

KEYSTONE RANCH HOMEOWNERS ASSOCIATION, INC.
AMENDED & RESTATED POLICIES AND PROCEDURES
FOR COVENANT AND RULE ENFORCEMENT
(Amended and Restated - 2026)

Subject: Adoption of a policy regarding the enforcement of covenants and rules and procedures for the notice of alleged violations, conduct of hearings and imposition of fines.

Purpose: To revoke and replace any previously adopted rules or resolution of the Keystone Ranch Homeowners Association ("Association") concerning covenant and rule enforcement with the policies and procedures set forth below for such purpose.

Effective Date: 6-19-2026

The Board of Managers of the Association ("Board") hereby approves and adopts this Resolution Adopting Policies And Procedures For Covenant and Rule Enforcement (Amended And Restated - 2026) ("Resolution") establishing policies and procedures for the enforcement of covenants and rules and procedures for the notice of alleged violations, conduct of hearings and imposition of fines in compliance with Colorado law. The adoption of this Resolution restates and replaces in full the Prior Resolution and any and all other prior resolutions concerning the collection of unpaid assessments.

1. Reporting Violations. Complaints regarding alleged violations may be reported by an Owner or resident within the community, a group of Owners or residents, the Association's management company, if any, Board member(s) or committee member(s) by submission of a written complaint.

2. Complaints.

a. Complaints by Owners or residents shall be in writing and submitted to the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant ("Complainant"), the alleged violator ("Violator"), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.

b. Complaints by a member of the Board of Directors, a committee member, or the manager, if any, may be made in writing or by any other means deemed appropriate by the Board if such violation was observed by the Director or Manager.

3. Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.

a. Nothing in this Policy shall prohibit or restrict the ability of the Association or its representatives from informally contacting the Owner of a Site concerning a condition that may be a violation of the Declaration or a Rule to discuss the potential violation. Such informal contact shall not be considered a complaint or investigation under this Policy and shall not commence enforcement hereunder.

4. Violations Concerning Public Safety or Health. With respect to any violation of the Declaration, Bylaws, Rules, Policies, or other governing documents of the Association that the Board reasonably determines threatens public safety or health, the Association shall provide the Owner

("Alleged Violator") written notice, in English and in any language that the Alleged Violator has indicated a preference for correspondence and notices, of the violation informing the Alleged Violator that the Alleged Violator has seventy-two hours to cure the violation or the Association may fine the Alleged Violator ("Notice of Public Health & Safety Violation").

a. If, after inspection of the violation the Board reasonably determines the Alleged Violator has not cured the violation within 72 hours of receipt of the Notice of Public Health & Safety Violation, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. A second and subsequent letter ("Notice of Fines and Right to Hearing") shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, the Association may impose fines on the Alleged Violator every other day and may take legal action against the Owner for the violation; except that the Association may not pursue foreclosure against the Owner based on fines owed. Such letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 72 hours of the date on the violation letter. All hearings shall be conducted in the manner set forth below. For avoidance of confusion, the Board has determined the following violations concern public health and safety: excessive noise; unauthorized parking on or obstruction of the roads within the Association, and improper storage or disposal of trash.

5. Violations Not Concerning Public Safety or Health. If the Board reasonably determines that a Violator committed a violation of the Declaration, Bylaws, Rules, Policies of other governing documents that does not threaten the public safety or health, the Association shall, through certified mail, return receipt requested, provide the Violator written notice, in English and in any language that the Violator has indicated a preference for correspondence and notices, an initial warning letter ("Initial Warning Letter") explaining the nature of the violation and informing the Violator that: (1) the Violator has thirty days to cure the violation or the Association, and (2) if, after conducting an inspection and determining that the Owner has not cured the violation, the Association may fine the Owner; however, the total amount of fines imposed for the violation may not exceed five hundred dollars.

a. Separate from the fine processes set forth above, the Association may also refer any uncured non-Public Health and Safety Violation to an attorney for legal action, subject to the following requirements:

1. The Association shall grant the Violator two consecutive thirty-day periods to cure a violation before the Association may take legal action against the Violator for the violation.

2. If the Violator cures the violation within the period to cure afforded the Violator, the Violator may notify the Association of the cure and, if the Violator sends with the notice visual evidence that the violation has been cured, the violation is deemed cured on the date that the Violator sends the notice. If the Violator's notice does not include visual evidence that the violation has been cured, the Association shall inspect the unit as soon as practicable to determine if the violation has been cured.

3. If the Association does not receive notice from the Violator that the violation has been cured, the Association shall inspect the unit within seven days after the expiration of each thirty-day cure period to determine if the violation has been cured. If, after the inspection and whether or not the Association received notice from the unit owner that the violation was cured, the Association determines that the violation has not been cured:

a. The second thirty-day period to cure commences, if only one thirty-day period to cure has elapsed; or

b. The Association may take legal action pursuant to this section if two thirty-day periods to cure have elapsed.

