

IV. Covenant and Rule Enforcement

4.01 Policy: The Association's documents 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, and invitees. It is one of the Association's purposes to see to it that the provisions of the Association's documents are followed by everyone in the Association.

4.02 Procedure:

- (a) Violations. Engaging in any activity prohibited by the Declaration, Articles, Bylaws, or any duly adopted Policies constitutes a violation; provided, however, that the failure to pay common expenses when due, shall not be a violation for purposes of this Policy, it being the intention that those matters be addressed in accordance with the Policy concerning collection of assessments. 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 or its managing agent, may also take such informal action.
- (b) Language for Notices/Designated Representative. For the purposes of this Covenant and Rule Enforcement procedure, a member may notify the Association if the Member **prefers** that **correspondence** and notices from the Association be made in a language other than English. If a preference is not indicated, the Association shall send the correspondence and notices in English. The Member and the Member's designated contact must receive the same correspondence and notices anytime communications are sent out; except that the Member must receive the correspondence and notices in the language for which the Member has indicated a **preference**, if any. The Association may determine the manner in which a unit owner may identify a designated contact.
- (c) Written Report. If violations cannot be resolved through informal requests, violations may be reported to the Board by its managing agent or any Member in writing, or using a form approved by the Board. The written report must state with as much specificity with regard to time, date, place, persons involved and circumstances as reasonably possible, what acts or omissions constituting a violation the complaining Member believes have occurred, and whether such violation imminently threatens public safety or health.
- (d) Review. Once a violation has been reported to the Board, the Board will review

the matter. It is the responsibility of each Director 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 Director 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.

- (i) Step 1: Initial Review. The Board will review the written report and determine whether it has stated sufficient facts which, when presumed to be true, plausibly indicate a violation may have occurred.
- (ii) Step 2: Compliance Letter. If the Board reasonably determines in its initial review that a violation may have occurred, the Board or its managing agent will send a compliance letter detailing the allegations that form the basis of the claimed violation, with appropriate citations to the Association's documents, to the Member against whom a complaint has been made. In the event the Board determines the submitted report fails to state sufficient facts to plausibly indicate a violation may have occurred, it will provide notice of its decision to the complaining Member.
 - (a) Imminent Threats to Public Safety or Health. If the alleged violation imminently threatens public safety or health, the letter will inform the Member that the Member: (1) has seventy-two (72) hours to cure the alleged violation; and (2) if the violation is not cured prior to the inspection provided under Step 3, below, that a hearing on the matter will be immediately held at a time and place to be determined by the Board. The letter will be hand-delivered or mailed to the last known address of the allegedly violating Member by certified or regular mail.
 - (b) Other Matters. For alleged violations that are not imminent threats to public safety or health, the letter will inform the member that the member has thirty (30) days to cure the alleged violation. The letter will be mailed to the last known address of the allegedly violating member by certified mail.
- (iii) Step 3: Inspection. The Association will appoint an impartial third-party to conduct an inspection of the property involved in the alleged violation for the purpose of determining whether the Member has cured the alleged violation identified in the compliance letter described in Step 2.
 - (a) Public Safety or Health. Inspections for an alleged violation

that imminently threatens public safety or health will be performed immediately upon the expiration of the seventy-two (72) hour time period provided in the compliance letter.

- (b) Other Matters. Inspections for any other alleged violation that does not imminently threaten public safety or health will be performed within seven (7) days following expiration of the thirty (30) day time period provided in the compliance letter; provided however, the inspection will not be necessary if the Member cures the alleged violation and submits a notice to the Association, including visual evidence, prior to the inspection date. If the notice submitted by the Member does not include visual evidence that the violation has been cured, the Association will inspect the involved **property as soon as practicable to** determine if the **alleged violation has** been cured. If, after the inspection and whether or not the Association received notice from the Member that the violation was cured, a second thirty (30) day cure period commences if only one thirty (30) day cure period has elapsed. The Association may take legal action if two thirty (30) day cure periods have elapsed.

- (iv) Step 4: Cure. In the event that a member cures an alleged violation within the time period provided in the compliance letter, the Association will notify the Member: (1) that the Member will not be subject to further fines with regard to the alleged violation; and (2) of any outstanding fine balance that the Member still owes the Association.

- (v) Step 5: Hearing. Should the alleged violation continue past the date set by the compliance letter as determined by inspection, the Board will promptly hold a hearing concerning the matter. In the event of a violation that imminently threatens public safety or health, the hearing may be held immediately following the inspection. For any other alleged violation, 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.

- (i) Hearing Details. The allegedly violating Member will have an opportunity to attend and be heard at the meeting. In the event that the Board determines based on the evidence presented at the hearing that a violation has in fact occurred, the Board has the authority to levy fines or take any other action authorized by the Association's documents or by Colorado law. The hearing 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 that makes 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 seven (7) days after the conclusion of a hearing. All decisions of the Board are effective three (3) days after written notification of the decision is sent to the violating Member by certified or regular mail.

- (e) 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 for violations of public safety or health — \$75.00 every other day.
 - (ii) Fines for any other violation — First offenses, \$25.00; Second offenses, \$50.00; Third and subsequent offenses, \$75.00 and up. However, the total amount of fines imposed may not exceed \$500.00.
 - (f) Termination of Member voting rights until the violation is cured.
 - (iv) Levying an assessment to repair or remedy any damage, physical, aesthetic, or otherwise, caused by the violation.
 - (v) Subject to compliance with the Association's Dispute Resolution procedure, seeking a remedy at law or in equity, including, but not limited to, an injunction prohibiting further violations, money damages, costs, and attorney fees expended as provided for by the Declaration. The Association shall give a Member two consecutive thirty (30) day cure periods before the Association takes legal action against the Member for a violation.