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RESOLUTION OF THE BOARD OF DIRECTORS OF MOUNTAIN BROOK METROPOLITAN DISTRICT

REGARDING ADOPTION OF COVENANT/DESIGN STANDARD ENFORCEMENT, FINE IMPOSITION, AND DISPUTE RESOLUTION POLICY

WHEREAS, Mountain Brook Metropolitan District (the "District") was organized and exists as metropolitan district pursuant to the provisions of Sections 32-1-101 *et seq.*, C.R.S. (the "Special District Act"); and

WHEREAS, pursuant to Section 32-1-1004(8)(a), C.R.S., the board of a metropolitan district has the power to furnish covenant enforcement and design review services provided that the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the metropolitan district name the metropolitan district as the enforcement or design review entity; and

WHEREAS, the District is charged with certain enforcement and collection abilities in that certain Creekside at Mountain Brook Single Family Covenants, Conditions and Restrictions recorded with the Boulder County Clerk and Recorder on January 5, 2023 at Reception No. 03993985 (the "Covenants") within the Creekside at Mountain Brook neighborhood (the "Community"); and

WHEREAS, the Covenants authorize the District to establish and to provide for policies, procedures, regulations and rules, including Design Guidelines, or similar instruments the District is responsible for enforcing on behalf of the Community (collectively with the Covenants, the "Covenants and Design Standards"), as well as the authority, power and right of enforcement, including the levy of fines and the ability to pursue other remedies for non-compliance; and

WHEREAS, pursuant to Section 32-1-1004.5, C.R.S., a metropolitan district engaging in covenant enforcement and design review services must comply with certain procedural requirements, including but not limited to, adopting a written policy governing the imposition and collection of fines and governing disputes between the metropolitan district and a Unit Owner (as defined in Section 32-1-1004.5(1)(h), C.R.S.); and

WHEREAS, pursuant to Sections 32-1-1001(1)(j) and (k), C.R.S., the District is authorized to impose and, from time to time, to increase or decrease fees, rates, tolls, penalties or charges for services, programs or facilities furnished by the special district; and

WHEREAS, Section 32-1-1001(1)(j), C.R.S., also provides that until paid, all such fees, rates, tolls, penalties or charges shall constitute a perpetual lien on and against the property served, which lien may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanics' liens; and

WHEREAS, Section 32-1-1001(1)(m), C.R.S., authorizes the District to adopt, amend, and enforce rules and regulations not in conflict with the constitution or Colorado laws for carrying on the business, objects, and affairs of the District; and

WHEREAS, the District has determined it is necessary to adopt policies and procedures regarding imposition of fines, hearing procedures, collection of unpaid fees, penalties, and charges, and governing appeals; and

WHEREAS, the Board of Directors of the District (the "Board") desires to repeal prior policies, acts, orders or resolutions, or parts thereof, by the District related to Covenant and Design Standard enforcement, fines, and disputes, and to adopt a Covenant and Design Standard enforcement, fine imposition, and dispute resolution policy.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS MOUNTAIN BROOK METROPOLITAN DISTRICT THAT:

1. Adoption of Covenant/Design Standard Enforcement, Fine Imposition, and Dispute Resolution Policy. The Board hereby adopts the Covenant/Design Standard Enforcement, Fine Imposition, and Dispute Resolution Policy attached hereto and incorporated herein as **Exhibit A** (the "Policy").

2. Posting to Website. In accordance with Section 32-1-1004.5(5)(a)(II), C.R.S., this Policy shall be posted and available on the District's website, or, if the District is not required to maintain a website, shall be available upon request.

3. Effective Date. This Resolution and the Policy shall take effect immediately upon adoption by the Board.

4. Repealer. All prior policies, acts, orders or resolutions, or parts thereof, by the District related to Covenant and Design Standard enforcement, fines, and disputes are hereby repealed and superseded, including, except that this repealer shall not be construed to revive any act, order or resolution, or part thereof, heretofore repealed.

