

Water's Edge Townhomes Association

Covenant Enforcement Policy and Procedure Pursuant to C.R.S. §38-33.3-209.5(1)(b)(IV) & HB 22-1137

BE IT RESOLVED, the Association hereby adopts the following procedures to be followed for enforcing policies, rules, and regulations of the Association.

1. Scope:

To adopt a procedure and policy outlining procedures to be followed for enforcing policies rules and regulations and other governing documents of the Association.

2. Specifics:

Violations may be observed by the Board of Directors, the management company, a committee member or reported via written correspondence through e-mail, digital communication, or mail service. The complaint must state specifically the violation observed, as well as, if applicable, a picture of the violation, and include who the violating party was, what was observed, the date, place and time of the violation and any other pertinent information such as license plate numbers etc. A written complaint without a picture may suffice to cure a violation of the governing documents.

If full details are not provided with a complaint, further action beyond additional observation may not be made. The Board will investigate the complaint further and will make additional observations if required.

If a complaint is found to be in violation of a municipal code, the complaint will be forwarded to the appropriate authorities.

If a violation is found and documented the following actions will be taken:

- A letter and photo (if applicable) will be sent to the Owner (and tenant if it is known that the unit is being used as a rental) stating that a violation has occurred while referring them to the governing documents which appear to be in violation. This letter will allow the unit Owner to forward documentation if they believe the violation did not occur.
- The fine for any violation of the Declaration of Covenants, Conditions and Restrictions shall be assessed once a month.
- The unit Owner shall have two periods of 30 days each to cure a violation prior to being fined for any single violation.
- A violation that the Association reasonably determines is a threat to public safety or health requires only a 72-hour period to cure before the HOA may fine the unit Owner.
- The monetary limit on any single violation shall not exceed \$500.00.

- If the English language is not the Owner's first, primary language or does not have the ability to read English, the Owner may request the Notification written in their primary language.
 - The unit Owner may also identify another person to serve as a designated contact for the unit Owner.
1. **First Notice of Violation.** Day 1 – 30: If an Owner is found to be in violation of the Association's Governing Documents, a Notice shall be sent to the Owner to cure the violation. The Owner shall have 30 days to cure the violation or respond to dispute the violation. To dispute any violation, see the Dispute Resolution Policy, as disputes outside of the stated deadlines will automatically be rejected.
 2. **Second Notice of Violation.** Days 31 – 60: Thirty days after receiving the first Notice of Violation, the Management Company shall send a Second Notice of Violation if the violation has not been cured. The Owner shall have a total of 60 days to cure the violation prior to the Association fining the Owner in violation of the Association's Governing Documents.
 3. **Third Notice of Violation.** Days 61 – Curing of the Violation: If the violation is not cured after 60 days, the Association shall fine the Owner \$25.00 per month until cured.
 1. After 60 days, the Management Company shall charge the Owner's ledger \$10.00 each month to reinspect the violation until cured. This fee is in addition to the Association's fine for uncured violations.
 2. Each violation fine has a limit of \$500.00, including Management Reinspection Fees.
 3. Additional Violations and fines. For all additional violations that take place while any violation is uncured and the 60-day threshold for fining is met, a violation fee of \$10.00 shall be charged to the Owners ledger every other day until either the violation is cured or the maximum fine of \$500.00 is reached.
 4. **Fourth Notice of Violation.** Days 90 – Curing of the Violation: If the violation is not cured after 90 days, the Board may convene and approve giving the Owner 30 days to cure the violation and/or the Association (or its contracted vendor) shall enter the exterior element in violation and cure the violation.
 1. The Owner in violation shall be charged on their ledger the full expense of curing the violation.
 5. **120 Days of an Uncured Violation.** If the Board notified the Owner with its decision to cure the violation, the violation shall be cured, and the Owner charged the full expense of curing the violation on their ledger.

Disputing the Violation. If the Owner disputes the violation and there is a hearing in accordance with the Association's Dispute Resolution Policy, at the hearing, if it is found

that the violation did/does occur, the Owner will be charged a fine from the 60th day after the date of the first letter.

- If a hearing is not requested by the Owner within 7 days of the Second Violation Notification, after 60 days from the date of the First Violation Notification, fines in accordance with this policy shall be added to the Owner's ledger, per month, per violation until the documented violation is cured. It is the responsibility of the Owner to notify the Board that a violation has been rectified.

Responsibility of Curing: Owners are responsible for any fines that may be levied against their property due to non-compliance of their tenants.

Dues Collection: Non-payment of fines will fall under the Dues Collection Policy.

Voting: Voting rights will be suspended for any Owner who is or has been in violation of the CC&Rs in the previous thirty (30) days.

Definitions: Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning therein.

Supplement to Law: The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

Deviations: The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

Amendment: The Board of Directors may amend this procedure from time to time.

President's Certification: The undersigned, being the President and/or the duly elected Director or Managing Agent of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

Water's Edge Townhomes Association



President and/or Managing Agent

Effective Date: 7/13/23

