

**RESOLUTION OF THE BOARD OF DIRECTORS
RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC.
ADOPTING POLICIES AND PROCEDURES REGARDING ENFORCEMENT**

- SUBJECT:** Adoption of policies and procedures regarding enforcement of the Declaration ("**Declaration**"), for Red Mountain Ranch of Gunnison County Association, Inc. (the "**Association**"), Articles of Incorporation ("**Articles**") and Bylaws ("**Bylaws**"), and any other policies and procedures (collectively, the "**Governing Documents**").
- AUTHORITY:** Red Mountain Ranch Declaration and any other Governing Documents of the Association and Colorado Revised Statutes, 38-33.3-101 et seq. (the "**Act**").
- PURPOSE:** To adopt policies and procedures with regard to the enforcement of the Governing Documents (the "**Policy**").
- EFFECTIVE DATE:** December 16, 2015
- RESOLUTION:** The Association adopts the following policies and procedures regarding Enforcement ("**Policy**"):

1. **Enforcement of Governing Documents.** Any complaint which alleges a violation of the Declaration or the Governing Documents against a lot owner shall be made in writing by the complainant and will contain substantially the same information as set forth in the Witness Statement attached hereto as **Exhibit A**. At a minimum, the complaint must set forth:

- (a) The name and phone number of the complainant and, if the complainant is a lot owner, the lot number.
- (b) The name and lot number of the alleged violator.
- (c) The specific details or description of the alleged violation, including the date, time and location where the alleged violation occurred.
- (d) A statement by the complainant that he or she will cooperate in the enforcement procedures and will provide testimony at any proceedings, hearings or trial which may be necessary.
- (e) The signature of the complainant and the date on which the complaint is made.

2. **Notice of Violation.** The lot owner alleged to have caused or committed the violation must be notified of the complaint and alleged violation by the Association or by its manager. If the complaint is based on conduct of the lot owner's occupant or invitee, the lot owner

must notify such person of the alleged violation. The notification must be in a manner prescribed by the Board of Directors in a form similar to that which is attached hereto as **Exhibit B** ("**Notice of Violation**").

3. **Right to Hearing.** Any lot owner charged with an alleged violation of the Governing Documents is entitled to an opportunity for a hearing before an impartial decision maker. For purposes of this policy, "**Impartial Decision Maker**" means a person or group of persons who have the authority to make a decision regarding the enforcement of the Association's covenants, conditions, and restrictions, including its architectural requirements, and the other Governing Documents and do not have any direct personal or financial interest in the outcome which may include, without limitation, the Board of Directors or a committee, at the discretion of the Board of Directors. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association. If the lot owner desires a hearing, the lot owner must proceed as follows:

(a) If the lot owner desires to have a hearing regarding the Notice of Violation, within fourteen (14) days after the Notice of Violation has been delivered to the lot owner, the lot owner must complete the Request for a Hearing form, which is attached to the Notice of Violation, and return it to the Association or its manager.

(b) If a request for a hearing is timely filed, a hearing on the complaint will be held before an Impartial Decision Maker. The hearing will be conducted no later than twenty-one (21) days after receipt of the Request for a Hearing, as determined by the Board of Directors.

(c) At any such hearing, the Impartial Decision Maker will hear and consider arguments, evidence or statements regarding the alleged violation. Following a hearing, the Impartial Decision Maker will issue its written determination regarding the alleged violation. The decision of the Impartial Decision Maker will be final and binding on the lot owner and Association.

(d) The lot owner shall have the right to appeal a decision made by the Impartial Decision Maker to the Board of Directors if the Impartial Decision Maker is other than the Board of Directors as set forth in the Bylaws.

(e) Notification of the Board's determination shall be made in a form similar to that which is attached as **Exhibit C**.

4. **Deemed Default.** If no Request for a Hearing is filed within fourteen (14) days by the Owner, a hearing will be considered waived, the allegations in the Notice of Violation is deemed admitted by default, and appropriate sanctions will be imposed at a meeting of the Board of Directors or a committee. The lot owner will be notified by the Association of any such determination using the same form and in the same manner as if a hearing had been conducted.

