

AMENDED AND RESTATED
ENFORCEMENT OF COVENANTS AND RULES AND FINING SCHEDULE

(Revised) Effective, January 15, 2015

RESOLVED that the following revised policy and procedure is hereby adopted and ratified by the Board of Directors ("Board") of the Eagle-Vail Property Owners' Association, Inc. ("Association") pursuant to Colorado Revised Statute §38-33.3-209.5(1)(b)(IV), for enforcement of covenants and rules, including notice and hearing procedures and a schedule of fines.

1. Applicability. All Owners and their guests, licensees, and invitees shall be subject to the Association's governing documents, which specifically include the Declaration, Bylaws, the Rules and Regulations, the Design Review Committee Regulations and Guideline, and any and all rules and regulations, policies and covenants adopted by the Association (collectively the "Governing Documents").

2. Who may Report Violations. Complaints regarding alleged violations may be reported by an Owner or resident within Eagle-Vail, a group of Owners or residents, the Association's Manager, the Association's Compliance Officer, any EVMD staff member, or by Board or committee members.

3. Complaints. Complaints shall be submitted to the Association's Compliance Officer (a "Complaint"). The Compliance Officer shall then convey the Complaint to the Board. The complaining Owner or resident shall identify himself/herself and the alleged violator (a "Violator"), if known, and set forth a statement describing the alleged violation, when the violation was observed, and any other pertinent information. Written complaints are preferred so that all information can be documented; however, verbal complaints will also be accepted so long as the violation was actually observed by the person or persons submitting the complaint.

4. Investigation. If additional information is needed, the Complaint may be investigated further by the Association's Compliance Officer or a Board designated individual or committee, and a determination made as to whether a violation has occurred. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

5. Notice of Violation.

a. Warning Letter. If a violation is found to exist, an initial warning letter (the "Warning Letter") shall be sent to the applicable Owner as soon as is reasonably practicable after the Board receives a Complaint. A copy of the Warning Letter shall also be provided to any non-owner Violator such as a roommate, tenant or guest of an Owner, and posted on the Property. The Warning Letter shall describe the nature of the violation and shall further state that the Association may seek to protect its rights as they are specified in the Governing Documents. The alleged Violator shall then have ten (10) from the date of personal delivery of or the postmarked date of the Warning Letter to come into compliance.

With respect to matters such as parking which are an immediate nuisance or are capable of immediate cure, the Violator may be given such shorter period of time to come into compliance as the Board or the Association's Compliance Officer may reasonably determine in its discretion.

b. Cease and Desist Notice. If the violation falls within any of the following categories, a "cease and desist" notice ("Cease and Desist Notice") shall be posted on the Property and sent to the applicable Owner as soon as is reasonably practicable after the Board receives a Complaint, in lieu of a Warning Letter:

(i) New construction or renovation without required Eagle County or EagleVail Design Review Committee approval;

(ii) An action in which the Owner is apparently investing significant expense such as replacing a roof with non-approved materials; or

(iii) An action that will cause a permanent change to the land or home such as cutting down trees.

The Cease and Desist Notice shall:

(i) describe the nature of the violation and shall direct the Owner to immediately stop the identified activity until it has been determined whether or not it violates the Association's covenants or rules and regulations;

(ii) Inform the Owner that if the activity is found to be a violation, the Owner will be directed to cease the activity and to reverse any action taken in violation of the covenants or rules and regulations, and that a fine may be imposed pursuant to this Policy.

The Board shall also send a copy of the Cease and Desist Notice to any non-owner Violator such as a roommate, tenant or guest of an Owner.

