

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MEADOWBROOK HEIGHTS METROPOLITAN DISTRICT
ADOPTING A COVENANT ENFORCEMENT AND FINE POLICY**

WHEREAS, Meadowbrook Heights Metropolitan District (the “**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, consistent with the provisions of the Covenants, Conditions and Restrictions for Meadowbrook Heights Filing 4, recorded on February 24, 2022, at Reception No. 2021030598 in the public records of the Jefferson County, Colorado Clerk and Recorder (the “**Covenants**”), the District’s Service Plan, and Section 32-1-1001(1)(j)(I), C.R.S., the Board of Directors of the District (“**Board**”) is authorized to send demand letters and notices, to charge interest and/or late charges, to levy and collect fines, to negotiate, settle and/or take any other actions with respect to any violation(s), or alleged violation(s), of any of the Governing Documents (as defined in the Covenants), and to impose liens, fix and from time to time increase or decrease, fees, rates, tolls, penalties, or charges (collectively, the “**Fees**”); and

WHEREAS, pursuant to Section 32-1-1001(1)(j)(I), C.R.S., until paid, the Fees shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanics’ liens; and

WHEREAS, by this Resolution (the “**Resolution**”), the District desires to set forth guidelines for the District’s enforcement of the Governing Documents and the imposition of fines related to the same, all as further set forth herein; and

WHEREAS, notwithstanding anything in this Resolution to the contrary, the guidelines set forth in this Resolution are intended to create orderly and fair procedures for the enforcement of the Governing Documents and any deviation from the guidelines shall not alter, amend or impact the Covenants in any way.

NOW, THEREFORE, be it RESOLVED by the Board of Directors of the Meadowbrook Heights Metropolitan District as follows:

SECTION 1. RELATIONSHIP TO COVENTANTS.

Nothing in this Resolution shall, or shall be interpreted to, alter, amend or impact the Covenants in any way. Any capitalized terms used but not defined in this Resolution shall have the meaning ascribed to such term by the Covenants. In the event of any conflict between the provisions of the Covenants and this Resolution, the Covenants shall control.

SECTION 2. INTENT.

A. While many violations may be resolved through a courtesy/warning notice (see below), there are instances when further action is required. Fines are intended to bring properties into conformance with the Governing Documents, which includes but is not limited to the

Covenants and the Guidelines, in a timely manner while providing due notice and appeal rights to property owners as described herein.

B. In order to gain compliance, the Board intends to impose and collect monetary penalties as authorized by the Covenants and reserves the right to enforce the community's restrictions in any other legal manner.

SECTION 3. NOTICE OF VIOLATION.

A. Notice Required: Upon a Unit Owner's first violation of any provision of the Governing Documents (a "violation"), the District shall provide a written Courtesy/Warning Letter to the Unit Owner to allow the Owner the right to cure said violation as stated in the Letter ("Courtesy/Warning Letter").

B. Notice: If not cured within fifteen (15) days of the date of the written Courtesy/Warning Letter, a notice of the violation ("Notice") shall be mailed via certified mail, return receipt requested, to the Unit Owner with a copy mailed via first class U.S. mail to the occupant of the Unit, if different, and contain, at a minimum, the following information:

1. A description of the alleged violation of the Governing Documents;
2. The date of the violation or the date the violation was observed;
3. A statement that the violation must be cured within fifteen (15) days of the date of the Notice, and failure by the Unit Owner to cure the violation within fifteen (15) days may result in a fine in accordance with the fine policy and schedule of fines in effect at the time of the violation; and
4. That the Unit Owner has the opportunity for a hearing before the District Board or its designee. The process for the hearing is set forth in **Exhibit A**.

C. Right to Submit Written Position Statement: A Unit Owner who receives a Notice regarding a violation, in lieu of attending a hearing before the Board or its designee, may respond to the violation by sending a written position statement via certified mail to the District or its designee, at the address(es) listed on the Notice, within fifteen (15) days of the date of the Notice, but not less than fifteen (15) days before the hearing date contained in the Notice. The Board or its designee may consider the written position statement and any other information coming before it regarding the violation, in the same manner as though a hearing were conducted.

SECTION 4. NOTICE AND IMPOSITION OF FINES.

