

Interim

B Lazy M Ranch Owners Association Policy

No: BLMROA- 05 - 006

Date: November 19th, 2005

Title: Enforcement of Policies

Revision: 1.0

1. Status

- 1.1. New Policy – as required by SB – 05-100

2. Purpose

- 2.1. This Policy establishes the policy/rule for the enforcement of the BLM ROA policies/rules, which states in part:

SECTION 5. C.R.S. 38-33.3-123 Enforcement

1. The prior law permitted **any person** adversely affected by a failure of a person to comply with the governing documents to recover collection costs and attorneys fees without going to court. The change only allows the Association to recover collection costs for failure to pay assessments, and only the Association or an **Owner** to recover costs related to other violations.

2. The Section makes it clear that when the Association brings an enforcement action against an Owner and the Court finds that the Owner did not violate the covenant in question, the Owner gets attorneys' fees, the Association does not and when the Association pays both its fees and the Owner's fees, none of that expense can be allocated to the Owner's account.

3. Applicability

- 3.1. This policy applies to all BLM ROA members.

4. Policy

- 4.1. A suspected violation of the covenants will be brought to the attention of the Board. This will be done by submitting the covenant violation reporting form (electronic or paper), BLazyM ROA Form BLM-100, to any Board member committee formed by the Board for the purpose of enforcement.
- 4.2. Upon receiving the violation reporting form, the Board will conduct a

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preliminary review of the complaint which may include an interview with the complaining member. No review or further action will be taken on a complaint if the complaining member is not identified in the form. If the Board determines that there was no violation or that the violation cannot be proved, it may generate a response to the complaining member, if it deems a response appropriate, and the action will be closed. If the Board believes that a violation has been committed, it will contact the violating member, and inform the member in writing of the details of the suspected violation. The named member will be given 30 days to respond to the Board in writing. The Board will then review all information received, gather further information if deemed necessary, and generate a response to the violating member. The response may contain a demand and deadline for corrective action. In the event the violator fails to cure the violation as demanded, the Board may take further enforcement action as set forth in this policy.

- 4.3. No Board member that is a part of the suspected violation incident may participate in the resolution, or be a part of any meetings, discussions, etc used in the resolution process.
- 4.4. The covenant violation reporting form, as well as the Board response will be considered BLM ROA records.

5. Enforcement Action

- 5.1 In the event a violating member fails to comply with the demand for corrective action issued by the Board, the Board may take such enforcement action as it deems appropriate, including issuance of fines, legal action for injunctive relief or corrective action by the Board at the cost of the member. The Board may levy fines for failure of any member to comply with the Board's ruling, after notice and an opportunity to be heard before the Board. The minimum fine for violation of a covenant is \$100. Should the violation continued unabated

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the Board may impose additional fines of \$25.00 per week until the violation is abated without further notice or opportunity for hearing. The imposition of fines will not preclude the Board from proceeding with other methods of enforcement against the violator at any time.

5.2 Nothing in this policy is intended to prevent the Board from taking immediate enforcement action without notice to the violating member where the Board determines that an emergency or other circumstances exist that would preclude the normal notice and response procedures set forth herein.

5.3 Nothing in this policy applies to collection of unpaid assessments by a member.

6. Responsibility

6.1. B Lazy M ROA members are responsible for using this policy to raise covenant violations issues.

6.2. The B Lazy M ROA Board shall be responsible for resolving all covenant issues brought to their attention.

6.3. This Policy shall be considered adopted by the Board and shall be considered "Interim", until such time as the next regularly scheduled "Membership" meeting is scheduled and the Members can formally vote on it.