

CORNERSTONE AT TAMARAC RULES AND REGULATIONS

Revised February 1999

INTRODUCTION

Cornerstone at Tamarac has been designed and developed as an attractive and architecturally harmonious development. It is hoped that the neighborhood at Cornerstone remains a pleasant and harmonious place for people to live. A good neighborhood, however, requires that residents show consideration and exercise a certain degree of restraint in their personal conduct.

The Declaration of Covenants, Conditions and Restrictions for Cornerstone at Tamarac and the By-Laws for the Cornerstone at Tamarac Homeowner's Association contain a number of broad provisions in this regard. These provisions are supplemented by these Rules and Regulations, which offer more specific and detailed guidelines to further assist in the process of accommodating the many differing lifestyles of the various homeowners at Cornerstone. The Rules are applicable to all persons on the Property, whether as an owner or lessee, or as a family member, guest, agent or employee of an owner or lessee (collectively referred to as "Occupants").

Please take time to become familiar with these Rules and Regulations and follow them whenever applicable, bearing in mind that the restrictions are for the collective benefit and comfort.

DEFINITIONS

The terms in these Rules shall have the same meanings as in the Declaration of Covenants, Conditions and Restrictions for Cornerstone at Tamarac, unless the context clearly requires otherwise.

MAINTENANCE OF THE PROPERTY

Front Yards. Each Occupant must keep and maintain the landscaping in his Front Yard in a sightly and attractive condition, except to the extent of the Front Yard Maintenance performed by the Association pursuant to Section 6.1 of the Declaration. The Association may from time to time distribute watering schedules setting forth the minimum sprinkling times for all occupants and those times when sprinkling must be curtailed to permit the Association to perform its maintenance functions.

Each Occupant must keep his Front Yard free of obstructions and clutter, including unattended personal property items such as bicycles, outdoor furniture and other recreational equipment. This is especially important with respect to all sidewalks.

Storage. Front Yards will not be used for the storage of any items, including without limitation, building materials, refuse, garbage or trash. All such items must be kept outside of public view. No part of Occupant's Lot shall be used for the storage of materials which could cause harm or danger, such as fire, explosion or rodent infestation, to others in the neighborhood. For instance, no gasoline or other explosive or flammable material will be kept upon a Lot except within approved containers and only in such amounts as are necessary for normal house and lawnkeeping purposes.

Garages/Automobiles. Garage doors will be kept in their closed position at all times except when in use or open a maximum of 10 inches to allow heat to escape from the garage. No major auto repairs or renovations shall be conducted on the property except within an enclosed garage.

Trash Disposal. Trash may be brought out for pickup no earlier than the evening before the day of pickup and all trash shall be placed in closed containers. Each Occupant will be responsible for picking up all his trash which is blown around by the wind, strewed by animals, or otherwise scattered around the neighborhood. Trash containers will be taken in no later than the night of trash pickup. All Occupants can help make Cornerstone a more attractive environment by picking up any litter dropped or seen while walking on the Property.

Home Maintenance. Each Owner will maintain the roof and exterior finishes on his home and all pavement areas to avoid any appearance of dilapidation or neglect in the neighborhood. This maintenance obligation will include roof replacement as necessary, painting or staining, as applicable, of the exterior siding and trim, repairing any significant pavement cracks or damage, and keeping all outdoor planters, lawn ornamentation, sidewalks and driveway areas in good appearance and condition, well-swept and clean.

CONDUCT ON THE PROPERTY

As a general rule, Occupants should conduct themselves in a manner that is compatible with the normal and reasonable lifestyles of their neighbors. The following list of examples is illustrative of the type of conduct expected of Occupants.

Loud Noises. When playing record players, tape recorders and radios, or when entertaining guests, do not allow the noise to reach a level which disturbs the surrounding neighbors, and between the hours of 11:00 p.m. and 8:00 a.m., do not permit any noise to emanate beyond the confines of your home. Lawnmowing is permitted only between 8:00 a.m. and 8:00 p.m.

General Quiet Hours. In addition to the restrictions on loud noises in the preceding paragraph, all Occupants are requested to observe general quiet hours within the neighborhood from 11:00 p.m. to 7:00 a.m.

Noxious and Offensive Activities. Occupants may not engage in any activity which is either noxious or offensive, or constitutes a nuisance to a person of reasonable sensibilities.