5. Actions to Effective Resolution and Policy. District management, Community management, legal counsel, and all other necessary consultants of the District as authorized and directed to take all actions necessary and appropriate to effectuate this Resolution and the Policy. All actions not inconsistent with the provisions of this Resolution and the Policy heretofore taken by the members of the Board, District management, Community management, legal counsel, and consultants of the District and directed toward effectuating the purposes stated herein are hereby ratified, approved, and confirmed.

6. Severability. If any section, paragraph, clause or provision of this Resolution shall be adjudged to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Resolution, it being the intention that the various parts hereof are severable.

Whereupon a motion was made and seconded, and upon a majority vote this Resolution was approved by the Board.

ADOPTED AND APPROVED THIS 9TH DAY OF DECEMBER 2024.

MOUNTAIN BROOK METROPOLITAN DISTRICT

Kevin Mulshine, President

ATTEST:

Alan Pogue, General Counsel

EXHIBIT A

Covenant/Design Standard Enforcement, Fine Imposition, and Dispute Resolution Policy

MOUNTAIN BROOK METROPOLITAN DISTRICT
COVENANT/DESIGN STANDARD ENFORCEMENT, FINE IMPOSITION, AND DISPUTE RESOLUTION POLICY

The Board of Directors (the "Board") of Mountain Brook Metropolitan District (the "District") has adopted the following policies and procedures regarding the enforcement of the Creekside at Mountain Brook Single Family Covenants, Conditions and Restrictions recorded with the Boulder County Clerk and Recorder on January 5, 2023 at Reception No. 03993985 and other subsequently enacted declaration of covenants, conditions, and restrictions, design standards, rules and regulations or similar instruments that the District is responsible for enforcing pursuant to Sections 32-1-1004(8) and 32-1-1004.5, C.R.S. (collectively the "Covenants and Design Standards"), hearing procedures and the imposition and collection of fines, fees, rates, tolls, penalties or charges for violations of the Covenants and Design Standards, and the process for resolving disputes arising with the District related to the enforcement of the Covenants and Design Standards (the "Policy"). This Policy may be terminated, amended or supplemented by action of the Board at any time.

1. Enforcement Party. The Board hereby designates the Design Review Committee (the "Enforcement Party") as the party responsible for enforcing the Covenants and Design Standards on the District's behalf and implementing this Policy. To ensure Unit Owner (as such term is defined in Section 32-1-1004.5(1)(h), C.R.S., as amended from time to time) compliance with the Covenants and Design Standards, the Enforcement Party shall inspect the Creekside at Mountain Brook neighborhood (the "Community") at regular and seasonally appropriate intervals as may be directed by the District or set forth in the Covenants and Design Standards. In addition, the Enforcement Party will review and inspect, on a case-by-case basis, any complaints of an alleged violation (each an "Alleged Violation") received from a "Reporting Party" (as defined in Paragraph 2 below) in accordance with the procedures set forth in Paragraph 2. Upon a determination by the Enforcement Party that an Alleged Violation of the Covenant and Design Standards has occurred, the Enforcement Party shall take the steps set forth in Paragraphs 3 through 10 of this Policy.

2. Reporting Alleged Violations. Complaints regarding Alleged Violations of the Covenants and Design Standards ("Complaint(s)") may be reported by property owners, District management, Community management, designated agents, law enforcement, residents, Board members, members of the applicable design review committee/architectural review committee (the "DRC"), and members of any other committees established by the Board or the Covenants and Design Standards (a "Reporting Party").

A. Complaints Filed with Enforcement Party. All Complaints shall be in writing and submitted to the Enforcement Party for review and investigation. The Complaint shall identify the Reporting Party, the "Alleged Violator" if known by the Reporting Party, and describe each Alleged Violation referencing the specific provisions of the Covenants and Design Standards that the Alleged Violator is alleged to have violated, where and when the Alleged Violation was observed, and any other pertinent information, including, if possible, a photograph or electronic image of the Alleged Violation. If the Enforcement Party cannot determine the nature of the Complaint, the Alleged Violator, or other relevant information, then, at its discretion, the Enforcement Party may return the Complaint for further information or refuse to investigate the Complaint.

