

RESOLUTION NO. 2022-05-01

AMENDED AND RESTATED RESOLUTION OF THE BOARD OF DIRECTORS OF THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD ADOPTING THE POLICIES AND PROCEDURES GOVERNING THE ENFORCEMENT OF THE MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE AURORA HIGHLANDS

A. The Aurora Highlands Community Authority Board, (the “**CAB**”) is a political subdivision and public corporation of the State of Colorado, created pursuant to Section 29-1-203, C.R.S., and that certain The Aurora Highlands Community Authority Board Establishment Agreement, made and entered into effective November 21, 2019 (as amended and restated April 16, 2020 and April 27, 2022, and as may be further amended and/or restated, the “**CABEA**”), by and between Aerotropolis Area Coordinating Metropolitan District, The Aurora Highlands Metropolitan District No. 1, The Aurora Highlands Metropolitan District No. 2, The Aurora Highlands Metropolitan District No. 3, The Aurora Highlands Metropolitan District No. 6, ATEC Metropolitan District No. 1, and ATEC Metropolitan District No. 2, each a quasi-municipal corporation and political subdivision of the State of Colorado (individually, a “**District**” and collectively the “**Districts**”).

B. Aurora Highlands, LLC, a Nevada limited liability company (the “**Developer**”), the master developer of The Aurora Highlands project (the “**Property**”), has executed a Master Declaration of Covenants, Conditions and Restrictions for the Property recorded in the real property records of Adams County, State of Colorado, on February 3, 2020, at reception number 2020000010483 (as the same may be amended, supplemented, and/or modified from time to time, the “**Declaration**”), which Declaration declares that the Property is and shall be subject to the Declaration and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained, and altered in accordance with and subject to the covenants and use restrictions contained therein.

C. Pursuant to Section 32-1-1004(8), C.R.S., a metropolitan district may provide covenant enforcement within the district if the declaration, rules and regulations, or any similar document containing the covenants to be enforced for the area within the metropolitan district name the metropolitan district as the enforcement and design review entity.

D. The Declaration and CABEA provide that the CAB shall enforce each of the provisions provided therein on behalf of the Districts.

E. By Resolution No. 2020-04-02, the CAB has adopted the Declaration as an official policy of the CAB and acknowledged the duties, obligations and rights assigned to the Districts and the CAB pursuant to such Declaration.

F. Pursuant to the Declaration, the CAB may promulgate, adopt, enact, modify, amend, and repeal rules and regulations concerning and governing the Property and the enforcement of the Declaration.

G. Pursuant to the Declaration, the CAB has the right to send demand letters and notices, to levy and collect fees and/or fines, to negotiate, to settle, and to take any other actions with respect to any violation(s) or alleged violation(s) of the Declaration.

H. efficient enforcement of the Declaration by adopting rules and regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD, ADAMS COUNTY, STATE OF COLORADO THAT:

1. The Board of Directors of the CAB hereby adopts the Policies and Procedures Governing the Enforcement of the Master Declaration of Covenants, Conditions and Restrictions for The Aurora Highlands as described in Exhibit A, attached hereto and incorporated herein by this reference (“Policies and Procedures”).

2. The Board of Directors declares that the Policies and Procedures are effective as of May 19, 2022.


3. Judicial invalidation of any of the provisions of this Resolution or of any paragraph, sentence, clause, phrase, or word herein, or the application thereof in any given circumstances, shall not affect the validity of the remainder of this Resolution, unless such invalidation would act to destroy the intent or essence of this Resolution.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO AMENDED AND RESTATED RESOLUTION OF THE BOARD OF DIRECTORS OF THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD ADOPTING THE POLICIES AND PROCEDURES GOVERNING THE ENFORCEMENT OF THE MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE AURORA HIGHLANDS]

APPROVED AND ADOPTED on May 19, 2022

THE AURORA HIGHLANDS COMMUNITY AUTHORITY BOARD

DocuSigned by:

46E4042B33D44F2
Matt Hopper, President

Attest:


DocuSigned by:

Secretary

EXHIBIT A

POLICIES AND PROCEDURES GOVERNING THE ENFORCEMENT OF THE MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE AURORA HIGHLANDS

