

**RESOLUTION OF STAGESTOP OWNERS ASSOCIATION,
REGARDING ENFORCEMENT POLICY**

he following procedures have been adopted by Stagestop Owners Association, Inc. ("Association") pursuant to the provisions of C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policies and procedures for the enforcement of the Association's restrictive covenants and rules:

1. Power. The Board of Directors shall have the power and duty to hear and make decisions regarding violations and complaints filed with the Board and impose fines or other sanctions, pursuant to this policy. 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 Protective Covenants for Stagestop ("Declaration") and the Association's rules and regulations (collectively the "Documents").

These enforcement provisions may be in addition to other specific provisions outlined in the Documents, and the Association is not required to follow these enforcement provisions before seeking such other remedies. The Association may choose a legal remedy or seek assistance from other enforcement authorities, such as police, fire, or animal control, as it deems appropriate.

2. Complaint. In the event the Association's Board has reason to believe a violation of the Documents has occurred, and that action is warranted, the Board may first send a warning letter ("Warning Letter") to the person(s) (the "Respondent") alleged to have violated the Documents, by prepaid, first class United States mail addressed to the mailing address of the Respondent appearing on the records of the Association or by electronic mail at an address which has been provided to the Association by the Member/Respondent or which the Association has previously used for routine communications with the Member/Respondent. The Warning Letter shall advise the Respondent of the nature of the alleged violation and directing that the Respondent immediately cease the violating activity or that the Respondent shall have a specified period of time from the date of the Warning Letter to come into compliance, or that further enforcement action will be taken for enforcement of the covenants and rules of the Association, including the imposition of fines.

3. Continued Violation After Warning Letter and Right to Hearing. If, following the Warning Letter having been sent to the Respondent, the Association has reason to believe that the Respondent has not corrected the violation within the time permitted or that there are the same or similar violations by the Respondent, the Association shall send a second notice to the Respondent, by prepaid, first class United States mail addressed to the mailing address of the Respondent appearing on the records of the Association or by electronic mail at an address which has been provided to the Association by the Member/Respondent or which the Association has previously used for routine communications with the Member/Respondent. The notice shall advise the Respondent of the following: (1) that the Board believes a violation of the Documents has occurred; (2) the action that may be taken by the Board; (3) the Respondent's right to be heard, either orally or in writing, by a committee appointed by the Board at a meeting of the Board which is at least fifteen (15) days after the date of the notice; (4) the date on which the hearing will be scheduled; and (5) the Board's right to proceed at the scheduled hearing to make its determination of the allegations contained in the Complaint based on all relevant facts and circumstances, if the Respondent fails to appear at the specified date and time or otherwise respond to the Complaint.

4. Hearing. Each hearing shall be held at the scheduled time, place and date, unless the Respondent has failed to respond or appear at the hearing. The Board may grant continuances for good cause. Each hearing shall be held by a Hearing Committee. The Hearing Committee shall consist of a person or persons appointed by the Board, which may be the Board itself, who do not have any direct personal or financial interest in the outcome of the hearing. A person is deemed not to have a direct personal or financial interest if he/she will not receive any greater benefit or detriment from the outcome than will the general membership of the Association. The Hearing Committee may: (a) exercise its discretion as to the specific manner in which a hearing shall be conducted; (b) question witnesses and review evidence; and (c) act as it may deem appropriate or desirable to permit it to reach a just decision. Neither the

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Complainant nor the Respondent must be in attendance at the hearing, but both are encouraged to attend. Any party may elect not to present evidence at the hearing. Any decision by the Hearing Committee shall be fair and reasonable taking into consideration all of the relevant facts and circumstances. Each hearing shall be open to attendance by all Members of the Association.