A. Notice of Imposition of Fine: If the Unit Owner fails to cure the violation within fifteen (15) days of the date of the Notice and fails to request or attend a hearing, or submit a position statement to the Board or its designee, and the Board or its designee determines a violation is present or has occurred, the District shall send the Unit Owner a Notice of Finding of Violation ("Notice of Finding of Violation"), which shall state that the Unit Owner has been found in

Violation of the Governing Documents and may be assessed a fine for the violation in accordance with the schedule of fines approved by the Board or its designee, as amended from time to time, and that failure by Unit Owner to cure the violation within the period stated in the Notice of Finding of Violation may result in additional fines to the Unit Owner. The Notice of Finding of Violation may be sent separate from or together with a Second Notice of Violation. If a violation is not cured within 15 days of each notice, additional notices shall be provided and fines imposed consistent with the schedule of fines.

B. Further Failure to Comply: Additional notices of fines citing a Unit Owner's failure to cure a violation shall be mailed to the Unit Owner at the frequency and fine rate stated in the schedule of fines approved by the Board or its designee, as amended from time to time. Each notice shall indicate the current fine, past due fines and late fees, if any, the date that the violation must be cured to avoid additional fines, and Unit Owner's right to appeal. The District may, in its discretion, record a written notice of violation against a Unit where a violation exists.

C. Any District fees, fines, penalties or assessments assessed by the District which are not paid when due may be assessed a late fee of fifteen dollars (\$15.00), per Section 29-1-1102(3), C.R.S., and, pursuant to Section 29-1-1102(7), C.R.S., interest may also accrue, exclusive of assessed late fees, at the rate of eighteen percent (18%) per annum.

SECTION 5. CONTINUING VIOLATIONS

A. Violations that continue beyond the notice timeline set forth in the schedule of fines will incur additional, cumulative fines on a monthly basis at the highest fine amount set forth in the schedule of fines, as the same may be amended from time to time, until such violations are corrected, along with applicable late fees and interest.

B. Repeat and persistent violations may ultimately lead to prosecution of non-responsive violators. Fines will not take the place of legal action, but will be used as an additional remedy. Fines shall not exceed the level, if any, established by state law.

C. In addition, the Board shall have the right, but not the obligation, to remedy a violation and seek reimbursement from the Unit Owner for collection costs and reasonable attorney fees incurred as a result of such failure to comply with the Governing Documents without the necessity of legal proceedings.

D. The Board may take legal action against a Unit Owner at any time after a third Notice has been sent to the Unit Owner, when accrued fines equal or exceed \$300, or if the Board determines, in its sole discretion, that immediate legal action is necessary to preserve the health, safety, and welfare of District constituents. Pursuant to state law, in any legal action pursued hereunder, the court shall award reasonable attorney fees, costs, and costs of collection to the prevailing party.

SECTION 6. RECURRENCE OF VIOLATION

Any recurrence of the same violation within six (6) months of the original violation, as noted in the Notice, shall make the Unit Owner subject to the imposition of a fine. Such fine shall be levied at the current rate of a third violation in accordance with the schedule of violations and fines then in effect. Such violations shall be considered a continuing violation and no initial Notice shall be provided to the Unit Owner.

SECTION 7. FAILURE TO PAY

A. Fines shall be due and payable within 15 days of the violation notice. Fines not paid within 15 days shall be charged a late fee and any interest that may be applicable.

B. All rights and remedies of the District are cumulative and not exclusive, and the District shall have all rights and remedies to levy and collect fines which may be available to it under the Governing Documents and applicable law.

C. Until paid by, all fines, fees, and charges assessed against a Unit pursuant to this Resolution, including, but not limited to, the cost of collecting fines, fees, and charges such as collection agents and attorney fees, and interest, shall constitute a perpetual lien on and against the Unit (the "Lien"). All such Liens shall, to the fullest extent permitted by law, have priority over all other liens of record affecting the Unit and shall run with the Unit and remain in effect until paid in full. All Liens contemplated herein may be foreclosed as authorized by law at such time as the District, in its sole discretion, may determine.

D. Fee Schedule:

1. Late Fee Charge: A late fee of \$15.00 will be assessed on every fine that is not paid in full when due. The late fee charge may be amended from time to time by resolution of the Board.
2. Bad Check Charge: For each check that for any reason is returned to the District unpaid, the Unit Owner shall owe the District a "bad check" charge of \$35.00. The bad check charge may be amended from time to time by resolution of the Board.
3. Collection Fees: The Unit Owner shall be responsible for all collection costs incurred by the District as part of the collection process, including, but not limited to, attorney fees, collection agent fees, and court costs.

