

## Chipeta Heights Homeowner Association Covenant and Rule Enforcement Policy

1.01 Policy: The Chipeta Heights Homeowner Association's ("Association") 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.

### 1.02 Procedure:

(a) Violations. Engaging in any activity prohibited by the Declaration, Articles, Bylaws, or any duly adopted policy, procedure, rule or regulation of the Association 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 Association's Policies 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 to seek a resolution.

(b) 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 by using a form approved by the Board, which is posted on the Association's website. Submitting a written report of violation will initiate formal action by the Association. The written report must state with specificity with regard to time, date, place, persons involved and circumstances, what acts or omissions constituting a violation the complaining Member believes have occurred. Any written reports of violation will be submitted to the Board electronically, by mail or hand delivery.

(c) 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 Director to determine 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 his or her 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 to indicate a violation may have occurred.

(ii) Step 2: Compliance Letter. Should the Board determine that a violation may have occurred, the Board or its managing agent will send a compliance letter detailing the basis of the alleged violation, with appropriate citations to the Association's documents, to the Member against whom a complaint has been made. The letter will request 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. In the event that the Board determines the submitted report fails to state sufficient facts to indicate a violation occurred, it will provide notice of its decision to the complaining Member in writing. Sending a notice and request under this step does not constitute the Board's determination that a violation actually occurred, but is an effort to raise the issue with the allegedly violating owner early in hopes that the matter can be resolved quickly and without addressing the question more formally.

(iii) Step 3: Notice of Hearing. Should the alleged violation continue past the date set by the letter under step 2, 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. If the Board determines that a violation 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 Association's documents or by Colorado law necessary to secure compliance.

(iv) 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 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.

(d) 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, \$50.00; Second offenses, \$100.00; Third and subsequent offenses, \$150.00 and up. The determination of whether a particular violation is a first, second, third or subsequent offense and the reasonable amount of any fine shall be determined by the Board in its discretion.

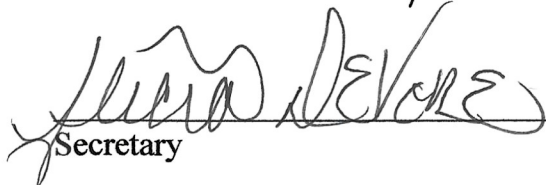
(ii) Termination of Member voting rights until the violation is cured.

(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 attorney fees expended as provided for by the Declaration.

The foregoing Covenant and Rule Enforcement Policy is:

Adopted on: 10/30/2021

  
Secretary