

COVENANT AND RULE ENFORCEMENT

Policy: The Declarations are in place for the betterment of our community. To be effective, they must be obeyed by all the Members of the Association and their guests, tenants, or invitees. It is one of the Association's purposes to see to it that the provisions of the Declaration and any Policies, Procedures, Rules and Regulations are followed by everyone in the Association.

Procedure:

Violations. Engaging in any activity prohibited by the Declaration or the Policies, Procedures, Rules and Regulations of the Association constitutes a violation. Every Member has the authority to request that another Member, or Member's guests, cease or correct any act or omission which appears to be a violation. Accordingly, Members are encouraged to self-govern and resolve problems between them in a neighborly fashion by making an informal request that the alleged violation cease. The Association, acting through the Board may also take such informal action to seek a resolution.

Written Report. If violations cannot be resolved through informal requests, violations may be reported to the Board of Directors by any Member in writing, or using a form approved by the Board. Submitting a written report of violation will initiate formal action by the Association. The written report must state with as much specificity with regard to time, date, place, persons involved and circumstances as possible, what acts or omissions constituting a violation the complaining Member believes have occurred. Any written reports of violation will be submitted to the Board by mail or hand delivery.

Review. Once a violation has been reported to or noted by the Board, the Board will review the matter. It is the responsibility of each Board member to make a determination as to whether he or she is able to function in a disinterested fashion when reviewing alleged violations and making decisions about how to secure compliance. If any member of the Board is unable to give any matter objective consideration, he or she will disclose that fact to the Board, remove him or herself from the proceedings, and have their removal noted in the minutes of the Board meeting.

Step 1: Initial Review. The Board will review the written report and determine whether it has stated sufficient facts to indicate a violation has occurred.

Step 2: Compliance Letter. Should the Board determine that a violation has or may have occurred, the Board will send a compliance letter detailing the basis of the violation, with appropriate citations to the Declarations, Policies, Procedures, Rules and Regulations, to the Member against whom a complaint has been made. The letter will require that the alleged violation cease within such period of time as the Board believes is reasonable, based on the nature of

the alleged violation. The letter will be mailed to the last known address of the allegedly violating Member by certified or regular mail.

Step 3: Notice of Hearing. Should the alleged violation continue past the date set by the compliance letter, then a second letter will be sent to the allegedly violating Member giving that Member notice of the time, date and place when the Board will meet to hear the matter. The allegedly violating Member will have an opportunity to attend and be heard at the meeting. After determining that a violation has occurred, the Board has the authority, to levy fines, approve referral of the matter to a lawyer, or take any other action authorized by the Declarations, Policies, Procedures, Rules and Regulations or by Colorado law necessary to secure compliance.

Hearing Details. The hearing provided for in Step 3 will not be conducted according to any technical rules relating to evidence or witnesses. Generally, any relevant information may be admitted if it is the sort of information on which reasonable persons would rely in the conduct of serious personal matters, regardless of any common law or statutory rule which make certain evidence improper in civil actions. The hearing will continue even if the complaining Member, the allegedly violating Member, or both, fails to attend. Decisions of the Board need not be made or reported immediately and may be made at any time not in excess of 7 days after the conclusion of a hearing. All decisions of the Board are effective 3 days after written notification of the decision is sent to the violating Member by certified or regular mail.

Sanctions. Sanctions for violations may include any or all of the following without limitation. Any fines or monetary sanctions will be collectable as Assessments.

- i. Fines – First offenses, \$25; Second offenses, \$50; Third and subsequent offenses, \$75 and up.
- ii. Termination of Member voting rights until the violation is cured.
- iii. Levying an assessment to repair or remedy any damage, physical, aesthetic, or otherwise, caused by the violation.
- iv. Seeking a remedy at law or in equity including but not limited to an injunction prohibiting further violations, money damages, costs, and attorneys' fees expended as provided for by the Declarations and the Colorado Common Interest Ownership Act (CCIOA).

Adopted on _____

Secretary