PARKING

Each home is required to have a double-car garage with additional off-street parking for two cars. Accordingly, vehicles belonging to an Occupant will not be permitted to be parked on the public streets from dusk to dawn. Occupants should encourage guests, agents and employees to park in his driveway area unless this would create ingress and egress problems for the Occupant. However, no car shall be permitted to park on the public streets from dusk to dawn. Any cars parked in the public street must observe all parking restrictions. Short-term variances may be granted by the Board for special situations, e.g., family visits and out-of-town guests.

OPERATION OF MOTOR VEHICLES

Driving Restrictions. No motor vehicles, including motorcycles and motorscooters, shall be operated on the Property which create a noise level that disturbs the peace, quiet, comfort and serenity of any Owner or Occupant.

Vehicle Restrictions. Buses, commercial vehicles, truck, including pickup trucks, trailers, boats and recreational vehicles may not be parked on the Property at any time unless stored wholly within an enclosed garage. Short-term variances may be granted by the Board. Abandoned or inoperative vehicles may not be kept on the Property; nor may the Property be used to display any vehicle with "For Sale" signs attached to it.

COMMON AREAS

Occupants shall use all Association Property in a safe and courteous manner which does not unreasonably infringe upon any other Occupant's use of the Association Property. No Occupant shall do anything to damage the Association Property.

PETS

Under the terms of the Declaration, only domesticated dogs, cats and other household pets which do not unreasonably bother or annoy other persons will be permitted on the property, and each Occupant may have only two of such pets. Occupants must keep all pets on a leash outside the Occupant's lot. Each Occupant must clean up after his pets, and if he fails to do to, or if his pet causes damage to any Association Property or another Owner's Lot, the Occupant shall be responsible for all cleaning and repair costs. Obviously, if any Occupant's pet becomes a nuisance, the Board may impose additional restrictions or, if necessary, require the Occupant to find another home for the pet.

PROPERTY MANAGEMENT

Managing Agent. Pursuant to the terms of the Declaration, the Board may select a Managing Agent to handle the Association's maintenance obligations. All maintenance requests and any other

complaints should be directed to the Managing Agent. Employees of the Managing Agent are subject to the sole supervision of the Managing Agent and Occupants must refrain from asserting control over or requesting favors from them.

Charges and Assessments. Unless otherwise specified by notice to an Owner, all charges and assessments imposed by the Association are due and payable on the first day of each month and are delinquent on the 30th of that month. Payment shall be made as specified by the Board by check or money order only (no cash, please) payable to Cornerstone at Tamarac Homeowners Association, Inc. Overdue assessments may bear interest at 18% per annum, and in addition, a late charge, as determined by the Board, may be assessed for each delinquent payment. The interest rate and late charges may change from time to time upon notice by the Board.

MISCELLANEOUS

Liability for Damage. Each Occupant is responsible for his actions and the actions of that Occupant's family members, guests and agents. Any damage done to the Association Property or another Lot shall be such Occupant's responsibility.

Leasing. The Managing agent must be notified when a home is offered for rent or lease. The Managing Agent must have an address where the Owner can be reached and the name of the tenant. Any such lease must be in writing and shall include a provision setting forth the fact that the lessee is bound by the provisions of the Declaration, Articles, By-Laws, and these Rules and Regulations. After signing by both Owner and tenant, a copy of the Lease must be delivered to the Association.

ENFORCEMENT

Compliance with the Rules and Regulations is critical to the creation and maintenance of a pleasant and enjoyable environment at Cornerstone. The Rules will therefore be enforced as written. Unless an emergency situation is present, the Managing Agent will contact anyone believed to be in violation of the Rules and attempt to arrange an amicable, voluntary disposition of the matter. Please be advised, however, that if the need arises, the Board has a number of more serious sanctions at its disposal to ensure that everyone complies with the Rules. As set forth in the Declaration, the Board may suspend an Occupant's right to use the Association Property and any Association services or pursue various other legal and equitable remedies. Refer to Exhibit A (Enforcement Policies and Procedures).

Should there be a dispute as to the interpretation of the Rules and Regulation and whether there has been a violation thereof, the Board and the alleged violator will jointly select a panel of three Owners to hear the matter. The decision of this panel shall be final and binding.

NEW OWNER REGISTRATION

Mailing Address. The Board may have important information for Owners (for example,

assessment notices and voting materials). In order to ensure that Owners receive all notices promptly, Owners must register their mailing address with the Managing Agent immediately upon becoming an owner at Cornerstone. If there are multiple Owners of a home, one Owner must be selected to receive information on behalf of all Owners and register his address with the Managing Agent. If no address is registered, the Board may mail all notices to the last Owner at the address last given in the City and County of Denver tax records.

