RESOLUTION BY THE BOARD OF DIRECTORS OF THE MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 2

RESOLUTION ADOPTING POLICIES CONCERNING COVENANT ENFORCEMENT AND DESIGN REVIEW SERVICES

WHEREAS, Monument Junction Metropolitan District No. 2 (the "**District**") is a quasi-municipal corporation and political subdivision of the State of Colorado; and

WHEREAS, the Board of Directors of the District (the "**Board**") is responsible for the management, control and supervision of all business and affairs of the District and has the authority to appoint, hire, and retain agents, and in furnishing covenant enforcement and design review services, a Board may fix, and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for covenant enforcement and design review services furnished pursuant to C.R.S. Sections 32-1-1004(8) and 32-1-1004.5 (collectively, the "**Fees**"); and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S., until paid, the Fees shall constitute a perpetual lien on and against the property served; and

WHEREAS, the District is authorized by § 32-1-1004.5, C.R.S., to collect such Fees, including the District's costs for collection, by certification to the El Paso County Treasurer; and

WHEREAS, Elite Properties of America, Inc., as Declarant, executed and recorded that certain Declaration of Covenants, Conditions, Restrictions and Easements for Monument Junction, on June 10, 2022 at Reception No. 222080416 of the El Paso County, Colorado real property records, as the same may be amended and/or modified from time to time (the "**Covenants**") to subject property located within the boundaries of the District to the covenants, restrictions, easements, servitudes, liens, and charges of the Covenants and to protect and enhance the quality, value, aesthetics, desirability, and attractiveness of such property; and

WHEREAS, the Declarant empowered the District to administer and enforce the Covenants; and

WHEREAS, by this resolution (the "**Resolution**"), the District desires to set forth guidelines for the District's enforcement of the Covenants and other applicable design review guidelines (together, the "**Governing Documents**") and the imposition of Fees related to the same, all as further set forth herein; and

WHEREAS, notwithstanding anything in this Resolution to the contrary, the guidelines set forth in this Resolution are intended to create orderly and fair procedures for the enforcement of the Governing Documents and any deviation from the guidelines shall not alter, amend or impact the Covenants in any way.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF MONUMENT JUNCTION METROPOLITAN DISTRICT NO. 2, TOWN OF MONUMENT, STATE OF COLORADO, AS FOLLOWS:

1. **Intent of District**. This Resolution is adopted to ensure the protection of the health, safety and welfare of the residents and property owners of the District, to preserve property values, enhance the quality of life for all District residents, and provide a fair and consistent enforcement process of the Governing Documents. While many violations may be resolved through a courtesy/warning notice (see below), there are instances when further action is required. Fines are intended to bring properties into conformance with the Governing Documents, which includes but is not limited to the Covenants, in a timely manner while providing due notice and appeal rights to property owners as described herein.

2. **Enforcement Policy**. The District may enforce the Governing Documents as set forth herein, and any non-compliance with the Governing Documents by any owner, renter or guest will be the responsibility of the owner of the respective property subject to this Resolution (the "**Owner**"). This Resolution is intended to serve as guidance to the Board and the District's authorized representative(s) (the "**District Representative**") and does not limit or restrict the authority of the Board. The Board may intervene at any time with respect to any authority granted to or action undertaken by the District Representative. In addition, this Resolution shall not supersede the procedures for approval, disapproval, or notice of noncompliance related to improvements as set forth in the Governing Documents.

3. **Investigative Procedure.** Upon receipt of a written complaint alleging a violation of the Governing Documents, the District Representative will conduct an investigation to determine whether a violation of the Governing Documents has occurred.

