

RESOLUTION  
OF THE BOARD OF DIRECTORS OF  
THE VAUXMONT METROPOLITAN DISTRICT  
REGARDING  
POLICIES AND PROCEDURES GOVERNING THE ENFORCEMENT OF CERTAIN  
COVENANTS OF CANDELAS

**Effective January 1, 2025**

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WHEREAS, the Vauxmont Metropolitan District (“**District**”) is a quasi-municipal corporation and political subdivision of the State of Colorado, located in the City of Arvada, Jefferson County, Colorado, within the community known as “**Candelas**”; and

WHEREAS, pursuant to its Service Plan approved by the City of Arvada in 2004, as may be amended from time to time, and the Special District Act, §§ 32-1-101, et seq., C.R.S., the District is authorized to provide covenant enforcement and design review services for the Candelas community; and

WHEREAS, Arvada Residential Partners, LLC (the “**Master Developer**”) has caused to be recorded the Protective Covenants and Easements of Candelas, on March 26, 2012, at Reception No. 2012032029, as amended by that certain: (1) First Amendment to Protective Covenants and Easements of Candelas, recorded on September 10, 2012, at Reception No. 2012095878; (2) Supplemental Declaration Annexing Property to the Protective Covenants and Easements of Candelas, recorded on July 21, 2014, at Reception No. 2014059270; (3) Second Amendment to Protective Covenants and Easements of Candelas, recorded on November 21, 2014, at Reception No. 2014100102; and (4) Third Amendment to Protective Covenants and Easements of Candelas, recorded on September 9, 2015, at Reception No. 2015096329; of the real property records of Jefferson County, Colorado, as the same may be amended from time to time (collectively, the “**Candelas Protective Covenants**”) applicable to the real property within the District (each property individually referred to herein as the “**Property**”); and

WHEREAS, the Master Developer has also caused to be recorded the Landscape Covenants of Certain Lots in Candelas, and Certain Snow Removal, recorded on February 1, 2013, at Reception No. 2013012192 of the real property records of Jefferson County, Colorado as the same may be amended from time to time (the “**Landscape and Snow Removal Covenants**,” together with the Candelas Protective Covenants and any subsequent covenants as may be recorded against property within the District, the “**Covenants**”), the contents of which are incorporated herein by reference; and

WHEREAS, pursuant to the Covenants, on September 17, 2024 District adopted the updated Candelas Residential Design Standards (superseding previously adopted Design Guidelines dated November 6, 2019), as may be amended from time to time (the “**Design Guidelines**”); and

WHEREAS, pursuant to § 32-1-1001(1)(j)(I), C.R.S. and § 32-1-1004.5(3)(a), C.R.S., the Board is authorized to fix and from time to time increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District, including for covenant enforcement and design review services; and

WHEREAS, such fees, rates, tolls, penalties or charges, until paid, shall constitute a perpetual lien on and against the property served; and

WHEREAS, the Board desires to set establishing policies, procedures and penalties for violations of the Covenants, the Design Guidelines, any rules and regulations, and other policies and procedures of the District, as the same may be adopted, amended and supplemented from time to time (collectively, the “**Governing Documents**”); and

WHEREAS, on November 20, 2019, the Board adopted the Joint Resolution of the Cimarron Metropolitan District (“**Cimarron**”) and the District, amending and restating the policies and procedures governing the enforcement of the Covenants, recorded at Reception No. 2020002089, records of the clerk and recorder of Jefferson County, Colorado (the “**Prior Policy**”); and

WHEREAS, on November 20, 2019, the Board adopted a Resolution accepting the rights, duties and obligations to provide the enforcement services for the Covenants, from Cimarron, recorded at Reception No. 2020002088, records of the clerk and recorder of Jefferson County, Colorado; and

WHEREAS, the Board desires to adopt this Resolution to amend and restate the Prior Policy in its entirety.

NOW THEREFORE, the Board hereby adopts this Resolution and the following policies and procedures:

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, preserve property values, enhance the quality of life for all District residents, and provide a fair and consistent enforcement process for the Governing Documents.