5. **Remedies of Association.** The Association, acting through the Board of Directors, may enforce all applicable provisions of and may impose sanctions for violation of the Governing Documents. Such sanctions may include, without limitation:

(a) imposing reasonable monetary penalties after notice and an opportunity to be heard has been given to the lot owner or other violator. A lot owner shall be responsible for payment of any fine levied or imposed against any person who is an invitee, owner or tenant of the lot;

(b) suspending a lot owner's right to vote;

(c) suspending any person's right to use any facilities within the common elements; provided, however, nothing in this Policy authorizes the Board of Directors to limit ingress or egress to or from a lot;

(d) exercising self-help of taking action to abate any violation of the Governing Documents in an emergency situation;

(e) requiring an lot owner, at the lot owner's expense, to remove any structure or improvement on such lot in violation of the Governing Documents and to restore the lot to its previous condition and, upon failure of the lot owner to do so, the Board of Directors or its designee has the right to enter the property, remove the violation and restore the property to substantially the same condition as previously existed and any such action shall not be deemed a trespass;

(f) without liability to any person, prohibiting any contractor, subcontractor, agent, employee or other invitee who fails to comply with the terms and provisions of the Governing Documents from continuing or performing any further activities at the lot;

(g) towing vehicles which are parked in violation of the Governing Documents;

(h) filing a suit at law or in equity to enjoin a violation of the Governing Documents, to compel compliance with the Governing Documents, to recover monetary penalties or money damages or to obtain such other relief as to which the Association may be entitled, including, without limitation recovery of all attorney fees and other out of pocket costs and expenses, with interest thereon, as permitted by the Act; and

(i) Recording a written notice of a violation by any lot owner of any restriction or provision of the Governing Documents. The notice must be executed and acknowledged by an officer of the Association and contain substantially the following information: (i) the name of the lot owner; (ii) the legal description of the lot against which the notice is being recorded; (iii) a brief description of the nature of the violation; (iv) a statement that the notice is being recorded by the Association pursuant to this Policy; and (v) a statement of the specific steps which must be taken by the lot owner to cure the violation. Recordation of a "Notice of Violation" serves as a notice to the lot owner and to any subsequent purchaser of the lot that there is a violation of the provisions of the Governing Documents.

6. **Fines.** If a lot owner is found to have violated personally or is otherwise liable for a violation, the following with respect to the levying of fines shall occur:

(a) If found to be guilty of a first violation, the lot owner will be notified of the finding by the Association or its manager that a first violation has occurred. The first violation, at the discretion of the Board of Directors, may be considered a warning that if any further violations

occur a fine for the violation will be imposed. In the alternative, the Board of Directors may elect to assess a fine.

(b) If found to be guilty of a second or continuing violation, the Owner will be notified of the finding by the Association or its manager. The Owner will be assessed a fine.

(c) Where a fine is imposed, it will be in the amount of Two Hundred dollars (\$200) for a single incident of violation of a Governing Document, Three Hundred dollars (\$300) for a second single incident of the same violation, and Four Hundred dollars (\$400) for a third or subsequent single incident of the same violation; or in any case, the sum of Two Hundred dollars (\$200) per day for a violation of a continuing nature. A FINE FOR A VIOLATION OF A CONTINUING NATURE WILL CONTINUE UNTIL THE VIOLATION HAS BEEN ELIMINATED AND THE ASSOCIATION HAS CONFIRMED THE VIOLATION HAS BEEN CURED. LOT OWNER MUST PROVIDE THE ASSOCIATION OF NOTICE IF THE VIOLATION HAS BEEN CURED.

(d) If found to be guilty of any violation, including a first violation, the notice of determination may also require the lot owner to pay for any damage or any unauthorized condition on the property for which the lot owner has been found responsible, to pay the costs of any repairs which have previously been made or will be made by the Association, or to pay any legal expenses and costs incurred by the Association as a result of the violation. The cost of such inspection and any necessary repairs shall be assessed to the lot.

(e) All amounts required to be paid by an lot owner under this Policy will bear interest at the higher of the amount permitted by law or by 18% per annum until paid.

(f) Notwithstanding the foregoing, nothing in this Policy will be deemed to limit the Association's rights and remedies set forth in any of the other Governing Documents.

7. **Charges.** Any lot owner assessed under this Policy must pay any charges imposed within thirty (30) days of notification that such charges are due. Failure to make the payment on time shall subject the lot owner to all of the legal or equitable remedies necessary for the collection thereof, including, without limitation, the Association's right to assert a lien as an Assessment against the lot in accordance with the Act. All charges imposed in accordance with this Policy will be added to the lot owner's account and are collectible as an Assessment in the same manner as any regular or special assessment against the lot.

