

**RESOLUTION  
OF THE  
SAPPHIRE POINTE MASTER ASSOCIATION, INC.  
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 uniform procedure to be followed when enforcing covenants and rules to facilitate the efficient operation of the Association.

**AUTHORITY:** The Declaration, Bylaws, Articles of the Association, and Colorado law, including, but not limited to, C.R.S. 38-33.3-209.5.

**EFFECTIVE  
DATE:** July 17, 2009

**RESOLUTION:** The Association hereby adopts the following procedures to be followed when enforcing the 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, Board member(s) or committee member(s) by submission of a complaint.

2. Complaints. (a) Complaints by owners or residents shall be in writing and submitted to the Board of Directors. A written complaint is not required if the alleged violation can be independently verified by 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. 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.

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 designated individual or committee or management company. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

4. Violation Categories. There shall be two categories of violations as described below. The Board shall have the sole discretion to determine which category a violation falls into. The two violation categories are defined as follows:

- (a) Minor Violations:
  - a. Failure to put away trash;
  - b. Improperly parked vehicles;
  - c. Pet violations;
  - d. Noise violations; or
  - e. Any violation that can be corrected immediately or within ten days.
  
- (b) Major Violations:
  - a. Structural violations;
  - b. Violations involving landscaping;
  - c. Violations for failing to paint home;
  - d. Roofing violations; or
  - e. Any violation that cannot reasonably be cured within ten days;

5. Courtesy/Fine Letter. If a violation is found to exist, a letter shall be sent to the Violator explaining the nature of the violation and stating whether the violation has been deemed a Minor Violation or a Major Violation. If the violation is a Minor Violation, the Violator will have ten days from the date of the letter to come into compliance. If the violation is a Major Violation, the Violator will have 30 days from the date of the letter to come into compliance. This letter will provide notice and the opportunity to have a hearing, and will explain a fine may be imposed pursuant to this Policy. 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 ten days of the date on the violation letter for a Minor Violation, or within fourteen days of the date on the violation letter for a Major Violation.

6. Continued Violation After Courtesy/Fine Letter.

(a) Minor Violation.

- a. For a Minor Violation, if the alleged Violator does not come into compliance within ten days of the first letter or request a hearing within ten days of the first letter, the Board shall issue a decision based on the information it has available. If a violation is found to exist, a second letter shall be sent to the Violator, providing notice that a \$50.00 fine was imposed.
- b. The second letter shall also explain an additional fine of \$100 may be imposed pursuant to this Policy if the Minor Violation is not corrected in ten days and shall provide the Violator with notice of the continued violation.
- c. The second letter shall further state that the Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within ten days of the date on the second letter.
- d. If the Violator does not come into compliance as requested in the second letter, the third and subsequent letters shall be sent to the Violator providing the Violator with notice of the continued violation and ten days to correct the violation. The letter shall also provide an opportunity for a hearing, and explain if a violation is found to exist a fine of \$250.00 may be imposed pursuant to this Policy.

(b) Major Violation.

- a. For a Major Violation, if the alleged Violator does not come into compliance within 30 days of the first letter or request a hearing within 14 days of the first letter, the Board shall issue a decision based on the information it has available. If a violation is found to exist, a second letter shall

then be sent to the Violator, providing notice that a \$50.00 fine was imposed.

- b. The second letter shall also explain an additional fine of \$100 may be imposed pursuant to this Policy if the Minor Violation is not corrected in 14 days and shall provide the Violator with notice of the continued violation.
- c. The second letter shall further state that the 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 letter.
- d. If the Violator does not come into compliance as requested in the second letter, the third and subsequent letters shall be sent to the Violator providing the Violator with notice of the continued violation and 14 days to correct the violation. The letter shall also provide an opportunity for a hearing, and explain if a violation is found to exist a fine of \$250.00 may be imposed pursuant to this Policy.

