

**COVENANT AND RULE ENFORCEMENT POLICY**  
**Fall Valley Homeowners Association**

In Compliance with the Colorado Common Interest Ownership Act, the Board of Directors desires to adopt a uniform and systematic policy to address violations of the Declaration, bylaws, Rules and Regulations, or Policies of the Association, or of the Colorado Common Interest Ownership Act ("the Act") (hereinafter the "Association's governing documents"), by any other member, EXCEPT FOR THE FAILURE TO PAY ASSESSMENTS.

The Association hereby adopts the following Policies and Procedures for covenant and rule enforcement.

Section 1 - Enforcement Procedure:

The Board shall not impose fines, exercise self-help remedies, or commence legal action unless and until the Association has sent or delivered written notice to the Offending Owner and provided an opportunity for a hearing as provided below. Depending on the type of violation of the Associations governing documents, the Association shall proceed in the following manner:

A. Complaint: Any Owner within the community may send the Association a formal written complaint via either electronic mail or regular mail; of An Association's governing document, with as much information as is known. Complaints may also be initiated by any member of the Board of Directors or of the Architectural Control Committee. The Board shall have no obligation to consider oral complaints or anonymous complaints that cannot be independently verified. The Board shall have the authority to determine whether a written complaint is justified before continuing with the Notice and Hearing Procedure.

B. Violation of Public Safety or Health: If the Association reasonably determines that an Owner violates the Association's governing documents in a manner that threatens public safety or health, the Association shall provide written Notice via Section 1, informing the Owner that they have 72 hours to cure the violation, or the Association may fine the Owner.

- a. If after inspection of the Lot, the Association determines that the Owner has not cured the violation within 72 hours after Notice, the Association may impose fines in the amount of \$25 every other day and may take legal action against the Owner for the violation.

C. Other Violations: For any other violation of the Association governing documents that does not threaten public safety or health, the Association shall provide a HB-1137 compliant Notice of Alleged Violation via certified mail, informing the Owner that they have 30 days to cure the violation or the Association, after conducting an inspection and determining there has been no cure, may fine the Owner in amount not to exceed \$500.00. The Association shall provide the Owner with two consecutive 30 day periods to cure the violation before taking legal action against the Owner. The Board may also, at its option, provide a copy of such notice to any non-owner violator. The notice shall describe the nature of the violation and the possible fine that may be imposed or legal action that may be taken, the right to request a hearing before the Board to contest the violation or possible fine and may further state that the Board may seek to protect its rights as they are specified in the governing legal documents. All official notices shall be delivered by messenger or sent by regular US Certified Mail, including a description of the Association's cure process established in Section 3.2.1; and

A description of what legal action the Association may take against the Owner, including a description of the types of matters the Association or Owner may take to small claims court, including injunctive matters for which the Association seeks an order requiring the Owner to comply with the declaration, bylaws, covenants, or other governing documents.

a. Cure: Owners may notify the Association that they have cured a Section C violation with written and visual evidence that the violation has been cured, and such violation will be deemed cured on the date of the notice. If the Owner fails to provide visual evidence, the Association shall inspect the Lot as soon as practicable to determine if the violation has been cured.

Once a violation is determined to be cured, the Association shall provide written Notice, compliant with HB-1137, stating that the Owner will not be fined further with regard to the violation and provide an outstanding fine balance the Owner still owes.

b. No Cure: If the Association does not receive notice from the Owner that the violation has been cured, the Association shall inspect the Lot within seven (7) days after the expiration of the 30-day cure period to determine if the violation has been cured. If, the violation is not cured, the Association shall (i) provide a second 30-day cure period to cure; or (ii) the Association may take legal action if the two 30-day periods to cure have elapsed.

D. Impartial Fact-Finding Process: Upon receiving a Notice of Alleged Violation, every Owner is guaranteed the opportunity to be heard before an impartial decision maker, which will be the Board. Within thirty (30) days of receiving a Notice of Alleged Violation, the Owner may request an informal hearing before the Board to determine whether the alleged violation actually occurred, and whether the Owner is the one who should be held responsible for the violation.

a. Waiver: If the Owner fails to request an informal hearing before the Association within 30 days of receiving the Notice of Alleged Violation, the Owner waives their right to such a hearing.

b. Impartial Decision Maker: If the Owner requests an informal hearing before the Association within 30 days of receiving the Notice of Alleged Violation, the Association shall, in accordance with the Association's Conflict of Interest Policy, determine if a conflict of interest exists.

c. Once the Association has resolved any conflict of interest issues, if any, the Association shall provide the Owner, within 30 days, the date and time of the informal hearing by regular US Certified Mail.

E. Board of Directors to Conduct Hearing: The Board shall hear and decide cases set for hearing pursuant to the procedures set forth herein. The Board may appoint an officer or other Association member to act as the Presiding Officer at any of the hearings. The Board shall determine whether a violation exists and impose fines.

F. Conflicts: Any Board member who is incapable of objective and disinterested consideration of any hearing before the Association shall disclose such to the President of the Association prior to the hearing on the case, if possible, or if advance notice is not possible, then such disclosure shall be made at the hearing and the Board member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member (s) results in an even number of remaining Board members 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 board.



G. Hearing: The Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall establish a quorum, explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board. The Complaining parties and the Offending Owner shall have the right but not the obligation to be in attendance at the hearing. Each party may present evidence, testimony and witnesses. The decision of the Board at each hearing shall be based on the evidence as may be presented at the hearing. Unless otherwise determined by the Board of Directors in accordance with the terms of the Colorado Common Interest Ownership Act, all hearings shall be open to attendance by all members of the Association. If a complaining party is unable to attend the hearing, he or she may instead submit a letter to the Board explaining the basis of the complaint.

H. Decision: After all testimony and other evidence have been presented to the Board at a hearing, the Board shall render its written findings and decision, and impose a reasonable fine, if applicable, within 14 days after the hearing. A decision, either a finding for or against the Offending Owner, shall be a majority vote of the Board members present.

#### Section 2 - Fine Schedule:

A. A \$50.00 fine will be levied for violation of the provisions of the Declarations and/or Use Restrictions of the Association. In addition to the fine, a \$50 per week fine may be levied in situations where the violation continues and does not come into compliance. The Board may waive all, or any portion of the fines if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, The Board may condition waiver of the entire fine, or any portion therefore, upon the Offending Owner coming into compliance with the Declarations and/or Use Restrictions.

B. All fines shall be due and payable upon notice of the fine and will be late if not paid within 30 days of the date that the Offending Owner is notified of the imposition of the fine. All fines and late charges shall be considered an assessment and may be collected as set forth in the Declaration. Fines shall be in addition to all other remedies available to the Association pursuant to the terms of the Declaration and Colorado law, including the Association's right to collect attorney fees as authorized by Colorado law.


#### Section 3 - Legal Action:

The Association may pursue legal action against an Offending Owner to enforce the provisions of the Declaration and/or Use Restrictions without first levying a fine, if the Board determines that such action is in the Association's best interest. The Offending Owner will be given a notice and an opportunity for a hearing before legal action is commenced.

#### Section 4 - Failure to Enforce:

Failure of the Association to enforce the Declaration and/or Use Restrictions will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any of the above referenced governing documents for the Association.

The undersigned certify that this Policy was adopted on February 20<sup>th</sup> 2025 by resolution of the Board of Directors.

  
Randy Miller – President

  
Karen Crespin - Secretary