

**RULES AND REGULATIONS
SOUTHPARK HOMEOWNERS
ASSOCIATION NUMBER 2**

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I. AUTHORITY

- A. It benefits all homeowners to establish rules and regulations for the common use and enjoyment of Association members. The community of Southpark Homeowners Association Number 2 has three goals: to protect each Homeowner's investment, to enhance property values, and to improve everyone's living environment.
- B. These Rules and Regulations have been adopted by the Board of Directors of the Association pursuant to Article VIII, Section 1 of the By-Laws to establish Rules and Regulations authorized by the Declaration of Covenants recorded July 2, 1982 in Book 3664, Page 531, Reception Number 2187628, Clerk and Recorder's Office, County of Arapahoe, Colorado. These rules are supplemental to the Declaration. Time is of the essence in the performance of all the Rules and Regulations herein.
- C. The Board of Directors of the Association reserves the right to amend these Rules and Regulations and to make such other Rules and Regulations from time to time as may be deemed necessary for the safety, care and cleanliness of the premises and for securing the comfort and convenience of all the occupants thereof.
- D. These Rules and Regulations shall be construed in accordance with and governed by the laws of the State of Colorado.
- E. The paragraph captions are set forth only for convenience and reference and are not intended in any way to define the scope or intent of these Rules and Regulations.
- F. The Board of Directors, Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all rules, regulations, restrictions, conditions, covenants, liens and charges now or hereafter imposed by these Rules and Regulations.

G. The effective date of these Rules and Regulations is June, 2004 and supersedes any and all previously published Rules and Regulations.

II. ADMINISTRATIVE

A. DEFINITIONS

ASSOCIATION: The Southpark Homeowners Association Number 2.

AWNING: A solid color canvas or mesh canopy that is retractable and operates on either a gear/hand crank or electric motor and is permanently attached to the townhouse.

BOARD: The Board of Directors for Southpark Homeowners Association Number 2.

BY-LAWS: The laws or rules governing the internal affairs of Southpark Homeowners Association Number 2 as adopted by the Board of Directors on February 5, 1982 and as subsequently amended.

COMMON PROPERTY: All real property owned by the Association for the common use and enjoyment of the Owners.

DECLARATION: The Declaration of Covenants and Restrictions of Southpark Homeowners Association Number 2 recorded July 2, 1982, Book 3664, Page 531, Reception No. 2187628, Clerk and Recorder's Office, County of Arapahoe, Colorado.

GUEST PARKING AREA: Any parking which is shown on the plat and which is designated for use by guests only.

LEGAL DOCUMENTS: All formal documents entered

into by the Southpark Homeowners Association Number 2.

NOTICES: All notices, requests, demands, waivers and other communications given for the purpose of enforcing those Rules and Regulations will be in writing, and unless otherwise specified, will be deemed to have been given, delivered in person or mailed by first class, certified or registered mail, postage prepaid.

OWNER: The person(s)/entity that has title to the property, in accordance with the Declaration.

PROPERTY MANAGER: An agent authorized by the Board to oversee the daily operations of the Association.

RESIDENT: The Owner who is also an occupant of a unit or the renter/lessee of a unit.

RETRACTABLE SUN SCREENS: A hooded top, mounted vertical drop sun screen with or without side rails and a weight bar that operates on either a gear/hand crank or electric motor.

RV: A Recreational Vehicle or camper with living and/or sleeping accommodations.

TRUCKS: Any vehicle which is licensed as a truck or designated by the manufacturer as a truck, or used or intended for use primarily to haul or carry materials or equipment.

UNIT: A townhome that is identified with an address number and is generally considered as a home.

B. LEASING RESTRICTIONS

1. All Renters/Lessees must comply with the Legal Documents of the Association. All leases must be in writing. The Owner must include in any lease that the lease terms are subject to the legal documents of the Association. Copies of

the Legal Documents can be obtained from the Association.