4. **Enforcement Process for Continuous Violations.** Upon determining that a "Continuous Violation" (defined as a violation that is ongoing, uninterrupted by time and may take time to cure) has occurred, the District Representative and the Board shall take the following steps:

a. ***Notice of Alleged Violation***. If the District Representative determines that a Continuous Violation of the Governing Documents exists, either through the investigative process as set forth in Section 3, or through independent inspections or observations of the District Representative, the District Representative will send a Notice of Alleged Violation ("**Notice of Alleged Violation**") to the Owner by first-class United States mail to the address of the Owner on record according to the records of the County Assessor ("**Owner's Address**"), notifying the Owner: (i) of the Continuous Violation, (ii) the date of the Continuous Violation or the date the Continuous Violation was observed, (iii) that the Owner must have the Continuous Violation corrected within fifteen (15) calendar days of the date of the Notice of Alleged Violation, (iv) that failure to timely cure the Continuous Violation may result in potential fines or other sanctions, and (v) that the Owner has the opportunity for a hearing before the District Board or its designee. If, in the discretion of the District Representative, the Continuous Violation requires more than fifteen (15) days to cure, the District Representative may extend the cure period or require the Owner to commence such cure within fifteen (15) days of the date of the Notice of Alleged Violation and diligently prosecute the same to completion.

b. ***Right to Submit Written Position Statement***. An Owner who receives a Notice of Alleged Violation, in lieu of attending a hearing before the Board or its designee, may respond to the violation by sending a written position statement via certified mail to the District or its designee, at the address(es) listed on the Notice of Alleged Violation, within fifteen (15) days

of the date of the Notice of Alleged Violation, but not less than fifteen (15) days before the hearing date contained in the Notice of Alleged Violation. The Board or its designee may consider the written position statement and any other information coming before it regarding the violation, in the same manner as though a hearing were conducted.

c. ***Notice and Imposition of Fines***. If the Owner fails to cure the Continuous Violation within the timeframe set forth in the Notice of Alleged Violation and fails to request or attend a hearing, or submit a position statement to the Board or its designee, and the Board or its designee determines a violation is present or has occurred, the District shall send the Owner a Notice of Finding of Violation ("**Notice of Finding of Violation**"), which shall state that the Owner has been found in violation of the Governing Documents and may be assessed a fine for the Continuous Violation in accordance with the schedule of fines approved by the Board or its designee, as amended from time to time, and that failure by Owner to cure the Continuous Violation within the period stated in the Notice of Finding of Violation may result in additional fines to the Owner.

d. ***Further Failure to Comply***. In the event that a Continuous Violation continues to exist uninterrupted thirty (30) days after the time period to cure as set forth in the Notice of Alleged Violation, the Board may in its discretion, in addition to any other lawful remedy, send the Owner a notice of daily Fines ("**Daily Fine Notice**") and thereafter impose a daily fine of $10 for each day that a Continuous Violation so continues.

5. **Enforcement Process for Repetitious Violations**. Upon determining that a "Repetitious Violation" (defined as a violation that occurs at a set point in time and does not require time to cure, such as the parking of a restricted vehicle in the community or leaving trash cans out beyond the time allowed) has occurred, the District Representative and Board shall take the following steps:

a. ***Notice of Alleged Violation***. If the District Representative determines that a Repetitious Violation of the Governing Documents has occurred, either through the investigative process as set forth in Section 3, or through independent inspections or observations of the District Representative, the District Representative will send a Notice of Alleged Violation ("**Notice of Alleged Violation**") to the Owner by first-class United States mail to the Owner's Address, notifying the Owner: (i) of the Repetitious Violation, (ii) the date of the Repetitious Violation or the date the Repetitious Violation was observed, and (iii) that that any subsequent violations of the same restriction within ninety (90) days of the date of the Notice of Alleged Violation may result in the imposition of fines.

b. ***Notices of Repetitious Violations***. If an Owner subsequently violates the same covenant or rule within ninety (90) days of date of the Notice of Alleged Violation, each such instance shall constitute a separate Repetitious Violation for which fines may be imposed pursuant to the fine schedule set forth in Section 6. Upon the occurrence of each subsequent Repetitious Violation, the District Representative shall send the Owner a notice advising the Owner of the Repetitious Violation and the fine to be imposed ("**Repetitious Violation Notice**"). The first such Repetitious Violation Notice shall further state that the Owner is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing by the Owner within fifteen (15) days of the date of the Repetitious Violation Notice. The District may impose

additional fines with each Repetitious Violation Notice sent after the first Repetitious Violation Notice without the necessity of providing the Owner with an opportunity for a hearing thereafter.

