

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
LOVELAND MIDTOWN METROPOLITAN DISTRICT**

A RESOLUTION AMENDING AND RESTATING THE DISTRICT'S COVENANT  
ENFORCEMENT POLICY FOR VIOLATIONS OF THE DECLARATION OF PROTECTIVE  
COVENANTS OF BOISE VILLAGE NORTH

WHEREAS, Loveland Midtown Metropolitan District (the "District") was organized pursuant to C.R.S. §32-1-101 *et seq.*, by order of the District Court in and for Larimer County, Colorado, and after approval of the eligible electors of the District at an election held on November 2, 2004, for the purpose of assisting in the financing and construction of certain infrastructure and amenities associated with the development of approximately 51 total acres ("Boise Village North"); and

WHEREAS, pursuant to the District's Amended and Restated Service Plan, approved by the City of Loveland City Council on March 1, 2005, via Resolution #R-24-2005, the District has the power to provide covenant enforcement and design review services within the District if the covenants to be enforced within the District name the District as the enforcement or design review entity; and

WHEREAS, Boise Village North is subject to a "Declaration of Protective Covenants of Boise Village North, P.U.D., City of Loveland, Larimer County, Colorado" ("Declaration"), which was recorded in the office of the Larimer County Clerk and Recorder on October 11, 2005 at Reception No. 2005-0086536, as may be amended from time to time in the future; and

WHEREAS, Sections 2.01 and 4.05 of the Declaration provides for the governing board of the District to enforce the covenants of the Declaration and to exercise the functions of the Architectural Control Committee as permitted pursuant to C.R.S. § 32-1-1004(8); and

WHEREAS, Section 2.03 of the Declaration authorizes the governing board of the District, representing the members the Architectural Control Committee, to adopt development standards and guidelines and rules and regulations from time to time establishing procedures and design standards, criteria and guidelines in furtherance of this Declaration; and

WHEREAS, pursuant to C.R.S. §32-1-1001(1)(j), the District is authorized to fix and impose fees, rates, tolls, charges, and penalties for services or facilities provided by the District which, until paid, shall constitute a perpetual lien on and against the property served, which may be foreclosed in the same manner as for the foreclosure of mechanics' liens; and

WHEREAS, on October 29, 2008, the District adopted a Covenant Enforcement Policy ("2008 Enforcement Policy") to set forth the District's procedures for enforcing the "Governing Documents", as defined herein, including hearing procedures and the imposition of fines upon Owners, as that term is defined in the Declaration, for violations of the Declaration or any other standards, guidelines, rules or regulations adopted pursuant to Section 2.03 of the Declaration (collectively, the "Governing Documents"); and

WHEREAS, pursuant to Paragraph 11 of the 2008 Enforcement Policy, the policy may be amended from time to time by the Board; and

WHEREAS, the Board of Directors (the "Board") for the District has reviewed the 2008 Enforcement Policy and desires to amend and restate said Policy herein for violations of the Governing Documents.

NOW THEREFORE, THE BOARD OF DIRECTORS OF LOVELAND MIDTOWN METROPOLITAN DISTRICT HEREBY AMENDS AND RESTATES THE 2008 ENFORCEMENT POLICY, WHICH SHALL BE KNOWN AS THE DISTRICT'S "2016 COVENANT ENFORCEMENT POLICY," AS FOLLOWS:

1. Observation of Violation. The Board or its designee may 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 implement the procedures set forth herein. 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 to perform the procedures set forth in Paragraphs 2 and 3 herein.

2. Notice of Violations. The Board or its designee shall deliver any and all Notices required to be delivered to an Owner pursuant to this 2016 Covenant Enforcement 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 or its designee may, in its discretion, also send any Notices required to be delivered to an Owner via certified mail, return receipt requested or via overnight delivery service.

a. Notice to Cure. When the Board or its designee determines, in its sole discretion, that a violation(s) of the Governing Documents has occurred, the Board or its designee shall provide Owner with a written Notice to Cure said violation(s), containing the following information:

- (i) the nature and date of the alleged violation;
- (ii) a request that the violation be corrected within 14 calendar days of the date of the written notice. The Board or its designee may, in its sole discretion, request an alternative time period for correcting a violation if, in the sole discretion of the Board or its designee, the violation poses a threat or danger to the health, safety, or welfare of the residents or the property within the District;
- (iii) a period of not less than 14 calendar days within which the Owner may present a written request to the Board for a hearing to dispute the alleged violation;
- (iv) the proposed fine to be imposed if the violation is not corrected within 14 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.

b. Notice of Fine. If the Owner fails to cure the violation or fails to request a hearing to dispute the violation within 14 calendar days of the date of the Notice to Cure, the Board or its designee shall provide the Owner with a written Notice of Fine indicating:

(i) The sanction stated in the Notice to Cure has been imposed and, until paid, the fine constitutes a perpetual lien against the Owner's property which may be foreclosed by the District, and;

(ii) Failure of the Owner to cure the violation within 14 calendar days of the date of the first written Notice of Fine shall result in subsequent fines, and;

(iii) Owner shall remain responsible for the payment of any fines imposed prior to curing the violation.