2. The Association is a residential area and those Owners who are using their Unit as a rental unit must keep this in mind when considering prospective tenants. The names and motor vehicle identification or license numbers of all Renters/Lessees must be filed with the Property Manager, 2850 West Long Drive, Littleton, Colorado 80120, within ten (10) days of the lease's effective start date.
3. All Legal Documents and copies of current Association Rules and Regulations must be given to the Renter/Lessee by the Owner or Designate.

C. RULES VIOLATION PROCEDURE

Residents, Absentee Owners and Renters/Lessees must comply with the Rules and Regulations and the Legal Documents, except where a variance is requested in writing and approved by the Board. Steps in the rule violation procedure are as follows:

1. A resident who observes a rule violation reports such a violation to the Property Manager.
2. The Property Manager mails written notice to the Resident and/or the Owner.
3. If the infraction is not remedied in the specified timeframe or recurs, the Property Manager reports details to the Architectural Control Committee and/or the Board.
4. The Property Manager will advise the Resident and/or Absentee Owner, with a second written notice of the rule that is being violated and request immediate compliance with the rule.
5. If the infraction is not remedied or recurs after the second written notification, the Architectural Control Committee or the Property Manager arranges a hearing for the owner

with the Board to resolve the problem.

6. If the issue is not resolved or the Resident or Absentee Owner fails to appear before the Board when requested, the violator will be subject to any penalties as set forth below.

D. ENFORCEMENT

1. When the Rules Violation Procedure has been followed, and compliance is not evidenced, the Board may invoke one or more of the following remedies:
 - a) Impose a fine, upon written notice delivered by first class and certified mail to the Owner, jointly and severally, of not more than fifty dollars (\$50.00) for the first violation, not more than seventy-five dollars (\$75.00) for a second similar violation, or continuation of the original violation and not more than one hundred dollars (\$100.00) for continued violations, each subsequent similar violation, or continuation of the original violation. Such fine(s) shall be payable within thirty (30) days of receipt of said notice.
 - b) The amount of damage, as a result of the violation, will be assessed to the Owner, jointly and severally; and/or
 - c) Pursuant and in addition to those remedies contained in the Association's Legal Documents, take legal action against the Resident and Absentee Owner in response to the violation. Said remedies shall include, but not be limited to, injunctive relief and damages. In any such action filed, the Owner shall be jointly and severally liable for all costs incurred, including attorney fees of the Association.
2. The Association may file and enforce a lien against the violator's property, upon Notice to the Owner, for failure to pay the fines and penalties herein.

3. All applicable City of Littleton City ordinances and Colorado laws are enforceable as to the Association residences, Residents, Owners, and the Common Area, and may be acted upon without regard to the above enforcement procedure.
4. Non-enforcement of any Rule and Regulation shall, in no event, constitute waiver of that Rule or Regulation.

E. VARIANCES

An architectural variance must be requested from and approved by the Architectural Control Committee in writing; any other variances must be approved by the Board in writing and be reflected in the Minutes of a Board Meeting in order for a Resident and/or Owner to deviate from the published Rules and Regulations.

F. AMENDMENT PROCEDURES

1. Any Owner who feels that an amendment to the Rules and Regulations is warranted may submit a request for such amendment, in writing, to the Board. The request must indicate the present rule, the proposed amendment or change, and the reason for the amendment or change.
2. The Board, at its next regularly scheduled meeting, will weigh the merits of the proposed change. If the proposal is disapproved, the Property Manager will notify the Owner of the Board's decision, in writing, and the Board's reason for disapproval.
3. The Owner may again present his or her proposal, in person at the next regularly scheduled Board meeting if he or she feels that further discussion is warranted. The Board will hear such further arguments and another vote will be taken.
4. No oral amendments, statements, or promises will be enforceable. These Rules and Regulations may be amended by

a board motion duly recorded and voted on at a regular or special meeting of the Board or by an instrument in writing, approved and signed by a majority of the Board of Directors, at any regular or special meeting.

G. HIERARCHY OF GOVERNING LAWS, RULES AND REGULATIONS

The bodies of the Association's governing laws, in descending order of supremacy are: (1) The "Declarations of Covenants, Conditions and Restrictions"; (2) the "Articles of Incorporation"; (3) the "By-Laws"; and (4) the "Rules and Regulations". If two bodies of the governing laws are in conflict, the conflict will be resolved by applying the law which is the more supreme of the two bodies.

