

**EAGLE RANCH ASSOCIATION  
AMENDED COVENANT AND RULE ENFORCEMENT POLICY AND PROCEDURE**

Effective Date: August 10, 2022

This policy is adopted to comply with the terms of the Colorado Common Interest Ownership Act (“CCIOA”) which contains provisions that may conflict with the terms of the Association’s governing documents. CCIOA and this policy will control over any conflicting provisions in the governing documents.

1. Enforcement Procedure. The Association will not impose fines, suspend voting, suspend any rights of an Owner, or commence legal action for violations of the governing documents unless and until the Association has followed the procedures set forth below. The procedures described herein are not required in order for the Executive Board to impose any sanction or penalty for nonpayment of assessments.

2. Complaints.

A. Any owner or resident may send the Association a written complaint. Complaints must be in writing and submitted to the Executive Board of Hearing Committee through the Association’s managing agent or directly to an officer of the Association. The complaint must identify the complainant, the alleged violation (if known), and set forth a statement describing the violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed, and any other pertinent information, Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

B. Complaints may also be initiated by the manager, any member of the Executive Board, or committee members. Complaints by a member of the Executive Board, a committee member, or the managing agent, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by a Board member or managing agent.

3. Notice of Violation.

A. The Association will send a written notice of any asserted violation of any provisions of the governing documents to the Owner in accordance with this policy. The Board may also, at its option, provide a copy of the notice to any non-Owner violator. The notice will describe: (i) the nature of the violation; (ii) the action or actions required to cure (abate) the violation; (iii) a time period of not less than thirty (30) days during which the violation may be cured without further sanction; (iv) any fines that may be imposed; (v) the right to request a hearing to contest the violation or possible fine, and (vi) if a hearing is requested, a date by which such request must be received and a timeline for the hearing process (“Notice of Violation”).

B. Notices from the Association will be sent in English; provided, however, that the Owner may send written notice to the Association with an alternate language preference. The Association will attempt to provide an accurate translation of the original English version, but due to nuances in translating to a foreign language, slight differences may exist.

C. An Owner may send written notice to the Association identifying another person to serve as a designated contact for the Owner for notices and correspondence. The Association will send the same written communications to the designated contact that it sends to the Owner. If the Owner wishes to change or cease the designated contact, the Owner must send the Association written notice.

D. For the purpose of this policy to comply with Colorado law, a notice is deemed received when sent by and according to the following timelines:

- i. Email or text – Upon successful transmission of electronic mail or text;
- ii. Certified Mail/First-Class Mail – three (3) business days after deposit for delivery;

- iii. Posting – Upon physical posting at the Owner’s Unit; or
- iv. Actual Notice – Upon hand-delivery.

4. Violations That Threaten Public Safety or Health.

A. If the Association reasonably determines that a violation threatens the public safety or health, the Association will send the Owner a written Notice of Violation informing the Owner that the Owner has seventy-two (72) hours to cure the violation, or the Association may impose a fine. The written Notice of Violation must be sent by first-class, registered or certified mail, but the Association may send additional notice by email; text message; or hand-delivery.

B. After seventy-two (72) hours from receipt of notice, the Association will inspect the Unit and determine whether the violation has been cured. If the Owner has not cured the violation, the Association may impose fines on the Unit Owner every other day in accordance with the fine schedule below and/or commence legal action to enforce the governing documents and cure the violation.

5. Violations That DO NOT Threaten Public Safety or Health.

A. If the Association reasonably determines that a violation occurred, other than a violation that threatens the public safety or health, the Association will send the Owner a Notice of Violation informing the Owner that the Owner has thirty (30) days to cure the violation, or the Association, after conducting an inspection and determining that the violation has not been cured, may impose a fine. The Notice of Violation must be sent by certified mail, return receipt requested. The Association may send additional copies of the notice by first-class mail, email, text message to a cellular number that the Association has on file because the Owner has provided the number to the Association, and/or hand-delivery.

B. After thirty (30) days, if the Association has not received notice from the Owner that the violation has been cured, the Association will inspect the Unit within seven (7) days of the initial 30-day cure period. After inspection, if the Association determines that the violation has not been cured, the Association may impose the fine stated in the Notice of Violation and will send a second Notice of Violation with a second 30-day cure period.

C. After the second 30-day cure period, if the Association has not received notice from the Owner that the violation has been cured, the Association will inspect the Unit within seven (7) days of the second 30-day cure period. After inspection, if the Association determines that the violation has not been cured, the Association may impose a second fine in accordance with fine schedule below, send additional notices and opportunity to cure, and/or commence legal action. The Association may not commence legal action until the second 30-day cure period has elapsed.

D. If an Owner cures the violation within the required cure period, the Owner may notify the Association in writing, including visual evidence that the violation has been corrected. If the Owner provides visual evidence of the cure, the violation will be deemed cured on the date the Owner sends the notice. If the Owner does not provide visual evidence of the cure, the Association will inspect the Unit as soon as practicable to determine if the violation has been cured. If the visual evidence provided is insufficient for the Association to determine if a violation has been cured, at the Association’s sole discretion, the Association can provide notice to the Owner that it intends to inspect the Unit to verify the violation has been cured.

6. Additional Required Notices. If an Owner cures a violation, the Association will notify the Owner: (i) of any outstanding fine balance owed to the Association, and (ii) that the Owner will not be further fined with regard to the violation.