8. **Time of the Essence/Notices.** Time is of the essence of this policy. Notices are deemed delivered either:

- (a) At the time of delivery if by personal delivery; or
- (b) On the second business day after deposit in the United States Mail.

9. **Right of Action.** The Association on behalf of itself and any aggrieved lot owner is granted a right of action against any lot owner for failure to comply with the provisions of the

Governing Documents, or with decisions of the Board of Directors made pursuant to authority granted to the Association in the Governing Documents. In any action covered by this Section, the Association has the right to enforce Governing Documents by any proceeding at law or in equity, or as set forth in the Governing Documents, or by mediation or binding arbitration to the extent authorized by this Declaration or the Act. The prevailing party in any arbitration or judicial relief or other civil action shall be awarded from the non-prevailing party or parties, all reasonable costs and expenses, including attorneys' fees in connection with such arbitration or judicial relief, including interest as set forth in this Policy, on such amount until paid. Failure by the Association to enforce compliance with any provision of the Governing Documents shall not be deemed a waiver of the right to enforce any provision thereafter.

10. **Failure to Complete Maintenance.** In addition to any other enforcement rights, if a lot owner fails to properly perform its maintenance responsibility, or otherwise fails to comply with the Governing Documents, the Association may record a notice of violation or perform such maintenance responsibilities and assess all costs incurred by the Association against the lot and the lot owner as an Enforcement Assessment.

11. **Lot Owner Not Responsible.** If, as a result of the fact finding process described in this Policy, it is determined that the lot owner should not be held responsible for the alleged violation, the Association will not allocate to the lot owner's account with the Association any of the Association's costs or attorney fees incurred in asserting or hearing the claim. If it is determined that the allegations were arbitrary or capricious, the complainant will be responsible for the Association's costs or attorney fees incurred related to the claim.

12. **Cumulative Remedies.** All remedies set forth in the Governing Documents are cumulative of any remedies available at law or in equity. In any action to enforce the Governing Documents, the prevailing party will be awarded all costs, including, without limitation, attorneys' fees and court costs, reasonably incurred in such action. The amount of any such attorneys' fees, court costs and interest constitute a lien against the lot owner's lot that may be foreclosed in accordance with applicable law.

The decision to pursue enforcement action in any particular case is at the Board of Directors' discretion. Such a decision shall not be construed as a waiver of the Association's right to enforce such provisions at a later time under other circumstances or preclude the Association from enforcing any other covenant, restriction or rule.

13. **Definitions.** Any initially capitalized terms herein that are not otherwise defined, have the meanings given to them in the Declaration.

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

15. **Inconsistencies.** If and to the extent that any provision of these Policies are inconsistent with the Declaration the applicable provisions of the Declaration prevail, unless other required by the Act.

CERTIFICATION:

The undersigned, being the President of Red Mountain Ranch of Gunnison County Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting on December 16, 2015.

RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC., a Colorado non-profit corporation

By: *Bill Lacy*
Name: Bill Lacy
Title: President

**EXHIBIT A
TO ENFORCEMENT POLICY FOR
RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION,
INC.
VIOLATION COMPLAINT - WITNESS STATEMENT**

PLEASE PRINT OR TYPE. Complete all the information you know. If unknown, please state so.
Attach additional sheets if necessary.

INFORMATION CONCERNING WITNESS(ES) TO VIOLATION

_____	_____
Reporting Witness Name	Date
_____	_____
Lot #	Area Code - Phone number

ADDITIONAL WITNESSES

_____	_____
Name & Address	Area Code - Phone Number
_____	_____
Name & Address	Area Code - Phone Number

INFORMATION CONCERNING THE VIOLATOR

_____	_____
Violator's Name	Area Code - Phone Number

Lot #	

Owner's Name, Address & Phone No. if different than the Violator.

INFORMATION CONCERNING THE VIOLATION

_____	_____	_____
Violation Date	Time	Location

Section(s) of Declaration, Bylaws or Rules that was

violated Reporting Witness' Observations:

Were any photographs or sound recordings made? Yes _____ No _____ By whom?
_____ Include any audio or videotapes or photographs with this form or forward as soon
as possible. Include the name of the person who made the tape or photograph(s), the date it was
made, the location it was made and the name of anyone else who was present.

