

**WOODY CREEK TOWNHOMES ASSOCIATION NO. 1 REGARDING
COVENANT AND RULES ENFORCEMENT POLICY**

SUBJECT: Adoption of a policy governing the enforcement of covenants, conditions, restrictions, rules, and regulations of the Association, including notice procedures, hearings, fines, and other enforcement actions.

PURPOSE: To adopt a uniform, fair, and transparent procedure for enforcing the Association's covenants and rules, consistent with the Colorado Common Interest Ownership Act ("CCIOA"), to facilitate compliance and the efficient operation of the Association.

AUTHORITY: This Covenant and Rules Enforcement Policy ("Policy") is adopted pursuant to the Declaration, Articles of Incorporation, and Bylaws of the Association, and in accordance with the Colorado Common Interest Ownership Act ("CCIOA"), **C.R.S. §38-33.3-101 et seq.**, including **§38-33.3-302(1)(a)** and **§38-33.3-302.5**.

Enforcement actions involving monetary obligations shall be coordinated with the Association's Procedures for Collection of Unpaid Assessments Policy.

This Policy operates in coordination with the Association's:

- Conflict of Interest & Director Ethics Policy (2025)
- Procedures for Collection of Unpaid Assessments Policy (2025)
- Conduct of Meetings Policy (2025)

EFFECTIVE DATE: OCTOBER 1, 2025

(Supersedes prior Covenant & Rules Enforcement Policy adopted December 12, 2013)

RESOLUTION: The Board of Directors hereby adopts the following Covenant and Rules Enforcement Policy to be followed when enforcing the Association's governing documents.

WHEREAS, the Woody Creek Townhomes Association No. 1 (the "Association") is a Colorado nonprofit corporation organized to administer, maintain, and enforce the covenants, conditions, restrictions, rules, and regulations governing the community; and

WHEREAS, the Board of Directors is vested with the authority and responsibility to enforce the Association's governing documents pursuant to the Declaration, Bylaws, Articles of Incorporation, and the Colorado Common Interest Ownership Act ("CCIOA"); and

WHEREAS, the Board of Directors owes a fiduciary duty to the Members of the Association to enforce the governing documents in a fair, reasonable, and non-discriminatory manner, while preserving due process and consistency; and

WHEREAS, **C.R.S. §38-33.3-302.5** requires common interest communities to adopt a written covenant and rules enforcement policy that includes notice of alleged violations, an opportunity to be heard, and decision-making by an impartial decision maker; and

WHEREAS, the Board of Directors owes a fiduciary duty to the Members of the Association to enforce the governing documents in a fair, reasonable, and non-discriminatory manner, while preserving due process and consistency; and

WHEREAS, C.R.S. §38-33.3-302.5 requires common interest communities to adopt a written covenant and rules enforcement policy that includes notice of alleged violations, an **opportunity** to be heard, and decision-making by an impartial decision maker; and

WHEREAS, the Board of Directors finds that clearly defined enforcement procedures promote voluntary compliance, reduce disputes, ensure equal treatment of Members, and protect the Association from legal and financial risk;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby adopts the following Covenant and Rules Enforcement Policy to be followed when enforcing the Association's governing documents.

1. REPORTING VIOLATIONS

- a. **Complaints** regarding alleged violations may be submitted by:
 - i. An Owner or resident;
 - ii. A group of Owners or residents;
 - iii. The Association's management company;
 - iv. A Board member or committee member.
- b. **All complaints** must be submitted in writing.

2. COMPLAINT CONTENT

- a. Owner or Resident Complaints:
 - i. **Complaints shall:**
 1. Be in writing;
 2. Identify the complainant ("Complainant");
 3. Identify the alleged violator ("Violator"), if known;
 4. Describe the alleged violation, including the specific covenant or rule allegedly violated;
 5. State when and where the violation was observed; and
 6. Include any other pertinent information.
- b. Incomplete Complaints
 - i. Non-written or incomplete complaints may be declined at the reasonable discretion, consistent with CCIOA and the governing documents of the Association.
- c. Board, Committee, or Management Complaints
 - i. Complaints by a Board member, committee member, or manager may be made in writing and shall be handled in the same manner as Owner complaints.

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3. INVESTIGATION

- a. Upon receipt of a complaint, the Association may, in its reasonable discretion, consistent with CCIOA and the governing documents:
 - i. Request additional information from the Complainant;
 - ii. Conduct an investigation; or
 - iii. Appoint a Board-designated individual or committee to investigate.
- b. The Board retains reasonable discretion, consistent with CCIOA and the governing documents, regarding investigation methods.