H. WAIVER

No waiver of a rule or regulation, or a violation thereof, shall be deemed to exist unless waived in writing by all of the members of the Board. No exercise or failure to exercise any right or power with regard to these Rules and Regulations or the Declaration of Covenants shall equal a waiver of said rights or powers.

I. BINDING EFFECT

These Rules and Regulations, their terms, conditions, and the covenants herein shall be binding upon and inure to the benefit of and extend to the heirs, personal representatives, successors, guests, and assigns of the respective Owner's hereto.

J. ATTORNEY FEES

Should litigation regarding these Rules and Regulations or the Declaration of Covenants to which they apply be commenced by a party subject to these Covenants herein, the prevailing party shall be entitled to all reasonable attorney

fees and costs related to such litigation.

K. PARTIAL INVALIDITY

If any term of these Rules and Regulations, or the application of these Rules and Regulations, is deemed to any extent invalid or unenforceable, the remainder of the application of the rule to persons or circumstances other than those to which the Rule or Regulation is held invalid or unenforceable will not be affected by the application, and each Rule and Regulation will be valid and will be enforced to the fullest extent permitted by law.

III. GENERAL

A. COMMON PROPERTIES: Common Properties are considered by all and any Association property outside the boundaries of an individual's unit and/or lot. Common Properties are designed to enhance the appearance of the overall development and to provide ingress and egress to individual units. Every Owner and/or Resident shall have an equal right to the use and enjoyment of the Common Properties as long as that use does not interfere with access to an individual unit or violate any of the following rules:

1. All trees, shrubs, plantings, etc. within the Common Properties are the responsibility of the Association to maintain. Should there be any greenery that requires attention, Owners should notify the Property Manager. Anyone willfully damaging trees, shrubs, evergreens, grass, flowers, fences, etc. will be financially responsible for the repair or replacement of such items. Climbing trees is strictly prohibited.
2. Firearms or projectiles of any kind are not allowed in the Common Properties.
3. Golfing or golf shots are not to be practiced in the Common Properties.

4. No trash, bottles, cans, etc., shall be discarded in the Common Properties, except in proper waste receptacles.
5. No Resident and/or Owner property shall be stored in any Common Properties.
6. Residents shall exercise reasonable care to avoid loud and objectionable noise while using the Common Properties, especially in the driveways which are often under residents' bedroom windows.
7. No roller skating, in-line skating, skateboarding, or riding of go-peds, 3 or 4-wheelers, scooters or bicycles is permitted on sidewalks (not adjacent to public streets) or within the confines of the pool, tennis courts, or in the Common Properties. City of Littleton public sidewalks and streets are exempt from these restrictions but are covered by City of Littleton ordinances.

B. PETS

1. Allowable pets within the Association community are solely domestic animals such as dogs, cats and fish.
2. All household pets, which include dogs, cats, fish or other bonafide household pets, within the Common Properties, must not cause objectionable noises or otherwise constitute a nuisance or inconvenience to any of the Residents, and must be kept in accordance with the City of Littleton Animal Control, Ordinances, and the Rules and Regulations set forth in paragraphs 3 and 4 below.
3. All dogs shall be kept on leashes and attended by their Owners when present in the Common Properties. No pets are to be tethered on any of the Common Properties, i.e. stakes, trees, bushes, light poles, etc. Pets are strictly prohibited in the swimming pool and tennis court areas and are not to be tied to any porch or deck in a manner that allows the

animal access to the Common Property

4. An Owner or Resident is responsible for any damage caused by their pet. An Owner or Resident shall also be obligated to immediately clean up after their pet while it is on the Common Properties. Any violations will be subject to Fines and Penalties contained in Section II (D) herein.
5. Any Owner or Resident who maintains a pet in the Association agrees to indemnify the Association from any loss, claim, or liability arising by any reason of keeping such pet.