7. Request for Hearing. If an Owner desires a hearing to contest any alleged violation and possible fine or to discuss any mitigating circumstances, the Owner must request the hearing, in writing, prior to the deadline stated in the Notice of Violation. The request for hearing should describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. If a timely request for a

hearing is not made, the right to a hearing is deemed forever waived. If a hearing is not requested by the deadline, the Executive Board will determine if there was a violation based upon the information available to it, and if so, assess a fine as set forth in the fine schedule upon expiration of any applicable cure period(s).

8. Executive Board to Conduct Hearing. The Executive Board will hear and decide cases set for hearing pursuant to the procedures set forth in this policy. The Board may appoint an officer or other Owner to preside at any hearing.

9. Conflicts. Any Owner who desires a hearing will be afforded a fair and impartial fact-finding process by "impartial decision makers" (persons with authority to make a decision on a claimed covenant, rule, or architectural violation and without a direct personal or financial interest in the outcome of the hearing). Any decision-maker who is incapable of objective and disinterested consideration will disclose this to the presiding officer prior to the hearing, if possible. If advance notice is not possible, the disclosure will be made at the hearing, and the decision-maker will be disqualified from all proceedings related to the hearing. If disqualification of any decision-maker results in an even number of individuals eligible to hear a case, the presiding officer may appoint an Association member, in good standing, to serve as a voting member of the hearing panel.

10. Hearings.

A. The hearing will be held pursuant to the notice, affording the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction, proof of notice and the invitation to be heard will be placed in the minutes of the meeting. Such proof will be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement will be deemed satisfied if the Owner appears at the meeting.

B. Hearings may be conducted during or subsequent to any applicable cure period(s). At the beginning of each hearing, the presiding officer will explain the rules, procedures, and guidelines by which the hearing will be conducted. The complaining parties and the Owner will have the right, but not the obligation, to attend the hearing. Each party may present evidence, testimony, and witnesses. The presenting party will provide copies of any written evidence to the other party or parties.

C. Unless otherwise requested by the Owner, all hearings will be conducted during executive session. If a complaining party is unable to attend the hearing, the complainant may submit a letter to the Executive Board explaining the basis of the complaint.

11. Decision. After all testimony and other evidence has been presented, the Board will render its written findings and decision, and impose a fine, if applicable, upon expiration of any applicable cure period(s). The minutes of the hearing meeting will contain a written statement of the results of the hearing and the sanction, if any, imposed. The decision of the Executive Board will be final.

12. Appeal. The Executive Board may, in its sole discretion, appoint a Hearing Committee to hear the matter. In such event, the procedures above will apply except that either party may appeal the decision of the Hearing Committee to the Executive Board by written notice to the Hearing Committee, the other party, and the Executive Board. The Executive Board will consider the minutes of the hearing and report the decision of the Executive Board within a reasonable period of time not exceeding sixty (60) days after receipt of the notice. The decision of the Executive Board

13. Fine Schedule.

A. Limitation on Fines. With the exception of violations that threaten public safety or health, CCIOA provides that the total amount of fines imposed for each violation of the governing documents may not exceed \$500. However, the Association reserves the right to impose fines greater than \$500 for violations that threaten public safety or health. In accordance with limitations set forth in CCIOA, the Association has adopted the following schedule of fines. These fines supersede and replace any existing fines greater than \$500 adopted prior to the date of this policy.

B. General Fine Schedule.

Unless otherwise specified in the governing documents, the following fines may be imposed for each violation of the governing documents occurring within a one-year period:

First violation:	\$ 50
Second violation:	\$150
Third violation:	\$300

A Notice of Violation may be sent for any first violation. Additional or subsequent violations of the same covenant or rule occurring within one year from the date of the first Notice of Violation will be considered repeat or recurring violations, subject to additional fines as set forth above. After the one-year period, any subsequent occurrence of the same violation will be treated as a new first violation.

C. Continuing Violation Fine Schedule. For any violation that does not threaten public safety or health and is continuing in nature, the Association may impose fines in accordance with the general fine schedule or the Association may impose fines on a weekly or monthly basis in the amount of \$25 per week or \$100 per month up to a maximum of \$500.00. The Association may impose a fine every other day in the amount of \$100 for violations that threaten public safety or health until the violation is cured.

For purposes of this policy, a violation is considered "continuing in nature" if the violation is uninterrupted by time or, by the nature of the violation, it occurs at such frequency to create a continuous pattern of occurrence. Examples of continuing violations include failure to paint your house, unsightly yard, unauthorized improvements, parking an unauthorized vehicle in community on a nightly basis, etc.

14. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violator coming into and staying in compliance with the Declaration, Articles, Bylaws or other governing documents of the Association.

15. Other Enforcement Means. This fine schedule and the enforcement process is adopted in addition to all other enforcement means which are available to the Association through the Declaration, Articles of Incorporation, Bylaws and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

16. Failure to Enforce. The Association's failure to enforce the governing documents is not a waiver of the right to enforce for any subsequent violations.

17. Administrative Expenses. Enforcement costs, imposed by the Association or its managing agent, related to covenant and rule enforcement will be the obligation of the Owner and may be posted to the Owner's account. Examples include but are not limited to, certified mailings or costs to translate a notice to a language other than English.

This Amended Covenant and Rule Enforcement Policy was adopted by the Executive Board on this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

EAGLE RANCH ASSOCIATION,  
a Colorado nonprofit corporation,

By: \_\_\_\_\_  
Its: President