2. Enforcement Policy. The District may enforce the Governing Documents through administrative proceedings or judicial action. Any non-compliance with the Governing Documents by any owner, renter, resident or guest will be the responsibility of the owner or unit owner of the respective property subject to this Resolution. The “**Owner**” or “**Unit Owner**” shall be deemed such person(s) who owns the physical portion of the residential property (“**Property**”) that is designated for separate ownership or occupancy and is subject to an instrument, such as the Declaration of Protective Covenants, Design Guidelines, or other rules and regulations. 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. 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 Procedures. The District may identify potential violations of the Governing Documents through investigations occurring as part of routine community inspections performed by the District Representative or through receipt of a written complaint.

a. Community Inspections. The District shall be deemed to have conducted an investigation by performing its routine community inspections in the implementation and enforcement of the Governing Documents.

b. Written Complaint. 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. The submitter of the complaint shall describe the alleged violation, identify themselves and the alleged violator, if known, state the date on which the violation was observed or occurred, the location of the violation, and provide any other pertinent information. To the extent possible, pictures shall accompany any written complaint. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the District.

4. Notice of Alleged Violation. If the District Representative determines that a violation of the Governing Documents likely exists, either through the investigative process as set forth above, or through independent inspections or observations of the District Representative (“**Alleged Violation**”), the District Representative will send a “**Notice of Alleged Violation**” via first-class U.S. mail to the last known mailing address of the Unit Owner of the Property according to the District’s records, in addition to alternative means of communication as described in paragraph 6 below. The Notice of Alleged Violation shall include: (i) the restriction or rule violated and the nature of the violation, (ii) a description of the action(s) required to cure the Alleged Violation and the timeline within which the Alleged Violation(s) must be cured, (iii) fines that may be imposed or any other action that may be taken by the District if the Alleged Violation(s) is not cured in the manner set forth by the Notice of Alleged Violation, and (iv) an opportunity for the Unit Owner to make written arrangements with the District Representative to cure the Alleged Violation within fifteen (15) calendar days (plus 2 days for U.S. Mail) of the date of the Notice of Alleged Violation.

a. If an Alleged Violation is of a continuing nature, meaning that it remains present on an ongoing basis without correction or substantive interruption (“**Continuous Violation**”), the Notice of Alleged Violation shall advise the Unit Owner that they will have fifteen (15) calendar days from the date of the Notice of Alleged Violation (plus 2 days for U.S. Mail) to come into compliance without fines or other enforcement action that may be imposed as set forth herein.

b. If an Alleged Violation is not of a continuing nature, meaning an Alleged Violation is a one-time discrete violation that is subject to cure with minimal time, effort, or expense, the Alleged Violation Notice shall contain a statement advising the Unit Owner that any additional similar violation(s) within a three (3) month period (“**Repetitive Violation**”) may result in the imposition of additional fines according to the schedule set forth in Paragraph 11, after notice and the opportunity for a proceeding. A Repetitive Violation will be considered a

Continuous Violation if it is not cured within fifteen (15) days of the date of a Fine Notice, defined below (plus 2 days for U.S. Mail).

A District Representative, in its discretion, may approve or deny arrangements to cure an Alleged Violation. If a District Representative denies arrangements for curing an Alleged Violation, they must provide the Unit Owner notice in writing prior to imposing any fines (“**Denial Letter**”). The Denial Letter shall further state the reasoning for the denial and that the Unit Owner is entitled to an informal proceeding on the merits of the matter provided that such proceeding is requested in writing by the Owner within fifteen (15) days (plus 2, for U.S. Mail) of the date of the Denial Letter.

5. Notice of Complaint and Opportunity to Be Heard. If the Unit Owner has not cured the Alleged Violation or made written arrangements with the District Representative to cure the Alleged Violation within fifteen (15) days of the Notice of Alleged Violation, or if a Repetitive Violation occurs within six months of a Notice of Alleged Violation for the same violation, then the Alleged Violation shall be considered a second occurrence of a “**Violation**” for which a fine may be imposed. The District Representative shall send a notice of complaint and opportunity to be heard (“**Fine Notice**”) to the Unit Owner at the Unit Owner’s address notifying the Unit Owner of the Violation and that a fine will be imposed on the Unit Owner’s account pursuant to the fine schedule set forth in Paragraph 11 if the Violation is not cured or no proceeding is requested as set forth below, or if it recurs within six months. The Fine Notice shall further state that the Unit Owner is entitled to an informal proceeding on the merits of the matter provided that such proceeding is requested in writing by the Unit Owner within fifteen (15) days of the date of the Fine Notice (plus 2 days for U.S. Mail), and that the Unit Owner will be deemed to have admitted and acknowledged the Violation if the informal proceeding is not requested in the manner set forth by the Fine Notice. The District may impose additional fines with each notice sent after the Fine Notice without the necessity of providing the Unit Owner with the opportunity for additional proceedings thereafter.

