

**SKY LEGEND AT COTTON RANCH ASSOCIATION
AMENDED POLICY REGARDING ENFORCEMENT OF COVENANTS, RULES AND REGULATIONS**

Effective Date: 01/17, 2023.

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 Documents, as defined in Section 2.6 of the Declaration of Sky Ranch recorded April 12, 2005 at Reception No. 911878 in the Office of the Clerk and Recorder of Eagle County, CO (as amended, the “Declaration”). All terms not otherwise defined in this policy will be as defined in the Declaration.

The following policy is in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, Articles of Incorporation, Rules and Policies of the Association regarding the enforcement of covenants and rules. To the extent required by law, CCIOA and this policy will control over any conflicting provisions in the Association Documents.

1. Enforcement Procedure. The Association will not impose fines, suspend voting or other rights, or commence legal action for violations of the Association Documents until after the Association has followed the procedures set forth below.

2. Complaints. 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 the manager or any member of the Board. Complaints that cannot be independently verified by a Board member or the Association’s manager must be in writing. The Association has no obligation to consider oral or anonymous complaints. The Board may determine whether a written complaint is justified before continuing with any enforcement action or the notice and hearing procedures.

3. Notice of Violation.

A. The Association will send a written notice of any asserted violation of any provisions of the Association Documents 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, and the time period during which the violation may be corrected without further sanction (as set forth below); (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, notices are deemed received and effective as set forth in Section 6.8 of the Declaration.

4. Violations That Threaten Public Safety or Health.

A. If the Association reasonably determines that a violation threatens the public safety or health, the Association will send the Owner a written Notice of Violation informing the Owner that the Owner has 72 hours to cure the violation, or the Association may impose a fine. The written notice may be sent by any of the following means: first-class mail; certified mail; email; or personal delivery.

B. After 72 hours from receipt of notice, the Association will inspect the Unit and determine whether the violation has been cured. If the Owner has not cured the violation, the Association may impose fines on the Unit Owner every other day in accordance with the fine schedule below and/or commence legal action to enforce the Association Documents and cure the violation.

5. Violations That DO NOT Threaten Public Safety or Health.

A. If the Association reasonably determines that a violation occurred, other than a violation that threatens the public safety or health, 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, or personal 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 Unit 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 Unit 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 Unit 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 Unit to verify the violation has been cured.

6. 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.

7. 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).

8. 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.

9. Hearings and Appeals. If a hearing is requested, the hearing will be held and conducted as set forth in Section 4.14(c)-(d) of the Association's Bylaws. Hearings may be subject to appeal as set forth in Section 4.14(e) of the Bylaws.

10. 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). A decision, either a finding for or against the Owner, will be by a majority vote of the hearing board.

11. 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 Association 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 and Notice of Fines. The following fines may be imposed for each violation of the Association Documents occurring within a one-year period:

First violation:	Warning letter
Second violation:	\$50
Third violation:	\$100
Fourth violation:	\$350

The Association may send one or more courtesy notices prior to a Notice of Violation. A Notice of Violation may be sent for any first violation. 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.

If fines are imposed, the Association will give notice to the Owner as set forth in Section 4.14(b) of the Bylaws.

12. Additional Enforcement Rights. The fine schedule and enforcement process included in this policy is in addition to all other enforcement remedies available to the Association through the Declaration, the Articles of Incorporation and Bylaws of the Association, and Colorado law. The use of this process does not preclude the Association from using any other enforcement means, including but not limited to, (i) recording a notice with the Eagle County Clerk and Recorder, (ii) pursuing legal action, and/or (iii) pursuing self-help or other remedies.

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

14. 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 Policy Regarding Enforcement of Covenants, Rules and Regulations was adopted by the Board of Directors on this 17th day of January, 2023.

SKY LEGEND AT COTTON RANCH ASSOCIATION,
a Colorado nonprofit corporation,

By: 
Its: President