

## **Red Rock Ranch Homeowner's Association Board of Director's Covenant Enforcement Policy**

The following procedure will be followed by the Red Rock Ranch Homeowner's Association ("Association") Board of Directors ("Board") whenever it is requested to investigate a possible violation of the Association's Covenants ("Covenants").

1. An initial complaint to the Board of a possible Covenant violation ("Violation") may be presented to the Board either in writing or orally. The Board will first request that the complaining Association member try whenever possible to resolve the covenant dispute through direct neighbor-to-neighbor discussion. This can often be the quickest and most amiable path to a resolution. Note: that if deemed necessary individual Association members can seek injunctive relief based on the Covenants.
2. If direct neighbor-to-neighbor discussion doesn't resolve the complaint then the Board shall review the complaint and, in its discretion, determine whether or not the complaint shows cause for further proceedings.
3. If the Board decides that cause has been shown for a possible Violation, a letter will be sent to the Homeowner describing the possible Violation and inviting the homeowner to the next board meeting to either refute the complaint or explain how/when the Violation will be corrected.
4. If the Board determines that a possible Violation has occurred and was not resolved informally in step #3 above, then a Second/Courtesy letter will be sent to the alleged violating Association member by the Board or the Board's lawyer describing the possible Violation. The alleged violating Association member will be given 15 days to either refute the complaint or explain how/when the Violation will be corrected.
5. If no response is obtained or the possible Violation is not corrected within 15 days then a Second/Warning letter will be sent to the alleged violating Association member by the Board or the Board's lawyer again describing the possible Violation and requesting a response either refuting the complaint or explaining how/when the Violation will be corrected in order to avoid possible further action. The Second/Warning letter will be sent via certified mail, return receipt requested, to the alleged violating Association member's address of record, and the alleged violating Association member will be given 15 days to respond.
6. If no response is obtained or the possible Violation is not corrected within 15 days a Third/Final certified, return receipt requested, letter ("Hearing Notice") will be sent to the alleged violating Association member by the Board or the Board's lawyer advising them that a hearing will take place at the next regularly scheduled Board meeting and requesting their presence to either refute the complaint or explain why the possible Violation has not been corrected. The Notice will be deemed received by the alleged violating Association member three (3) days after mailing.

7. At the hearing, the Board may consider any written or oral information produced by the alleged violating Association member or other interested party. Any legal or statutory rule of evidence or procedure shall not apply to the hearing, and the Board may restrict testimony or proceed in any manner or order which it deems appropriate in its discretion. Generally, any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. The Board may record or otherwise transcribe the hearing. The alleged violating Association member may be supported by legal counsel so long as the Board is given at least ten (10) days prior written notice so that the Board's attorney may be present as well. Any Board member may question any witnesses and examine any documents presented at the hearing.

If the alleged violating Associating member does not appear but a written response is received by the Board (via certified, return receipt requested, mail), the Board shall render its decision as to whether a Violation has indeed occurred based on the information contained in the written response and any relevant testimony or information obtained. If neither an appearance nor a written response is made, the Board may, but need not, conduct a hearing or make any further findings except that it may determine that the alleged violating Association member's failure to appear or respond constitutes a waiver of the right to a hearing, and a no-contest plea, and impose the sanctions provided for in the Covenants.

The Board shall render its decision as to whether a Violation has indeed occurred within fifteen (15) days after the date of the hearing, taking into consideration all of the relevant facts and circumstances. The Board shall provide a written notice of the decision to the alleged violating Association member's address of record via certified, return receipt requested, mail within fifteen (15) days after the decision is made.

8. Following the hearing and a determination by the Board that the alleged violating Association member has indeed committed a Violation and that it has not been corrected then the Board may, at its discretion, seek injunctive relief and/or impose a fine as allowed for in the Covenants in order to get the Violation corrected. The amount of any fine shall be set by a majority vote of the Board in its reasonable discretion. Upon the Board's determination that a Violation has been committed and notification of such to the violating Association member, each day of a continuing violation shall be considered a separate violation for which any maximum fine may be imposed. The Board may in its discretion impose increased fines for repeated violations.