

**SUNRISE RIDGE HOMEOWNERS ASSOCIATION  
COVENANT AND RULE ENFORCEMENT POLICY AND PROCEDURE**

Effective Date: October 15, 2019

1. Enforcement Procedure. The Board will not impose fines, impose an assessment based on negligence or willful act or omission of an Owner as provided in Article 11, Section 11.6 of the Declaration, or suspend rights to vote based on a covenant violation until after the Association has followed the notice and hearing procedure set forth below. Compliance with the notice and hearing procedure set forth below is not required for the following: late charges on delinquent assessments; suspension of voting rights of any Owner who is delinquent in payment of assessments, in which case suspension will be automatic and legal action.
  
2. Complaint. Any Owner may send the Association a written complaint by email or first-class mail, with as much information as is known of a covenant or rule violation. Complaints may also be initiated by any member of the Board or of the Architectural Review Committee. Complaints that cannot be independently verified by a Board member must be in writing. The Board has no obligation to consider oral or anonymous complaints. The Board may determine whether a written complaint is justified before continuing with the notice and hearing procedure.
  - A. Notice of Alleged Violation. The Board will send a written notice of alleged violation of any provisions of the governing documents to the Owner as soon as reasonably practicable. The Board may also, at its option, provide a copy of the notice to any non-Owner violator. The notice will describe the nature of the violation and the fine that may be imposed, the right to request a hearing to contest the violation or possible fine, and may further state that the Board may seek to protect its rights specified in the governing documents. All notices will be delivered by messenger or sent by regular first class mail. A copy may be sent by email.
  
  - B. Request for Hearing. If an Owner desires a hearing to contest any alleged violation and possible fine or to discuss any mitigating circumstances, the Owner must request the hearing, in writing, within 21 days of the date of the notice of alleged violation. The request for hearing should describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. If a timely request for a hearing is not made, the right to a hearing is deemed forever waived. If a hearing is not requested within the 21-day period, the Board will determine if there was a violation based upon the information available to it, and if so, assess a fine as set forth in the fine schedule, within a reasonable time. The Board will give written notice of any fine to the Owner.
  
  - C. Hearing Board to Conduct Hearing. The hearing board, which may be the Board of Directors, will hear and decide cases set for hearing pursuant to the procedures set forth in this policy. The hearing board may appoint an officer or other Owner to preside at any hearing.
  
  - D. Conflicts. Any Owner who desires a hearing will be afforded a fair and impartial fact-finding process by "impartial decision makers" (persons with authority to make a decision on a claimed covenant, rule, or architectural violation and without a direct personal or financial interest in the outcome of the hearing). Any decision-maker who is incapable of objective and disinterested consideration will disclose this to the presiding officer prior to the hearing, if possible. If advance notice is not possible, the disclosure will be made at the hearing, and the decision-maker will be disqualified from all proceedings related to the hearing. If disqualification of any decision-maker results in an even number of individuals 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.
  
  - E. Hearing. The Board will inform the Owner of the scheduled time, place, and date of the requested hearing by first class mail and may send a copy by email. The presiding officer may grant continuances for good cause. At the beginning of each hearing, the presiding officer

will explain the rules, procedures, and guidelines by which the hearing will be conducted. The complaining parties and the Owner will have the right, but not the obligation, to attend the hearing. Each party may present evidence, testimony, and witnesses. The decision will be based on the matters set forth in the notice of alleged violation, request for hearing, and evidence as may be presented at the hearing. Unless otherwise determined by the hearing board in accordance with the Colorado Common Interest Ownership Act, all hearings will be open to attendance by Association Members. If a complaining party is unable to attend the hearing, he may submit a letter to the hearing board explaining the basis of the complaint.

F. Decision. After all testimony and other evidence has been presented to the hearing board, it will render its written findings and decision, and impose a fine, if applicable, within a reasonable time. A decision, either a finding for or against the Owner, will be by a majority vote of the hearing board.

3. Fine Schedule.

A. Unless otherwise specified in the governing documents, the following fines are guidelines for violation of the provisions of the governing documents:

First violation:	Courtesy letter
Second violation:	\$100.00
Third violation:	\$200.00
Fourth violation:	\$400.00
Subsequent violations:	\$500.00
Continuing violations:	\$25.00 per day

The Association reserves the right to fine for first violations that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Additionally, upon prior written notice, the Board reserves the right to levy fines in excess of the schedule, if the fines in this schedule are not likely to provide effective incentives to induce compliance. The Board has discretion to determine whether a violation is a first or subsequent violation.

The Board may waive fines if, in its reasonable discretion, waiver is appropriate under the circumstances. Additionally, the Board may condition the waiver upon the violator coming into compliance with the governing documents.

B. All fines are due and payable upon notice of the fine and are late if not paid in accordance with the Collection Policy. All fines and late charges are considered an assessment and may be collected as set forth in the Declaration. Fines are in addition to all other remedies available pursuant to the Declaration and Colorado law, including the Association's right to collect attorney fees.

4. Additional Enforcement Rights.

A. Legal Action. The Association, at any time, may pursue legal action against an Owner to enforce the provisions of the governing documents without first following the preceding notice and hearing procedures, if the Board determines that legal action is in the Association's best interests.

B. Recorded Notice of Violation. The Board may issue and record with the Clerk and Recorder a Notice of Violation.


C. Individual Assessments. The Board may levy an Individual Assessment against any Owner and Owner's Lot for those purposes set forth in the Declaration.

D. Suspension of Right to Vote. An Owner's right to vote will be automatically suspended if the Owner is delinquent in payment of any assessment, fee, or other charge.

5. Failure to Enforce. The Association's failure to enforce the governing documents is not a waiver of the right to enforce for any subsequent violations.

This Covenant and Rule Enforcement Policy and Procedure was adopted by the Board of Directors on this 15th day of October, 2019.

SUNRISE RIDGE HOMEOWNERS ASSOCIATION  
a Colorado nonprofit corporation,

By:   
Its: President