I HAVE MADE THE ABOVE STATEMENTS BASED ON MY PERSONAL KNOWLEDGE AND NOT UPON WHAT HAS BEEN TOLD TO ME. I WILL FULLY COOPERATE WITH THE ASSOCIATION AND ITS ATTORNEYS TO PROVIDE ADDITIONAL STATEMENTS OR AFFIDAVITS, AND IN THE EVENT A HEARING OR TRIAL IS NECESSARY, I WILL _____ WILL NOT _____ APPEAR TO TESTIFY AS A WITNESS.

Signature

**EXHIBIT B
TO ENFORCEMENT POLICY FOR
RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC.**

TO: _____
(Owner/Tenant)

Date: _____

NOTICE OF VIOLATION

Re: Violation of Declaration, Bylaws or Rules and Regulations

You are hereby notified, as the Owner/Tenant of the Lot # _____ at Red Mountain Ranch, _____, Colorado that you violated the Association's Declaration, Bylaws or Rules and Regulations. The actions complained of occurred on or about _____, 20____ and are described as follows:

UNDER THE ASSOCIATION'S RULES, IF YOU FAIL TO REQUEST A HEARING WITHIN 14 DAYS OR FAIL TO APPEAR AT A HEARING ON THESE CHARGES, YOU WILL BE FOUND GUILTY BY DEFAULT, AND FINES, CHARGES, COSTS, EXPENSES AND LEGAL FEES MAY BE ASSESSED AGAINST YOU AND ADDED TO YOUR MONTHLY ASSESSMENT.

YOU MAY AVOID THE PROPOSED SANCTION BY CURING THE VIOLATION WITHIN 7 DAYS OF THE DATE OF THIS NOTICE.

IF A VIOLATION EXISTS, WHICH HAS NOT ALREADY BEEN CORRECTED AND YOU FAIL TO MAKE AN APPROPRIATE CORRECTION, THE ASSOCIATION MAY CORRECT THE VIOLATION AT YOUR EXPENSE.

Please consult the Association's rules for further details.

You may request a hearing by signing, dating and returning the attached Request for a Hearing form within 14 days to the Association at the address below.

Very truly yours,

RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC.

By: _____
Title: _____

Address

City, State, Zip

Area Code and Phone #

**EXHIBIT B-2
TO ENFORCEMENT POLICY FOR
RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC.**

REQUEST FOR A HEARING

I hereby request a hearing on the statements made against me as contained in the Notice of Violation dated _____, 20__ alleging a violation of the Declaration, Bylaws or Rules of Red Mountain Ranch.

Lot Owner/Resident's Name (printed)

Address

City, State, Zip

Area Code and Phone #

Signature

Date

EXHIBIT C
TO ENFORCEMENT POLICY FOR
RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC.

TO: _____
(Owner/Tenant)

Date: _____

NOTICE OF DETERMINATION REGARDING VIOLATION

On _____ 20____ you were notified of a violation of the Declaration, Bylaws, or Rules of the Association. Pursuant to the Association rules:

- A hearing was held at your request regarding the alleged violation.
- You have admitted to the violation by default and waived your right to request a hearing. After considering the complaint and evidence, the following determination has been made and the following action(s) will be taken:
 - You were found not guilty and no action will be taken.
 - A 1st, 2nd, 3rd or subsequent violation (circle one) of the Association Declaration, Bylaws or Rules has occurred and a fine in the amount of \$_____ is now due.
 - A violation of the Association's Declaration, Bylaws or Rules of a continuing nature has occurred and a fine in the amount of \$_____ per day from _____, 20__ is now due. A FINE FOR A CONTINUING VIOLATION WILL CONTINUE UNTIL THE VIOLATION HAS BEEN ELIMINATED AND THE ASSOCIATION HAS BEEN NOTIFIED.
 - Damages & expenses in the amount of \$_____ have accrued and are due.
 - Legal expenses in the amount of \$_____ have been incurred by the Association and are due.
 - Damages have occurred or an architectural violation exists, as charged in the complaint. The Association will proceed to have the damages or violation corrected or repaired at your expense.
 - As a result of a second or subsequent violation, we have instructed our attorneys to inform you that legal proceedings will be instituted if further violations occur, and the fees and expenses incurred will be assessed to you.

RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC.

By: _____
Name: _____
Title: _____