

Timnath Ranch Metropolitan District
Timnath Ranch Subdivision

FINE POLICY and SCHEDULE

Section 1. INTENT

- A. In accordance with the Declaration of Covenants, the Board of Directors (the “Board”) has adopted Rules to promote the health, safety, and welfare of the Members and the maintenance and aesthetic appearance of the community for the preservation of property values and the assets of the District.

- B. While many violations are resolved through a courtesy/warning notice (see below), there are instances when further action is required. Fines are intended to bring properties into conformance with the Declaration of Covenants, Architectural Guidelines, and other rules and regulations set forth by the District (collectively, the “Governing Documents”) in a timely manner while providing due notice and appeal rights to property owners, as described in Exhibit “A” – Violation and Fine Appeal Process attached hereto and incorporated herein by reference.

- C. In order to gain compliance, the Board intends to impose and collect monetary penalties as authorized by 6.2.2 in the Declaration of Covenants and reserves the right to enforce the community’s restrictions in any other legal manner.

Section 2. NOTICE OF VIOLATION

- A. Notice Required: Upon a unit/lot owner’s first violation of any provision of the Governing Documents, the District shall provide a written Courtesy/Warning Notice to the unit/lot owner to allow the unit/lot owner the right to cure said violation as stated in the Notice.

- B. Courtesy/Warning Notice: A Courtesy/Warning Notice of the first violation shall be mailed via certified mail to the unit/lot owner and contain, at a minimum, the following information:
 - 1. The alleged violation of the Governing Documents;
 - 2. The date of the violation or the date the violation was observed;
 - 3. The first and last name of the person who observed the violation or the name of the management person confirming the violation;
 - 4. A statement that the violation must be cured within ten (10) days of the date of the Notice, and failure by the unit/lot owner to cure the violation within ten (10) shall result in a fine in accordance with the Fine Policy and Schedule of Fines in effect at the time of the violation; and
 - 5. The unit/lot owner’s right to appeal the violation.

- C. Right of Appeal: A unit/lot owner who receives a Courtesy/Warning Notice regarding a violation may appeal the violation by sending a written notice via certified mail to the District’s address (as listed on the notice of contact form recorded with the county

recorder) within ten (10) days of the date of the Courtesy/Warning Notice. The process for appealing the violation is set forth in Exhibit "A".

Section 3. NOTICE AND IMPOSITION OF FINES

- A. Notice of Imposition of Fine: If the unit/lot owner fails to cure the violation with ten (10) days of the date of the Courtesy/Warning Notice, the District shall send the unit/lot owner a Notice of Imposition of Fine via certified mail, which Notice shall state that the unit/lot owner has been assessed a fine for the violation in accordance with the Schedule of Fines attached hereto, as amended from time to time, and that failure by unit/lot owner to cure the violation within the period stated in the Notice of Imposition of Fine shall result in additional fines to the unit/lot owner.
- B. Further Failure to Comply: Additional Notices of fines citing unit/lot owner's failure to cure the violation shall be mailed to the unit/lot owner at the frequency and fine rate stated in the Schedule of Fines attached hereto, as amended from time to time. Each Notice shall indicate the current fine, pass due fines and late fees, if any, the date that the violation must be cured to avoid additional fines, and unit/lot owner's right to appeal.

Section 4. CONTINUING VIOLATIONS

- A. In the case of repeat and persistent violations, this system of fines may ultimately lead to prosecution of non-responsive violators. Fines will not take the place of legal action but will be used as an additional remedy. Fines shall not exceed the level, if any, established by state law.
- B. In addition, the Board shall have the right to remedy the violation and seek reimbursement from the unit/lot owner for collection costs and reasonable attorney fees and costs incurred as a result of such failure to comply with the Governing Documents without the necessity of legal proceedings.
- C. The Board may take legal action against the unit/lot owner at anytime after a fourth Notice of Imposition of Fine has been sent to the unit/lot owner, when accrued fines equal or exceed \$250, or if the Board determines, in its sole discretion, that immediate legal action is necessary to preserve the health, safety, and welfare of its Members. Pursuant to State law, in any legal action pursued hereunder, the court shall award reasonable attorney fees, costs, and costs of collection to the prevailing party.
- D. To ensure that the Board is aware of continuing violations, the Management Company shall list the violating unit/lot owner on the Executive Session agenda when a fourth Notice of Imposition of Fine has been sent to the unit/lot owner, when accrued fines equal or exceed \$250, or when the Management Company believes immediate action by the Board is necessary to preserve the health, safety and welfare of its Members. At such time, the Board shall deliberate as to whether the Board should take other appropriate action against the unit/lot owner as provided herein.

Section 5. RECURRENCE OF VIOLATION

Any recurrence of the same violation within six (6) months of the original violation, as noted in the Courtesy/Warning Violation, shall make the unit/lot owner subject to the imposition of a fine. Such fine shall be levied at the current rate of a 2nd violation in accordance with the “Schedule of Violations and Fines” then in effect. Such violations shall be considered a continuing violation and no Courtesy/Warning Notice shall be provided to the unit/lot owner.