C. NUISANCES

1. No noxious or offensive activity shall be carried on in any property within the Association, nor shall anything be done therein which may be or become an annoyance or nuisance to the neighborhood and other Residents. No business activities that infringe on the rights of neighbors shall be conducted.
2. No Resident or Owner shall make or permit any disturbing noises in his residence by any party; nor do or permit anything to be done by any party on the Common Area that will interfere with the rights, comforts, or convenience of other Residents. City of Littleton regulations regarding disorderly conduct are enforceable.
3. Parents shall be held responsible for the actions of their children. Children's toys or playthings shall not be left on the lawn or Common Area when not in use. Residents and Owners agree to indemnify the Association and its agents for children left unattended or any harm occurring by reason of non-attendance.

D. POLITICAL SIGNS

1. Political Signs are defined as, "a sign that carries a message

intended to influence the outcome of an election, including supporting or opposing the election of a candidate, the recall of a public official, or the passage of a ballot issue.” Signs that convey general political or ideological beliefs, unless a ballot issue, are not meant to directly influence an election’s outcome and are not considered political signs under this section. Political signs are allowed parallel to a townhouse Lot bark bed no sooner than 45 days before and 7 days after an election. Such signs may be no larger than 36” X 48”. Such signs shall not be displayed from balconies or patios. Only one sign per candidate and one sign per issue are permitted to be displayed on a single town home property.

E. VEHICULAR TRAFFIC AND PARKING

1. No Owner or Resident-owned vehicle, leased, rented, or otherwise the property or responsibility of the Owner or Resident shall be parked in a parking space designated as Guest Parking. All violators will be subject to the enforcement provisions contained herein.
2. All vehicles parked in areas designated as "No Parking Fire Lane" shall be reported to the Littleton Police Department and will be subject to enforcement by the City of Littleton.
3. The Association shall maintain one or more signs posted on its Common Area indicating that illegally or improperly parked vehicles will be ticketed. Thereafter, any vehicle that is improperly parked on Common Property shall be ticketed without further notice.
4. No repairs or maintenance involving automotive fluids shall be done on vehicles in the Association's maintained Common Properties including, but not restricted to, guest parking, alleys, driveways and clubhouse parking area.
5. No recreational vehicles, boats, trailers, or trucks shall be parked in the areas defined as Guest Parking or Common Property or driveways on Association property. Recreational vehicles, trailers, campers and commercial vehicles parked on public streets are

subject to enforcement by the City of Littleton.

- 6. Penalties for the violation of the above-defined vehicular parking rules will result in ticketing by the City of Littleton Policy Department.

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F. ARCHITECTURAL CONTROL RULES AND REGULATIONS

See following RESIDENTIAL IMPROVEMENT GUIDELINES incorporated herein as an addendum to the Rules and Regulations.

RESIDENTIAL IMPROVEMENT/ ALTERATION GUIDELINES AND RESTRICTIONS OF USE FOR SOUTHPARK HOMEOWNERS ASSOCIATION NUMBER 2

GOAL OF GUIDELINES

Compliance with these guidelines and the provisions of the Declaration will help preserve the inherent architectural and aesthetic quality of the Association. It is important that the improvements/ alterations to the property be made in harmony with and not detrimental to the rest of the community. A spirit of cooperation with the Architectural Control Committee and neighbors will go far in creating an optimum environment that will benefit all Owners. By following these guidelines and attaining approvals for improvements/ alterations from the Committee, Owners will be protecting their financial investment and will help insure that improvements/ alterations are compatible with the standards established for the Association.

I. INTRODUCTION

A. **DEFINITIONS:** The following words when used in these guidelines shall have the meanings hereinafter specified:

1. DECLARATION. Shall mean the Declaration of Covenants and Restrictions of Article II, Section 8 of the By-Laws recorded July 1, 1982 in Book 3664, Page 531, Reception No. 2187628, Clerk and Recorder's Office, County of Arapahoe, Colorado on any amendments.

~~2.~~ COMMITTEE. Shall mean the Architectural Control Committee duly appointed in conformance with Article IX, Section 1 of the By-Laws.