B. Timing of Complaints. Complaints of Alleged Violations should be submitted to the Enforcement Party as soon as is reasonable and practical after discovery of an Alleged Violation.

C. Investigation. The Enforcement Party may (a) return the Complaint to the Reporting Party for additional information, if needed, prior to investigating an Alleged Violation, (b) decline to investigate the Complaint if it determines the Alleged Violation is not a violation of the Covenants and Design Standards, or (c) investigate the Alleged Violation further as the Enforcement Party may determine. If the Enforcement Party determines an Alleged Violation has occurred, the Enforcement Party shall take steps set forth in Paragraphs 3 through 10 of this Policy.

3. Notice of Alleged Violation. Upon a determination that an Alleged Violation of the Covenants and Design Standards has occurred, either as the result of a Complaint as set forth in Paragraph 3 or through a routine inspection completed by or on behalf of the Enforcement Party, the Enforcement Party shall send a Notice of Alleged Violation ("Alleged Violation Notice") to the Unit Owner (i) describing the Alleged Violation(s), (ii) describing the action or actions required to cure each Alleged Violation and the timeline for curing the Alleged Violation(s), (iii) fines that may be imposed if the Alleged Violation(s) is not cured by the actions required in the Alleged Violation Notice and by the time period indicated, and (iv) offering the Unit Owner an opportunity to schedule a hearing to dispute the Alleged Violation(s) within thirty 30 calendar days of the date of the Alleged Violation Notice. If an Alleged Violation is of a continuing nature, meaning that it remains present without correction ("Continuing Alleged Violation"), the Alleged Violation Notice shall advise the Unit Owner that they will have thirty (30) calendar days from the date of the Alleged Violation Notice to come into compliance without further sanctions that may be imposed as set forth herein. If an Alleged Violation is not of a continuing nature, meaning an Alleged Violation is a one-time discrete violation, the Alleged Violation Notice shall contain a statement advising the Unit Owner that any additional similar violation ("Recurring Violation") may result in the imposition of an additional fine, after notice and hearing as further set forth in Paragraph 4 herein. Notwithstanding the foregoing, if the Alleged Violation is a Recurring Violation, the Enforcement Party will send a Fine Notice (as defined and provided in Section 4 below).

4. Notice of Fine. If an Alleged Violation is not corrected within the period provided in the Alleged Violation Notice and the Unit Owner has not requested a hearing within the time period provided in the Alleged Violation Notice or if the Alleged Violation is a Recurring Violation by the same Unit Owner, then the Enforcement Party shall send the Unit Owner a notice deeming the Alleged Violation a violation of the Covenants and Design Standards (a "Violation") and imposing a fine (a "Fine Notice") and offering the Unit Owner an opportunity to schedule a hearing to dispute the fine within thirty (30) calendar days of the date of the Fine Notice. The Fine Notice shall state that additional fines may be imposed if the Violation is not cured by the deadline set forth in the Fine Notice.

5. Opportunity to Be Heard. If the Unit Owner requests an opportunity to be heard as set forth in the Alleged Violation Notice or Fine Notice, (a) the Enforcement Party shall serve a written notice of the deadline by which the Unit Owner must submit a written position statement and (b) the Enforcement Party shall hear and determine all hearings requested by Unit Owner as set forth

in this Policy. The Unit Owner shall submit a written position statement containing such information as the Unit Owner deems appropriate (including an opening statement, evidence and written testimony by affidavit or otherwise, and a closing statement). After written position statements have been submitted and heard as part of a hearing before the Enforcement Party, the Enforcement Party shall, within a reasonable time, not to exceed thirty (30) calendar days, render written findings and make a final determination. If the Unit Owner desires to further dispute the Enforcement Party's findings with an Impartial Decision-Maker (as defined herein), the Unit Owner shall follow the Appeals Process set forth in Paragraph 10 below. If the Unit Owner fails to submit a written position statement, the Enforcement Party shall send notice to the Unit Owner that the Unit Owner has waived his or her right to further appeal of the Alleged Violation and/or Fine (the "Waiver Notice") and Unit Owner must cure the Violation and pay the Fine, if applicable, within the timeline stated in the Waiver Notice or be subject to additional Fines set forth in Paragraph 7 herein.