Section 6. FAILURE TO PAY

- A. Fines shall be due and payable within 30 days of the notice. Fines not paid within 30 days shall be charged a late fee.
- B. All rights and remedies of the District are cumulative and not exclusive, and the District shall have all rights and remedies to levy and collect fines which may be available to it under the Governing Documents and applicable law.
- C. Until paid by the unit/lot owner, all fines, fees, and charges assessed against the unit/lot owner pursuant to the Fine Policy and Schedule, as amended from time to time, including, but not limited to, the cost of collecting fines, fees, and charges such as collection agents and attorney fees, shall constitute a lien on and against the property in accordance with the Declaration of Covenants and Tile 38, Article 33.3 of the Colorado Revised Statutes.
- D. Fee Schedule:
 1. Late Fee Charge: A late fee of \$15.00 will be assessed on every account that is not paid in full within the 30 days reference above. The late fee charge may be amended from time to time by resolution of the Board.
 2. Bad Check Charge: For each check that for any reason is returned to the District unpaid, the unit/lot owner shall owe the District a “bad check” charge of \$35.00. The bad check charge may be amended from time to time by resolution of the Board.
 3. Collection Fees: The unit/lot owner shall be responsible for all collection costs incurred by the District as part of the collection process, including, but not limited to, attorney fees, collection agent fees, and court costs.

Section 7. APPEAL PROCESS

Violations and fines may be appealed to the Board in accordance with the procedures set forth in Exhibit A, which procedures may be amended from time to time by a majority vote of the Board.

Section 8. SCHEDULE OF FINES

Fines may be levied as shown below. The Board may amend the Schedule of Fines from time to time as it deems necessary by a majority vote of the Board.

SCHEDULE OF FINES:

Violation	Amount of Fine				Assess	CC&R's
	1st	2nd	3rd	Thereafter		
Architectural Committee Review and Approval Required	Warning	\$25	\$50	\$50	Bi-weekly	Article 2 & Design Guidelines
Architectural Review, Improvement not Conforming to Request/Approval	Warning	\$25	\$100	\$200	Bi-weekly	Article 2 & Design Guidelines
Residential Use: Professional or Home Occupation	Warning	\$25	\$100	\$200	Bi-weekly	Section 3.2
Declaration of Covenants, Other Not Listed	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.1
Drainage & Irrigation	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.14
Household Pets	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.3
Leases	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.11
Vehicle Parking, Storage and Repairs	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.6
Light, sound and Orders	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.9
Nuisances	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.7
Hazardous Activities	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.8
Completion of Landscape	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.13
Lot Maintenance	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.11
Miscellaneous Requirement & Improvements including signage	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.5
Temporary Structures	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.4
Trash and Materials	Warning	\$25	\$50	\$50	Bi-weekly	Section 3.10

Exhibit "A"
VIOLATION and FINE APPEAL PROCESS

SECTION 1 - NOTICE

1. Any unit/lot owner who receives a notice of violation or imposition of fine may appeal such violation of fine to the Board of Directors of the District (the "Board") by providing the District, via certified mail, a written request for a hearing. Such request must be submitted to the District within 10 days of the date of the notice of violation or fine. Fines set forth in any notice from the District will continue to accrue during the appeal process so that the appeal process is not used to delay effective enforcement of the District's Governing Documents, as defined in the Fine Policy and Schedule noted above.
2. If a timely request for a hearing is submitted by the unit/lot owner, the Association shall set a date and time for the hearing and notify the unit/lot owner in writing of the date and time of the hearing.

SECTION 2 – APPEAL PROCESS

1. The hearing shall be held before the Board in executive session.
2. The Board President shall summarize the appeal request before the Board and introduce all parties.
3. The unit/lot owner shall be afforded 10 minutes to state his or her case and to present to the Board any evidence that is applicable to the unit/lot owner's appeal.
4. Each Board Member shall have an opportunity to question the unit/lot owner regarding the appeal.
5. Upon completion of the question and answer period, the Board President will state that the appeal has been heard and the Board will make their decision in closed session. In reaching a decision, the Board may take into account the unit/lot owner's statements and evidence presented, the unit/lot owner's willingness to work towards compliance, and any other factors that may be pertinent as determined by the Board.
6. The Board may continue the hearing if it determines that additional information is required from the unit/lot owner before making an informed decision. The Board shall notify the unit/lot owner in writing of the date and time of the continued hearing and the additional information that the unit/lot owner must present on the continued hearing date.
7. The minutes of the meeting shall contain a written statement of the results of the hearing and the fine, if any, imposed. The unit/lot owner shall be given written notice of the results of the hearing within 10 days from the date of the hearing.

SECTION 3 – DENIED APPEALS

1. All decisions of the Board are final and may not be further appealed through the District.
2. If the Board denies the unit/lot owner's appeal, the unit/lot owner must bring the violation into compliance and pay all outstanding fines and charges accrued to date within the time period specified in the written notice received from the Board regarding the Board's decision. Failure to cure the violation within the designated time period stated therein shall constitute a continuing violation and subject the unit/lot owner to subsequent fines at the rate and frequency noted in Fine Policy and Schedule noted above – Schedule of Fines, which additional fines shall not be subject to the appeal process.
3. The Board may, in its sole discretion, take legal action against the unit/lot owner at anytime after a unit/lot owner's appeal has been denied and the unit/lot owner has accrued fines equal to or greater than \$250 or the Board determines that immediate legal action is necessary to preserve the health, safety, and welfare of its Members.