

**RECITALS:**

- A. Colorado Revised Statutes ("C.R.S.") § 38—33.3—209.5(1)(b)(IV) requires the Association to adopt a policy concerning the enforcement of the Association's governing documents.
- B. C.R.S. § 38—33.3-302(1)(k) allows the Association to levy reasonable fines for violations of the declaration, bylaws, and rules and regulations provided the party receiving the fine is provided with notice and an opportunity to be heard.
- C. While the Association encourages the neighborly approach that residents first communicate with each other regarding a perceived violation of covenants, laws, rules and/or regulations in an attempt to resolve any problems, the intent of the Board is to establish a procedure for resolving violations of the Association's covenants, rules, and regulations.
- D. Capitalized terms in this policy are used as defined herein or, if not defined in this policy, as defined in the Amended and Restated Declaration of Covenants, Conditions and Restrictions of the Ranch Subdivision Filing No. 3 recorded with the Adams County Clerk and Recorder on September 3, 2013, at reception number 2013000076769 ('Declaration') (as amended).

THEREFORE, the following policy applies to violations of the Association's Governing Documents other than violations concerning payment of assessments by members. The following policy supersedes the Association's policy on 'Enforcement of Governing Documents' adopted August 13, 2014, the Fine Schedule for Non—Compliance of HOA Covenants 8s Guidelines, adopted in 2013, and any other prior policy or resolution on enforcing covenants other than those concerning payment of assessments by members.

**INFORMAL RESOLUTION OF VIOLATION**

Any owner, owner's tenant, or agent of the Association may directly request that an owner or resident cease or correct any act or omission, which appears to be in violation of the Governing Documents. The Association's Board of Directors ('Board') prefers that residents of the community attempt informal resolution between themselves prior to seeking formal resolution through the Association.

In the event the perceived violation would also be a violation of federal, state, or local laws or regulations the Board encourages the complaining resident to contact the appropriate government to report the perceived

**FORMAL RESOLUTION OF VIOLATION**

1. The Board or its agent(s) may initiate formal resolution of violations upon observation of a violation or receiving a report of a violation.

2. Unit owners and residents of the Association may initiate formal resolution of violations by filing a Covenant Violation Report ('Report'). Reports must be in writing and clearly indicate the specific nature of the violation, the date, time and location of the violation, and the name(s) or street address of the violator(s). The Report must be mailed to the Association's managing agent, if any, or to the Association's primary mailing address.
3. Any enforcement action taken by the Association shall be strictly within the discretion of the Board. The Board shall use its judgment in deciding how to proceed regarding any Complaint.
4. When the Board, in its sole discretion, believes that action is required regarding violation(s) of the Governing Documents, the Association shall send a letter to the accused owner (and resident when applicable) identifying the violation(s) ('Warning Notice'). The Warning Notice shall give the alleged violator thirty (30) days from the date of the Warning Notice (or other time period as determined in the discretion of the Board) to either correct the violation or to submit, in writing, a detailed plan for correction and request for additional time to correct the violation.
5. If the violation is not corrected within the timeframe set forth in the Warning Notice, or if a violation reoccurs within one year of the Warning Notice, the Board may impose a fine or other penalty and mail a letter informing the violator of the fine or penalty and giving them an option to appear at a hearing before the Board ('Fine Notice'). The Fine Notice shall give the alleged violator ten days from the date of the Fine Notice (or other time period as determined in the discretion of the Board) correct the violation before additional fines may be assessed. The person charged shall have ten days from the mailing of the Fine Notice to request a hearing in writing to dispute any violation(s) or dispute the imposition of any fine or other penalty. The penalty may consist of fines, damages, or suspension privileges. Fines for non-correction may be assessed as follows:

First Violation:	Warning Notice
Second Violation:	\$100.00
Third Violation:	\$250.00
4th & Subsequent Violations:	\$500.00

After the fourth violation, the Association may prepare and record a lien or notice of noncompliance, and may institute an action in a court of competent jurisdiction to pursue legal remedies including, but not limited to, seeking injunctive relief. Payment and collection of all assessed fines, monetary penalties, or damages will be according to the Association's established Collection Policy.

6. If the person(s) charged with violating the Association's Governing Documents requests a hearing in a timely manner, the Board shall schedule a hearing at a special or regular meeting of the Board and send a written notice of the date, time and place of the hearing to the person(s) requesting the hearing. Each of the Board Members who participate in the hearing must be impartial decision maker, which means a person who does not have any direct personal or financial interest in the outcome of the hearing. A person shall not be deemed to have a direct personal or financial interest in the

outcome of the hearing if the person will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the community. If a Board member cannot serve as an impartial decision maker, the Board member shall recuse themselves from voting on the matter. If a Board member's recusal causes the number of Board members required to hear the matter, insufficient; the remaining Board members may select a unit owner in good standing to sit in the recused Board member's place for the sole purpose of the hearing.