Preamble

A. The Board of Directors of The Aurora Highlands Community Authority Board (the “**CAB**”), has adopted the following Policies and Procedures Governing the Enforcement of The Master Declaration of Covenants, Conditions and Restrictions of The Aurora Highlands (“**Policies and Procedures**”) pursuant to the Declaration (hereinafter defined), the CABEA (hereinafter defined), and Sections 32-1-1001(1)(j)(I), 32-1-1001(1)(m), and Section 32-1-1004(8), C.R.S., as applicable. These Policies and Procedures provide for the orderly and efficient enforcement of the Master Declaration of Covenants, Conditions and Restrictions for the Property (hereinafter defined) recorded in the real property records of Adams County, State of Colorado, on February 3, 2020, at reception number 2020000010483 (as the same may be amended, supplemented, and/or modified from time to time, the “**Declaration**”).

B. Aurora Highlands, LLC, a Nevada limited liability company (the “**Developer**”), the master developer of The Aurora Highlands project (the “**Property**”), has executed the Declaration, which Declaration declares that the Property is and shall be subject to the Declaration and shall be owned, held, conveyed, encumbered, leased, improved, used, occupied, enjoyed, sold, transferred, hypothecated, maintained, and altered in accordance with and subject to the covenants and use restrictions contained therein.

C. The CAB is a political subdivision and public corporation of the State of Colorado, created pursuant to Section 29-1-203, C.R.S., and that certain The Aurora Highlands Community Authority Board Establishment Agreement, made and entered into effective November 21, 2019 (as amended and restated April 16, 2020 and April 27, 2022, and as may be further amended and/or restated, the “**CABEA**”), by and between Aerotropolis Area Coordinating Metropolitan District, The Aurora Highlands Metropolitan District No. 1, The Aurora Highlands Metropolitan District No. 2, The Aurora Highlands Metropolitan District No. 3, The Aurora Highlands Metropolitan District No. 6, ATEC Metropolitan District No. 1, and ATEC Metropolitan District No. 2, each a quasi-municipal corporation and political subdivision of the State of Colorado (individually, a “**District**” and collectively the “**Districts**”). The Aurora Highlands Metropolitan District Nos. 4 and 5 may in the future be formed and, to the extent they formed and execute the CABEA, shall be considered “**Districts**” hereunder.

D. The Declaration and CABEA provide that the CAB shall enforce each of the provisions provided therein on behalf of the Districts. In addition, the CAB has the right to send demand letters and notices, to levy and collect fees and/or fines, to negotiate, to settle, and to take any other actions with respect to any violation(s) or alleged violation(s) of the Declaration.

E. Unless otherwise specified, all references to the “**CAB**” made herein shall refer to The Aurora Highlands Community Authority Board and its Board of Directors. The CAB has

retained a management company (the “**Managing Agent**”) to assist it in managing its affairs, including the assessment and collection of penalties for violations of the Declaration under these Policies and Procedures.

ARTICLE I – SCOPE OF POLICIES AND PROCEDURES

1.1 **Scope.** These Policies and Procedures shall apply to the enforcement of the Declaration, including the Rules and Regulations and Design Review Guidelines adopted pursuant thereto, as well as any reimbursable costs incurred by the CAB for enforcing the Declaration and for correction of noncompliance with the Declaration, including but not limited to, abatement of unsightly conditions, towing and storage of improperly parked vehicles, removal of trash, and removal of non-complying landscaping or improvements.

ARTICLE II – VIOLATIONS OF THE GOVERNING DOCUMENTS

The CAB hereby adopts the following policies and procedures for covenant and rule enforcement, which supersedes any previously adopted policies on Enforcement of Covenants and Rules:

2.1 **Violations.** Any Person violating any provisions of the Declaration shall be liable to the CAB for any expense, loss, or damage occasioned by reason of such violation and shall also be liable to the CAB for the penalties set forth below.

(a) **Notice of Alleged Violation Required** The CAB shall not impose fines unless and until the CAB has sent or delivered written notice and provided an opportunity for a hearing in accordance with this policy.¹ Notice may be given as soon as reasonably practicable following the receipt of a complaint or discovery of such violation.

(i) The CAB may also, at its option, provide a copy of such notice to any non-Owner violator.

(ii) Violations must be remedied within 14 days of notification.

(iii) The notice shall describe the nature of the alleged violation and the possible fine that may be imposed, the right to request a hearing within 15 days, and that the proposed sanction may be imposed as contained in the notice unless a hearing is requested within 15 days of the notice. The notice may further state that the CAB may seek to protect its rights as they are specified in the governing legal documents.