6. Urgent/Emergency Violations. Notwithstanding the procedure set forth herein, if the Enforcement Pary reasonably determines that an Alleged Violation threatens the health, safety, prosperity, security, or general welfare of the Unit Owners of the District, then the Enforcement Party shall send the Unit Owner a notice deeming the Alleged Violation an urgent violation of the Covenants and Design Standards ("Urgent Violation") and send a Notice of Urgent Violation ("Urgent Violation Notice") to the Unit Owner (i) describing the Urgent Violation(s), (ii) describing the action or actions required to cure each Urgent Violation, (iii) fines that may be imposed if the Urgent Violation(s) is not cured by the actions required in the Urgent Violation Notice within seventy-two (72) hours, and (iv) offering the Unit Owner an opportunity to schedule a hearing to dispute the Urgent Violation(s) within seventy-two (72) hours of the date of the Urgent Violation Notice. If the Enforcement Party determines that the Unit Owner has not cured the Urgent Violation(s) or has failed to schedule a hearing to dispute the Urgent Violation(s) within seventy-two (72) hours, then the Unit Owner is subject to additional Fines set forth in Paragraph 7 herein and/or the Urgent Violation(s) may be referred to the District's Attorney as set forth in Paragraph 9 herein. If the Unit Owner desires to further dispute the Enforcement Party's findings with an Impartial Decision-Maker (as defined herein), the Unit Owner shall follow the Appeals Process set forth in Paragraph 10 below. Notwithstanding the foregoing or the other procedures set forth herein, if the Enforcement Party reasonably determines that an Alleged Violation is an emergency that imminently threatens the health, safety, prosperity, security, or general welfare of the public and/or Unit Owners of the District if not cured in less than 72-hours then the Enforcement Party can take whatever measures it reasonable determines necessary ("Emergency Violation"). In the event of an Emergency Violation, the Enforcement Party shall send the Unit Owner a notice and follow the procedures set forth above, to the extent applicable, as soon as reasonably practicable after the Enforcement Party's actions.

7. Fines.

A. Fine Schedule. The following Fine schedule ("Fines") has been adopted for Violations of the Covenant and Design Standards:

First Violation	Alleged Violation Notice
Second Violation (of same Covenant and Design Standards within one year of the first Violation) or Failure to Cure First Violation	$100.00

Third Violation (of same Covenant and Design Standards within one year of the first Violation)	$200.00
Fourth and subsequent Violations (of same Covenant and Design Standards within one year of the first Violation)	$300.00

If a Unit Owner is determined by the Enforcement Party as having a Continuing Violation, such Unit Owner may be subject to escalating Fines as described herein.

B. Due Dates. Fees, rates, tolls, fines, penalties, charges, or assessments imposed, made or levied for or related to enforcement of the Covenants and Design Standards (collectively referred to herein as a "Fee" or "Fees"), shall be due and payable when imposed, made, levied, or by the deadline set forth in the Fine Notice, unless otherwise provided in the Covenants and Design Standards, this Policy, or any other rules, policies, or resolutions promulgated by the Board.

C. Receipt Date. The District shall post payments on the day that the payment is received by the District.

D. Returned Check Charges. In addition to any and all charges imposed under the Covenants and Design Standards, any rule and regulations of the District or this Policy, an additional fee of the District in the amount of twenty dollars ($20.00) shall be assessed against the Unit Owner for each check or other instrument attributable to or payable for the benefit of such Unit Owner is not honored by the bank or is returned to the District for any reason whatsoever, including but not limited to insufficient funds (the "Returned Check Fee"). The Returned Check Fee shall be due and payable immediately upon demand and shall constitute a Fee of the District as described herein. Notwithstanding this provision, the District shall be entitled to pursue any and all other or additional remedies as may be available. If two or more of an owner's checks are returned unpaid within any calendar year, all of the owner's future payments for the next succeeding twelve (12) months shall only be accepted in the form of cashier's check or money order.

