

**RULES AND REGULATIONS
SOUTHPARK OWNER'S ASSOCIATION INC.**

Effective: December 1, 2010

Preamble

The Board of Directors of the Association has adopted the following Rules and Regulations governing SouthPark Owner's Association ("Rules and Regulations") to provide for the orderly and efficient conduct of construction, administration, management, operation and control of common areas facilities and services of the Association. Article II of these Rules and Regulations implements the provisions of certain amendments to the Governing Documents as contained in the First Amendment to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of SouthPark dated August 22, 2005. Article III of these Rules and Regulations supersedes and replaces the Enforcement Procedure dated February 9, 2007 and Article IV of these Rules and Regulations supersedes and replaces the Delinquency Policy dated March 1, 2005. Article V of these Rules and Regulations supersedes and replaces the "Procedure for Owner Presentation at a Board Meeting, dated January 1, 2007. In addition, these Rules and Regulations shall supersede and replace any prior policy or practice of the Association with respect to the matters addressed herein.

The Board expressly reserves the right to amend or make revisions to these Rules and Regulations from time to time in its sole discretion, in order to provide for the orderly administration of Association business. These Rules and Regulations are supplementary to, and are not to be construed as an abridgement of the lawful rights of the Association to conduct its affairs as authorized under the Seconded Amended and Restated Declaration of Covenants, Conditions and Restrictions of SouthPark dated June 26, 1992, as amended from time to time, which Covenants shall control any conflicting provision of these Rules and Regulations, and Section 38-33.3-101 et seq. the "Colorado Common Ownership Act."

ARTICLE I

DEFINITIONS

Section 1.1. **Defined Terms.** Capitalized terms not otherwise defined herein shall have the meanings set forth in the Governing Documents.

1.1.1. ADCC: means, as applicable, the Architectural Development Control Committee for areas of SouthPark known as "The Plaza," "The Campus," "Hilltop," or "The Ridge."

1.1.2. Applicant: means, with respect to any review of proposed improvements by the applicable ADCC, an Owner, or, as applicable, the sub-association organized to include the Building Site or Undivided Tract for which a review is required under the Governing Documents.

1.1.3. Association: means the SouthPark Owner's Association Inc., acting by and through its Board of Directors.

1.1.4. Board: means the Board of Directors of the SouthPark Owner's Association, Inc.

1.1.5. Governing Documents: means Seconded Amended and Restated Declaration of Covenants, Conditions and Restrictions of SouthPark dated June 26, 1992, the First Amendment to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of SouthPark dated August 22, 2005, the Second Amendment to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of SouthPark adopted in 2007, the Bylaws of SouthPark Owner's Association Inc., dated December 6, 1982, the First Amendment to Bylaws of SouthPark Owner's Association, Inc., dated February 8, 2000. the Articles of Incorporation of SouthPark Owner's Association, Inc., dated December 6, 1982, these Rules and Regulations, and Guidelines adopted by the Association, all as may be amended for time to time.

1.1.6. Guidelines: means the Development Guidelines as approved from time to time by the Board relating to design, construction , operations and maintenance of improvements within SouthPark.

1.1.7. Improvement(s): has the meaning ascribed thereto in Section 1.4 of the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of SouthPark, dated June 26, 1992, and shall also include the meaning ascribed thereto to the term "Improvement Modification" as set forth in Paragraph 3 of the First Amendment to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of SouthPark, dated August 22, 2005.

1.1.8. Owner: has the meaning ascribed thereto in Section 1.5 of the Seconded Amended and Restated Declaration of Covenants, Conditions and Restrictions of SouthPark dated June 26, 1992. Where a Building Site has been divided into a condominium project and a an owners association (sub-association) has been created therefore, the sub-association shall be the Owner for purposes of the Governing Documents and these Rules and Regulations.

1.1.9. Review Fees: means fees or costs incurred by the applicable ADCC and the Association in connection with the review of proposed Improvements for any Building Site or Undivided Tract, as more particularly described in Article 2.1.x hereof.

