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Palace Estates Consolidated Condominium Homeowners Association
Policies and Procedures
For Covenant Enforcement Policy and Procedure

As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Palace Estates Consolidated Condominium Homeowners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy governing the enforcement of the Declaration of Covenants, Conditions and Restrictions and the Bylaws of the Association.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following procedures to govern the enforcement of the Association's Covenants and Bylaws:

- A. Violations may be observed by the Board of Directors, the management company, a committee member or reported via written correspondence through e-mail, fax or mail service. The complaint must state specifically the violation observed and include who the violating party was, what was observed, the date, place and time of the violation and any other pertinent information such as license plate numbers etc.
- B. If full details are not provided with a complaint, further action beyond additional observation cannot be made. The Board and the management company will investigate the complaint further and will make additional observations if required.
- C. If a violation is found and documented the following actions will be taken:
 - 1. A certified letter, return receipt requested will be sent to the unit owner (and tenant if it is known that the unit is being used as a rental) stating that a violation has occurred while referring them to the governing documents which appear to be in violation. This letter will allow the unit owner to forward documentation, in writing, if they believe the violation did not occur. The unit owner will have 30 days to respond to the letter or to correct the violation.
 - 2. If the violation is still observed after 30 days, a second certified letter, return receipt requested, will be sent to the Owner (and tenant if it is known that the unit is being used as a rental) stating that if the violation continues then fines will be imposed. The unit owner will have 30 days to correct the violation or request a hearing with the Board (see Dispute Resolution Policy for specifics).
 - 3. If at the hearing it is found that the violation did/does occur, the Owner will be charged a fine beginning on the 1st day after the second letter. The Association will charge a \$50.00 fine per occurrence for all CC&R non-compliance violations of the governing documents of the Association.
- D. Owners are responsible for any fines that may be levied against their property due to non-compliance of their tenants.
- E. Non-payment of fines will fall under the Collection Policy.

- F. In the event a perceived violation is also a violation of Federal, State, or local laws or regulations, the Board or management company will log the information however, the Board will refer the issue back to the complaining resident to contact the appropriate government entity to report the perceived violation.
- G. These enforcement provisions may be in addition to other specific provisions outlined in the Governing Documents and the Association is not required to follow these enforcement provisions before seeking such other remedies. The Association may choose a legal remedy or seek assistance from other enforcement authorities, such as Code Enforcement, Police, Fire, or Animal Control, as it deems appropriate.
- H. The Association's primary objective is to uphold the terms of the Governing Documents that benefit the community at large. To the extent that a neighbor-to-neighbor dispute exists, the Board encourages the neighborly approach to resolve the dispute in an informal and cooperative manner if possible; particularly with issues that impact the parties involved, but not necessarily other members of the community. In some cases, an involved party may wish to seek formal resolution, or a community mediator may be brought in to resolve such disputes.

CONFLICTS BETWEEN DOCUMENTS:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being the President of the Association, certifies that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 7th day of July, 2026.

Palace Estates Consolidated Condominium Homeowners Association



President