(b) **Complaints of Alleged Violation** Any Owner may send the Managing Agent a formal, written complaint (either electronic mail, or regular mail using the Violation

¹ Late fees are not fines.

Complaint-Witness Statement) of a covenant or rule violation, with as much information as is known

(i) Complaints may also be initiated by the CARC, CAB, DRC, or duly authorized agent/management company.

(ii) Complaints that cannot be independently verified by the CAB's Managing Agent, CARC, CAB, or DRC must be in writing.

(iii) The CAB shall have no obligation to consider oral complaints or anonymous complaints.

(iv) The CAB shall have the authority to determine whether a written complaint is justified before continuing with the Notice and Hearing Procedure or any other enforcement.

(c) **Right to a Fair and Impartial Hearing** The CAB will schedule a fair and impartial hearing before an Appeals Board comprised of individual(s) with 'impartial decision maker(s) (person(s) 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).

(i) Any member or individual who is incapable of objective and disinterested consideration on any hearing before the CAB's Appeals Board will disclose such, prior to the hearing on the case

(ii) Or, if advance notice is not possible, then such disclosure may be made at the hearing, and the member or individual may be disqualified from all proceedings with regard to the hearing

(iii) If disqualification results in an even number of remaining individuals eligible to hear a case, the Presiding Officer may appoint a community liaison, or duly authorized agent, in good standing, to serve as a voting member of the CAB's Appeals Board for the hearing.

(d) **Notice of Hearing** The Managing Agent shall inform the Owner of the scheduled time, place, and date of the requested hearing by regular mail or electronic mail (if the Owner has provided an e-mail address).

(e) **Hearing Procedures** If a hearing is requested within the allotted 15-day period, the hearing shall be held before the Appeals Board.

(i) At the beginning of each hearing, the Appeals Board will explain the rules, procedures, and guidelines by which the hearing is to be conducted and may introduce the case.

(ii) The complaining parties and the Owner shall be afforded a reasonable opportunity to be heard.

- (iii) Each party may present evidence, testimony, and witnesses
- (iv) If a complaining party is unable to attend the hearing, he or she may instead submit a letter explaining the basis of the complaint.
- (v) The Appeals Board may grant continuances for good cause
- (vi) Prior to the effectiveness of sanctions imposed, the CAB Board of Directors shall be informed of the action taken.

(f) **Decision.** The Appeals Board will render its written findings and decision within 15 business days. A decision, either a finding for or against the Owner, is by a majority vote of the hearing body.

(i) The decision may be based on the matters set forth in the Notice of Alleged Violation and Hearing and such evidence as may be presented at the hearing. The Owner may produce any statement, evidence, and witnesses on his or her behalf at the hearing.

(ii) If the Owner fails to attend the hearing, the individuals hearing the violation may determine if there was a violation based upon the information available, and if appropriate, assess a reasonable fine as set forth in the fine schedule, within a reasonable time after the hearing date

(iii) The Appeals Board may also impose a reasonable fine.

(iv) The final decisioning lies with the Appeals Board.

(g) **Notice of Violation.** CAB may also issue and record, with the Clerk and Recorder, a Notice of Violation. Upon notice of satisfactory compliance with the CAB's governing documents, the Notice of Violation may be released by the CAB issuing and recording a Release of Notice of Violation.

2.2 Fine Schedule.

(a) The CAB will give new Owners a 30-day grace period from the day they close on their property before sending violation letters and levying fines pursuant to this policy. The purpose of the 30-day grace period is to allow new Owners the opportunity to move and settle into their homes and the CAB before receiving violation letters.

(b) Except as may be provided elsewhere, the following fines are guidelines for violation of the provisions of the Master Covenant, Conditions, and Restrictions, Rules and Regulations and Resolutions, and Design Guidelines/ Homeowner Handbook, of the CAB:

First violation:	Courtesy Letter
Second violation:	Fine Warning Letter
Third violation:	\$ 100.00
Fourth violation:	\$ 250.00
Fifth and subsequent violations:	\$ 500.00
Sixth violation:	Legal Notice Letter
Seventh violation:	Legal Action Letter

(c) The CAB reserves the right to fine for first violations of governing documents that involve health and safety issues and other violations where a warning may not be deemed necessary by the CAB in its reasonable discretion. The CAB reserves the right to levy fines in excess of the above referenced schedule, if the fines set forth in this schedule are not likely to provide effective incentives to induce compliance.