SECTION 8. HEARING PROCESS

Violations and fines may be heard by the Board or its designee in accordance with the procedures set forth in **Exhibit A**, which procedures may be amended from time to time by the Board.

SECTION 9. SCHEDULE OF FINES

Fines may be levied in accordance with the schedule of fines approved by the Board or its designee. The Board may amend the schedule of fines from time to time as it deems necessary or by delegating such authority to its designee.

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Approved and adopted this 19th day of July, 2022.

**MEADOWBROOK HEIGHTS
METROPOLITAN DISTRICT**

By: Kent Pedersen

Name: KENT PEDERSEN

Title: PRESIDENT

EXHIBIT A
VIOLATION AND HEARING PROCESS

SECTION 1 – NOTICE

1. Any Unit Owner who receives a notice of violation or imposition of fine may be heard regarding such violation by the Board or its designee. Such hearing will be scheduled as set forth in a Notice. Fines set forth in any notice from the District may continue to accrue during the hearing process so that the process is not used to delay effective enforcement of the District's Governing Documents, as amended from time to time.

2. In lieu of a hearing, a Unit Owner may submit a written position statement no less than fifteen (15) days before the noticed hearing which written position statement shall be considered by the Board or its designee in the same manner that verbal testimony would be considered.

SECTION 2 – HEARING PROCESS

1. The hearing shall be held before the Board in open session or its designee in an open forum unless the Unit Owner requests that the hearing be closed.

2. The Board President or Board's designee shall summarize the violation to be heard before the Board or its designee and introduce all parties.

3. The Unit Owner shall be afforded 10 minutes to state his or her case and to present to the Board or its designee any evidence that is applicable to the Unit Owner's position.

4. Each Board Member or the Board's designee shall have an opportunity to question the Unit Owner regarding the violation.

5. Any Board Member or the Board's designee may receive additional evidence to aid in the determination of the matter including, but not limited to, any relevant documentation and/or information from third parties.

6. Upon completion of the question and answer period, the Board President or the Board's designee will state that the violation has been heard and the Board or its designee will make their decision following an executive session if the Board or the designee deems an executive session to be available under applicable law and necessary in the given circumstances. In reaching a decision, the Board or its designee may take into account the Unit Owner's statements and other evidence presented, the Unit Owner's willingness to work towards compliance, and any other factors that may be pertinent as determined by the Board or its designee.

7. The Board or its designee may continue the hearing if it determines that additional information is required from the Unit Owner before making an informed decision. The Board or its designee shall notify the Unit Owner of the date and time of the continued hearing and the additional information that the Unit Owner must present on the continued hearing date.

8. The minutes of the meeting shall contain a written statement of the results of the hearing and the fine, if any, imposed. The Unit Owner shall be given written notice of the results of the hearing within five (5) days from the date of the hearing.

SECTION 3 – FINDING OF VIOLATION

1. All decisions of the Board or its designee are final and may not be further appealed through the District.

2. If the Board or its designee finds that a violation is present, the Unit Owner must bring the violation into compliance and pay all outstanding fines and charges accrued to date within the time period specified in the written notice received from the Board or its designee, regarding the Board's or the designee's decision. Failure to cure the violation within the designated time period stated therein shall constitute a continuing violation and subject the Unit Owner to subsequent fines at the rate and frequency noted in fine policy and schedule of fines, as amended from time to time, which additional fines shall not be subject to the hearing process.

3. The Board may, in its sole discretion, take legal action against the Unit Owner at any time after a Unit Owner's violation has been confirmed and the Unit Owner has accrued fines equal to or greater than \$300 or the Board determines that immediate legal action is necessary to preserve the health, safety, and welfare of District constituents.

EXHIBIT B
SCHEDULE OF FINES

Fines may be levied by the District or its designated representative for violations of the Governing Documents, as follows:

<u>Complaint/Investigation/Violation</u>	<u>Action/Fine</u>
Courtesy/Warning Notice	No fine; 15 days to cure
Notice of Violation	\$50.00 fine; 15 days to cure
Second Notice of Violation	\$100.00 fine; 15 days to cure
Third Notice of Violation	\$150.00 fine; 15 days to cure; referral to attorney for further action
Continuing Violations (including “repeat and persistent”)	\$150.00 fine per month, per occurrence; referral to attorney for further action

Until paid, all fines, fees, and charges assessed against a Unit pursuant to this Resolution, including, but not limited to, the cost of collecting fines, fees, and charges such as collection agents and attorney fees, and interest, shall constitute a perpetual lien on and against the Unit