1.1.10. Review Fee Deposit: means a deposit required of any Applicant with respect to the review of proposed Improvements on any Building Site or Undivided Tract.

ARTICLE II

DESIGN AND/OR ARCHITECTURAL REVIEW

Section 2.1. **Design Review Requirements.**

2.1.1. No Improvements shall be constructed, erected, placed, altered, planted,

applied or installed upon any Building Site or Undivided Tract unless said Improvements are in full compliance with the provisions of the Governing Documents and shall have been first submitted to and approved in writing by the applicable ADCC, in accordance with the applicable Guidelines. The Guidelines, as they may be amended from time to time, are hereby incorporated and made a part of these Rules and Regulations.

2.1.2. The Applicant with respect to any approval for Improvements on a Building Site or Undivided Tract shall be, as applicable, the Owner or the sub-association which has been organized in connection with the development of the Building Site or Undivided Tract, and shall not be any prospective purchaser, agent, or other third party.

2.1.3. The Applicant with respect to any approval for Improvements shall be responsible for all costs of the review. As a condition to the review of any application by the applicable ADCC, the Applicant shall remit a Review Fee Deposit in an amount estimated by the Association or the applicable ADCC, to pay the actual costs of review of the application, plus an administrative fee. Review fees shall include, but not be limited to architectural, engineering, surveying, legal, accounting and management company costs and fees. At such time as the Association or the applicable ADCC determines that the balance of the Review Fee Deposit is insufficient to fund the full costs of the review, written notice shall be provided to the Applicant specifying the deposit of additional sums to cover review costs, such amounts to be payable within ten (10) days. In the event the Applicant fails to fund such additional amounts within such period, the review process may be suspended by the applicable ADCC. Any amounts that remain past due thirty (30) days following notice of additional amounts being required, shall be subject to accrual of interest and other enforcement measures as are authorized in the Governing Documents and these Rules and Regulations. Upon completion of the approval process and final action (including any appeals to the Board) on the Application, any unused portions of the Review Fee Deposit shall be refunded to the Applicant.

2.1.4. At the time of application the Applicant shall also submit a signed letter agreement with the Association, in a form approved by the Association, by which the Applicant agrees to the payment of Review Fees, and other charges imposed or authorized by the Governing Documents or otherwise authorized by statute, including the Association's authority to impose late fees, penalties, interest, fines for noncompliance and to charge the applicant for attorney and other professional fees required to collect charges contemplated in the Governing Documents. The Applicant's letter agreement shall also give the Association, the applicable ADCC and/or their respective consultants, contractors, agents and designees, the right to enter the Building Site or Undivided Tract for purposes of inspecting the Improvements.

2.1.5. All fees, charges, costs and penalties assessed under these Rules and Regulations or the applicable Governing Documents shall be treated as an assessment and, as such, the Association has available all the legal remedies as found in the Governing Documents, including lien rights. Any and all costs associated with enforcing the Governing Documents, including attorney fees, other professional fees and any litigation or court costs shall be collectible and charged to the Owner or any sub-association as authorized under §§38-33.3-302(1)(k) and 38- 33.3-316 (1)C.R.S.

Section 2.2. **Permits and Approvals.** The Applicant shall be solely responsible for obtaining all required permits and approvals from all local, state and federal authorities or any sub-association.

Section 2.3. **Notice of Completion.**

Upon the completion of any Improvement, the Applicant shall give a written "Notice of Completion" to the Association in accordance with Section 4 of the First Amendment to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of SouthPark dated August 22, 2005. Until the date of receipt of such Notice of Completion, neither the Board nor the applicable ADCC shall be deemed to have given notice of completion of any Improvement on which approval has been sought as provided in this Article.

