

**RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
EAGLE BROOK MEADOWS METROPOLITAN DISTRICT NO. 1**

A RESOLUTION APPROVING AN COVENANT ENFORCEMENT AND FINE POLICY FOR VIOLATIONS OF THE GOVERNING DOCUMENTS FOR EAGLE BROOK MEADOWS

WHEREAS, pursuant to Section 32-1-1004(8), C.R.S. and the Consolidated Service Plan for Eagle Brook Meadows Metropolitan District Nos. 1 - 3 ("Service Plan"), the Eagle Brook Meadows Metropolitan Districts Nos. 1 - 3 (the "Districts") have the power and authority to furnish covenant enforcement and design review services within the Districts; and

WHEREAS, pursuant to that certain "Master Declaration of Covenants, Conditions, and Restrictions for Eagle Brook Meadows" recorded against the real property described in Exhibit B attached hereto (the "Property"), in the records of the Larimer County Clerk and Recorder on October 17, 2019 at Reception No. 20190064271 (the "Declaration"), the Eagle Brook Meadows Metropolitan District No. 1 (the "District") has been empowered to provide covenant enforcement and design review services to the Property in the Eagle Brook Meadows development ("Development"), which Property is located with the boundaries of the Districts; and

WHEREAS, unless otherwise defined herein, capitalized terms used herein, including in Exhibit A attached hereto, shall have the meaning given to them in the Declaration; and

WHEREAS, pursuant to Section 6.1 of the Declaration, the District has the authority to manage and enforce the Governing Documents (as defined herein) and to impose and collect fees, Fines and penalties from Owners for Violations of any provision under the Declaration, Rules and Regulations, Maintenance Standards, Design Guidelines and any other rules, regulations and standards established by the District and ARC (collectively, the "Governing Documents"), as provided in the Declaration; and

WHEREAS, pursuant to Sections 7.2 and 7.15 of the Declaration, the ARC, through the inspection of any Lot may enforce may delegate the enforcement of the Design Guidelines to the District; and

WHEREAS, pursuant to Section 7.14 of the Declaration, the ARC, appointed by and acting on behalf of the District Board, may inspect a Lot for compliance with the Restrictions, Design Guidelines and the ARC approved Improvements; and

WHEREAS, pursuant to the authority granted to the ARC in Section 7.2 of the Declaration, the ARC has delegated the enforcement of the Design Guidelines to the District; and

WHEREAS, pursuant to Section 32-1-1001(1)(j), C.R.S., the District is authorized to fix and from time to time increase or decrease fees, rates, tolls, penalties, or charges for services provide by the District, and until paid, such fees, rates, tolls, penalties or charges shall constitute a perpetual lien on and against the Lot and may be foreclosed upon in the same manner as mechanics' liens; and

WHEREAS, the District desires to set forth a “Covenant Enforcement and Fine Policy” to set forth the procedures for the District’s enforcement of the Governing Documents in Eagle Brook Meadows, including providing procedures for notification of noncompliance and due process hearings, and the imposition of fines.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF WINTER FARM METROPOLITAN DISTRICT NO. 1 HEREBY ESTABLISHES THE FOLLOWING COVENANT ENFORCEMENT AND FINE POLICY:

1. The Board hereby adopts the Covenant Enforcement and Fine Policy attached hereto as Exhibit A and incorporated herein by reference (the “Enforcement Policy”). Except as otherwise provided in the Declaration, the Enforcement Policy shall apply against all Property described in Exhibit B attached hereto.

2. The Board may further amend, from time to time, the Covenant Enforcement and Fine Policy, as the Board deems necessary.


3. In the event a court of competent jurisdiction finds a provision of the Covenant Enforcement and Fine Policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

4. The Board hereby authorizes the authorizes the District’s President and designated representative of the District, including the District’s General Counsel or other officer of the District, to execute this Resolution. This Resolution shall take effect on the date and at the time of its adoption and shall be recorded in the real property records of the Larimer County Clerk and Recorder.

(Signatures Begin on Next Page.)

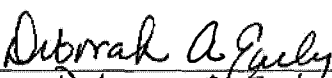
ADOPTED AND APPROVED THIS 5th DAY OF NOVEMBER, 2020.