(d) Subsequent violations are violations of the same covenant or rule that occur within a one-year period from the date on the Notice of Violation after the Owner has corrected the previous violation. After notice and opportunity for a hearing, any subsequent violation may be assessed in accordance with the fine schedule above based on the number of prior violations of the same covenant or rule.

(e) The CAB may fine for continuing violations of the same covenant or rule without repeating the notice and hearing procedures. Continuing violations are violations that have not been corrected after the Notice of Violation has been mailed/emailed to the Owner. Fines for continuing violations may be imposed on a monthly and/or seasonal basis depending on the nature of the violation and may range from \$100.00 to \$500.00. As an example, if an Owner receives notice and opportunity for a hearing for failure to landscape their yard and the Owner fails to comply by the compliance deadline stated in the notice, the CAB may impose fines for spring, summer, and fall months, each year until the yard is properly landscaped.

(f) The CAB, at any time, may pursue legal action against an Owner to enforce the provisions of the governing documents without first following the preceding notice and hearing procedures, if the CAB determines that legal action is in the CAB's best interests.

(g) To the extent that a hearing may be required for any remedy identified in Chapter 6 of the Declaration, the hearing procedure set forth in this Policies and Procedures and the Rules and Regulations of the Homeowner Handbook shall be followed.

2.3 **Fine Waivers.** The CAB may waive all, or any portion, of the fines if, in its reasonable discretion, such waiver is appropriate under the circumstances. Additionally, the CAB may condition waiver of the entire fine, or any portion thereof, upon the violator coming into compliance with the Master Declaration, Rules and Regulations, or Design Guidelines/Homeowner Handbook.

2.4 **Due Dates for Fines.** All fines shall be due and payable upon notice of the fine and will be late if not paid as provided for in the CAB's governing documents, or the date that the Owner is notified of the imposition of the fine. Late fees and interest may be imposed as

provided for per the CAB's governing documents. All fines and late charges shall be considered an assessment and may be collected as set forth in the Master Declaration. Fines shall be in addition to all other remedies available to the CAB pursuant to the terms of the Master Declaration and Colorado law, including the CAB's right to collect attorney fees as authorized by Colorado law.

2.5 Additional CAB Enforcement Rights

(a) Lawsuit. The CAB, at any time, may pursue a lawsuit against an Owner to enforce the provisions of the Master Declaration, Rules, Policies, or Resolutions without first following the preceding notice and hearing procedures, if the Board determines that such action is in the CAB's best interests.

(b) Other Remedies. The CAB shall have additional remedies as allowed by law and set forth in Chapter 6 of the Declaration of Covenants, Conditions and Restrictions for The Aurora Highlands.

ARTICLE III – INTEREST

3.1 Interest. Interest charges shall accrue and shall be charged on all amounts not paid by the applicable due date, including delinquent penalties and any amounts expended by the CAB to cure a violation of the Governing Documents, Design Guidelines, or Rules and Regulations or amounts expended by the CAB to repair damages caused as a result of a violation of the Governing Documents, Design Guidelines, or Rules and Regulations. Interest charges shall accrue and shall be charged at the maximum statutory rate of 18% per annum.

ARTICLE IV – LIEN FILING POLICIES AND PROCEDURES

4.1 Perpetual Lien. Pursuant to Section 32-1-1001(1)(j)(I), C.R.S., all Fees and Charges, until paid, shall constitute a perpetual lien on and against the Property to be served by the applicable District and CAB. Except for the for the lien against the Property created by the imposition of property taxes by the applicable District and other taxing jurisdictions pursuant to Section 32-1-1202, C.R.S., all liens for unpaid Fees and Charges shall to the fullest extent permitted by law, have priority over all other liens of record affecting the Property and shall run with the Property and remain in effect until paid in full. All liens contemplated herein may be foreclosed as authorized by law at such time as the CAB in its sole discretion may determine. Notwithstanding the foregoing, the lien policies and procedures set forth herein shall be implemented in order to ensure an orderly and fair execution of the lien filing and collections process.