Section 2.4. **No Liability.**

Neither the Association, the Board, the members of any ADCC, nor any representative or agent of the Board or any ADCC appointed to act on its behalf, shall be liable in equity or damages to any person or entity submitting requests for approval or to any person or entity by reason of any action, failure to act, approval, disapproval, or failure to approve or disapprove, in regard to any matter within its jurisdiction hereunder. In reviewing any matter, such parties shall not be responsible for the safety, whether structural or otherwise, of the Improvements submitted for review, nor the conformance with applicable building codes or other governmental laws or administrative regulations, nor compliance with any other standards or regulations, and any approval of an Improvement by any ADCC or the Board shall not be deemed an approval of any such matters.

Section 2.5. **Variances.**

The applicable ADCC, or the Board, in its sole discretion, may grant reasonable variances or adjustments from any conditions and restrictions imposed by the Rules and Regulations.

Section 2.6. **Waivers; No Precedent.**

The approval or consent of any ADCC or the Board, or any representative thereof, to any application for approval shall not be deemed to constitute a waiver of any right to withhold or deny approval or consent by any ADCC, the Board, or any representative thereof, as to any application or other matters whatsoever as to which approval or consent may subsequently or additionally be required. Nor shall any such approval or consent be deemed to constitute a precedent as to any other matter.

ARTICLE III

COVENANT CONTROL ENFORCEMENT PROCEDURE

Section 3.1. **Enforcement Procedure.**

If a violation of the Declaration, Guidelines, Rule and Regulations, or other Governing Documents occurs, the following enforcement procedure shall apply:

3.1.1. A Notice of Noncompliance shall be sent to the Owner at the Owner's address of record with the Association (which may include an electronic mail address), describing the nature of the noncompliance. The Owner shall have thirty (30) days to correct the condition, or such longer or shorter period of time as the Board shall reasonably determine is sufficient and/or necessary to resolve the noncompliance.

3.1.2. If the Owner fails to correct the noncompliance to the satisfaction of the Board within the period prescribed in the Notice of Noncompliance, the Board may schedule a hearing at which a determination may be made to impose a fine of up to \$2,000, or other remedial action as permitted in the Governing Documents. The Owner will be provided written notice (in the form of a Notice of Continuing Non-Compliance and Notice of Hearing) by certified or registered mail at the Owner's address of record with the Association, of the date, time and place of the hearing. At the hearing, the Board may establish such rules of procedure as may be necessary for the conduct of the hearing. If the Owner is in attendance at the hearing, the Owner shall be given the opportunity to present information concerning the matter to the Board at the hearing. The Board shall be authorized to continue the hearing from time to time and/or make such findings as it may deem appropriate based upon the information presented at the hearing. The Board shall be authorized to take final action at the hearing, or any continuance thereof, based upon such information as the Board may then have presented at the hearing, whether or not the Owner has attended the hearing and presented information for the Board to consider. The Board shall provide the Owner with written findings following the conclusion of the hearing, including a demand for payment of any fine or other cost imposed, and/or any conditions relating thereto. The Board may continue the hearing for purposes of determining subsequent corrective action and/or compliance with the written findings.

3.1.3. The Owner shall be subject to the imposition of additional fines of up to \$2,000, without additional hearings, for each continuing event of noncompliance that remains uncorrected within the period prescribed in any Notice of Noncompliance, or Notice of Continuing Non-Compliance according to the terms for compliance established by the Board following any hearing conducted pursuant to Section 3.1.2 hereof, or any continuation thereof.

3.1.4. The Owner that is the subject of enforcement procedures under this Article III shall be responsible for all costs of enforcement, including but not limited to legal, administration, accounting, engineering, architectural or other consultant services used by the Board to address the event of noncompliance, in accordance with Section 38-33.3-302(1)(k), and 38-33.3-316(1), C.R.S..

3.1.5. All fines, charges and fees assessed under this enforcement procedure shall be treated as an assessment and, as such, the Association has available all the legal remedies as found in the governing documents, including lien rights

ARTICLE IV

DELINQUENCY POLICY

Section 4.1. **Due Date.** All assessment invoices for assessments due under Section 9.2 of the Seconded Amended and Restated Declaration of Covenants, Conditions and Restrictions of SouthPark dated June 26, 1992, shall be mailed before or on March 1.

