



THE VILLAGE AT MOUNTAIN RIDGE

Residents

The Villages at Mountain Ridge Homeowners Association

Re: *Enforcement of Covenants and Architectural Review Guidelines*

Dear Residents:

As you know, we are all obligated to follow the Declaration, the Architectural Review Guidelines, the Bylaws, and any other rules or resolutions adopted by your Homeowners Association's Executive Board. By doing so, we enhance the beauty of our community and preserve and protect our property values. This is the purpose of the covenants and other governing documents, not to interfere with individual property rights.

The Declaration is a document recorded in the County records which contains general use restrictions for our properties, such as the requirement to submit for Architectural Review Committee ("ARC") approval prior to making any improvement to property, and restrictions regarding vehicles, nuisances, and commercial use, to name a few. The Association has also adopted Architectural Review Guidelines to provide more definition to the ARC approval procedure and more detail to the use restrictions contained in the covenants. These Architectural Review Guidelines, although not recorded in the county records, are just as binding on our properties as the Declaration.

One of the duties of the Executive Board is to enforce the provisions of the Declaration, the Bylaws, the Architectural Review Guidelines and any other documents of the Association. We have enclosed the form to be used to request approval from the ARC for any alterations you wish to make to the exterior. The Architectural Review Guidelines provide additional information regarding specific information that must be submitted based upon the type of improvement. It is important to submit all the necessary information as soon as possible, in order to avoid delay in the approval process. The ARC may request additional information as needed. Once the submission for approval is complete, the ARC will approve or disapprove the request within 45 days.

In the event an owner (or a resident living on the owner's property) fails to comply with the covenants or the Architectural Review Guidelines, the owner will receive a letter from the Association regarding the alleged violation. The owner shall have an opportunity for a hearing prior to a fine being imposed. If the owner does not request a hearing, the Executive Board shall review the available information to determine whether a violation has occurred and impose the appropriate fine. We have attached the Policies and Procedures for Enforcement of the Declaration, Bylaws, Rules and Regulations and Architectural Review Guidelines recently adopted by the Board of Directors setting forth the hearing procedures.

Page 2

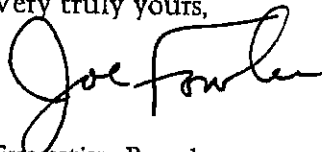
Residents

The Villages at Mountain Ridge Homeowners Association

In order to continue enhancing our community, we all need to cooperate and comply with the governing documents of the Association. As the Board and the ARC cannot be in all places at once, we encourage all residents to bring potential violations to our attention. Together, we can ensure that Villages at Mountain Ridge continues to be a wonderful place to live.

If you have any questions, please do not hesitate to contact the Association's manager at 303-447-8988.

Very truly yours,

A handwritten signature in black ink that reads "Joe Fowler". The signature is written in a cursive style with a large initial "J".

Executive Board

The Villages at Mountain Ridge Homeowners Association

Enc.

W:\CLIENT\VILLAGES\RESIDENT.001

Policies and Procedures for Enforcement of the Declaration, Bylaws, Rules and Regulations and Architectural Review Guidelines

1. **Notice of Alleged Violation.** Notice of Alleged Violation of any provisions of the Declaration, Bylaws, Rules and Regulations, or Architectural Review Guidelines shall be provided to the applicable Owner as soon as reasonably practicable following discovery by the Homeowners Association's Executive Board ("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 the nature of the violation and shall further state that the Board may seek to protect its rights as they are specified in the governing legal documents.

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 an Owner desires a hearing to challenge or contest any alleged violation and possible fine, the Owner must request such hearing, in writing, within thirty (30) days from receipt of the Notice of Alleged Violation. The request for hearing shall describe the grounds and basis for challenging the alleged violation. In the event a proper and timely request for a hearing is not made as provided herein, the right to a hearing shall be deemed forever waived. If a hearing is not requested within the 30 day period, the Board shall determine if there was a violation, and if so, assess a reasonable fine within the guidelines contained in these Rules and Regulations, within sixty (60) days of the expiration of the 30 day period. The fine assessment is due and payable immediately upon receipt of notice of the fine assessment. The Association's managing agent shall give notice of said assessment to the applicable Owner as provided in these Policies and Procedures.

4. **Board to Conduct Hearing.** The Board shall hear and decide cases set for hearing pursuant to these Policies and Procedures. 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.** The Board shall inform the Owner of the scheduled time, place and date of the hearing, provided that the Presiding Officer may grant continuances for good cause. 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. Neither the complaining parties nor the Owner must 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 of Alleged Violation, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all members of the Association.