Voting Registration. Similar provisions apply in the case of an Owner's voting rights. Multiple owners of a home must select a representative member to vote on their behalf and register his name and address with the Secretary of the Association. If no representative is selected and registered, then on those matters submitted to a vote by mail, the Board is free to select any one of the Owners for receipt of the voting materials and to permit that Owner to vote on behalf of the Lot.

AMENDMENTS

Amendments to the Rules and Regulations can be made by simple majority vote of the Board of Directors. Within 30 days of enacting any amendment, copies will be delivered to all Owners pursuant to the notice provisions in the Declaration.

CONFLICTS

In the event of a conflict between these Rules and Regulations and the By-Laws or Declaration, the latter documents take precedence

EXHIBIT A
to
CORNERSTONE AT TAMARAC
RULES AND REGULATIONS

Enforcement Policies and Penalties

WHEREAS, the Board of Directors ("*Board*") of The Cornerstone at Tamarac Homeowners Association, Inc. ("*Association*") is authorized to adopt policies and penalties for enforcing the Association's documents; such authority is found in the C.R.S. §§ 38-33.3-302(1)(a) and 38-33.3-322(1)(k); the Declaration of Covenants, Conditions and Restrictions ("*Declaration*"), recorded in the City and County of Denver Clerk and Recorder's Office at Reception No. 069702, (Article VII, Section 7.2); Articles of Incorporation (Article III); and the Bylaws for The Cornerstone at Tamarac Homeowners Association, Inc. (Article IV, Section 4.3(0));

WHEREAS, the Board desires to preserve property values and promote a high quality of life; and

THEREFORE, BE IT RESOLVED that the Association will enforce the Declaration, Articles of Incorporation, Bylaws and Rules and Regulations in accordance with the following procedures:

I. DUE PROCESS

- A. In order to begin the enforcement process, an owner, resident or committee member must state in writing to the Board any violation about which he or she wishes to complain.
- B. The Board may seek immediate legal and equitable remedies where there is present danger to the health, safety and welfare of the Association and/or its members. The Board, pursuant to the Declaration, may also seek injunctive relief or damages in a court of law, and may use any self-help remedies authorized by the Association's documents.

II. NOTICE

- A. If the Board concludes the complaint does have validity, it will send a letter to the alleged violator to put them on notice of the alleged violation.
- B. If appropriate, notices shall contain a description of the alleged violation, including the date and approximate time it occurred, except in those cases justifying immediate action by the Board:
 - 1. a reasonable time period during which the alleged violation may be abated without further sanction;
 - 2. a provision that informs the alleged violator that he/she has a right to a hearing and that the request for hearing must be made within thirty (30) days, in writing;

3. an invitation to the Owner/resident to provide a statement, evidence or witnesses on his or her behalf; and
 4. the maximum sanction that the Board may impose if it concludes the governing documents are violated.
- C. All notices shall be sent either to the Owner or tenant, if the house is leased, be personal delivery, or by U.S. Mail, to the last registered address of the alleged violator, as contained in the Association records. It is the Owner's obligation to keep the management company informed of their and their renter's current address.

III HEARINGS

- A. If the alleged violation continues, or if requested in writing by the alleged violator, a hearing will be held.
- B. If a hearing is to take place, an invitation shall be sent by the Board to the person or persons filing the complaint, requesting them to attend the hearing to produce evidence and substantiate their complaint.
- C. All hearings are open to all Association Owners and residents unless the matter is highly sensitive or concerns a matter of privacy as defined by C.R.S. § 38-33.3-308.
- D. All parties may have an attorney present.
- E. Upon written request to the Association, not later than ten (10) days prior to the date of the hearing, the alleged violator shall be entitled to:
 1. obtain the names and addresses of witnesses, to the extent known to the Association; and
 2. inspect and make copies of any statement or investigative reports relative to the case contained in the Association's records. Nothing shall authorize the inspection or copying of anything that is privileged from disclosure by law or otherwise confidential or protected, such as attorney work product.
- F. The general procedure for the hearing shall consist of opening statements by each party, presentation of testimony and evidence, including the cross-examination of witnesses by each party, where appropriate, and closing statements by each party. However, if the accused does not present a defense, this general procedure may be waived.
- G. The Board may exercise its discretion as to the specific manner in which a hearing shall be conducted and may question witnesses, review evidence and take such reasonable action during the course of a hearing as it deems appropriate to reach a just decision.
- H. Each Board member must make a determination as to whether he or she is able to function in a disinterested and objective manner in considering the violation matter.