7. Notice of Hearing. If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved at least 14 days prior to the hearing date.

8. 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 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, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board shall,

within a reasonable time, not to exceed 14 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.

9. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within 14 days of the any letter for a Major Violation, or within ten days for a Minor Violation, or fails to appear at a hearing, the Board 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.

10. Notification of Decision. The decision of the Board, committee or other person, shall be in writing and provided to the Violator and Complainant within 14 days of the hearing, or if no hearing is requested, within 14 days of the final decision.

11. Fine Schedule. The following fine schedule has been adopted for all recurring covenant violations:

First violation (first letter)	\$50.00
Second violation (second letter regarding same covenant or rule)	\$100.00
Third and subsequent violations (third and subsequent letters regarding same covenant or rule)	\$250.00

Fourth and subsequent covenant violations may be turned over to the Association's attorney to take appropriate legal action. Any Owner committing four 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.

12. Suspension of Use Privileges. In addition to the authority to impose fines, the Association may, for as long as a violation continues, exclude the Owner and such Owner's family members, tenants and guests from the use of any Common Elements and from the participation in any Association affairs. Accordingly, the Association may suspend the right of an Owner and such Owner's family members, tenants and guests from using the pool or other Common Elements as long as a violation continues. In that event, if the Owner and/or such Owner's family members, tenants and/or guests attempt to use the pool or other Common Elements which the Association has suspended the right to use, the Owner and/or such Owner's family members, tenants and/or guests will be asked to leave the pool or other such Common Elements. If such person refuses to leave, such refusal shall be a separate Minor Violation as provided above. At the time the Owner and/or such Owner's family members, tenants and/or guests refuse to leave, the Owner will be provided a letter, which will provide notice and the opportunity to have a hearing, and will explain a \$50.00 fine may be imposed pursuant to this Policy. The letter shall further state that the Owner is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within five days of the date on the letter. If the Owner fails to request a hearing within five days of the date of the letter, or fails to appear at a requested hearing, the Board may make a decision with respect to the violation based on the available information without the necessity of holding a formal hearing.

13. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole 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 and staying in compliance with the Articles, Declaration, Bylaws or Rules.

14. 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.

15. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

16. 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 law of the State of Colorado governing the Project.

17. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

18. 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 Sapphire Pointe Master Association, Inc., 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 June 17, 2009 and in witness thereof, the undersigned has subscribed his/her name.

**SAPPHIRE POINTE MASTER  
ASSOCIATION, INC.,**  
a Colorado nonprofit corporation

By: Julie Camba  
President

**SUMMARY OF KEY PROVISIONS OF POLICIES AND PROCEDURES FOR  
COVENANT AND RULE ENFORCEMENT**

Complaints: May be made by any owner, resident, board member or manager. Must be in writing unless they can be independently verified by the Association.

Steps: Board determines if violation is a Minor Violation or a Major Violation.

Letter Sent to Owner	Days to Correct
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**Minor Violation**

- |   |    |
|---|----|
| ▪ First Violation letter – (notice and hearing) | 10 |
| ▪ Second letter (notice and hearing)            | 10 |
| ▪ Third letter (notice and hearing)             | 10 |
| ▪ Fourth letter (notice and hearing)            | 5  |
| ▪ Turned over to legal counsel                  |    |

See complete policy for violations related to suspension of use privileges

**Major Violation**

- |   |    |
|---|----|
| ▪ First Violation letter – (notice and hearing) | 30 |
| ▪ Second letter (notice and hearing)            | 14 |
| ▪ Third letter (notice and hearing)             | 14 |
| ▪ Fourth letter (notice and hearing)            | 14 |
| ▪ Turned over to legal counsel                  |    |

Hearing: At least 14 days notice given by Board to Owner  
Board decision within 14 days of hearing

Fine Schedule:	First Violation	\$ 50.00
	Second Violation	\$100.00
	Third and Subsequent Violations	\$250.00