3. CONTENT OF GUIDELINES. In addition to the introductory material, these guidelines contain:
 - (a) a listing of specific types of improvements/ alterations which Owners might wish to make, and
 - (b) a summary of procedures.

4. GUIDELINES FOR THE COMMITTEE. All exterior improvements/ alterations Owners wish to make to townhomes in the Association are subject to the approval of the Committee.

5. EFFECT OF THE DECLARATION. Copies of the Declaration, By-Laws, and Rules and Regulations are given to new townhome Owners when they purchase their homes and are available on the Association's website: www.southpark2-hoa.org, Nothing in these guidelines shall supersede or alter the provisions or requirements of the Declaration. Articles of Incorporation, or By-Laws.

II. SPECIFIC TYPES OF IMPROVEMENTS/ ALTERATIONS

GENERAL The following is a wide variety of specific types of improvements/ alterations which Owners typically consider making. Committee approval is required on these improvements/alterations and on any improvement/ alteration not specifically discussed below. Some types of improvements/ alterations are prohibited.

- A. AIR CONDITIONING EQUIPMENT/WINDOW AIR CONDITIONERS - If not builder installed, Property Manager approval is required. Requests for installation of a window air conditioner must be made in writing to the Property Manager. Property Manager approval in writing is required prior to installation. No installation is permitted on the roof. Swamp Coolers are not permitted. One window air conditioner per unit is allowed and only on the second

floor at the rear of the unit facing the alley. Air conditioners may be installed on or after April 1, and must be removed on or before October 31. No external brackets, supports or cabling will be allowed.

- B. ANTENNAE - Exterior radio television, satellite, microwave, or other antennas are permitted only as follows. Dish antennas are permitted in accordance with the Federal Communications Commission (FCC) regulations regarding the Telecommunications Act of 1996, giving jurisdiction over homeowners associations' Covenant Controls and Restrictions on prohibiting the mounting of antennas and satellite dishes one (1) meter (39") or less in diameter on homeowners' property. Satellite dishes above one (1) meter (39") in diameter are still restricted under the present Covenant Controls and Restrictions. The following Committee rules must be followed prior to installing a satellite dish network system:

In order to trace and keep a file on Owners that have installed a satellite dish, the Committee requests the Owner submit a written statement for installation to the Property Manager. Instructions on what to include in these statement may be obtained from the Property Manager.

- C. AWNINGS - Retractable awnings which are permanently attached to the townhouse are allowed; however, requests for installations of such awnings must be submitted in writing to the Property Manager prior to installation. Retractable awnings will only be permitted over the patio/deck. Retractable awnings for windows are prohibited. The size of the retractable awning may not be larger than the patio/deck.. Upon receiving a request for retractable awning installation, the Committee will review it and respond with any conditions the Committee deems necessary at that review.

Owners are responsible for maintaining approved retractable awnings in good working order. If retractable awning fixtures are allowed to degrade, become unsightly, broken,

faded, or torn and tattered and not replaced, the Property Manager will request the Owner to remove the retractable awning fixture.

- D. BASKETBALL BACKBOARDS AND HOOPS - Not permitted.
- E. BIRDFEEDERS – Committee approval is not required for installation of birdfeeders on the Owner’s property. Any bird feeder attached to branches from trees planted in the common area and extending into the Owner’s property is the responsibility of the Owner. Birdfeeders, bird houses, or birdfeeder pole attachments will not be permitted in the Common Property. Guano droppings or decomposed, discarded, damp, or moldy seed hulls, and seed debris around the birdfeeder, if allowed to accumulate and mound below the birdfeeder becomes a health hazard. The Property Manager will request that the Owner or Resident clean the area around the feeder, or remove the feeder. If the Owner will be subject to the procedures outlined in the Enforcement section of the Association Rules and Regulations, outline above.
- F. CLOTHES LINES AND HANGERS – Committee approval is required. A retractable clothesline only. Placement of the clothesline no higher than the height of the patio fence/enclosure (excludes the common patio walls). No structural changes or additions to the building or patio. Housing for the line must be painted the same color as building. Only laundry is to be hung on the line and never is any part of the laundry to be draped over any part of the patio fence/wall. Laundry may be on the line from 6:00 AM to 6:00 PM, never overnight.
- G. DECKS - Committee approval is required.
- H. DOORS - The addition of screen, security or storm doors or above ground level window protection requires Committee approval.