4. In no event shall the Association pursue foreclosure against the Violator based on fines owed.

b. Once the Violator cures a violation, the Association shall notify the Violator, in English and in any language that the Violator has indicated a preference for correspondence and notices:

1. That the Violator will not be further fined with regard to the violation; and

2. Of any outstanding fine balance that the unit owner still owes the Association.

6. Continued Non-Public Health & Safety Violation After Initial Warning Letter. If the alleged Violator does not cure the violation within 30 days of receipt of the Initial Warning Letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. A second and subsequent letter(s) shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter(s) shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 30 days of the date on the violation letter.

7. Notice of Hearing. If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved at least 10 days prior to the hearing date; provided, however, if a hearing is requested concerning a Public Health & Safety Violation, notice of the hearing shall be given to the Violator as soon as reasonably practical prior the hearing.

8. Impartial Decision Maker. Pursuant to Colorado law, the alleged Violator has the right to be heard before an "Impartial Decision Maker". An Impartial Decision Maker is defined under Colorado law as "a person or group of persons who have the authority to make a decision regarding the enforcement of the association's covenants, conditions, and restrictions, including architectural requirements, and other rules and regulations of the association and do not have any direct personal or financial interest in the outcome. A decision maker shall not be deemed to have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the association." Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint to act as the Impartial Decision Maker the entire Board, specified members of the Board, any other individual or group of individuals.

9. Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator are required to be in attendance at the hearing. The Impartial Decision Maker shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. After all testimony and other evidence has been presented at a hearing, the Impartial Decision Maker shall, within a reasonable time, not to exceed 30 days, render its written findings and decision, and impose a fine, if applicable. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds

for appeal of the hearing committee's decision absent a showing of denial of due process. Hearings shall be conducted in executive session, unless requested otherwise by the alleged violator.

10. Failure to Timely Request Hearing. If the alleged Violator fails to request a hearing within 30 days of any letter, or 72 hours concerning a Public Health & Safety Violation, or fails to appear at any hearing, the Impartial Decision Maker may make a decision with respect to the alleged violation based on the Complaint, results of the investigation, and any other available information without the necessity of holding a formal hearing. If a violation is found to exist, the alleged Violator may be assessed a fine pursuant to these policies and procedures.

11. Notification of Decision. The decision of the Impartial Decision Maker shall be in writing and provided to the Violator and Complainant within 30 days of the hearing, or if no hearing is requested, within 30 days of the final decision.

12. Fine Schedule. The following fine schedule has been adopted for all covenant violations:

a. Public Health & Safety Violations:

1. First Violation: Notice of Public Health & Safety Violation

2. Second violation of same covenant or rule: Up to \$1,000 in Impartial

Decision Maker's discretion.

3. Third violation of same covenant or rule: Up to \$5,000 in Impartial Decision

Maker's discretion.

a. For a continuing Public Health & Safety Violations, the fine set forth in

12.a.3 may be imposed upon the Violator not more often than every other day. A continuing Public Health & Safety Violation is a series of identical or substantially similar individual violations that occur repeatedly or continuously within a period of time, the result of which is a pattern of violations of the same covenant restriction.

b. Non- Public Health & Safety Violations:

1. First violation: Warning Letter

2. Second violation of same covenant or rule: Up to \$500 in Impartial Decision

Maker's discretion.

3. Third violation of same covenant or rule: Up to \$500 in Impartial Decision

Maker's discretion.

a. Provided, however, the total amount of fines imposed for any single

violation may not exceed five hundred dollars.

13. Waiver of Fines. The Board may waive all, or any portion, of the fines if, in its sole discretion, such waiver is appropriate under the circumstances. Additionally, the Board may condition waiver of the entire fine, or any portion thereof, upon the Violator coming into and staying in compliance with the Articles, Declaration, Bylaws or Rules.

14. Other Enforcement Means. This fine schedule and enforcement process is adopted in addition to all other enforcement means which are available to the Association through its Declaration, Bylaws, Articles of Incorporation and Colorado law. The use of this process does not preclude the Association from using any other enforcement means.

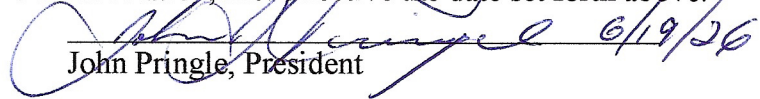
15. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

16. 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.

17. 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.
18. Amendment. This policy may be amended from time to time by the Board of Directors.

CERTIFICATION

I hereby certify that I am the duly elected and acting President of Keystone Ranch Homeowners Association, Inc., and that the foregoing Resolution was duly adopted by action of the Board of Managers of Keystone Ranch Homeowners Association, Inc. effective the date set forth above.

 6/19/26
John Pringle, President