

**STAPLETON FILING 2 TOWNHOME ASSOCIATION, INC.
POLICY AND PROCEDURE
ENFORCEMENT OF THE DECLARATION, BYLAWS, RULES AND
REGULATIONS, OR ARCHITECTURAL GUIDELINES**

Adopted MAY 25, 2006

The following policy and procedure has been adopted by the Stapleton Filing 2 Townhome Association, Inc. ("Association") pursuant to Colorado statutes, for enforcement of the Association's governing documents.

1. **Notice.** Notice of alleged violation of any provision of the Declaration, Bylaws, Rules and Regulations, or Architectural Guidelines shall be provided to the applicable Owner as soon as reasonably practicable following receipt of a complaint by the Association's Board of Directors ("Board") of such violation. The Board may also, at its option, provide a copy of such notice to any non-owner violator. The notice shall describe (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less than 15 days within which the alleged violator may present a written request to the Board for a hearing, and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within 15 days of the notice. If a timely challenge is not made, the sanction stated in the notice shall be imposed.

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

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

If to the Association: By personal delivery or U.S. Mail, postage prepaid, addressed to the Association in care of its registered agent and office, as maintained with the Colorado Secretary of State, or such other address as the parties may be advised of in writing.

Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the fifth day following the date of mailing.

3. **Request for Hearing.** If a hearing is requested within the allotted fifteen day period, the hearing shall be held in executive session affording the alleged violator a reasonable opportunity to be heard. Such hearing shall occur at least five days prior to the effective date of proposed sanction. Prior to the effectiveness of any sanction, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed

adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, Director or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or Owner, if different, appears at the meeting.

4. **Board to Conduct Hearing.** The Board shall hear and decide cases set for hearing pursuant to these Policy and Procedure. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings.
5. **Conflicts.** Any Board member who is incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Board prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and the Board member shall 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.
6. **Hearing.** At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board by reading the notice of alleged violation. Each party may make opening statements, may present evidence and testimony, may present witnesses, and may make closing statements. The complaining parties do not need to be in attendance at the hearing. However, the decision of the Board at each hearing shall be based on the matters set forth in the notice, request for hearing, and such evidence as may be presented at the hearing.
7. **Decision.** After all testimony and other evidence has been presented to the Board at a hearing, the Board shall render its written findings and decision, and impose a reasonable fine, if applicable, within ten (10) days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority of the members of the hearing board present at the hearing. The decision will be communicated to the Owner in the same manner as the notice of alleged violation.
8. **Fine Schedule.** Unless otherwise provided in the Rules and Regulations or the Architectural Guidelines, any violation of the Declaration, Bylaws, Rules and Regulations, or Architectural Guidelines may subject the Owner to a reasonable fine assessment imposed by the Association as follows:
 - (i) Notice of Violation: Written warning letter or posting of notice.
 - (ii) Fines shall be determined by the hearing board for each finding of a violation based on the type, severity, repetition and circumstances of each violation based

on the following guidelines:

First time or minor violations	between \$25 and \$75
Repeated minor violations	between \$50 and \$100
Repeated or flagrant violations	between \$100 and \$500

- (iii) Fines may not exceed \$500.00 for any one finding of a violation.
- (iv) In the event of a continuing violation, a daily fine may be levied if, and only if, the Board performs a daily inspection to verify the violation is continuing.

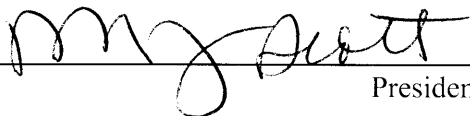
Notwithstanding any provision of this fine schedule or Policies and Procedures, the Association may use any legal means available at any time to enforce the terms of the Declaration, Bylaws, Rules and Regulations, Architectural Guidelines, or any other governing document of the Association.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Stapleton Filing 2 Townhome Association, Inc., a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on MAY 25, 2006, and in witness thereof, the undersigned has subscribed his/her name.

**STAPLETON FILING 2
TOWNHOME ASSOCIATION, INC.,**
a Colorado non-profit corporation

By: _____


President