

**GHOST RIVER RANCH PROPERTY OWNERS ASSOCIATION  
AMENDED COVENANT AND RULE ENFORCEMENT POLICY AND PROCEDURE**

Effective Date: August 10, 2022.

This policy is adopted to comply with the terms of the Colorado Common Interest Ownership Act (“CCIOA”) which contains provisions that may conflict with the terms of the Association’s governing documents. CCIOA and this policy will control over any conflicting provisions in the governing documents.

1. Enforcement Procedure. The Association will not impose fines or commence legal action for violations of the governing documents until after the Association has followed the procedures set forth below.

2. Reporting Violations / Investigation by the Association.

A. Complaints regarding alleged violations may be reported by submission of a written complaint to the Association by any owner, group of owners, residents, the Association’s management company (if any), Board member(s) or committee member(s). The complaining person must have observed the alleged violation, identifying the complaining person (complainant), the alleged violator (if known), and set forth a statement with any other pertinent information. Verbal 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.

B. 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 the manager or by the Board designated individual or committee. The Board has sole discretion in appointing any individual or committee to investigate the matter.

3. Notice of Violation.

A. If the Association reasonably determines that a violation exists, the Board will send a written notice to the Owner in accordance with this policy. The notice will describe: (i) the nature of the violation; (ii) the action or actions required to cure the violation; (iii) any fines that may be imposed; (iv) the right to request a hearing to contest the violation or possible fine; and (v) if a hearing is requested, a date by which such request must be received and a timeline for the hearing process (“Notice of Violation”).

B. Notices from the Association will be sent in English; provided, however, that the Owner may send written notice to the Association with an alternate language preference. The Association will attempt to provide an accurate translation of the original English version, but due to nuances in translating to a foreign language, slight differences may exist.

C. An Owner may send written notice to the Association identifying another person to serve as a designated contact for the Owner for notices and correspondence. The Association will send the same written communications to the designated contact that it sends to the Owner. If the Owner wishes to change or cease the designated contact, the Owner must send the Association written notice.

D. For the purpose of this policy to comply with Colorado law, a notice is deemed received when sent by and according to the following timelines:

- i. Email or text – Upon successful transmission of electronic mail or text;
- ii. Certified Mail/First-Class Mail – 3 business days after deposit for delivery;
- iii. Posting – Upon physical posting at the Owner’s Parcel; or
- iv. Actual Notice – Upon hand-delivery.

4. Violation Notice Procedure and Opportunity to Cure.

A. If the Association reasonably determines that a violation occurred, the Association will send the Owner a Notice of Violation informing the Owner that the Owner has 30 days to cure the violation, or the Association, after conducting an inspection and determining that the violation has not been cured, may impose a fine. The Notice of Violation must be sent by certified mail, return receipt requested. The Association may send additional copies of the notice by first-class mail, email, text message to a cellular number that the Association has on file because the Owner has provided the number to the Association, and/or hand-delivery.

B. After 30 days, if the Association has not received notice from the Owner that the violation has been cured, the Association will inspect the Parcel within 7 days of the initial 30-day cure period. After inspection, if the Association determines that the violation has not been cured, the Association may impose the fine stated in the Notice of Violation and will send a second Notice of Violation with a second 30-day cure period.

C. After the second 30-day cure period, if the Association has not received notice from the Owner that the violation has been cured, the Association will inspect the Parcel within 7 days of the second 30-day cure period. After inspection, if the Association determines that the violation has not been cured, the Association may impose a second fine in accordance with fine schedule below, send additional notices and opportunity to cure, and/or commence legal action. The Association may not commence legal action until the second 30-day cure period has elapsed.

D. If an Owner cures the violation within the required cure period, the Owner may notify the Association in writing, including visual evidence that the violation has been corrected. If the Owner provides visual evidence of the cure, the violation will be deemed cured on the date the Owner sends the notice. If the Owner does not provide visual evidence of the cure, the Association will inspect the Parcel as soon as practicable to determine if the violation has been cured. If the visual evidence provided is insufficient for the Association to determine if a violation has been cured, at the Association's sole discretion, the Association can provide notice to the Owner that it intends to inspect the Parcel to verify the violation has been cured.

5. Additional Required Notices. If an Owner cures a violation, the Association will notify the Owner: (i) of any outstanding fine balance owed to the Association, and (ii) that the Owner will not be further fined with regard to the violation.

6. 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, prior to the deadline stated in the Notice of 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 by the deadline, the hearing 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 upon expiration of any applicable cure period(s).

7. Notice of Hearings. If a hearing is requested, the Board, committee or other person conducting such hearing will inform the Owner of the scheduled time, place, and date of the requested hearing at least 5 days prior to the hearing date.

8. Hearings. 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 requested by the Owner, all hearings will be conducted during executive session. If a complaining party is unable to attend the hearing, the complainant may submit a letter to the hearing board explaining the basis of the complaint.

9. 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, upon expiration of any applicable cure period(s).

10. Fine Schedule.

A. Limitation on Fines. With the exception of violations that threaten public safety or health, CCIOA provides that the total amount of fines imposed for each violation of the governing documents may not exceed \$500. In accordance with limitations set forth in CCIOA, the Association has adopted the following schedule of fines.

B. General Fine Schedule. The following fines may be imposed for each violation of the governing documents occurring within a one-year period:

First violation:	\$50
Second violation:	\$200
Third violation:	\$250

Additional or subsequent violations of the same provision occurring within one year from the date of the first Notice of Violation will be considered repeat or recurring violations, subject to additional fines as set forth above. After the one-year period, any subsequent occurrence of the same violation will be treated as a new first violation.

The Association may impose a fine every other day in the amount of \$25 for violations that threaten public safety or health until the violation is cured.

11. Other Enforcement Means/Option Mediation or Arbitration. The fine schedule and enforcement process of the Association has been 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. Additionally, the parties to any dispute may, but are not obligated to, mediate or arbitrate any dispute.

12. 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.

13. Administrative Expenses. Enforcement costs, imposed by the Association or its managing agent, related to covenant and rule enforcement will be the obligation of the Owner and may be posted to the Owner's account. Examples include but are not limited to, certified mailings or costs to translate a notice to a language other than English.

This Amended Covenant and Rule Enforcement Policy and Procedure was adopted by the Board of Directors on this 1st day of December, 2022.

GHOST RIVER RANCH PROPERTY OWNERS ASSOCIATION,  
a Colorado nonprofit corporation,

By: Gib Rokich  
Its: President