against the record Owner's real estate as provided by the Declaration.

9. Modification. The Board reserves the right, from time to time, to amend or repeal these Policies and Procedures, subject to any limitations placed on the Board in the Documents or by law.

10. Violations or Offenses that Constitute a Present Danger. If, in its sole discretion, the Board deems that any violation is or may be an immediate or substantial threat to the health, safety or welfare of the community or an individual, or that a habitual offender has not previously responded to Enforcement Notices, the Board may seek any remedy available at law or in equity in a Court of competent jurisdiction, including filing legal action seeking a restraining order or injunction ordering the compliance of the offending Owner, without prior compliance with Sections 1 through 8 above.

11. Miscellaneous. Failure by the Association to enforce any provision of these Policies and Procedures shall in no event be deemed to be a waiver of the right to do so.