

**AUTUMN HEIGHTS CONDOMINIUM OWNERS ASSOCIATION, INC.  
REVISED COVENANT AND RULE ENFORCEMENT POLICY**

Effective Date: 2/20/13

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic policy to address covenant and rule enforcement.

The Association hereby adopts the following policies and procedures for covenant and rule enforcement which supersede the Covenant and Rule Enforcement Policy adopted on February 2, 2006, Paragraph 14 of the Rules and Regulations effective December 21, 2009, and any other prior policies regarding enforcement or fines.

1. Enforcement Procedure. The Board will not impose fines, suspend rights to vote, or suspend rights to use the recreational facilities unless and until the Association has sent or delivered written notice to the Owner and/or violator as provided below.

A. Complaint. Any Owner within the community may send the Association a formal, written complaint via either electronic mail or regular mail of a covenant or rule violation, with as much information as is known. Complaints may also be initiated by the Manager, or any member of the Board of Directors. Complaints that cannot be independently verified by a Board member or the Association's management agent must be in writing. The Board will have no obligation to consider oral complaints or anonymous complaints. The Board will have the authority to determine whether a written complaint is justified before continuing with the Notice and Hearing Procedure.

B. Notice of Alleged Violation. A Notice of Alleged Violation of any provisions of the Declaration, Bylaws, Rules and Regulations, or Resolutions will be provided in writing to the applicable Owner as soon as reasonably practicable following the receipt of a complaint or discovery by the Board of such violation. The Board may also, at its option, provide a copy of such notice to any non-Owner violator. The notice will describe the nature of the violation and the possible fine that may be imposed, the right to request a hearing before the Board to contest the violation or possible fine, and may further state that the Board may seek to protect its rights as they are specified in the governing legal documents. The notice may also describe the action needed to be taken in order to come into compliance and a reasonable time frame for compliance, when deemed appropriate. If the owner does not come into compliance within the time frame set forth in the first notice, a second notice will be sent. Ten days will be considered a reasonable time frame for many violations, but this time frame may vary depending on the circumstances or nature of the violation. Such notices are considered to be routine and may be sent by regular U.S. mail.

C. Request for Hearing. If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, or to discuss any mitigating circumstances, the Owner must request such hearing, in writing, prior to the next Board meeting. The Owner will be added to the agenda. If the Owner has been previously notified of the alleged violation, has not corrected the violation, and may have a fine levied against him/her, a hearing date will automatically be set for the next Board meeting. The Owner will be notified of the date, time and place of the hearing by regular mail. The Owner will also be given the opportunity to submit a written response to the alleged violation. The request for hearing or other written response should describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. If the owner fails to respond or attend the hearing, the right to a hearing will be deemed forever waived. The Board will determine if there was a violation based upon the information available to it, and if so, assess a reasonable fine as set forth in the fine schedule. The Board of Directors will give written notice of said fine to the applicable Owner.

D. Board of Directors to Conduct Hearing. The Board will hear and decide cases set for hearing pursuant to the procedures set forth herein. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings. The Board will determine whether a violation exists and impose fines.

E. Conflicts. Any Board member who is incapable of objective and disinterested consideration on any hearing before the Association will disclose such to the President of the Association prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure will be made at the hearing, and the Board member will be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member(s) results in an even number of remaining Board members eligible to hear a case, the Presiding Officer may appoint an Association member, in good standing, to serve as a voting member of the hearing board.

F. Hearing. The Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer will establish a quorum, explain the rules, procedures and guidelines by which the hearing will be conducted and will introduce the case before the Board. The complaining parties and the Owner will have the right, but not the obligation to be in attendance at the hearing. Each party may present evidence, testimony, and witnesses. The decision of the Board at each hearing will be based on the matters set forth in the Notice of Alleged Violation and Hearing, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board of Directors in accordance with the terms of the Colorado Common Interest Ownership Act, all hearings will be open to attendance by all members of the Association. If a complaining party is unable to attend the Hearing, he or she may instead submit a letter to the Board explaining the basis of the complaint.

G. Decision. After all testimony and other evidence have been presented to the Board at a hearing, the Board will render its written findings and decision, and impose a reasonable fine, if applicable, within 14 days after the hearing. A decision, either a finding for or against the Owner, will be by a majority vote of the Board of Directors present.

## 2. Fine Schedule.

A. The following fines are guidelines for violation of the provisions of the Declaration, Bylaws, Rules and Regulations and Resolutions of the Association:

First violation:	Courtesy reminder letter
Second violation:	Warning letter/Notice of Hearing
Third and subsequent violations:	up to \$150.00/occurrence

Continuing violations will be considered a separate occurrence for each day it continues and a per diem fine may be imposed after the hearing until such time as the violation is remedied.

**The Board reserves the right to fine for first violations of rules that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion, following notice and an opportunity for a hearing.**

The Board may waive all, or any portion, of the fines if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violator coming into compliance with the Declaration, Bylaws or rules.

B. All fines will be due and payable within 10 days of notice of the fine. An interest charge of 18% will be invoked, plus a \$20.00 per month late charge. All fines and late charges will be considered an assessment and may be collected as set forth in the Declaration. Fines will be in addition to all other remedies available to the Association pursuant to the terms of the Declaration and Colorado law, including the Association's right to collect attorney fees as authorized by Colorado law.

3. Additional Enforcement Rights. The Association, at any time, may pursue legal action against an Owner to enforce the provisions of the Declaration, Bylaws, rules or resolutions without first following the preceding notice and hearing procedures, if the Board determines that such action is in the Association's best interests.


4. Failure to Enforce. Failure of the Association to enforce the Declaration, Bylaws, rules and resolutions will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any of the above referenced governing documents for the Association.

IN WITNESS WHEREOF, the undersigned certify that this Revised Covenant and Rule Enforcement Policy was adopted by resolution of the Board of Directors of the Association on this 18<sup>th</sup> day of February, 2013

AUTUMN HEIGHTS CONDOMINIUM OWNERS ASSOCIATION, INC., a Colorado nonprofit corporation,

By:   
Its: President

ATTEST:

By:   
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