6. Continued Violation After Warning Letter or Cease and Desist Notice. If the alleged Violator does not come into compliance within the period of time stated in the Warning Letter or Cease and Desist Notice OR if the alleged violator comes into compliance within the stated period, but violates the same covenant or rule within the next 12 months, this will be considered a second violation for which a fine will be imposed following notice and opportunity for a hearing. A second letter shall then be sent to the applicable Owner (the "Second Notice") providing notice and an opportunity for a hearing, and explaining (if) a violation (is found to) exists, a fine will be imposed pursuant to this Policy. A copy of the Second Notice may also be provided to any non-Owner Violator, and posted on the Property. The Notice shall state that the Owner is entitled to a hearing on the merits of the matter provided that such hearing is requested within ten (10) days of the postmarked date of the Second Notice. If the Owner does not timely request a hearing, it shall be deemed to have waived any and all rights to a hearing with respect to the matter and a fine may be imposed pursuant to this Policy.

7. Violation after Second Notice. If the alleged Violator does not come into compliance or request a hearing within ten (10) days of the postmarked date of the Second Notice OR if the alleged violator comes into compliance within such 10 day period, but violates the same covenant or rule within the next 12 months, this will be considered a third violation for which a fine will be imposed following notice and opportunity for a hearing. A third letter shall be sent to the applicable Owner (the "Third Notice"), providing notice and opportunity for a hearing, and explaining that (if) a violation (is found to) exists, a fine will be imposed pursuant to this Policy. A copy of the Third Notice may also be provided to any non-owner Violator, and posted on the Property. The Notice shall state that the Owner is entitled to a hearing on the merits of the matter provided that such hearing is requested by the Owner within ten (10) days of the postmarked date of the Third Notice. If the Owner does not timely request a hearing, it shall be deemed to have waived any and all rights to a hearing with respect to the matter and a fine will be imposed pursuant to this Policy.

8. Violation after Third Notice. If the alleged Violator does not come into compliance or request a hearing within ten (10) days of the postmarked date of the Third Notice OR if the alleged Violator comes into compliance within such 10 day period, but violates the same covenant or rule within the next 12 months, this will be considered a fourth violation for which a fine will be imposed following notice and opportunity for a hearing. A fourth letter shall be sent to the applicable Owner (the "Fourth Notice"), providing notice and opportunity for a hearing, and explaining that (if) a violation (is found to) exists, a fine will be imposed pursuant to this Policy. A copy of the Fourth Notice may also be provided to any non-owner Violator, and posted on the Property. The Notice shall state that the Owner is entitled to a hearing on the merits of the matter provided that such hearing is requested by the Owner within ten (10) days of the postmarked date of the Fourth Notice. If the Owner does not timely request a hearing, it shall be deemed to have waived any and all rights to a hearing with respect to the matter and a fine may be imposed pursuant to this Policy.

9. Service of Notices. Service of all notices required or permitted to be given hereunder shall be made as follows: (1) if to an Owner: by certified mail, postage pre-paid, addressed to the last registered address of the Owner as contained in the Association's records; (2) if to a non-Owner Violator: by personal delivery or posted on the property (by certified mail, postage prepaid, addressed to the last registered address of the non-Owner Violator as contained in the Association's Records); (2) if to the Association: by certified mail, postage prepaid, addressed to the Association in care of its registered agent and office, as maintained with the Colorado Secretary of State, or such other address as the parties may be advised of in writing. Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the third day following the date of mailing.

10. Request for Hearing. If an Owner desires a hearing to challenge or contest an alleged violation and possible fine, the Owner must request such hearing, in writing or email, within ten (10) days from the postmarked date of the applicable Notice. The request for hearing shall describe the grounds and basis for challenging the alleged violation. The request for hearing shall be sent to the Association as provided in Section 9 herein. If the Owner does not timely

request a hearing, he or she shall be deemed to have waived any and all rights to a hearing with respect to such matter and the fine and penalties which will be imposed pursuant to this Policy.

