

**RIVER VALLEY RANCH MASTER ASSOCIATION, INC.
POLICY AND PROCEDURE**

ENFORCEMENT OF COVENANTS AND RULES

Effective May 30, 2019

This policy and procedure has been adopted by the Executive Board ("Board") of the RIVER VALLEY RANCH MASTER ASSOCIATION, INC. (the "Association") for enforcement of covenants and rules ("Enforcement Policy") pursuant to C.R.S. §§ 38-33.3-209.5(1)(b)(IV) and 209.5(2). This Enforcement Policy repeals and replaces the Association's "Enforcement Policy and Procedures" (undated) and shall remain in effect until such time as they may be duly changed, modified, or amended by the Board.

1. Enforcement Committee. Pursuant to Section 9.1 of the Bylaws, the Board hereby creates an Enforcement Committee (the "Committee") to conduct the duties and responsibilities under the Enforcement Policy or delegated to it by the Board, and to constitute the "impartial decisionmaker" under C.R.S. § 38-33.3-209.5. The Enforcement Committee may be comprised of at least 3 but no more than 5 members, one of whom shall be the Committee Chair. The Committee may be comprised of Board Members (Directors) or non-Board Members (non-Directors). At least 1 Board Member (Director) shall be a member of the Committee. The Committee Chair shall be a Board Member (Director). Any non-Board Member (Director) Committee members shall be appointed by the Board. All Committee members shall be bound by the same duties and standards of conduct of Board Members (Directors).

2. Reporting Alleged Violations; Complaint Procedure. Any Owner or resident in the community, a Board Member (Director), or the General Manager, may submit a written complaint to report an alleged violation of the Governing Documents (i.e. Declaration, Bylaws, Rules, Regulations, Policies, Design Review Guidelines). All written complaints shall be submitted to the General Manager. Each written complaint shall:
 - (i) identify the individual making the complaint (the "Complainant");
 - (ii) identify the alleged violator ("Violator"), if known;
 - (iii) describe the alleged violation;
 - (iv) identify the specific provisions alleged to have been violated, if known;
 - (v) state when the violation was observed; and
 - (vi) any other relevant information.

Non-written complaints or anonymous complaints will not be accepted; however, Complainants identity may remain confidential at the request of the Complainant, unless needed to provide testimony at a hearing. Complaints failing to include any information required by this provision may be returned to the Complainant for revision or clarification, or may not be investigated, at the General Manager's discretion.

Violations of the Town of Carbondale Municipal Code should be reported to the Town of Carbondale Police Department.

3. Investigation. Upon receipt of a complaint, the alleged violation may be investigated by the General Manager or his/her designee and reported to the Board. The General Manager and Board shall determine: (i) whether the alleged violation occurred based on the complaint and any additional information obtained through the investigation; (ii) whether the alleged violation has been or may be resolved informally; and (iii) whether enforcement action is warranted.
4. Notice of Violation. If the Board determines that the alleged violation actually occurred and that action is warranted, it shall direct the General Manager to send a Notice of Violation of any provision of the Governing Documents to the applicable Violator.

The Notice of Violation shall:

- (i) describe the violation and, if a continuing violation, how to cure such violation;
 - (ii) state the amount of fine to be imposed pursuant to this Policy and/or Schedule of Fines.
 - (iii) state the Violator may request a hearing with the Committee, as an impartial decision maker, to challenge or contest the alleged violation and fine, and that such request must be made within 14 days from the date of the Notice of Violation;
 - (iv) state that if a hearing is not requested within 14 days, the fine set forth on the Notice of Violation shall be deemed validly imposed and accepted.
5. Request for Hearing. If a Violator desires a hearing to challenge or contest any alleged violation and possible fine, the Violator must request such hearing, in writing, within 14 days from receipt of the Notice of Violation. The request for hearing shall describe the grounds and basis for challenging the alleged violation. If a hearing is not requested within the 14-day period, then the Notice of Violation shall constitute an accepted Violation and the fines set forth on the Notice of Violation shall be deemed validly imposed, assessed, accepted, and immediately due and payable. Such fines shall constitute a Reimbursement Assessment under the Declaration.
 6. Hearing. If requested by the Violator, the Committee shall inform the Violator of the scheduled time, place and date of the hearing, provided that the Committee Chair may grant continuances for good cause shown (and no unnecessary delay). The Violator must be in attendance at the hearing. If the Violator fails to appear at the hearing or otherwise respond, the Committee may proceed with or without a hearing to make a determination regarding the allegations in the complaint and Notice of Violation based on the relevant facts and circumstances.

At the beginning of each hearing, the Committee Chair shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Committee by reading the Notice of Violation. Each party may make opening statements, may present evidence and testimony, may present witnesses, and may make closing statements. The decision of the Committee at each hearing shall be based on the matters set forth in the complaint, Notice of Violation, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Committee, all hearings shall be open to attendance by all members of the Association.