6. **Fine Schedule**. The following fine schedule is adopted for violations of the Governing Documents:

Continuous Violations	
Notice of Alleged Violation	Advisory Letter
Notice of Finding of Violation	$25.00
Daily Fine Notice	$10.00 each day
Repetitious Violations	
Notice of Alleged Violation	Advisory Letter
Repetitious Violation Notice	$50.00 for each Repetitious Violation for which a Notice of Alleged Violation has already been sent
Miscellaneous Fees	
Late Fee	$15.00
Returned Check Fee	$35.00

7. **Finding of Repetitious or Continuous Violation**. The District Representative must identify a violation as either "Continuous" or "Repetitious" in the initial Notice of Alleged Violation. A violation cannot be both repetitious and continuous in nature.

8. **Violations or Offenses that Constitute a Present Danger**. If a violation concerns a serious or immediate risk to the health, safety, or welfare of person or property, the District Representative shall seek to obtain prompt action by the Owner to correct the violation and avoid any reoccurrence, and the procedural requirements under this Resolution may be waived by the Board any a hearing scheduled as soon as possible. The Board may impose sanctions as necessary to abate any threat to health, safety, or welfare of any person or property.

9. **Waiver of Fees**. The Board has authority and discretion to waive or reduce all or portions of the Fees. In the case of Fees exceeding $1,000.00, the person or entity owing such amount must submit a request for a waive, in writing, to the Board, which determination shall be made by the Board at an open meeting in the Board's sole discretion. Any waiver or reduction of Fees granted pursuant to this Section shall not be construed as a waiver or reduction of future Fees, or as the promise to waive or reduce future Fees.

10. **Other Enforcement Means**. The provisions of this Resolution shall be in addition to all other enforcement means which are available to the District through the Governing Documents, or by law. Application of this Resolution does not preclude the District from using any other enforcement means, including, but not limited to the recording of liens, notices of non-compliance, and any other legal or equitable remedies available to the District.

11. **Certification of Account to County Treasurer**. Pursuant to § 32-1-1004.5, C.R.S., the Board may elect to certify any delinquent account and late fees satisfying the criteria established therein to the El Paso County Treasurer for collection with ad valorem property taxes. The certification process may be in addition to or in lieu of any procedures set forth in this Resolution in the Board's sole discretion. The fees for the certification process shall be in accordance with Colorado law and El Paso County policy.

12. **Display of Flags and Signs**.

a. Flags: The display of up to two flags on a unit owner's property, in a window of the unit, or on a balcony of the unit is permitted provided the flag(s) do not exceed five (5) square feet. Bracket holders are permitted without prior approval. Permanent free-standing flagpoles must be approved by the District or a committee of the same before installation and may not exceed the peak of the roof. Flags must be kept/flown at all times in a neat and attractive condition.

b. Signs: Approval by the District or a committee of the same is required for all commercial signs with the following exceptions: one sign advertising the home for sale or for lease, not to exceed four feet (4') in height and three feet x two feet (3' x 2') in dimension. The sign shall be removed within one (1) week after closing/transfer of the property.

i. Vendor signs. Vendor signs shall be immediately removed upon completion of the work being done on the residential unit.

13. **Vehicles**. Where an occupant is employed by or a volunteer with a fire department, law enforcement, ambulance, or emergency medical services, an occupant's vehicle to be used for said services may be parked on the driveway of a unit shall have a gross vehicle weight rating of ten thousand pounds or less. Parking of the vehicle shall not obstruct emergency access or interfere with reasonable needs of other unit owners to use streets, driveways, and guest parking spaces.

14. **Landscape and Fire Mitigation**. A unit owner shall be permitted to use xeriscape, nonvegetative turf grass, or drought-tolerant vegetative or nonvegetative landscapes to provide ground covering to property for which a unit owner is responsible in accordance with Colorado Revised Statute 38-33.3-106.5. A unit owner may remove trees, shrubs, or other vegetation to create defensible space on a unit for fire mitigation purposes, so long as the removal complies with a written defensible space plan created for the unit by the Colorado State Forest Service, an individual or company certified by an entity of a local government to create such a plan, or the fire chief, fire marshal, or fire protection district within whose jurisdiction the unit is located and is no more extensive than necessary to comply with the plan. The District may require changes to the plan if the District obtains the consent of the individual, official, or agency that originally created the plan. The work must comply with applicable standards of the District regarding slash removal, stump height, revegetation, and contractor regulations.