4.2 Managing Agent's Procedures. The Managing Agent shall be responsible for collecting Fees and Charges imposed by the CAB against the Property. In the event payment of Fees and Charges is delinquent, the Managing Agent shall perform the procedures listed below.

Any Fees and Charges which have not been paid by the applicable due date are considered delinquent:

(a) Reminder Letter. A delinquent payment “Reminder Letter” shall be sent to the address of the last known owner of the Property according to the Managing Agent’s records upon any Fees and Charges being 15 business days past due. In the event the above mailing is returned as undeliverable, the Managing Agent shall send a second copy of the Reminder Letter to: (i) the Property; and (ii) the address of the last known owner of the Property as found in the real property records of the Adams County, Colorado Assessor’s office (collectively the “**Property Address**”). Said Reminder Letter shall request prompt payment of amounts due.

(b) Warning Letter. On the fifteenth business day of the month following the scheduled due date for payment of any fees and charges, a “Warning Letter” shall be sent to the Property address requesting prompt payment and warning of further legal action should the Owner fail to pay the total amount owing. Along with the Warning Letter, a summary of these Policies and Procedures, a copy of the most recent account ledger reflecting the total amount due and owing to the CAB according to the records of the Managing Agent, along with name and to contact information of individual an Owner can contact to make a payment or obtain additional information, shall also be sent. The Managing Agent may offer the option for payment plan prior to attorney referral.

(c) Legal Referral. Upon the first business day of the month following the postmark date of the Warning Letter, in the event the total amount owing on the Property, inclusive of Interest and Costs of Collections (as defined below), has exceeded \$500.00 and the Managing Agent has performed its duties outlined in these Policies and Procedures, the Managing Agent shall refer the Delinquent Account to the CAB’s General Counsel (the “**General Counsel**”). However, if the amount owing on the Delinquent Account is less than \$500.00, the Managing Agent shall continue to monitor the Delinquent Account until the amount owing on such account is \$500.00 or greater, at which point the Delinquent Account shall be referred to General Counsel. At the time of such referral, the Managing Agent shall provide General Counsel with copies of all notices and letters sent and a copy of the most recent ledger for the Delinquent Account.

4.3 General Counsel Procedures. Upon referral of a Delinquent Account from the Managing Agent, General Counsel shall perform the following:

(a) Demand Letter. Upon Referral of the Delinquent Account from the Managing Agent, a “Demand Letter” shall be sent to the Property address, notifying the Owner that his/her Property has been referred to General Counsel for further collections enforcement, including the filing of a lien against the Property. Along with the Demand Letter, a copy of the most recent account ledger reflecting the total amount due and owing the CAB according to the records of the Managing Agent, along with name and firm contact information, shall also be sent.

(b) Notice of Intent to File Lien Statement. No earlier than 30 business days from the date of the Demand Letter, a “Notice of Intent to File Lien Statement”, along with a copy of the lien to be filed, shall be sent to the Property address of the Delinquent Account

notifying the Owner that a lien will be filed within 30 days of the Notice of Intent to File Lien Statement postmark date.

(c) Lien. No earlier than 10 business days from the postmark date of the Notice of Intent to File Lien Statement, lien for the total amount owing as of the date of the lien shall be recorded against the Property with the County Clerk and Recorder's Office; all Fees and Charges, Interest, and Costs of Collection (as defined below) will continue to accrue on the Delinquent Account and will run with the Property until the total amount due and owing the CAB is paid in full.

ARTICLE V – COSTS OF COLLECTIONS

“Costs of Collections” are generated by the Managing Agent and General Counsel's collection efforts. They consist of the following fixed rates and hourly fees and costs:

5.1 Action Fees. The following fixed rate fees shall be charged to a Delinquent Account once the corresponding action has been taken by either the Managing Agent or General Counsel:

(a) Reminder Letter Fee. No charge for the Reminder Letter. This action is performed by the Managing Agent.

(b) Warning Letter Fee. \$15.00 per Warning Letter sent. This action is performed by the Managing Agent.

(c) Demand Letter Fee. \$50.00 per Demand Letter sent. This action is performed by General Counsel.

(d) Notice of Intent to File Lien Fee. \$150.00 per Notice of Intent to File Lien Statement sent. This action is performed by General Counsel.

(e) Lien Recording Fee. \$150.00 per each lien recorded on the Property. This action is performed by General Counsel.