Any Board member incapable of objective and disinterested consideration shall voluntarily withdraw or be disqualified by the Board from all proceedings with regard to that matter.

IV DETERMINATION

- A. After all testimony and other evidence has been presented to the Board at a hearing, the Board shall render its decision within ten (10) days after the hearing. A decision shall be reached by a majority of the members present. The Board shall issue a written decision explaining the reasons for its decision and, if applicable, shall impose a fine as provided in Article VI.
- B. The Owner or tenant shall be notified, in writing, of the decision of the Board.

V VIOLATION TYPES

- A. Type I: Those that can be corrected immediately, which include, but are not limited to, parking and trash on the Owner/resident's property.
- B. Type II: Those that require time to correct, such as house painting and structural issues. Owners/residents who receive a Type II violation must request a hearing to provide the details of their plan to correct the offense within thirty (30) days of the date on the notice. The response shall provide the specifications to be implemented to resolve the violation and shall provide a date when the proposed remedy shall be completed. If the proposed plan is satisfactory, the management company will send an approval form. If the proposed plan is incomplete or unsatisfactory, within 45 days of the Owner/resident's response, a notice shall be sent that the matter will be set for a hearing before the Board of Directors.

VI FINE SCHEDULE

First Offense:	Warning
Second Offense:	Warning and deadline to correct
Third Offense:	\$10.00
Fourth Offense:	\$25.00
Fifth Offense:	up to \$50.00
Continuing Violation:	Up to \$50.00 each day the violation continues, (every day constitutes a separate violation)

VII MISCELLANEOUS

- A. Definitions: Unless otherwise indicated, terms used in these Enforcement Policies and Penalties shall have the meaning set forth in the Declaration, Articles of Incorporation, Bylaws and/or Rules and Regulations.
- B. Common Elements: If the violation involves damage to the Common Elements, the violator shall pay the costs of repair or replacement.

- C. Continuing Violation: Every day constitutes a continuing offense (example: if a notice of violation is sent for an inoperable vehicle, a continuing violation occurs each day, if the violation is not cured).
- D. Temporary Variances: Owners/residents who require a temporary variance because of short-term visitors or seasonal work on recreational equipment, must request the variance, in writing, at least two (2) weeks in advance. The Board has the sole discretion to decide if a temporary variance will be granted. The Association reserves the right to grant, amend, supplement, repeal or deny the variance.
- E. Attorney Fees and Costs: Owner violators shall reimburse the Association for attorney fees and costs incurred in collecting fines and/or enforcing these Enforcement Policies and Penalties. The Association may enforce the documents by any means available to the Association, including the levy of fines, suspension of rights or a lawsuit to force compliance, and may seek from any violator reimbursement of all attorney fees and costs incurred by the Association.
- F. Notice of Lien: The Association may record a Notice of Lien on the Owner's property for fines pursuant to C.R.S. § 38-33.3-316 (CCIOA). If recorded, the Lien will be on record in the Office of the Clerk and Recorder of the City and County of Denver, State of Colorado.
- G. Notice of Enforcement Policies and Penalties: These Enforcement Policies and Penalties shall be sent to each Owner of record or resident upon request. If these Enforcement Policies conflict with any Colorado statute, or the Declaration, the statute or Declaration shall prevail. The invalidity of any part of these Enforcement Policies shall not impair or affect in any manner the validity, enforceability or affect the balance of the Enforcement Policies and Penalties. There shall be no liability imposed on the Association, any member of the Board of Directors or Declarant for any loss, damage or injury arising out of or in any way connected with the Board's performance in carrying out the policies and penalties, if such party acted in good faith and without malice.
- H. Correspondence to the Board: All correspondence shall be directed to the Board at the following address:

Board of Directors
The Cornerstone at Tamarac Homeowners Association, Inc.
C/O Western States Property Services, Inc.
9145 E. Kenyon Ave., Ste 100
Denver, CO 80237
303-745-2220

These Enforcement Policies and Penalties were adopted by a vote of the Board of The Cornerstone at Tamarac Homeowners Association, Inc. on November 18, 1997.