7. If the covenant violation concerns architectural control, the Board may determine that any requested hearing shall be held before the Architectural Control Committee ("ACC"). The ACC shall then send written notice of the date, time, and place of the hearing to the person(s) requesting the hearing. Each member of the ACC who participates in the hearing shall be an impartial decision maker and shall be subject to the recusal provisions in paragraph 6, above, and the hearing shall be conducted pursuant to the procedures below (substituting "ACC" for "Board" as necessary). If a fine or penalty is imposed by the ACC, the accused person(s) is entitled to appeal the fine or penalty before the Board. The accused person(s) may exercise this right to appeal only by written request by certified mail to the Association's managing agent, if any, or to the Board President, requesting a hearing at the next regularly scheduled Board meeting occurring more than 10 days after the ACC gave written notice of the fine or penalty. The Board shall then give the accused person a reasonable opportunity to address the Board at such Board meeting. After hearing the statement from the accused person(s), the Board shall vote to either uphold or reverse the ACCs decision.
8. Unless restricted by the Board, the hearing shall be open to attendance to any person(s) having the right to attend any meeting of the Board. The Board may restrict attendance at the hearing in accordance with C.R.S. § 38-33.3-308 regarding executive or closed-door sessions.
9. The hearing procedures shall be as follows:
  - a. The Board, through the chair of the hearing, shall direct all proceedings at the meeting. The chair shall also have complete authority to decide what evidence will be accepted. No person shall speak until the chair recognizes them, and the chair may limit the amount of time any person may speak. The chair may also impose other reasonable rules to facilitate the hearing and maintain order. Failure of any person to comply with the Chair's directions or otherwise conduct an orderly hearing is a violation of the Association's rules and may resulting in fines or other penalties.
  - b. The chair shall announce the specific provision of the Governing Documents purported to have been violated.
  - c. The chair shall ask the person charged to admit or deny the charge. The person charged may speak for himself or may be represented by counsel throughout the hearing. Failure to attend the hearing or to respond to the charge will be construed as an admission of the alleged violation.
  - d. If the person charged denies the violation, the chair or complaining witness or witnesses shall describe the details of the alleged violation.

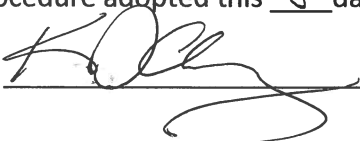
- e. When all complaining witnesses have been heard, the person charged may make statements in rebuttal, and may provide witnesses in support of his or her position.
  - f. The Board may question any witness or involved parties to collect additional evidence.
  - g. At the conclusion of the hearing, the Board shall discuss the charge and vote whether or not the person charged violated the Governing Documents. The Board may impose or uphold a fine or impose another penalty. A majority vote shall control. The result of the vote shall be recorded in the minutes of the meeting, and announced to the accused and the party and the person(s) who filed the complaint.
  - h. If the Board upholds or imposes a fine or other penalty after a hearing, the Association shall provide the owner with written notice of the fine or other penalty.
  - i. Any and all monies collected from imposed fines may be deposited in the Association's general operating fund.
10. If the violation is of a continuing nature, the violation constitutes a threat or the health, safety, or welfare of the residents or property within the community, or the circumstances otherwise justify such action, the Association acting through the Board may institute an action in a court of competent jurisdiction to pursue legal remedies including, but not limited to, seeking injunctive relief to abate the violation immediately without proceeding through steps outlined above. Nothing in this policy shall constitute an election of remedies nor preclude the Board from seeking assistance from other enforcement authorities such as police, fire, or animal control.
11. The Association shall be entitled to reimbursement of its costs, including any reasonable attorney fees, court costs, and other legal costs incurred in all enforcement activities from any unit owner who has committed a violation. Nothing in this paragraph shall be construed to prevent Unit Owners from recovering their costs as otherwise provided by law.

## GENERAL PROVISIONS

Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to violation of any covenant, policy, or rule, including non-payment of assessment fees or other charges, late charges, return check charges, attorney fees and /or costs as described and imposed by the Association. If a court of competent jurisdiction finds a provision of this Policy unenforceable, the other provisions shall remain in full force and effect.

This Policy is effective starting on the 10th day after its adoption. The Board may amend this policy from time to time.

Procedure adopted this 8 day of December, 2017 by Resolution of the Board of Directors.

By  its President