**EAGLE BROOK MEADOWS
METROPOLITAN DISTRICT NO. 1**



By: Robert L. Eck II, President

ATTEST:



By: Deborah A. Early
Its: General Counsel

Signature Page to Resolution Approving Covenant Enforcement and Fine Policy

EXHIBIT A

COVENANT ENFORCEMENT AND FINE POLICY

Section 1. Intent. This Covenant Enforcement and Fine Policy is adopted to ensure the protection of the health, safety, and welfare of the residents and property owners in the Eagle Brook Meadows Metropolitan District Nos. 1 – 3 (the “Districts”), to preserve property values and to provide a fair and consistent enforcement process of the Governing Documents.

Section 2. Observation of Violations. The Board of Directors (the “Board”) for Eagle Brook Meadows Metropolitan District No. 1 (the “District”) or its designated representative will initiate the procedures set forth herein upon observation of a Violation of the Governing Documents or upon being advised of a Violation of the Governing Documents by an Owner. The Board shall use its judgment in deciding whether to proceed with any action regarding any written complaint received from any Owner. Without limiting the Board’s authority to implement the procedures set forth herein and until otherwise determined by the Board, the Board hereby authorizes the District’s Manager and its designees to perform the procedures set forth in Sections 3, 4 and 5 and to impose the Fines and Charges as set forth in Section 6 herein.

Section 3. Notices. The Board shall deliver any and all Notices required to be delivered to an Owner pursuant to this Covenant Enforcement and Fine Policy via hand delivery or via First Class Mail. Unless otherwise hand delivered, all Notices shall be deemed to have been received by the Owner three business days after said Notices have been mailed. Upon sending Notices to an Owner pursuant to the foregoing delivery methods, the Board, in its discretion, may also send any Notices required to be delivered to an Owner via certified mail, return receipt requested or via overnight delivery service.

Section 4. Notice Of Violation. When the Board determines, in its sole discretion, that a Violation(s) of the Governing Documents has occurred, the Board shall provide Owner with a written Notice of Violation within thirty (30) days of determining the existence of a Violation, which Notice of Violation shall contain the following information:

- (i) the nature and date of the alleged Violation;
- (ii) a request that the Violation be corrected within 15 calendar days of the date of the written notice. The Board may, in its sole discretion, request an alternative time period for correcting a Violation if the Board determines the Violation poses a threat or danger to the health, safety, or welfare of the residents or the property within of the Districts, or if the Board determines that the circumstances warrant an extended period of time for correcting the Violation;
- (iii) the Owner shall have 15 calendar days from the date of the Notice of Violation (unless a different time period is set forth in the Notice) to request a hearing on the Violation;
- (iv) the proposed Fine to be imposed if the Violation is not corrected within 15 calendar days of the date of the written notice or a challenge, and
- (v) a statement that failure to pay such fines timely may result in the recording of a lien against the Owner’s property, which may be foreclosed upon if not paid.

The amount of the proposed Fine set forth in the Notice to Violation shall be the amount set forth in Section 6. Fines and Charges.

Section 5. Notice of Continuing Violation and Fine. If the Owner fails to cure the Violation or fails to request a hearing to dispute the Violation within 15 calendar days of the date of the Notice to Violation, the Board shall provide the Owner with a written Notice of Continuing Violation and Fine, indicating:

- (i) The Owner has failed to cure the Violation or request a hearing as provided in the initial Notice of Violation;
- (ii) The Fine stated in the Notice to Violation has been imposed and, until paid, the Fine constitutes a perpetual lien against the Owner's property which may be foreclosed by the District;
- (iii) Failure of the Owner to cure the Violation within 15 calendar days of the date of the first written Notice of Continuing Violation and Fine shall result in subsequent Fines;
- (iv) If applicable, the District's plans to cure such Violation with reimbursement from the Owner pursuant to Section 8 herein; and
- (v) Owner shall remain responsible for the payment of any Fines imposed prior to curing the Violation.

The amount of the Fine imposed shall be the amount set forth in Section 6. Fines and Charges. Until such time that the Violation has been cured and all fines are paid, the District shall send a written Notice of Violation and Fine to the Owner every 15 days from the date of the prior written Notice of Continuing Violation and Fine indicating that a "Continuing Violation" exists, the amount of Fine for the Continuing Violation, and the total unpaid fines then due and owing by the Owner. Upon the Fifth Notice of Continuing Violation and Fine, the unpaid account will be turned over to the District's attorney for legal action, including but not limited, the recording of a Statement of Lien against the Lot. A copy of the recorded Statement of Lien shall be mailed to the Owner.