E. Status as Lien. Pursuant to Section 32-1-1001(l)(j)(I), C.R.S. and Section 32-1-1004.5(3)(b)(I), C.R.S., the Fees do and shall, until paid, constitute a perpetual lien against the Unit served. In accordance with Section 32-1-1004.5(3)(b)(II), C.R.S., the District shall not foreclose on any such perpetual lien that arises from amounts that a Unit Owners owes the District as a result of a Violation of or other enforcement of a failure to comply with the Covenants and Design Standards.

F. Interest and Penalties Imposed for Nonpayment. The District may impose such penalties for non-compliance herewith as may be permitted by law. Without limiting the foregoing, Fees that are not paid in full when due may be assessed a late fee of $15.00 per month, not to exceed 25% of the amount due, pursuant to Section 29-1-1102(3), C.R.S. Interest will also accrue on any due and unpaid Fees, exclusive of said assessed late fee, at the rate of 18% per annum, pursuant to Section 29-1-1102(7), C.R.S. Fees and penalty interest shall be paid in immediately available funds.

G. Waivers. The Board may waive and/or extend the time for payment of Fees in the exercise of its sole discretion. One waiver or extension shall not be construed as the Board's consent to other or additional waivers or extensions.

8. Collection Process.

A. After any Fee becomes more than thirty (30) calendar days delinquent, the Enforcement Party shall mail or hand deliver to the Unit and the Unit Owner's address a written notice ("First Notice") of non-payment, stating the amount past due, that interest has commenced to accrue as described herein beginning on the 10th day of delinquency, and that payment is due immediately.

B. After any Fee becomes more than sixty (60) calendar days delinquent, the Enforcement Party shall mail or hand deliver to the Unit and the Unit Owner's address a second written notice ("Second Notice") of non-payment, amount past due, notice that interest has accrued, notice of intent to file a lien and request for immediate payment.

C. After any Fee becomes more than ninety (90) calendar days delinquent, the Enforcement Party shall turn the Unit Owner's account ("Delinquent Account") over to the attorney or law firm retained by the Board to assist in collection efforts ("District's Attorney") for collection as further provided in Paragraph 9 herein.

D. In addition to any other means provided by law, the Board, by resolution and at a public meeting held after notice has been provided to an affected Unit Owner, may elect to have the delinquent Fees certified to the County treasurer, to be collected and paid over by the County treasurer in the same manner as taxes are authorized to be collected and paid over pursuant to Section 39-10-107, C.R.S.

E. No Fee shall be subject to collection during such time the dispute between the Unit Owner and the District remains on appeal pursuant to Paragraph 10 of this Resolution.

9. Referral of Delinquent Accounts and Violations to Attorneys.

A. Upon referral of any Delinquent Account or Violation (inclusive of Urgent Violations) to the District's Attorney for delinquent account collection or noncompliance with the Covenants and Design Standards, the District's Attorney shall take all appropriate action to address the referred matter. The Delinquent Account or Violation shall remain with the District's Attorney until the account is settled, has a zero balance, or is written off and until the Violation has been remedied in compliance with the Covenants and Design Standards. The District's Attorney, in consultation with the Board, may be authorized to take whatever action is necessary and determined to be in the best interests of the District, including, but not limited to:

i. Filing of a suit against the Unit Owner for injunctive relief to require the Unit Owner to comply with the Covenants and Design Standards;

ii. Filing of a suit against the delinquent Unit Owner for a money judgment;
iii. Prepare appropriate paperwork to certify a matter to the county treasurer to collect the delinquent amount in the same manner as taxes;
iv. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the District's interests; and
v. Filing a court action seeking appointment of a receiver.

If a Delinquent Account or Violation has been referred to the District's Attorney, then the Enforcement Party shall send the Unit Owner a notice notifying the Unit Owner of the referral and instructing the Unit Owner to direct all future communication regarding the Delinquent Account or Violation to the District's Attorney (a "Legal Referral Notice"). All communication with a Unit Owner regarding the Delinquent Account or Violation shall be handled through the District's Attorney once a Legal Referral Notice has been mailed to the Unit Owner. Neither the Enforcement Party nor any other representative of the District shall discuss the Delinquent Account or Violation directly with a Unit Owner after a Legal Referral Notice has been mailed to the Unit Owner.

