

DILLEY RANCH PROPERTY OWNERS ASSOCIATION, INC.

POLICY AND PROCEDURE
ENFORCEMENT OF THE DECLARATION, BYLAWS,
RULES AND REGULATIONS AND SCHEDULE OF FINES

Adopted: August 21, 2010

The following policy and procedure has been adopted by the Executive Board ("Board") of Dilley Ranch Property Owners Association, Inc. ("Association") for (i) the enforcement of the Association's Declaration, Bylaws, Rules and Regulations (including any design guidelines or architectural controls), collectively referred to as the "Governing Documents"; and (ii) a Schedule of Fines

1. Notice of Alleged Violation. Notice of Alleged Violation of any provision of the Governing Documents shall be provided to the applicable Owner as soon as is reasonably practicable after the Board's receipt of such violation. The Board may also, at its option, provide a copy of such Notice to any non-owner violator ("Related User"). The Notice shall describe the nature of the violation and shall further state that the Board may seek to protect its rights as they are specified in the Governing Documents.

2. Service of Notices. Service of all notices required or permitted to be given hereunder shall be made as follows:

If to an Owner and/or Related User: By personal delivery to the Owner and/or Related User; or by U.S. Mail, return/receipt, postage prepaid, addressed to the last registered address of the Owner and/or Related User as contained in the Custer County Assessor's records.

If to the Association: By personal delivery or U.S. Mail return/receipt, postage prepaid, addressed to the Association in care of its registered agent and office, as maintained with the Colorado Secretary of State, or such other address as the parties may be advised of in writing.

Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the fifth day following the date of mailing.

3. Request for Hearing. If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, the Owner must request such hearing, in writing, within thirty (30) days from receipt of the Notice of Alleged Violation.



The request for hearing shall describe the grounds and basis for challenging the alleged violation. If a hearing is not requested within the 30 day period, the Board shall determine if there was a violation, and if so, may assess a reasonable fine within the guidelines contained in this Policy and Procedure within sixty (60) days of the expiration of the 30 day period.

The Association shall give notice of said assessment to the applicable Owners as provided in the Association's Governing Documents or this Policy and Procedure. Unless otherwise provided in the Association's Governing Documents, the fine assessment is due and payable immediately upon receipt of notice of the fine assessment.

4. Board to Conduct Hearing. The Board shall hear and decide cases set for hearing pursuant to this Policy and Procedure. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings.
5. Conflicts. Any Board member who is incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Board 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.
6. Hearing. The Board shall inform the Owner of the scheduled time, place and date of the hearing, provided that the Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board by reading the Notice of Alleged Violation. Each party may make opening statements, may present evidence and testimony, may present witnesses, and may make closing statements. Neither the complaining parties nor the Owner must be in attendance at the hearing. However, the decision of the Board at each hearing shall be based on the matters set forth in the Notice of Alleged Violation, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all members of the Association.
7. Decision. After all testimony and other evidence has 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 ten (10) days after the hearing. A decision, either a finding for or against the Owner, shall be by a majority of the members of the hearing board present at the hearing. The Board may also issue and present for recording with the County Clerk and Recorder, a Notice of Find 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.

8. Abatement and Enjoinment of Violations by Owners. The violation of any provision of the Governing Documents shall give the executive Board the right, in addition to any other rights set forth in the Governing Documents, after notice and an opportunity to be heard (except in case of an emergency when no notice is required):

- (i) To enter the Lot as to which, the violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner, any structure, thing or condition (except for additions or alterations of a permanent nature that may exist in that Lot) that is existing and creating a danger to the Common Areas or is contrary to the intent and meaning of the provisions of the Governing Documents. The Executive Board shall not be deemed liable for any manner of trespass or damage by this action; or
- (ii) To enjoin, abate or remedy by appropriate legal proceedings, either at law or of in equity, at the expense of the defaulting Owner, the continuance of any breach.

9.

10. Fine Schedule. Unless otherwise provided in the Rules and Regulations, any violation of the Governing Documents will subject the Owner to a reasonable fine assessment imposed by the Association as follows:

- I. Notice of Violation: Written warning letter or posting of notice.
- II. Set schedule
OR
- II. Fines shall be determined by Board Resolution, as amended from time to time of a violation based on the type, severity, repetition and circumstances of each violation based on the following guidelines:

First time or minor violations	between \$0 and \$75
Repeated minor violations	between \$50 and \$100
Repeated or flagrant violations	between \$100 and \$500
- III. Fines may not exceed \$500.00 for any one finding of a violation.
- IV. In the event of a continuing violation, a daily fine may be levied, if, and only if, the Association performs a daily inspection to verify the violation is continuing.



Notwithstanding any provision of this fine schedule or Policies and Procedures, the Association may use any legal means available at any time to enforce the terms of the Governing Documents.

SECRETARY'S CERTIFICATION:

The undersigned, being the Secretary of Dilley Ranch Property Owners 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 August 21, 2010, and in witness thereof, the undersigned has subscribed his/her name.

DILLEY RANCH PROPERTY OWNERS ASSOCIATION, INC.
A Colorado non-profit corporation

By: Claire McCutcheon
Secretary