Until such time that the violation has been cured and all fines are paid, the District shall send a written Notice of Fine to the Owner every 14 days from the date of the prior written Notice of Fine containing the information stated above and the total unpaid fines then due and owing by the Owner. In the event the Owner fails to pay such fines when due and the amount of fines outstanding equals or exceeds \$100.00, the District shall turn over the Owner's unpaid account to the District's attorneys for purposes of recording a statement of lien against the property, a copy of which shall be sent to the Owner by the District's attorney when recorded, as provided in Paragraph 8.a. hereof.

### 3. Fines and Charges.

a. Fines. Failure by Owner to cure said violation(s) or to provide written notice to the Board for a request for a hearing on said violation(s) within 14 days of the date of the written notice shall result in the imposition of the following fines:

(1) \$25.00 for *each* violation indicated in the first written Notice of Fine, up to fourteen (14) days after passage of deadline to cure each violation or to request a hearing on each violation.

(2) \$25.00 for *each* violation outstanding every 14 calendar days from the date the prior Notice of Fine was sent to the Owner.

The fines provided for in this Paragraph 3 shall apply to violations generally; however, the Board shall have the right to establish a different fine structure for particular violations, provided that such structure is clearly set forth in a resolution of the Board. 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. Any Owner's account with unpaid fines equal to or exceeding \$100.00 shall be turned over to the to the District's attorneys for purposes of recording a statement of lien against the property, a copy of which shall be sent to the Owner by the District's attorney when recorded, as provided in Paragraph 8.a. hereof.

b. Charges. The following charges shall be charged to Owners as may be applicable herein:

Return Check Charge	\$ 25.00
Late Fee	\$ 5.00
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

4. Request for a Hearing. Owner shall have fourteen (14) calendar days from the date of the Notice to Cure 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.

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

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

b. The Board, through the chairperson 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.

c. 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.

d. If the charge is denied, Owner shall describe the details of the circumstances at the hearing.

e. Owner shall have the opportunity to confront each witness against him.

f. 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.

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

h. At the conclusion of the hearing, the Board shall vote as to whether Owner violated the provisions of the Governing Documents. A majority vote shall control. The result of the vote shall be recorded in the minutes of the meeting and announced to Owner.

i. If the Board imposes a fine or other penalty, the Board shall provide written notice to Owner of such action. Owner shall have 10 days from the date of this written notice to pay such fine or take other action as required by the Board. An Owner's failure to pay such fines when due or to take such action as required by the Board shall result in the imposition of additional fines pursuant to Paragraph 3 herein and the recording of a lien against Owner's property pursuant to Paragraph 8 herein.

6. 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 property in Boise Village North, and any such lien may be foreclosed in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens.

7. 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 Boise Village North, 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 4.05 of the Declaration. 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.

8. Collection Procedures. At such time any Owner owes \$100.00 or more in fines, the Board shall turn the Owner's account over to the District's attorneys for collection.

a. 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.

b. 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.

c. 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.

d. Waivers. The District is hereby authorized to extend the time for the filing of lawsuits and liens as the District shall determine appropriate under the circumstances.

9. 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.

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

11. Amendment. This 2016 Covenant Enforcement Policy may be amended from time to time by the Board.

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

13. Recording. This Resolution shall take effect on the date and at the time of its adoption and be recorded in the office of the Larimer County Clerk and Recorder. Upon adoption, the 2008 Enforcement Policy shall be of no further force or effect.

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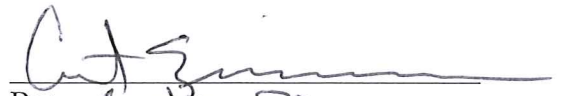
ADOPTED AND APPROVED this 2<sup>nd</sup> day of June, 2016.

LOVELAND MIDTOWN METROPOLITAN  
DISTRICT

A handwritten signature in blue ink, appearing to read "DAVE CARP", written over a horizontal line.

By: \_\_\_\_\_  
Its: President

ATTEST:

A handwritten signature in black ink, appearing to read "Curtis Zimmerman", written over a horizontal line.

By: \_\_\_\_\_  
Its: Secretary