B. Except as provided herein, the District shall be entitled to charge Unit Owners for all costs and expenses associated with collecting any unpaid Fees and addressing a Violation, including attorneys' fees and costs, including without limitation court costs, costs of service, accountants, District management and all other costs incurred in the collection of Fees as described herein (the "Collection Fees"). The Collection Fees incurred by the District shall be due and payable immediately when incurred, upon demand, and shall constitute an additional Fee of the District as described herein. In the event a Unit Owner disputes a Fine in a civil action and prevails, the Court shall award the Unit Owner reasonable attorney fees and costs and the Court shall not award costs or attorney fees to the District. If the District is not the prevailing party in the civil action, the District shall not allocate to the Unit Owner's account any of the District's costs or attorney fees incurred in asserting or defending the claim from revenue that the District collects other than ad valorem property taxes imposed on all taxpayers in the District.

C. Notwithstanding anything herein to the contrary, an action shall not be commenced or maintained to enforce the terms of any building restriction contained in the Covenants and Design Standards or to compel the removal of any building or improvement in compliance with the Covenants and Design Standards unless the action is commenced within one year after the date that the District first knew or, in the exercise of reasonable diligence, should have known of the violation forming the basis of the action.

10. Appeals – Policy for Addressing Disputes.

A. Review by Impartial Decision-Maker. If a Unit Owner disagrees with the written findings and determination of the Enforcement Party made pursuant to Paragraph 5 or 6 or if a dispute has arisen between the District and one or more Unit Owners related to the enforcement of the Covenants and Design Standards, the Unit Owner(s) may file a written appeal for review by an Impartial Decision Maker within thirty (30) calendar days of the date of the written decision of the

Enforcement Party or the date that the dispute otherwise arose with the District related to the enforcement of the Covenants and Design Standards (in which case the Unit Owner(s) shall become the "Appellant"). Pursuant to Section 32-1-1004.5(1)(d), C.R.S., an "Impartial Decision-Maker" means a person or a group of persons (A) with the authority to make a decision regarding the enforcement of the Covenants and Design Standards that the District enforces pursuant to Sections 32-1-1004.5(1)(d)and 32-1-1004(8), C.R.S., including the enforcement of any architectural requirements; and (B) that does not have any direct personal or financial interest in the outcome of the matter being decided as further defined in Section 32-1-1004.5(1)(d)(II). The District hereby appoints the District Manager, currently Special District Management Services, Inc., but which may be held by other entities or individuals in the future, as the Impartial Decision-Maker to act as provided in this Policy. Within thirty (30) calendar days of receiving the written appeal from the Appellant, the Impartial Decision-Maker, after a full and complete review of the record and consideration of any information or evidence available with respect to the Violation and/or Fine in question or other dispute that has arisen with the District related to the enforcement of the Covenants and Design Standards, shall issue a written determination regarding the appeal. If an Appellant wishes to appeal the determination of the Impartial Decision-Maker, the Unit Owner shall file a written appeal to the Board of Directors of the District within thirty (30) calendar days of receiving the determination from the Impartial Decision-Maker. In the event a proper and timely request for an appeal to the Board is not made as provided herein, the right to further appeals of the Violation and/or Fine shall be deemed forever waived.

B. Review by the Board. Upon receipt of an appeal of the Impartial Decision-Maker's determination from the Appellant, the Board shall serve notice on the Appellant, specifying the time and place of the hearing to be held by the Board regarding the appeal and directing the Appellant to present evidence of why the determination of the Impartial Decision-Maker is not correct. The notice of the hearing shall be served personally or be certified mail return receipt requested or by any mail delivery service that is the equivalent to or superior to certified mail return receipt requested with receipt, receipt verification, delivery speed, and reliability, at least thirty (30) calendar days prior to the hearing. Service may be made on any agent or officer of a corporation of the Appellant. At the hearing, the Enforcement Party, if applicable, Impartial Decision-Maker, and the Appellant shall be entitled to present all evidence that is relevant and material to the dispute, and to examine and cross-examine witnesses. The Board may establish rules and procedures governing the hearing. A record of the hearing shall be maintained. Based on the record established, the Board shall issue a written decision concerning the disposition of the dispute presented to it and shall cause notice of the decision to be hand delivered or sent by certified mail to the Appellant within thirty (30) calendar days after the hearing. Such decision shall be final and binding upon the District and the Appellant and shall constitute the final administrative action of the District.