7. Decision. Whether or not a hearing is held, the Committee shall render its written findings and decision, and impose a reasonable fine, if applicable. A decision, either a finding for or against the Violator, shall be by a majority of the members of the Committee present at the hearing. For continuing violations involving real property, the Committee may also issue and present for recording with the County Clerk and Recorder a Notice of Finding of Violation. Upon satisfactory compliance with the Association's Governing Documents, the Notice of Finding of Violation may be released by the Association issuing and recording a Release of Notice of Finding of Violation. A Violator wishing to dispute the Committee's Decision must follow the Association's Alternative Dispute Resolution Policy and Procedure.
8. Fines. The Association is authorized to impose fines pursuant to C.R.S. § 38-33.3-302(1)(k)(I). Unless otherwise provided in the Schedule of Fines, any violation of the Governing Documents will subject the Violator/Owner to a reasonable fine assessment imposed by the Committee on behalf of Association. The Board may determine and adopt a Schedule of Fines; otherwise fines shall be determined by the Committee for each finding of a violation based on the type, severity, repetition, and circumstances of each violation. In the event of a continuing violation, a daily fine may be levied for each day the violation continues and a separate notice and hearing procedure is not required for each day the fine is imposed. The Committee, in its sole discretion, may amend, suspend, or waive all or any portion of any fines, and on reasonable terms and conditions, if appropriate under the circumstances.
9. Committee to Conduct Hearing. Unless determined to have a "a direct personal or financial interest in the outcome," the Committee members shall act as the "impartial decision maker" and shall hear and decide cases set for hearing pursuant to this Policy. The Committee may appoint an officer or other Owner to act as the Committee Chair at any of the hearings.
10. Conflicts. Committee members shall comply with the Association's Conflict of Interest Policy and Procedure. Any Committee member who is incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the Committee Chair 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 Committee member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Committee member(s) results in an even number of remaining Committee members

eligible to hear a case, the Presiding Officer may appoint a Board member (Director) or Owner, in good standing, to serve as a temporary voting member of the hearing board.

11. Failure to Appear. If the Violator fails to appear at any of these proceedings, the action of the Committee will stand.
12. Service of Notices. Service of all notices required or permitted to be given hereunder shall be made as follows:

If to Violator: By email, personal delivery, or by U.S. Mail, certified mail, return receipt requested, addressed to the last registered address of the Violator as contained in the Association's records.

If to the Association: By email to General Manager, personal delivery, or by U.S. Mail, certified mail, return receipt requested, addressed to the Association.

Email service of notice is preferred. Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the third (3rd) day following the date of mailing.

13. Collection of Fines; Lien and Foreclosure. Fines imposed shall constitute and be collected in the same manner as assessments pursuant to the Association's Collection Policy and Procedure, which may include recording a lien and instituting a foreclosure action.
14. Suspension of Rights. Upon a failure to cure by the required time, the Violator's voting privileges shall be suspended and shall be precluded from using the Ranch House and other Association amenities until such time as the violation is cured and any fine paid.
15. Informal Enforcement. Nothing herein shall preclude the Committee or Board from seeking voluntary compliance via informal communication.
16. Remedies Not Exclusive; Deviations. Notwithstanding any provision of this Policy, the Association may use any legal means available at any time to enforce the terms of the Governing Documents. The Committee/Board may deviate from the procedures set forth in this Policy if, in its sole discretion, such deviation is reasonable under the circumstances and in compliance with Colorado law. Fines may be modified by a vote of the Committee/Board.
17. Violations or Offenses that Constitute a Present Danger. If, in its sole discretion, the Board deems that any alleged violation is or may be an immediate or substantial threat of damage to community property or to the health, safety or welfare of the community or an individual, the Board may take the appropriate action necessary to abate the threat and protect property and persons.

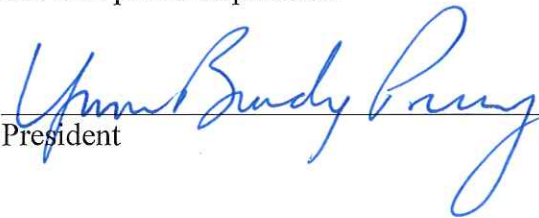
18. Responsibility for Actions of Tenant or Guest. Owners shall at all times be responsible for the actions of their tenants and guests. In the event that an Owner's tenant or guest violates the Governing Documents and a fine is imposed, the fine may be assessed against that Owner.
19. Miscellaneous.
- a. The Committee/Board may determine enforcement action on a case-by-case basis, and take other actions as it may deem necessary and appropriate to assure compliance with the Association's Governing Documents, and to create a safe and harmonious living environment.
 - b. Failure by the Association to enforce any provision of this Policy shall in no event be deemed to be a waiver of the right to do so thereafter.
 - c. The provisions of this Policy shall be independent and severable. The invalidity of any one or more of the provisions hereof by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.
 - d. 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 common interest community and non-profit corporations.
20. Schedule of Fines. A Schedule of Fines is enclosed as **Exhibit A**. The Schedule of Fines may be amended by the Board.