- I. FENCES - Fences and/or walls may not be changed, altered, removed or replaced. Nothing shall be hung on or over the fences of any permanent nature. No trellis shall be erected.
- J. FLAGPOLES - Free standing flag poles are not allowed.
- K. FRONT ENTRANCE - No artificial turf, carpet, or similar material is allowed outside the front entrance. Door mats are permitted and do not require approval.
- L. HOT TUBS, JACUZZI AND SPAS - Committee approval is required. In addition, it must be an integral part of the deck or patio area and the top of the tub may not be visible above the fence line or wall.
- M. LANDSCAPING - Changes, additions or alterations of existing Common Property landscaping is not permitted. Committee approval is required for any landscaping, planting, clearing or removing of trees, shrubs, grass or plants on individual lots.
- N. LIGHTS AND LIGHTING - All exterior lighting requires Committee approval.
- O. RETRACTABLE SUN SCREENS - Retractable sun screens shall be allowed only with the prior approval of the Committee. The Committee shall review the design, material, color and/or pattern of the retractable sun screen and forward any stipulated conditions to the owner.
- P. ROOFTOP EQUIPMENT - Placing anything on the roof shall require Committee approval.

Q. SEASONAL DECORATIONS - These are permitted with the following qualifications:

1. Holiday decorations shall not be displayed prior to Thanksgiving and must be removed by January 15 of the following year.
2. No lawn figures, roof figures, or audible music is allowed.
3. Other holiday decorations may be displayed and must be removed within one week of the celebrated holiday.

R. SCREENS - All moveable windows in townhomes must have well-maintained screens (no frays, warped frames, worn areas, holes, tears, etc.) at all times. This includes patio doors, screen doors, and sliding doors. The Property Manager will notify any owner with unsightly or damaged screens to repair them.

S. SHUTTERS - Shutters are not allowed on the exterior of any Townhome, unless builder installed.

T. SIGNS AND ADVERTISING - No signs or advertising of any type shall be erected on the Common Property except traffic control type signs erected at the discretion of the Board of Directors. Two signs (no larger than 18" x 24") advertising homes for sale or rent shall be allowed, provided that these "For Sale" and "For Rent" signs shall be placed only inside a unit, in a front window, alley window, patio window, or outside the unit parallel to the townhome in the bark bed. Such signs are not permitted in the grass areas across walkways. The Association permits residents to display one political sign for each issue or candidate (no larger than 18" x 24") either in a window of the unit or outside the unit parallel to the townhome in the bark bed directly in front of the townhome. Such display of a political sign is only permitted 45 days prior to an election

and no longer than seven (7) days following the election.

- U. WALLS - Outside walls, chimneys and roofs shall not be modified, changed, or altered in any way. The outside walls and chimneys should be free of any decorations that are visible from the Common Properties.
- V. WOOD STORAGE - Committee approval is not needed to store wood. It is recommended that wood be stored in the garage. Small amounts may be neatly stacked on the patio but may not block drainage patterns nor be above the height of the fence line. Wood may not be stacked in the Common Property or on front porches.

III. PROCEDURE FOR COMMITTEE APPROVAL

- A. GENERAL - In all cases, improvements/ alterations require advance written approval of the Architectural Control Committee before the improvement/alteration to the property is started.
- B. DRAWINGS AND PLANS - Drawings or plans detailing the proposed improvement/alteration must be submitted in accordance with Article VIII, Section 1 of the Declaration. Simple drawings and descriptions may be sufficient. Two copies of the plans should be submitted to the Committee. One copy will be returned to the **Owner** after the Committee has acted. The plans may be faxed or mailed to the Property Manager.
- B. ACTION BY THE COMMITTEE - The Committee shall meet and render its decision within thirty (30) days after receipt of the Owner's plans. This can be extended if mutually agreed upon. If the Committee does not make a decision in the thirty (30) day period, the improvement/alteration will be deemed to be approved.
- C. EXPIRATION OF COMMITTEE APPROVAL - Plans and requests directed to the Committee that have been

approved expire six (6) months after date of approval. Any projects not begun by the expiration must be resubmitted to the Committee for approval.