(f) Lien Release Fee. \$150.00 per each lien recorded on the Property. This action is performed by General Counsel.

5.2 Attorney Hourly Fees and Costs. After a lien has been filed, all hourly fees and costs generated by General Counsel to collect unpaid Fees and Charges shall also be assessed to the Delinquent Account.

5.3 Recovery of Costs of Collections. In accordance with Section 29-1-1102(8), C.R.S., nothing in these Policies and Procedures shall be construed to prohibit the CAB from recovering all the Costs of Collections whether or not outlined above.

ARTICLE VI – WAIVER OF INTEREST AND COSTS OF COLLECTIONS

6.1 **Waiver of Interest.** The Managing Agent and General Counsel shall each have authority and discretion to waive or reduce portions of the Delinquent Account attributable to Interest. Such action shall be permitted if either the Managing Agent or General Counsel, in its discretion, determines that such waiver or reduction will facilitate the payment of the penalties due. Notwithstanding, if the cumulative amount due and owing the CAB on the Delinquent Account exceeds One \$1,000.00, neither the Managing Agent nor General Counsel shall have any authority to waive or reduce any portion of the Interest. In such case, the person or entity owing in excess of \$1,000.00 shall first submit a request for a waiver or reduction, in writing, to the CAB, and the CAB shall make the determination in its sole discretion.

6.2 **Waiver of Delinquent Penalties and Costs of Collections.** Neither the Managing Agent nor General Counsel shall have the authority to waive any portion of delinquent penalties or Costs of Collections. Should the Owner desire a waiver of such costs, she/he shall submit a written request to the CAB, and the CAB shall make the determination in its sole discretion.

6.3 **No Waiver of Future Interest.** Any waiver or reduction of Interest or other costs granted pursuant to Sections 6.1 and 6.2 hereof shall not be construed as a waiver or reduction of future Interest, or as the promise to waive or reduce future Interest. Nor shall any such waiver or reduction be deemed to bind, limit, or direct the future decision making power of the CAB, Managing Agent, or General Counsel, whether related to the Property in question or other properties within the Districts.

ARTICLE VII – OPPORTUNITY TO BE HEARD

7.1 **Opportunity to be Heard.** Individuals who receive any notice or demand pursuant to these Policies and Procedures may request a hearing in accordance with the procedures set forth herein, or in the alternative, may elect to follow the Alternative Dispute Resolution procedures set forth in the Declaration.

7.2 **Hearing Process.** The hearing and appeal procedures established by this Article shall apply to all complaints concerning the interpretation, application, or enforcement of the Governing Documents, as each now exists or may hereafter be amended.

(a) **Complaint.** Complaints concerning the interpretation, application, or enforcement of the Governing Documents must be presented in writing to the Managing Agent. Upon receipt of a complaint, the Managing Agent or designated representative, after a full and complete review of the allegations contained in the complaint, shall take such action and/or make such determination as may be warranted and shall notify the complainant of the action or determination by mail within 15 business days after receipt of the complaint. Decisions of the Managing Agent which impact the CAB financially will not be binding upon the CAB unless approved by the Board of Directors of the CAB at a special or regular meeting of the CAB.

(b) **Hearing.** In the event the decision of the Managing Agent, or representative is unsatisfactory to the complainant, the complainant may submit a written request for formal

hearing before the Appeals Board, depending on topic. Such request for a formal hearing must be submitted within 15 business days from the date written notice of the decision of the Managing Agent or designated representative was communicated.

Upon receipt of the request, if it be timely and if any and all other prerequisites prescribed by these Policies and Procedures have been met, the Appeals Board shall conduct a hearing at the Appeals Board's convenience but in any event not later than 60 days after the submission of the request for formal hearing. The formal hearing shall be conducted in accordance with and subject to all pertinent provisions of these Policies and Procedures. Decisions of the Appeals Board which impact the CAB financially will not be binding upon the CAB unless approved by the Board of Directors at a special or regular meeting of the CAB.

(i) If a Request for a Hearing is timely filed, a hearing on the complaint shall be held before the Appeals Board. The Owner shall be notified of the date and time of the hearing, which shall be conducted no later than 60 days after receipt of the Request for a Hearing, as determined by the Appeals Board. The hearing shall be conducted in accordance with any rules and procedures therefor promulgated by the Appeals Board.