15. **Water Conservation, Renewable Energy**. A unit owner may use a rain barrel as defined in Colorado Revised Statute 37-96.5-102(1), to collect precipitation from a residential rooftop in accordance with section 37-96.5-103, so placed to minimize as much as reasonably possible the view from adjoining unit owners. The external appearance of the rain barrel must match the roof to the closest extent possible. A unit owner is prohibited from placing or connecting a rain barrel to any property that is: (1) leased, except with permission of the lessor; (2) a common element or a limited common element of a common interest community, as defined in Colorado Revised Statute 38-33.3-103; (3) owned or maintained by the district; or (4) extends beyond a single unit, except with permission of the unit owners of each unit. Renewable energy generation devices as defined in Colorado Revised Statute 38-30-168 shall be permitted provided that the appearance is mitigated and in harmony with the aesthetic appearance of the community.

16. **Energy Efficiency Measures.** The following shall be permitted in accordance with applicable law and proper screening, which shall be determined by the Board:

a. An awning, shutter, trellis, ramada, or other shade structure that is marked for the purpose of reducing energy consumption;

b. A garage or attic fan and any associated vents or louvers;

c. An evaporative cooler;

d. An energy-efficient outdoor lighting device, including without limitation a light fixture containing a coiled or straight fluorescent light bulb, and any solar recharging panel, motion detector, or other equipment connected to the lighting device;

e. A retractable clothesline; and

f. A heat pump system, as defined in Section 39-26-732(2)(c).

An Energy Efficiency Device may not be installed on property that is: owned by another person; leased, except with permission of the lessor; collateral for a commercial loan, except with permission of the secured party; a common element or limited common element of a common interest community, as defined in 38-33.3-103; or owned or maintained by the District.

17. **Period to Enforce Violation**. Notwithstanding any law to the contrary, an action shall not be commenced or maintained to enforce the terms of any building restriction contained in an instrument or to compel the removal of any building or improvement because of a violation of the terms of any such building restriction unless the action is commenced within one (1) year after the date that the metropolitan district commencing the action first knew or, in the exercise of reasonable diligence, should have known of the violation forming the basis of the action.

18. **Legal Action**. Any violation of the Governing Documents may, in the discretion of the Board, be turned over to legal counsel to take appropriate legal action either in lieu of, or in addition to, the imposition of any fines or other penalties under this Resolution, and Owners shall be responsible for all attorneys' fees and costs incurred in enforcing this Resolution and in collection amounts due and owing the District.

19. **Deviations**. The District may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances and pursuant to applicable law.

20. **Amendment**. The policies, procedures and fine schedule set forth herein may be supplemented and/or amended from time to time by the District in its sole and absolute discretion.

21. **Supersedes Prior Resolutions**. This Resolution shall supersede and replace in their entirety all prior resolutions addressing the policies, procedures and penalties for the enforcement of the Governing Documents. To the extent that any term or provision in this Resolution conflicts with any term or provision in a previously enacted and valid resolution of the District, the term or provision in this Resolution shall prevail.

22. **Severability**. If any term, condition or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such term, condition or provision shall not affect any other provision contained in this Resolution, the intention being that such provisions are severable. In addition, in lieu of such void or

unenforceable provision, there shall automatically be added as part of this Resolution a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

23. The provisions of this Resolution shall take effect as of the date set forth below.

[*Remainder of page intentionally left blank, signature page follows*.]

ADOPTED AND EFFECTIVE as of January 1, 2025.

By: _____
President

ATTEST:

_____
Secretary

ADOPTED AND EFFECTIVE as of January 1, 2025.

By: _____
President

ATTEST:

Jerald Richardson
_____
Secretary