- D. NOTICE OF NON-COMPLIANCE - The Committee shall have the right to inspect the work within sixty (60) days of completion. The Committee and/or Property Manager will notify the Owner in writing of any non-compliance if the Committee finds that any improvement/alteration has been done without the approval of the Committee, or not done in compliance with the description furnished to and approved by the Committee
- E. RIGHTS OF APPEAL - Every Owner or Resident subject to these Rules and Regulations has a right to appeal any decision made by filing a notice of appeal with the Board of Directors.

IV. VIOLATION OF IMPROVEMENT/ ALTERATION GUIDELINES - FINES AND PENALTIES

Any violation of the Residential Improvement/ Alteration Guidelines and Restrictions of Use set forth herein shall be subject to the Rules Violation Procedure and Fines/Penalties provision set forth in Article II, Paragraphs C and D of the duly adopted "Rules and Regulations - Southpark Homeowners Association Number 2" incorporating this addendum.

RESOLUTION FOR THE SHUTOFF OF WATER SERVICE

Pursuant to Article XI, Section 8 of the Declaration of Covenants and Restrictions for the SouthPark Homeowners Association No. 2, members have water service provided to their Lot served from the Association's common water meters. Members are charged a pro-rata portion of the total domestic water used. All monies received by the Association are deposited in a separate account to be held and disbursed only for payment of these charges to the appropriate governmental entity. The account is to be treated as a "Trust Account", and is neither an asset nor liability of the Association.

Water provided to the Association is through the Denver Water Department. The Association maintains a separate account for the collection of monies from Owners and for the payment of water service to the Denver Water Department. The Denver Water Department terminates the water service for delinquent accounts. The Association is subject to the shutoff of the water service provided to the properties if payment to the Denver Water Department becomes delinquent. In response to increasing delinquency in the payment of assessments by Owners, the Association deems it necessary to effectuate a policy for the shutoff of water service for nonpayment of assessments.

BE IT RESOLVED that the Board of Directors of Southpark Homeowners Association No. 2 adopts the following resolution providing for the shutoff of water service for a **owner** who is delinquent in his/her Owner assessments. Water service can, consistent with this Resolution, be shut off to an Owner who is delinquent in his/her assessments, provided the following conditions are met:

1. If an Owner is delinquent for two or more months in his/her Owner's assessments, the Board, by resolution, can order that Owner's water service to be shut off. The resolution shall specify a shutoff date which shall be at least four weeks from the date

that the resolution is adopted.

2. Within forty-eight (48) hours from the date that the resolution is adopted, the Warning Letter shall be mailed to the Owner and if the home is occupied by a tenant, the Warning Letter shall also be mailed to the tenant, if the name of the tenant is known, or addressed to "Occupant" if unknown, or posted on the premises door. The warning letter shall state the proposed action of the Board and the date the action is to be taken. The warning letter shall also state that the Owner and/or Resident of the home has a right to a hearing before at least four members of the Board, provided a written request for a hearing is made at least forty-eight (48) hours before the shutoff date. The warning letter shall also advise the Owner of this resolution and advise the Owner where a copy of this resolution can be obtained.
3. If the Owner requests a hearing, the Board, if a quorum is present, shall consider the position of the Owner, whether the water service shutoff shall be implemented, cancelled or delayed. If no quorum is obtained, the Board can only decide to delay the shutoff until the Owner's position is considered by a quorum of the Board. In the event there is no quorum present, and the Board decides to delay the shutoff, another hearing shall be scheduled before the Board.
4. In deciding whether to implement the shutoff, the Board may consider all relevant facts, including, but not limited to, the following:
 - a) Whether the shutoff will create an unreasonable risk to the health of the occupant of the unit.

