

**FOUNTAIN VALLEY RANCH FILING NO.7 HOMEOWNERS ASSOCIATION, INC.
COVENANT AND RULE ENFORCEMENT POLICY AND PROCEDURE**

Effective Date: 1 April 2023

The Association hereby adopts the following policies and procedures for covenant and rule enforcement:

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.

A. Complaint. Any Owner within the community may send the Association a formal, written complaint via either electronic mail or regular mail of a covenant or rule violation, with as much information as is known. Complaints may also be initiated by the manager, if any, any member of the Board of Directors or of the Architectural Control Committee. Complaints that cannot be independently verified by a Board member, or the Association's management agent, must be in writing. The Board will have the authority to determine whether a written complaint is justified before continuing with enforcement.

B. Notice of Alleged Violation. A Notice of Alleged Violation of any provisions of the Declaration, Bylaws, Rules and Regulations, or Resolutions will be provided in writing to the applicable Owner as soon as reasonably practicable following the receipt of a justified complaint or discovery by the Board of such violation. The notice will describe the nature of the violation and the possible fine that may be imposed, the right to request a hearing before the Board to contest the violation or possible fine, and may further state that the Board may seek to protect its rights as they are specified in the governing legal documents. All notices will be delivered by registered or certified mail.

C. Request for Hearing. If an Owner desires a hearing to challenge or contest any alleged violation and possible fine, or to discuss any mitigating circumstances, the Owner must request such hearing, in writing, within 10 days of the date of the Notice of Alleged Violation. The request for hearing will describe the grounds and basis for challenging the alleged violation or the mitigating circumstances. In the event a proper and timely request for a hearing is not made as provided herein, the right to a hearing will be deemed forever waived. If a hearing is not requested within the 10 day period, the Board will determine if there was a violation based upon the information available to it, and if so, assess a reasonable fine as set forth in the fine schedule within 30 days of the expiration of the 10 day period. The Board of Directors will give written notice of said fine to the applicable Owner.

D. Board of Directors to Conduct Hearing. The Board will hear and decide cases set for hearing pursuant to the procedures set forth herein. The Board may appoint an officer or other Owner to act as the Presiding Officer at any of the hearings. The Board will follow a fair and impartial fact finding process to determine whether a violation exists and to impose fines.

E. Conflicts. Any Owner who desires a hearing shall be afforded a fair and impartial hearing before a hearing board comprised of individuals with "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 Board member who is incapable of objective and disinterested consideration on any hearing before the Association will disclose such to the President of the Association prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure will be made at the hearing, and the Board member will 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.

F. Hearing. The Board will inform the Owner of the scheduled time, place and date of the requested hearing by registered or certified mail. The Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer will establish a quorum, explain the rules, procedures and guidelines by which the hearing will be conducted and will introduce the case before the Board. The complaining parties and the Owner will have the right, but not the obligation to be in attendance at the hearing. Each party may present evidence, testimony, and witnesses. The decision of the Board at each hearing will be based on the matters set forth in the Notice of Alleged Violation and Hearing, Request for Hearing, and such evidence as may be presented at the hearing. If a complaining party is unable to attend the Hearing, he or she may instead submit a letter to the Board explaining the basis of the complaint.

G. Decision. After all testimony and other evidence have been presented to the Board at a hearing, the Board will render its written findings and decision, and impose a reasonable fine, if applicable, within 30 days after the hearing. A decision, either a finding for or against the Owner, will be by a majority vote of the Board of Directors.

2. Fine Schedule.

A. The following fines are guidelines for violation of the provisions of the Declaration, Bylaws, Rules and Regulations and Resolutions of the Association:

First violation:	Courtesy Letter
Second violation:	\$25.00
Third and subsequent violations:	\$ 50.00

After notice and opportunity for a hearing, the Board reserves the right to fine for first violations of rules that involve health and safety issues and other violations where a warning may not be deemed necessary by the Board in its reasonable discretion. Second and subsequent violations include continuing violations that the Owner fails to cure within the applicable cure period and violations of the same offense occurring within 6 months of the previous violation.

The Board may waive all, or any portion, of the fines if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the violator coming into compliance with the Declaration, Bylaws or rules.

B. All fines will be due and payable on the due date stated in the notice of the fine and will be late if not paid within 30 days of the due date subject to a \$15.00 per month late fee. An interest charge of 18% will be invoked 30 days after the due date. All fines and late charges will be considered an assessment and may be collected as set forth in the Declaration and the Association's Collection Policy. Fines will be in addition to all other remedies available to the Association pursuant to the terms of the Declaration and Colorado law, including the Association's right to collect attorney fees as authorized by Colorado law.

3. Additional Enforcement Rights. The Association shall have such enforcement rights as provided in the Association's Declaration and Colorado law, including, but not limited to:

A. Legal Action. The Association, at any time, may pursue legal action against an Owner to enforce the provisions of the Declaration, Bylaws, rules or resolutions without first following the preceding notice and hearing procedures, if the Board determines that such action is in the Association's best interests.

B. Self-help Remedies. The Association or its duly authorized agent has the authority to abate or remove any structure, thing, or condition that violates the governing documents as more fully provided in Section 10.2 of the Declaration. All costs of self-help will be assessed against and be a lien on the Owner's Lots.

C. Suspension of Rights. The right of an Owner to vote and use of recreational amenities may be suspended after notice to the Owner for any violation of the Association's governing documents for up to 60 days.

4. Failure to Enforce. Failure of the Association to enforce the Declaration, Bylaws, rules and resolutions will not be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any of the above referenced governing documents for the Association.

IN WITNESS WHEREOF, the undersigned certify that this Covenant and Rule Enforcement Policy and Procedure was adopted by resolution of the Board of Directors of the Association on this 1 day of April, 2023.

FOUNTAIN VALLEY RANCH FILING NO. 7 HOMEOWNERS ASSOCIATION, INC., a Colorado nonprofit corporation

By: 
Its: President

ATTEST:

By: 