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 Board members present at the hearing. The Board may also issue and present for recording with the Jefferson County Clerk and Recorder, a Notice of Finding of Violation. Upon satisfactory compliance with the Association's governing documents, the Notice of Finding of Violation may be released by the Association issuing and recording a Release of Notice of Finding of Violations.

8. **Fine Schedule.** Unless otherwise provided in Rules and Regulations or the Architectural Review Guidelines, any violation of the Declaration, Bylaws, Rules and Regulations, or Architectural Review Guidelines shall subject the Owner to a reasonable fine assessment imposed by the Association as follows:

- (i) First Notice of Violation: Written warning letter
- (ii) Second Notice of Violation (30 days after written warning letter): \$50.00 fine
- (iii) Third Notice of Violation (60 days after written warning): \$100.00 fine
- (iv) Fourth Notice of Violation (90 days after written warning): \$200.00 fine
- (v) 120 days after the written warning, legal action may be initiated.

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

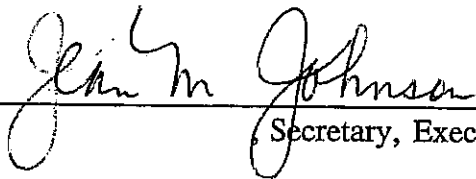
Declaration, Rules and Regulations, Architectural Review Guidelines, Bylaws or any other governing document of the Association.

9. **Modification, Amendments, Repeal and Re-Enactment.** Notwithstanding anything to the contrary contained in these Policies and Procedures, the Association hereby reserves the right, at any time and from time to time hereafter, to modify, amend, repeal and/or re-enact these Policies and Procedures in accordance with the Declaration, Bylaws and applicable law.

10. **Miscellaneous.**

- (i) Failure by the Association, the Board or any person to enforce any provision of these Policies and Procedures shall in no event be deemed to be a waiver of the right to do so thereafter.
- (ii) The Provisions of these Policies and Procedures shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or decree of any court of competent jurisdiction, shall in no way affect the validity or enforceability of the remaining provisions, which provisions shall remain in full force and effect.
- (iii) Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the use of any gender shall include all genders.
- (iv) The captions to the sections are inserted herein only as a matter of convenience and for reference, and are in no way to be construed so as to define, limit or otherwise describe the scope of these policies and procedures or the intent of any provision hereof.

IN WITNESS WHEREOF, the undersigned, as Secretary of the Association, certifies that these Policies and Procedures, were adopted by the Executive Board on this 17 day of March, 1999.



Secretary, Executive Board

Included in this packet is the information regarding the potential lawsuit the Villages at Mountain Ridge is considering filing against a homeowner. We will meet with you to discuss this on September 29, at the Golden Community Center at 1470 10th St., Golden Co, 80401. If you have any questions in the interim, please contact Jim Crigler of Maximum Property Management at 303.246.9545.

Please note that the information provided is broken into the following sections:

Association Legal Documents (Declaration, Bylaws, Articles of Incorporation, and Architectural Review Guidelines)

Architectural Requests from Homeowner and Correspondence from Association Regarding these Requests

Copy of City of Golden Permit for Project

Prior Legal Agreement Regarding Homeowner from Previous lawsuit.

VILLAGE AT MOUNTAIN RIDGE HOMEOWNERS ASSOCIATION
RESOLUTION 95-1

SUBJECT: Effect of Non-Payment of Assessments; Remedies of the Association

PURPOSE: The purpose of this Resolution is to enforce provisions in the Declarations of the Village At Mountain Ridge Homeowners Association relating to the non-payment of assessments by individual homeowners

AUTHORITY: Article IV, Section 11 of the Declarations

Resolved, that the Executive Board of Directors for the Village At Mountain Ridge Homeowners Association will enforce the provisions of Article IV, Section 11 of the Declarations;

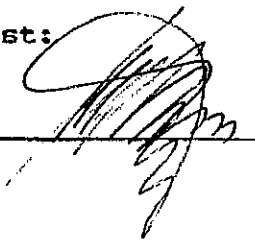
That any assessment not paid within ten (10) days after the due date thereof will bear interest from the due date at the rate of twenty-one percent (21%) per annum;

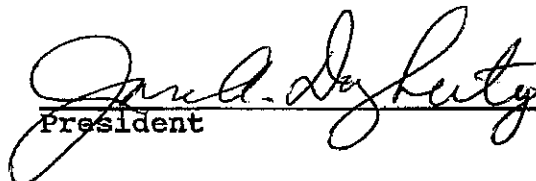
That any assessment not paid within ten (10) days after the due date thereof will be assessed a late charge of Twenty-Five and 00/100 Dollars (\$25.00) per month;

That this Resolution will be come effective September 1, 1995;

Now Therefore, the Executive Board of Directors through it's President and Secretary adopt this resolution this 22nd day of AUGUST, 1995.

Attest:





President