a. Notices of Continuous Violation and Fine. With respect to Continuous Violations, if the Owner has not requested a proceeding, cured the Alleged Violation or made written arrangements to cure the Alleged Violation with the District Representative within 15 days of the Fine Notice (plus 2 days for U.S. Mail), this shall be considered a Continuous Violation and the first fine set forth in Paragraph 11 shall then be imposed, and this shall be considered a third violation for which a fine will first be imposed. The District Representative shall send a notice of ongoing Violation (“**Continuous Violation and Fine Notice**”) to the Unit Owner at the Unit Owner’s address demanding that the Unit Owner cure the Continuous Violation and providing notice that the first fine has been imposed, and that an additional fine is being imposed on the Unit Owner’s account pursuant to the fine schedule set forth in Paragraph 11 below. If the Continuing Violation remains uncured fifteen (15) days after the date of the Continuous Violation and Fine Notice (plus 2 days for U.S. Mail), this shall be considered a fourth Violation for which an additional fine will be imposed. A second Continuous Violation and Fine Notice shall be sent to the Unit Owner and shall advise the Owner of the imposition of an additional fine, pursuant to the fine schedule set forth in Paragraph 11 of this Resolution.

b. Daily Fine. In the event that a Continuous Violation continues to exist uninterrupted 14 days after the date of the second Continuous Violation and Fine Notice, the

District may in its discretion, in addition to any other remedy, send the Unit Owner a notice of daily fines (“**Daily Fine Notice**”) and thereafter impose a fine of up to \$25.00 for each day that the Continuous Violation continues.

6. Communications via Alternative Means. It is the goal of the District to communicate with the Unit Owner in the pursuit of compliance with the Governing Documents and a swift resolution of an Alleged Violation. In addition to communications made via U.S. mail as provided in paragraphs 4, 5 and 8, the District Representative shall endeavor to communicate with the Unit Owner using alternative messaging options, including electronic mail and text, so long as such messaging options are available and authorized to the District.

7. Impartial Decision Maker. Pursuant to Colorado law, a Unit Owner has the right to be heard before an “**Impartial Decision Maker.**” An Impartial Decision Maker is defined under Colorado law as a person or group of persons who have the authority to make a decision regarding the enforcement of the District’s Governing Documents, including architectural requirements, and does not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than that of other owners subject to the same Governing Documents. Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint to act as the Impartial Decision Maker the entire Board, specified members of the Board, or any other individual or group of individuals.

8. Proceeding regarding Violation. If a proceeding is requested by the Unit Owner pursuant to Paragraph 4 or 5 above, the District Representative shall notify the Unit Owner via first-class U.S. mail, of the date, time and place of the proceeding at least ten (10) days prior to the proceeding. Proceedings regarding violations of the Governing Documents shall be conducted by an Impartial Decision Maker.

9. Failure to Attend or Request Proceeding. In the event any Unit Owner fails to request a proceeding within fifteen (15) days (plus 2 for U.S. Mail) of the date of the Fine Notice, no proceeding shall be required. Failure to request a proceeding or to appear at a requested proceeding will result in the Unit Owner being deemed to have admitted and acknowledged the Violation and the Unit Owner will thereafter be subject to all fines and penalties assessed in connection with the violation. After offering a Unit Owner the opportunity for a proceeding in the Fine Notice, regardless of whether the Unit Owner then requests a proceeding or not, the District need not offer the opportunity for a proceeding for any additional fines to be imposed for failure to cure a Continuous Violation or for subsequent instances of a Repetitious Violation.

10. Decision. After the District has taken the steps for the informal proceeding as outlined above, and in the event a proceeding is requested and held, upon a finding being reached, the District Representative shall send notice of determination (“**Notice of Determination**”) to the Unit Owner’s address informing the Owner of the Impartial Decision Maker’s findings. If the Impartial Decision Maker finds the Unit Owner is in violation of the Governing Documents the District may revoke or suspend the Owner’s privileges, impose fines

in accordance with the fine schedule set forth in Paragraph 11 below and take such other actions as it may deem necessary or appropriate to assure compliance with the Governing Documents.