In the event the Owner cures the Violation after the imposition of fine(s), the Owner shall remain responsible for payment of the outstanding fines. Upon curing the Violation, the District shall mail monthly invoices to the Owner for any outstanding unpaid Fines for the Violation, including any late fees.

Section 6. Fines and Charges.

- A. FINES. The following fine schedule is adopted for each Violation of the Governing Documents as set forth in Section 5. – Notice of Fine:

Continuing Violations (after failure to cure within the stated time period in the Notice of Violation or Request for Hearing):

First Violation	\$25.00
Second Violation	\$50.00
Third Violation	\$75.00
Fourth Violation	\$100.00

Fifth and subsequent Violations shall be fined \$100.00 per Violation and shall be turned over to the District's attorney for legal action, including but not limited, the recording of a Statement of Lien against the Lot.

B. CHARGES. The following charges shall be charged to Owners as may be applicable herein:

Return Check Charge	\$25.00
Filing of Lien Charge	\$150.00
Release of Lien Charge	\$150.00
Collection Costs:	Reasonable Attorney Fees and Court Costs
Other Charges:	As incurred and deemed appropriate by the Board

C. Perpetual Lien. Pursuant to C.R.S. § 32-1-1001(1)(j)(I), until such time that Owner pays any fine or other monetary penalty imposed herein, such fine or penalty shall constitute a perpetual lien on and against Owner's Lot, and any such lien may be foreclosed in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens.

Section 7. Hearing Process.

A. Request for a Hearing. Owner shall have fifteen (15) calendar days from the date of the Notice of Violation to request a hearing with the Board to dispute any Violation(s). The Board shall, upon such request for a hearing, set and provide written notice of the date, time and place of hearing to Owner. Such hearing shall be open to attendance to any person having the right to attend any meeting of the Board.

B. Hearing Procedures. The hearing procedures shall be as follows:

(1) The Board, through the chair of the meeting, shall direct all proceedings at the meeting. The chair shall also have complete authority to decide what evidence shall be accepted. No person shall speak without being recognized by the chair and the chair may limit the amount of time any person may speak. The failure to comply with the directions of the chair or otherwise conduct an orderly hearing may be considered, in itself, a Violation of the rules resulting in fines or other penalties.

(2) The Board, through the chair of the meeting, will describe the specific provision of the Governing Documents which is said to have been violated by Owner, including the date and place.

(3) Owner shall be asked to admit or deny the charge. Owner may speak for himself or may be represented by counsel throughout the hearing. Failure by Owner to respond or attend the hearing will be construed as an admission by Owner of the Violation.

(4) If the charge is denied, Owner shall describe the details of the circumstances at the hearing.

(5) Owner shall have the opportunity to confront each witness against him.

(6) When all complaining witnesses have been heard, Owner may make statements in rebuttal, and may provide witnesses in support of his position. The complaining witnesses may ask questions of each such rebuttal witness in turn.

(7) The Board shall have the opportunity to question any witness or involved parties if it so desires.

(8) Not more than five (5) business days following the hearing, the Board shall either:

- (i) Make a finding that the Lot is in compliance with the Governing Documents;
- (ii) Make a finding that the Lot is in Violation of the applicable provisions of the Governing Documents; or
- (iii) Continue the hearing to a date certain for the purpose of obtaining additional information regarding the alleged Violation.

The decision of the Board shall be final. The result of the vote shall be recorded in the minutes of the meeting and announced to the Owner. Following such decision, any noncompliant Owner shall correct, remedy, or otherwise remove the Violation within the time period specified in the written findings of the Board. Failure of the Owner to comply to cure the Violation within the stated time period, the Board shall provide the Owner with a written Notice of Continuing Violation and Fine as provided in Section 5 herein and the procedures set forth therein shall govern the continuing Violation.

Section 8. District Corrective Action; Emergencies.

As provided in the Declaration, in the event any Lot Owner shall fail to timely and/or satisfactorily perform any maintenance, repair or upkeep obligations of such Lot Owner in compliance with the provisions of the Declaration and with the Maintenance Standards, the District may provide in the Notice of Continuing Violation and Fine of the work required to be performed, and, if such failure to perform the work continues for a period of thirty (30) days after such Notice has been given, the District may enter upon the Lot and perform the necessary maintenance, repairs or upkeep; provided, however, that the District may, but shall not be required to, enter upon a Lot in order to perform maintenance, repairs or upkeep without prior notice to the Owner in the event of an emergency, as determined by the District in its reasonable discretion. The District shall send an invoice to the Owner for the District's costs for any such maintenance, repair or upkeep performed by the District and the District shall have a lien on the Lot until such time payment is paid to the District. If the Owner fails to reimburse the District for its costs associated with District's maintenance, repair and upkeep required for the Owner to be in compliance with the Maintenance Standards and Declaration or for any emergency work performed within thirty (30) days of the date of invoice, the Owner's account shall be turned over to the District's attorney for legal action, including but not limited, the recording of a Statement of Lien against the Lot.