11. Failure to timely Request Hearing. If a hearing is not timely requested, the Compliance Officer (Board) shall determine, based on the information available (to it) at the time, if there is a violation, and if so, may assess a reasonable fine within the guidelines contained in this Policy within five (5) days of the expiration of the ten (10) day period, without holding a formal hearing. (The decision of the Board shall be in writing and provided to the Owner and any non-Owner Violator within ten (10) days of the Board's determination.) The imposition of a fine (decision of the Board) is final and non-appealable (.) if a hearing is not requested.

12. Notice of Hearing. If a hearing is requested by the Owner, a hearing date will be determined in the sole discretion of the Board on a date not less than ten (10) and not more than twenty (20) days after the Association receives the request for hearing. Written notice of the date, place and time of such hearing shall be served to all parties involved at least seven (7) days prior to the hearing date. The Board, in its sole discretion, may grant continuances for good cause shown.

13. Pre-Hearing Meeting. The President of the Board, or his designee, will conduct a pre-hearing meeting with the complainant and the alleged violator. The purpose of the pre-hearing meeting is to review the procedure for the hearing and so that the parties can ask questions about the process. No evidence or information regarding the merits of the alleged violation will be presented at the pre-hearing meeting. Parties are encouraged, but are not required, to attend. Following review of procedure for the hearing by the President, the Community Manager may discuss the merits of the violation with the parties and review possible options for resolution, if the parties so desire.

14. Board to Conduct Hearing. The Board shall hear and decide cases set for hearing pursuant to this Policy. The Board may, in its sole discretion, appoint an officer or other Owner to act as the presiding officer (the "Presiding Officer") at any of the hearings. The Presiding Officer shall enforce this Policy, conduct the hearing, and determine whether evidence shall be admitted.

15. Presence of Attorney. An Owner may, but is not required to, be represented by an attorney. If the Owner plans to have his/her attorney present for the hearing, he/she shall notify the Association of such fact at least 7 days prior to the date of the hearing. If the Association receives notice that the Owner intends to have an attorney present, the Association's attorney shall also be present for the hearing.

16. Open Hearing. Unless otherwise determined by the Presiding Officer, all hearings shall be open to attendance by all members of the Association. However, either the Owner or the Board may request that the hearing be closed on the grounds that confidential or personal information is expected to be presented at the hearing. If such request is made, the Presiding Officer shall determine whether the importance of having an open hearing outweighs the need for confidentiality, and determine whether to close the hearing.

17. Hearing Procedure.

a. At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board by reading the Complaint and describing the alleged violation.

b. Each party may, but is not required to, make opening statements, present evidence and testimony, present witnesses, present rebuttal testimony, and make closing statements.

c. Evidence presented at the hearing may consist of documents, testimony, pictures, or other material relevant to the alleged violation. The presentation of evidence need not meet the requirements of any formal Rules of Evidence.

d. Any member of the Board may ask questions of the Owner or any witness during the hearing.

e. The decision of the Board at each hearing shall be based solely on the matters set forth in the Complaint, Warning Letter, results of the investigation, any Notice and Request for Hearing, and such other evidence as may be presented at the hearing.

f. The hearing shall be recorded and all participants will be notified before the hearing begins that it is being taped.

g. The Presiding Officer may also impose such other rules of conduct as may be appropriate under the circumstances. Failure of the Owner to attend a hearing can result in the finding of a violation. In addition, if the Owner does not appear or does not present a defense, the Board may waive the general procedure described herein.

18. Hearing Decision. After all testimony and other evidence have been presented to the Board at a hearing, the Board shall make a determination as to whether a violation has occurred, and may impose a reasonable fine, if applicable. The Board shall render its written findings and decision within ten (10) days after the hearing. A decision of the Board, either a finding for or against the Violator, shall be by a majority of the members of the Board present at the hearing. In the event that a non-Owner Violator or any occupant of a Property other than an Owner violates any provision of the Governing Documents of the Association and a fine is imposed, the fine shall be deemed assessed against the Owner, and the Owner shall be responsible for payment of any such fine. The decision of the Board is final and non-appealable. Failure to strictly follow the hearing procedure set forth herein shall not constitute grounds for appeal of the hearing Board's decision absent a showing of denial of due process. If the Board determines a violation has occurred, the Violator shall have five (5) days from the date of the Hearing Decision to come into compliance.