Section 4.2. **Delinquency/Interest/Notice.** All such assessment payments are due by April 1st, and are considered delinquent if not paid by such date. Delinquent assessments not paid by April 30th shall bear interest from the date such assessment was originally due at the Wall Street Journal Prime Rate plus 3% until paid. If the assessment is not paid by May 31st, the Association shall issue a Notice of Delinquency to the Owner, specifying the amounts due, and notifying the Owner that a Statement of Assessment of Lien may be filed with respect to the delinquent property. All costs incurred by the Association in the enforcement of any delinquent assessments, including but not limited to administrative and legal fees shall be subject to the lien filing authorized herein.

Section 4.3. **Statement of Lien/Recording.** If the full amount specified in the Notice of Delinquency is not paid within thirty (30) days of the Notice of Delinquency, a Statement of Assessment of Lien may be filed by the Association for all such amounts, and for applicable recording charges, administrative costs, legal fees and other costs of enforcement.

Section 4.5. **Remedies/Foreclosure of Lien.** The Association may commence legal proceedings at any time to collect past-due assessments by any means authorized by the Governing Documents or under applicable law, including the foreclosures of any lien that has been recorded in accordance with the provisions of this Article IV.

Section 4.6. **Applicability to Other Amounts.** Where other fees, fines and charges authorized under the Governing Documents and/or these Rules and Regulations are declared therein to be treated as assessments for purposes of collection thereof, such treatment shall refer only to the giving of a Notice of Delinquency and, if such amounts are not paid within thirty (30) days of said Notice of Delinquency, and then the filing of a Statement of Assessment of Lien thereafter. No other dates or procedures set forth in this Article IV shall apply.

ARTICLE V

PROCEDURE FOR OWNER PRESENTATION AT A BOARD MEETING

The Board encourages Owner participation. To assure that Owner questions, concerns

and presentations are handled in an efficient manner, the Board has established the following procedure:

Section 5.1 **Meeting Dates.** All Owners are welcome to attend Board meetings which are held quarterly on the second Tuesday of the month. Please contact the managing agent, Custom Management Group, Inc., 2950 South Jamaica Court, Suite 101, Aurora, CO 80014, Telephone 303 752 9644, Facsimile 303 751 5188, Email customgrpl@msn.com ("CMG") to confirm the date and for exact time and location.

Section 5.2 **Meeting Agendas.** Since the Board only meets quarterly, the meeting generally takes 3 to 4 hours to address the agenda items. One week prior to the meeting, CMG sends the Board a meeting packet with the agenda, financial reports and any support documents for the agenda items.

Section 5.6 **Owner Attendance Generally.** If an Owner wishes to attend a Board meeting without presenting an issue for consideration by the Board, the Owner may attend the entire meeting, excluding any executive session. An Owner's participation in a Board meeting may be granted in the sound discretion of the Board, if the Board opens up discussion to the floor on any particular matter or issue.

Section 5.3 **Procedure for Owner Topics.** If an Owner wants to discuss or present an issue, the Owner must submit the topic in writing, with any support documents (if applicable), to CMG at least 10 days prior to the meeting. If appropriate, the item will be placed on the agenda and the support documents placed in the packet..

Section 5.4 **Owner Forum.** Immediately following the Call to Order and determination of quorum, there is an Owner Forum which allows discussion for an issue submitted by an Owner and placed upon the meeting agenda. The Owner is given 3 minutes to present the issue which is followed by any questions or comments from the Board.

Section 5.5 **Board Action.** Depending upon the topic, the Board may make a determination or ruling, if applicable, immediately, later in the meeting, take the matter under advisement or table consideration of the matter. If a determination is made at a later time, during an executive session, etc., the Owner will be notified in writing within 10 days after the determination is made by the Board.