- b) Whether the shutoff will create an unusual risk of significant property damage to the unit or to property in the unit.
 - c) Whether the Owner is facing a bona fide financial hardship and whether he/she has made a proposal which will bring the assessments current in a reasonable length of time.
 - d) If the unit is occupied by a tenant, whether the tenant paid his/her current rent on the unit.
5. If the Board decides to delay the shutoff, pending the happening of conditions (such as payment by the Owner) and those conditions are not met, the Board, without further hearing may proceed with the shutoff procedure. Written notice of the shutoff shall be mailed to the Owner and Resident, or posted on the property, at least ten (10) days before the shutoff.
6. After the shutoff, if the Owner either pays the delinquent assessments plus the Association's cost for turning off (and restoring) the water service or makes arrangements which are satisfactory to the Board for payment, the water service shall be turned back on without unreasonable delay.
7. In addition to shutting off the water service, the Board may take any of the following actions:
- a) Foreclose its assessment lien on the Unit;
 - b) File a lawsuit against the Owner for the delinquent assessments;
 - c) Obtain a Court appointed receiver to collect the rents and maintain the home;

- d) Suspend voting rights;
- e) Take any other action permitted by the Association's governing documents and the laws of the State of Colorado.

WATER SHUTOFF PROCEDURE CHECKLIST

Owner Name and Unit address: (Mailing address if different from unit):

_____ Owner's due date: _____
(Owner must be at least two months delinquent)

_____ Resolution adopted by Board as to this Owner and shutoff date set at least four weeks away:

_____ Resolution adopted: _____

_____ Shutoff _____ date _____ and _____ time:

_____ Warning Letter delivered/mailed within 48 hours of adoption of Resolution

Mailed _____ Owner ____
Posted _____ Tenant ____

_____ Written request for hearing received from Owner. (Must be received at least 48 hours prior to shutoff time)

Time received _____
Date received _____

_____ Hearing conducted by at least 4 Board members on _____ (Date). (List who was present and whether quorum obtained. Unless a quorum is present the only decisions that can be made is to delay the shutoff.) Decision made to:

implement shutoff _____
delay shutoff _____
cancel shutoff _____

_____ Shutoff implemented and Water Shut Off Notice sent at least 10 days before shutoff:

_____ Date Mailed ; _____ Date Posted on Door
_____ Date and Time of Actual Shutoff

WATER SHUT OFF NOTICE

TO: _____

FROM: BOARD OF DIRECTORS
Southpark Homeowners Association No. 2

PLEASE TAKE NOTICE AS FOLLOWS: The Owner(s) of the above-referenced property is/are delinquent in the payment of monthly **Owner** association assessments, including assessments for water, which are due the Southpark Homeowners Association No. 2. On _____, a resolution was adopted by the Board of Directors which authorized turning off the water at your residence. You were previously mailed a Warning Letter of the proposed action by the Board and provided an opportunity for a hearing before the Board. A copy of the resolution authorizing the Board to shut off your water is enclosed herewith.

Please take notice that on _____, the Board of Directors voted to shut off the water at _____. The assessment owed to the Southpark Homeowners Association No. 2 now totals \$ _____ through _____. The Association will shut off water service of your residence not earlier than ten (10) days after the date of this notice, and not later than _____. You have a right, as a **Owner** or occupant, to a hearing before at least four (4) members of the Board of Directors, provided a written request for such hearing is received at least forty-eight (48) hours before the shutoff date above.

PLEASE TAKE NOTICE THAT YOUR WATER WILL BE SHUT OFF AFTER 5:00 P.M. ON _____, UNLESS YOUR DELINQUENT ASSESSMENTS ARE PAID IN FULL OR SATISFACTORY ARRANGEMENTS ARE MADE FOR PAYMENT PRIOR TO THAT TIME.

SOUTHPARK HOMEOWNERS ASSOCIATION

NO. 2

By: _____