Section 9. Legal Proceedings/Collections.

A. Legal Proceedings. In the event the Violation is of a continuing nature, constitutes a threat or the health, safety, or welfare of the residents or the property within Eagle Brook

Meadows, or the circumstances otherwise justify such action, the District shall have the right to pursue any legal remedy, at law or in equity, to abate the Violation immediately without proceeding through steps outlined above, as provided in Section 3 above. Nothing in this policy shall constitute an election of remedies nor preclude the Board from seeking assistance from other enforcement authorities such as police, fire or animal control. The District shall be entitled to reimbursement of its costs including reasonable attorney fees, court costs, and other legal costs incurred in all enforcement activities from any Owner who has been found in violation of any provision of the Governing Documents. Nothing in this paragraph shall be construed to prevent Owners from recovering their costs as otherwise provided by law.

B. Collection Procedures. At such time the Owner's account is turned over to the District's Attorney, the District's Attorney may take the following actions.

1. Lien. Upon receipt of a past due Owner's account from the Board, the District's attorneys shall arrange for the recordation of a lien against the Owner's property. The District's attorneys shall send a letter, via U.S. Mail and certified mail, return receipt requested, to the delinquent Owner indicating that a lien has been filed against the Owner's property and demanding immediate payment for the past due fines and any other charges imposed by the Board.

2. Other Remedies. Upon further review and direction from the Board, the District's attorneys may also file a summons and complaint in a court of competent jurisdiction for a money judgment. If a judgment or decree is obtained, such judgment or decree shall include reasonable attorney fees together with the cost of the action and all unpaid fines, charges (including charges for the filing and releasing of the lien) and interest as provided in the Governing Documents.

3. Judicial Foreclosure. Upon direction from the Board, the District's attorneys may foreclose on the lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all unpaid fines and charges owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.

4. Waivers. The District may extend the time for the filing of lawsuits and liens as the District shall determine appropriate under the circumstances.

C. Reimbursement of Enforcement Costs. The District shall be entitled to reimbursement of its costs including reasonable attorney fees, court costs, and other legal costs incurred in all enforcement activities from any Owner who has committed a Violation.

D. Defenses. Failure of the District to comply with any provision in this Covenant Enforcement and Fine Policy shall not be deemed a defense to payment of unpaid fines and charges as described and imposed herein.

EXHIBIT B
LEGAL DESCRIPTION OF PROPERTY

Lots 1 through 32, both inclusive, Block 1;
Lots 1 through 12, both inclusive, Block 2;
Lots 1 through 12, both inclusive, Block 3;
Lots 1 through 22, both inclusive, Block 4;
Lots 1 through 18, both inclusive, Block 5;
Lots 1 through 15, both inclusive, Block 6;
Lots 1 through 19, both inclusive, Block 7;
Lots 1 through 19, both inclusive, Block 8;
Lots 1 through 17, both inclusive, Block 9;
Lots 1 through 16, both inclusive, Block 10;
Lots 1 through 18, both inclusive, Block 11;
Lots 1 through 9, both inclusive, Block 12;
Lots 1 through 12, both inclusive, Block 13;
Lots 1 through 12, both inclusive, Block 14;
Lots 1 through 10, both inclusive, Block 15;
Lots 1 through 14, both inclusive, Block 16;
Lots 1 through 9, both inclusive, Block 17;
Lots 1 through 11, both inclusive, Block 18;
Lots 1 through 12, both inclusive, Block 19;
Lots 1 through 8, both inclusive, Block 20;
Tracts A, B, C, D, E, F, G, H, I, J, K, L; and
Outlot A;

All being in Eagle Brook Meadows First Subdivision to the City of Loveland, Colorado, according to the plat thereof recorded in the Clerk and Recorder's Office of Larimer County, Colorado on November 28, 2006 at Reception No. 20060089602, City of Loveland, County of Larimer, State of Colorado.