4. INITIAL WARNING LETTER

- a. If a violation is found to exist, an initial written warning shall be sent to the Violator describing the nature of the violation and advising that, for any violation that does not pose an imminent threat to public health or safety, the Owner shall be provided not less than **thirty (30) days** from the date of the notice to cure the violation, consistent with C.R.S. §38-33.3-209.5.
- b. This initial warning step is not required for **Repetitious Violations** as defined in Section 12.

5. CONTINUED VIOLATION AFTER INITIAL WARNING

- a. If the Violator fails to come into compliance within thirty (30) days:
 - i. The violation may be deemed a second violation;
 - ii. The Violator shall be provided notice and an **opportunity** for a hearing; and
 - iii. A fine may be imposed only after notice and an opportunity to be heard, as permitted by CCIOA.

6. NOTICE OF HEARING

- a. If a hearing is requested, written notice of the hearing shall be provided to all parties **at least ten (10) days** prior to the hearing date.

7. LITIGATION TIMING

- a. Notwithstanding any other provision of this Policy, the Association shall not initiate legal action to enforce a covenant or rule violation that does not pose an imminent threat to public health or safety unless the Owner has been provided two consecutive thirty (30)-day periods to cure the violation, as required by C.R.S. § 38-33.3-209.5(1.7)(b)(III)(B).
- b. Nothing in this Policy shall be interpreted to delay or prohibit the imposition of fines, the conduct of hearings, or other non-litigation enforcement actions that are otherwise permitted following the initial cure period.

8. IMPARTIAL DECISION MAKER

- a. The Violator is entitled to a hearing before an **Impartial Decision Maker**, as required by Colorado law.
- b. An Impartial Decision Maker may be:
 - i. The Board;
 - ii. A committee; or
 - iii. Another individual or group appointed by the Board, provided no direct personal or financial interest exists in the outcome.

9. HEARING PROCEDURE

- a. At the hearing:
 - i. The presiding officer shall describe the alleged violation and hearing procedure;
 - ii. Each party may present evidence, testimony, and statements;
 - iii. Attendance by the Complainant or Violator is not mandatory;
 - iv. The decision shall be based solely on evidence presented.

b. A written decision shall be issued within a reasonable time, not to exceed **ten (10) days**.

10. FAILURE TO TIMELY REQUEST HEARING

a. If the Violator fails to request a hearing within ten (10) days of notice, or fails to appear, the Impartial Decision Maker may render a decision based on available information.

11. NOTIFICATION OF DECISION

a. The decision shall be provided in writing to the Violator and Complainant within ten (10) days of the decision.

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12. FINE SCHEDULE

a. For recurring violations of the same covenant or rule:

Occurrence	Enforcement Action
First violation	Written warning
Second violation	\$50.00 fine
Third and subsequent violations	\$100.00 fine

b. Violations may be referred to the Association’s legal counsel at the Board’s discretion.

13. REPETITIOUS VIOLATIONS

a. Repetitious Violations are a series of identical or substantially similar violations occurring repeatedly or continuously within a period determined by the Board.

b. For Repetitious Violations:

- i. A warning letter shall be issued for the first occurrence;
- ii. Subsequent violations may be fined without an additional cure period;
- iii. Hearings may be consolidated and scheduled on the same date.

14. WAIVER OF FINES

a. The Board may waive all or a portion of any fine in its reasonable discretion, consistent with CCIOA and the governing documents, and may condition such waiver upon future compliance.

15. OTHER ENFORCEMENT MEANS

a. This Policy is adopted in addition to, and not in lieu of, all other enforcement remedies available under the governing documents or Colorado law.

16. DEFINITIONS

a. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Declaration.

17. SUPPLEMENT TO LAW

a. This Policy supplements, and does not replace, the governing documents or applicable Colorado law.

18. DEVIATIONS

a. The Board may deviate from these procedures when reasonable under the circumstances and consistent with CCIOA, provided due process requirements are met.

19. AMENDMENT

a. This Policy may be amended by the Board of Directors at a duly noticed meeting.

20. SEVERABILITY

a. If any provision of this Policy is held invalid or unenforceable, the remaining provisions shall remain in full force and effect.

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21. ADOPTION AND EFFECTIVE DATE

a. This Policy was adopted by resolution of the Board of Directors at a duly noticed meeting and is effective as of:

Meeting Date: 1/4/2026

Effective Date: 10/1/2025

CERTIFICATION

The undersigned certifies that this Policy was duly adopted by the Board of Directors of the Association in accordance with CCIOA and the Association’s governing documents.

Woody Creek Townhomes Association No. 1

A Colorado Non-Profit Corporation

By: 

Title: President

Date: 1/4/2026