

POLICY FOR COVENANT AND RULE ENFORCEMENT

This Policy for Covenant and Rule Enforcement supersedes and replaces all prior policies regarding covenant enforcement.

Purpose: Adoption of a policy and procedure for alternative dispute resolution for Trail Ridge Association, Inc. ("Association").

Authority: The Declaration for Trail Ridge Association, Inc. recorded on April 19, 1985 at Reception 2523061 ("Declaration"), the Bylaws of the Association, the Colorado Common Interest Ownership Act ("CCIOA"), §38-33.3-123 and §38-33.3-209.5, and 38-33.3-302, C.R.S., and other applicable Colorado and Federal laws.

Effective Date: January 1, 2022.

Resolution: The Association hereby adopts the following procedures to be followed when enforcing the covenants and rules of the Association:

Complaints

1. Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's management company, if any, or by Board member(s) or committee member(s).

2. Types of Complaints

- A. Intangible.** Complaints regarding intangible violations (e.g. noise, odors, nuisances, etc.) shall be in writing and submitted to the Association at its principal business office. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Two written complaints from two different Lot owners must be received on such complaints before action will be taken.
- B. Tangible.** The complaint for tangible violations (e.g. vehicles, pets, etc.) need not be in writing. Only one complaint is required and if verified, action will be taken.
- C. Anonymous.** No action will be taken on anonymous complaints.
- D. Incomplete Complaints.** Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

3. Copies of written complaints shall be provided to the alleged violator if requested at any hearing conducted pursuant to this Policy.
4. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board-designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

Warning Letter

1. If a violation is found to exist, a Warning Letter may be sent to the Owner by first class mail to the address on file with the Association, explaining the nature of the violation and requesting that the owner correct the violation within the time frame provided.
2. The time afforded to an Owner to come into compliance with other covenants, Rules and Regulations or ARC Guidelines may vary depending on the type and degree of violation.

First of Subsequent Offense Letters

1. If the Owner does not come into compliance within the time frame provided in the Warning Letter, a First Offense Letter will be sent to the Owner via first class mail only to the address on file with the Association, identifying the alleged violation(s), explaining that a fine and other penalties may be imposed, and providing an opportunity for a hearing.
2. The First Offense Letter will state that the Owner is entitled to a hearing on the merits of the matter provided that such hearing is requested by the Owner in writing sent Registered or Certified Mail, Return Receipt requested, to the Association's principal office and received by the Association within ten (10) days of the date on the Second Offense Letter.

Failure to Timely Request Hearing

1. If the Owner fails to request a hearing within 10 days of the First Offense Letter or fails to appear at any hearing scheduled pursuant to the Owner's request, the Board may make a decision with respect to the alleged violation based on available information without the necessity of holding a formal hearing.
2. If a violation is found to exist, the Board may impose a fine, suspend the Owner's voting right and/or impose other penalties permitted by the Declaration, Bylaws rules or Colorado law.

Notice of Hearing

1. If a hearing is requested by the Owner, the Board, committee, or other person conducting such hearing as may be determined in the sole discretion of the Board, may mail a written Notice of the Hearing to all parties involved at least ten (10) days prior to the hearing date by first class mail only to the address on file with the Association.
2. The Owner may attend the hearing personally, through counsel or other representative, and/or may submit written or other evidence for the Association's consideration.

Hearing

1. At the beginning of each hearing, the presiding officer shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing.
2. Each party or designated representative may, but is not required, to make an opening statement, present evidence and testimony, present witnesses, and make a closing statement.
3. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances.
4. The Complainant is not required to be in attendance at the hearing.
5. The Board shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing.
6. All hearings shall be open to attendance by all Owners.
7. After all testimony and other evidence has been presented at a hearing, the Board shall, within a reasonable time, render a decision, and may impose a fine, suspend the Owner's voting rights and/or impose other penalties permitted by the Declaration, Bylaws, rules or Colorado law.
8. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.

Notice of Decision

The Board, committee, or other person shall either announce the decision at the end of the Hearing or may issue a written Notice of Decision and mail it, by first class mail only to the address on file with the Association, within a reasonable time following the hearing or, if no hearing was held, within a reasonable time following the final decision by the Board.

Fine Schedule

The following fine schedule has been adopted for all covenant violations:

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| a. First Offense: | \$100.00 |
| b. Second Offense of the same covenant or rule: | \$200.00 |
| c. Third Offense of the same covenant or rule: | \$400.00 |
| d. Fourth Offense of the same covenant or rule: | \$800.00 |
| e. Subsequent violations of same covenant or rule: | \$1,000.00 |
| f. Continuous violations: | \$50.00 per day |

Continuous Violation

1. Continuous violations are defined as violations of an Owner's obligations that are uninterrupted by time. Each day of noncompliance constitutes a separate violation. For example: the failure to remove an unapproved exterior Improvement or parking violations.
2. If an Owner is determined to have a continuous violation, in accordance with the terms of this Policy, such Owner may be subject to a daily fine of up to \$50.00 per day, per covenant, if not corrected, following a notice and opportunity for a hearing as forth above.

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 owner coming into and staying in compliance with the Articles, Declaration, Bylaws or Rules.

Other Enforcement Means

This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

Definitions

Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

Supplement to Law

The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

Deviations

The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

Amendment

This Policy may be amended from time to time by the Board of Directors.

CERTIFICATION:

The undersigned, being the President of Trail Ridge Association, Inc., a Colorado non-profit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 1, 2022 and in witness thereof, the undersigned has subscribed his/her name.

TRAIL RIDGE ASSOCIATION, INC.

A Colorado non-profit corporation,

By: Paul Winkelman

Its: President