(ii) At any such hearing, the Appeals Board shall hear and consider arguments, evidence or statements regarding the alleged Violation. Following a hearing, the Appeals Board shall issue, within 15 fifteen days, its determination regarding the alleged Violation.

(c) Rules. At the hearing, the Appeals Board shall preside, and the hearing shall be notated on the Appeals Board Determination Form. The complainant and representatives of the CAB shall be permitted to appear virtually, or in person, and the complainant may be represented by any Person (including legal counsel) of their choice.

The complainant or their representative and the CAB representative(s) shall have the right to present evidence and arguments; the right to confront and cross-examine any Person; and the right to oppose any testimony or statement that may be relied upon in support of or in opposition to the matter complained of. The Appeals Board may receive and consider any evidence which has probative value commonly accepted by reasonable and prudent Persons in the conduct of their affairs.

The Appeals Board shall determine whether clear and convincing grounds exist to alter, amend, defer, or cancel the interpretation, application, and/or enforcement of the Policies and Procedures that are the subject of the complaint. The Appeals Board's decision shall be based upon evidence presented at the hearing. The burden of showing that the required grounds exist to alter, amend, defer, or cancel the action shall be upon the complainant.

(d) Findings. Subsequent to the formal hearing, the Appeals Board shall make written findings and an order disposing of the matter and shall provide written communication thereto to the complainant not later than 15 business days after the date of the formal hearing.

(e) Appeals. The Appeals Board's decision will be final and there shall be no right to a hearing before the Board of Directors.

(f) Appeals Board's Findings. The Appeals Board shall make written findings and an order concerning the disposition of the appeal presented to it and shall cause notice of the decision to be communicated, in writing, to the complainant within 15 business days after the hearing at which the appeal was considered. The Appeals Board will not reverse the decision of the Managing Agent unless it appears that such decision was contrary to the manifest weight of the evidence made available at the formal hearing.

(g) Notices. A complainant shall be given notice of any hearing before the Appeals Board, or before the Managing Agent, at least seven (7) business days prior to the date of the hearing, unless the complainant requests or agrees to a hearing in less time. When a complainant is represented by an attorney, notice of any action, finding, determination, decision, or order affecting the complainant shall also be served upon the attorney.

(h) Costs. All costs of the formal hearing and appeal processes shall be paid by the complainant, including, but not limited to, certified mailing, transcription of the recorded proceedings, and General Counsel fees.

ARTICLE VIII – PAYMENT PLANS

8.1 Payment Plans. Neither the Managing Agent nor General Counsel shall have the authority to enter into or establish payment plans for the repayment of a Delinquent Account longer than 6 months. Should the Owner desire to enter into a payment plan with the CAB, for longer than 6 months, such owner shall first submit a written request to the CAB and the CAB shall make the determination in its sole discretion.

ARTICLE IX – RATIFICATION OF PAST ACTIONS

9.1 Ratification of Past Actions. All waivers and payment plans heretofore undertaken by the Managing Agent or General Counsel that would otherwise have been authorized by these Policies and Procedures are hereby affirmed, ratified, and made effective as of the date said actions occurred.

ARTICLE X – ADDITIONAL ACTIONS

10.1 Additional Actions. The CAB directs and authorizes its officers, staff, and consultants to take such additional actions and execute such additional documents as are necessary to give full effect to the intention of these Policies and Procedures.

ARTICLE XI – COLORADO AND FEDERAL FAIR DEBT COLLECTIONS ACTS

11.1 Acts Not Applicable. Protective covenant enforcement as described herein is not a consumer transaction and, therefore, is not subject to the Colorado Fair Debt Collection Practices Act or the Federal Fair Debt Collections Practices Act.

ARTICLE XII – SEVERABILITY

12.1 Severability. If any term or provision of these Policies and Procedures is found to be invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, such invalid or unenforceable term or provision shall not affect the validity of these Policies and Procedures as a whole but shall be severed here from, leaving the remaining terms or provisions in full force and effect.

ARTICLE XIII – SAVINGS PROVISION

13.1 Savings Provision. The failure to comply with the procedures set forth herein shall not affect the status of the Fees and Charges as a perpetual lien subject to foreclosure in accordance with law. Failure by the Managing Agent, General Counsel, or other authorized representative to take any action in accordance with the requirements as specifically provided herein shall not invalidate subsequent efforts to collect the Fees and Charges.