C. Civil Action/Mediation. Any party to the hearing aggrieved or adversely affected by an order of the Board may appeal such order to the District Court in and for the County of Boulder (the "Court"), pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure. Alternatively, prior to the commencement of any legal

proceeding, the Unit Owner and District may submit the outstanding dispute arising out of the enforcement of the Covenants and Design Standards to mediation by agreement of the parties. Either party to the mediation may terminate the mediation process without prejudice. If a mediation agreement is reached, the mediation agreement may be presented to a Court as a stipulation. The stipulation must not include a requirement that the Unit Owner pay additional interest or unreasonable attorney fees. If either party subsequently violates the stipulation, the other party may apply immediately to the Court for relief. If the parties execute a stipulation that the Court deems unfair or that does not comply with the requirements of Section 32-1-1004.5(5)(b), C.R.S., the stipulation is invalid and the Court may award the Unit Owner reasonable attorney fees and costs.

10. Miscellaneous.

A. Defenses. Failure of the District to comply with any provision in this Policy shall not be deemed a defense to payment of Fees.

B. Supplement to and Limitations of Constitution and Laws. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Covenants and Design Standards and the laws of the State of Colorado. Additionally, the Board, Enforcement Party, Impartial Decision-Maker, the District's Attorney, and any other District representatives, as applicable, in acting on behalf of the District and/or in acting as members of or on behalf of the DRC pursuant to the Covenants and Design Standards or this Policy, shall not enforce any bylaws, covenants, guidelines, rules, regulations, or restrictions, however denominated, contained in the Covenants and Design Standards or this Policy, as currently enacted or as the same may be amended or supplemented from time to time, if the Board determines, in its reasonable discretion or upon advice from legal counsel, that: (i) such enforcement may infringe upon constitutional rights of residents of the District against whom the Covenants and Design Standards are contemplated being enforced; or (ii) that such Covenants and Design Standards have been determined by applicable statute, including, but not limited to, Sections 32-1-1004.5(6)-(7), C.R.S., or by a court of competent jurisdiction to be unenforceable as a matter of law. Neither the Covenants and Design Standards nor this Policy shall be construed or interpreted as a grant of authority in excess of the authority granted to the District pursuant to its governing documents, the Covenants and Design Standards, and state law as further limited by the state constitution and other applicable laws.

C. Actions to Effectuate Resolution. The Enforcement Party, Impartial Decision-Maker, the District's Attorney, and any other District representatives, as applicable, are authorized and directed to take all actions necessary and appropriate to effectuate this Policy. All actions not inconsistent with the provisions of this Policy heretofore taken by the members of the Board of Directors, Enforcement Party, Impartial Decision-Maker, the District's Attorney, and any other District representatives, as applicable, and directed toward effectuating the purposes stated herein are hereby ratified, approved and confirmed.

D. Posting to Website. In accordance with Section 32-1-1004.5(5)(a)(II), this Policy shall be posted and available on the District's website, or, if the District is not required to maintain a website, shall be available upon request.

E. Repealer. All prior policies, acts, orders or resolutions, or parts thereof, by the District related to Covenant and Design Standard Enforcement, Fines, and Disputes are hereby repealed and superseded, except that this repealer shall not be construed to revive any act, order or resolution, or part thereof, heretofore repealed.

F. Severability. If any section, paragraph, clause or provision of this Policy shall be adjudged to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Policy, it being the intention that the various parts hereof are severable.

G. Effective Date. This Policy shall take effect immediately upon adoption by the Board.