CERTIFICATION:

The undersigned, as President of the River Valley Ranch Master Association, Inc., a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Executive Board of the Association, at a duly called and held meeting of the Board on May 22, 2019.

RIVER VALLEY RANCH MASTER ASSOCIATION, INC.,
a Colorado non-profit corporation

By:


President

RIVER VALLEY RANCH MASTER ASSOCIATION, INC.

SCHEDULE OF FINES

Effective _____, _____, 2019

One of the RVRMA Executive Board's key responsibilities is to enforce the Governing Documents; it's what Board Members were elected to do. RVR property owners' key responsibility is to live by the Governing Documents, which they agreed to when purchasing property at RVR.

The Board has adopted the following Schedule of Fines in order to satisfy its obligations under state law. The Board hopes that most violations can be handled with warnings, conversations, and courteous dialog between RVR management and property owners – without the need for fines.

The purpose of the Fine Policy and Schedule is not to generate revenue; it is to ensure compliance with our community's Governing Documents.

The following schedule contains fines for common violations of the Association's Governing Documents (i.e. Declaration, Bylaws, Rules, Regulations, Policies, Design Review Guidelines). Fines may be levied pursuant to the Association's Policy and Procedure on Enforcement of Covenants and Rules.

There are two primary fine amounts: \$100 and \$1,000. The lower amount is for issues that are considered nuisances. The higher amount is for violations that have significant potential to adversely affect the community.

Provision of Governing Documents	General Description of Violation	Fine Amount	Time to Constitute New Violation
Declaration § 3.3(a)	Failure to maintain property in clean and attractive condition	\$100	7 days
Declaration § 3.8	Annoying light, sound or odor	\$100	1 day
Declaration § 3.14	Clothesline, children's play or sporting equipment left unattended	\$100	1 day
Declaration § 3.15	Garbage or recycling cans left out overnight	\$100	1 day
Declaration § 3.16	Prohibited parking and/or storage of vehicles, trailers, & campers; loading/unloading outside of allowed times	\$100	1 day
Declaration § 3.17	Excessive dog barking; pooping in neighbor's yard	\$100	1 day
Declaration § 3.26	Failure to maintain landscaping in healthy and attractive condition	\$100	1 day
Declaration § 3.29	Unapproved signs and advertising	\$100	1 day

Design Guidelines § 6.58.1	Non-compliant deer fencing	\$100	7 days
Design Guidelines §§ 6.62 – 6.65	Unapproved landscape sculptures, ornaments, flag poles, and play structures	\$100	7 days
Declaration § 3.1 & Design Guidelines § 7.4	Unapproved construction of improvements or landscaping	\$1,000	7 day
Design Guidelines § 6.58.1	Failure to remove deer fencing in a timely manner; storage of deer fencing	\$1,000	15 days
Declaration § 3.21	Interference with waterways, drainage, or irrigations systems	\$1,000	1 day
Declaration §3.4	Violation of residential use and occupancy restrictions	\$1,000	7 days
Declaration §3.35	Violation of lease restrictions; failure to register lease	\$1,000	7 days

Notes:

1. Warnings. The Association shall provide a WARNING for the first violation of any provision of the Governing Documents.
2. Fines for Violations Not Listed. The fines listed above shall apply to the next violation after the warning. For violations not specifically identified above, the default fine amount shall be \$100; however, the Board and/or Enforcement Committee shall have the discretion to determine a reasonable fine amount based on the type, severity, repetition, and circumstances of each violation.
3. Escalating Fines. For repeat violations, the fines identified above shall double with each successive violation. For example, after a warning, if the fine for a violation is \$100, the second violation shall be \$200, and the third violation shall be \$400. After the third violation, in addition to continued escalating fines, the Board may also suspend the violator's Ranch House privileges, and place liens on the violator's property.
4. Time Period to Constitute a New Violation. Except as specifically addressed above, each day that a violation continues and is not cured shall constitute a new violation (i.e. a continuing violation) for which, a daily fine may be levied for each day the violation continues. When a violation goes uncured for the time periods listed above, a new violation will be deemed to occur and an additional fine imposed. For example, if deer fencing is not timely removed, a violation occurs and Notice of Violation provided. If the fencing is not removed after 1 week, then an additional violation shall be deemed to have occurred and fine imposed.
5. Policies and Procedures for Enforcement. The policies and procedures for enforcing Governing Documents are spelled out in the "Enforcement of Covenants and Rules" document, adopted by the Board on <date here>. This Policy and Procedure document is effective on <date here>, the same effective date as this Schedule of Fines.