11. Fine Schedule. The following fine schedule is adopted for any and all violations of the Governing Documents.

Initial Complaint of Alleged Violation (1 <sup>st</sup> Violation)	Notice of Alleged Violation / 17 days to cure (1 <sup>st</sup> Notice); No Fine
Failure to Cure Alleged Violation / Arrange to Cure (or Request Proceeding) within 17 days (2 <sup>nd</sup> Violation)	Fine Notice (or Denial Letter, if applicable) (2 <sup>nd</sup> Notice) / 17 days to cure; No Fine
3 <sup>rd</sup> Violation	Continuous Violation and Fine Notice + First Fine of \$25
4 <sup>th</sup> Violation	2 <sup>nd</sup> Continuous Violation and Fine Notice + Fine of \$50
5th and Additional Continuous Violations	Daily Fine Notice; Imposition of Daily Fine of \$25 per day

12. Perpetual Lien. Pursuant to § 32-1-1001(1)(j)(I), and § 32-1-1004.5(3)(b), C.R.S., the Board is authorized to fix and from time to time increase or decrease, fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District. Such fees, rates, tolls, penalties, or charges, until paid, shall constitute a perpetual lien on and against the property served.

13. 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 Unit Owner to correct the violation and avoid any reoccurrence, and the procedural requirements under this Resolution may be waived by the Board and a proceeding scheduled as soon as possible. The Board may impose fines or take other enforcement action as necessary to abate any threat to health, safety or welfare of any person or property.

14. Waiver of Fines and Other Amounts. The District may determine enforcement actions on a case by case basis, and take other actions as it may deem necessary or appropriate to assure compliance with the Governing Documents. The District Representative and/or the Board may, either in its sole discretion, waive all or any portion of any fines and other amounts levied under this Resolution. Additionally, the District Representative and/or the Board may condition waiver of any fine or other amount(s), upon the Unit Owner coming into and staying in compliance with the Governing Documents.

15. 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, certification to the county Treasurer's Office of delinquent fees, rates, tolls, fines, penalties, charges and/or assessments related specifically to covenant enforcement and design review services and any other legal or equitable remedies available to the District.

16. Legal Action. Any violation of the Governing Documents may, in the sole discretion of the Board, be turned over to legal counsel engaged for covenant enforcement matters ("Special 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. Unit Owners shall be responsible for all attorneys' fees and costs incurred in enforcing this Resolution and in collecting amounts due and owing the District.

17. Certification of Account to County Treasurer. Pursuant to § 32-1-1004.5(3)(b)(III), C.R.S., the Board may elect to certify any delinquent fees, rates, tolls, fines, penalties, charges, and/or assessments made or levied specifically for covenant enforcement and design review services satisfying the criteria established therein to the Jefferson County Treasurer's Office for collection with the District's *ad valorem* property taxes. The certification process may be performed by the District Representative, Special Counsel or general counsel to the District 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 Jefferson County's policy.

18. Disputes. In the event of any dispute involving the District and a Unit Owner related to the enforcement of any covenants or design review services, the Unit Owner may request to meet with the Board to resolve the dispute informally and without the need for additional enforcement actions. If the Unit Owner requests to meet with the Board, the Board shall make a reasonable effort to comply with the Unit Owner's request. Nothing in this Section shall be construed to require any specific form of alternative dispute resolution, such as mediation or arbitration, or require the parties to meet. Neither the District nor the Unit Owner waives any right to pursue whatever legal or other remedial actions available to either party.

19. Amendment. The policies, procedures and fine schedule set forth in this Resolution may be supplemented and/or amended from time to time by the District, in its sole discretion.

20. Payment. Payment for all fines shall be by check or equivalent form acceptable to the District, made payable to CliftonLarsonAllen, LLP, 8390 E. Crescent Parkway, Suite 300, Greenwood Village, CO 80111. The District may change the payment address from time and time and such change shall not require an amendment to this Resolution.

21. Severability. If any portion of this Resolution is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this resolution, which shall remain in full force and effect. 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.

22. Effective Date. This Resolution shall become effective immediately and shall supersede in its entirety any prior resolution.

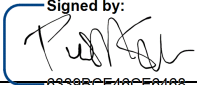
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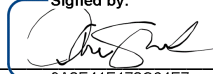
ADOPTED December 17, 2024.

**DISTRICT:**

**VAUXMONT METROPOLITAN DISTRICT** , a  
quasi-municipal corporation and political  
subdivision of the State of Colorado

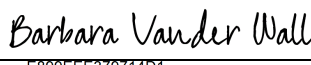
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By: \_\_\_\_\_  
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Officer of the District

**ATTEST:**

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By: \_\_\_\_\_  
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**APPROVED AS TO FORM:**

**SETER, VANDER WALL & MIELKE, P.C.**  
Attorneys at Law

Signed by:  
  
\_\_\_\_\_  
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General Counsel to the District