19. Fine Schedule. In the event the Board determines there is a violation of the Governing Documents, it may impose against the applicable Owner's account a reasonable fine assessment as follows:

- a. First violation: Warning Letter.
- b. Second violation (of same covenant or rule): \$100
- c. Third violation (of same covenant or rule): \$500
- d. Fourth and subsequent violations (of same covenant or rule): \$1,000
- e. Continuous Violations: If an Owner is determined to have a Continuous Violation of the same covenant or rule, such Owner may be subject to a daily fine of \$100.00 per day, following notice and opportunity for a hearing as set forth above. A Continuous Violation is defined as a violation which remains uncorrected after the fourth violation notice is issued. The daily fine shall accrue as of the date of the fourth violation notice and shall continue each day that the violation is not corrected. Each day of noncompliance constitutes a separate violation.

20. Notice of Fine Assessment. The Compliance Officer shall give notice of said assessment to the applicable Owner as provided in the Association's Governing Documents or this Policy ("Notice of Fine Assessment"). Unless otherwise provided in the Association's Governing Documents, the fine assessment is due and payable within fifteen (15) days of receipt of the Notice of Fine Assessment. Any fines levied pursuant to this Policy not timely paid shall act as a lien upon the applicable Owner's Property and said lien may be enforced in the same manner as a lien for unpaid assessments in accordance with the Declaration of the Association including the recovery of all attorneys' fees and costs incurred in collecting the lien.

21. 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 into compliance with the Governing Documents.

22. Other Enforcement Means. Notwithstanding any provision of this fine schedule or Policy, the Association may use any legal means available at any time to enforce the terms of the Governing Documents, including but not limited to injunctive relief. In any such action the Owner responsible for the violations for which abatement is sought shall pay all costs, including reasonable attorneys' fees actually incurred.

23. Authorization for Emergency Action. In the event of an emergency, as deemed by the Board to consist of any matter that affects life safety or affects the immediate wellbeing of the Owners or the Properties, the Association may act immediately in enforcing the Association's Governing Documents without the requirement to meet the procedures set forth above. In such event, the offending Owner(s) is responsible for all costs and expenses, including attorney fees,

incurred by the Association as a result of the violation regardless of the fact that a notice and hearing did not occur in advance.

24. Recovery of Costs. If legal assistance is obtained to enforce any provision of the Association's Governing Documents or any legal proceeding, whether or not suit is brought, for damages for enforcement of the Association's Governing Documents or to restrain a violation of the Association's Governing Documents, the Association shall be entitled to recover all attorneys' fees and costs incurred by it in such action.

25. No Waiver. Failure of the Board to enforce any provisions of this Policy, the Declaration, any rule or regulation or other portion of the Governing Documents of the Association shall at no time be deemed a waiver of the right of the Board to do so thereafter.

26. Definitions. Unless otherwise defined in this Resolution, terms initially capitalized or defined in the Declaration and Bylaws shall have the same meaning herein.

27. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Governing Documents and the laws of the State of Colorado governing the Eagle-Vail Property Owners' Association, Inc.

28. Amendments. This policy may be amended from time to time by the Board of Directors in accordance with the Association's Policy for Adoption and Amendment of Policies, Procedures and Rules and the timeframes set forth therein.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of the Eagle-Vail Property Owners' Association, Inc., a Colorado non-profit corporation, certifies that the foregoing revised policy and procedure was unanimously adopted by the Board of Directors of the Association at its meeting held on January 15, 2015, at which a quorum was present.

EAGLE-VAIL PROPERTY OWNERS' ASSOCIATION, INC.

A Colorado non-profit corporation

By: Mary Egg
Secretary