5. Decision. If the Respondent does not appear but a written response is filed, the Hearing Committee shall render its decision based on the information contained in the Complaint and the written response, considering all of the relevant facts and circumstances. If neither an appearance nor a written response is made, the Hearing Committee need not conduct a hearing or make any further findings except that it may determine that the Respondent's failure to appear or respond constitutes a waiver of the right to a hearing, and an admission to the alleged violations, and impose the sanctions provided for herein. If an appearance is made, after all testimony and other evidence has been presented to the Hearing Committee at a hearing, the Hearing Committee shall make its decision(s), taking into consideration all of the relevant facts and circumstances. If the Hearing Committee does not inform the Respondent of its decision at the time of the hearing, or if no hearing is held, the Hearing Committee will provide a written notice of the decision to the Respondent's address of record via regular U.S. mail within ten (10) business days after the decision is made.

6. Enforcement. The provisions of this policy shall not limit, or be a condition precedent to, the Association's right to enforce the Documents by any means available to the Association, including, but not limited to, commencement of a lawsuit to force compliance or seeking injunctive relief or damages. The Association shall be entitled to reimbursement of all reasonable attorney's fees and costs incurred by the Association in connection with any enforcement action, including any proceeding under this policy. Without limiting the Association's remedies under the Documents, the Hearing Committee may assess fines, suspend membership privileges, and impose other sanctions in accordance with this policy. If the violation involves damage to Association property, the violator shall also pay the costs of repair or replacement. The Hearing Committee may revoke or suspend the violator's privileges for a period of time equal to the duration of the violation and for up to sixty (60) days thereafter, unless such violation is a continuing violation, in which case such suspension may continue for so long as such violation continues and for up to sixty (60) days thereafter.

7. Fines. Fines may be levied by the Hearing Committee for violations of the Documents as follows:

<u>Number of Violations in 12 Month Period</u>	<u>Fine Amount</u>
First violation	\$25
Second violation	\$50
Third violation	\$100

9. Habitual Offenders and Continuing Violations. A Member who accumulates more than three (3) violations within a twelve (12) month period will be deemed to be a habitual offender. For habitual offenders, continuing violations, or violations which have an indefinite commencement or termination date, the Hearing Committee may impose such additional fines as are deemed reasonable by the Hearing Committee without regard to the schedule set forth above.

10. Willful and Wanton Violations. In the event of a determination by the Hearing Committee of a willful, wanton or flagrant disregard for the provisions of the Documents, or based on the severity of the violation, the Hearing Committee may impose such additional fines as are deemed reasonable by the Hearing Committee without regard to the schedule set forth above.

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11. Responsibility for Actions of Tenant or Guest. Members shall at all times be responsible for the actions of their tenants and guests. In the event that a Member's tenant or guest violates the Documents and a fine is imposed, the fine shall be assessed against that Member.

12. Violations or Offenses that Constitute a Present Danger. If, in its sole discretion, the Board deems that any alleged violation is or may be an immediate or substantial threat to the health, safety or welfare of the community or an individual, the Board may take the appropriate action necessary to abate the threat to health, safety or welfare of the community or individual.

13. Deviations. The Board may deviate from the procedures set forth in this policy if in its sole discretion such deviation is reasonable under the circumstances, except that fines shall not be levied unless the Board reasonably believes Respondent has received in some form notice of the opportunity for a hearing prior to fines being levied.

14. Miscellaneous.

14.1 Failure by the Association to enforce any provision of this policy shall in no event be deemed to be a waiver of the right to do so thereafter.

14.2 Fines imposed pursuant to this policy shall become an Assessment imposed against the record Owner's real estate and enforceable as provided in the Declaration and the Association's Bylaws.

14.4 The provisions of this policy shall replace and supersede any other rules or regulations of the Association addressing the enforcement of the Association's Documents.

STAGESTOP OWNERS ASSOCIATION, INC. (a Colorado nonprofit corporation)

By: *Lynda F Clay (electronic signature)*

Lynda F. Clay, Stagestop Board of Directors - President

This policy was adopted by the Board of Directors on the 10 day of June, 2017 and is attested to by the Secretary of Stagestop Owners Association, Inc.

By: *Virginia Skeffington (electronic Signature)*

Virginia Skeffington, Stagestop Board of Directors - Secretary