

STERLING RANCH COMMUNITY AUTHORITY BOARD

RULES AND REGULATIONS

(COVENANT ENFORCEMENT/DESIGN REVIEW)

Adopted August 26, 2020

These Rules and Regulations are adopted by the Sterling Ranch Community Authority Board (the “CAB”), pursuant to the authority set forth in Article 2 of the Master Declaration of Covenants, Conditions and Restrictions for Sterling Ranch Planned Unit Development recorded in the real property records of the Clerk and Recorder of the County of Douglas, Colorado (the “Master Declaration”).

Recitals

A. Article 2 of the Master Declaration authorizes the CAB to adopt rules and regulations for the effective governance of the Development (as defined in the Master Declaration); and

B. Pursuant to the authority vested in the CAB by the Master Declaration, the CAB has promulgated the following rules and regulations for the foregoing purposes.

NOW, THEREFORE, the CAB hereby establishes, makes and adopts the following rules and regulations.

ARTICLE I DEFINITIONS

1.1 All words and phrases herein shall have the meanings provided for them in the Master Declaration, unless otherwise defined herein.

1.2 The use of the word Owner herein shall also apply to and include any person who is permitted to be in the Development by an Owner including, but not limited to, an Owner's family, guests, invitees, tenants, visitors or independent contractors, or the family, guests, invitees, visitors or independent contractors of an Owner's Occupants.

ARTICLE II USE RESTRICTIONS

2.1 Use of Lots and Units. No Lot, Unit or other portion of the Development may be used for any purpose which is unlawful or which fails to comply with the Master Declaration, Rules and Regulations or governance policies that the CAB may enact from time to time or which constitutes a nuisance. Subject to the provisions of the Master Declaration, including Section 4.2 thereof, no part of the Residential Units shall be used for any purpose inconsistent with the purposes for which the Community was designed. Each Residential Unit shall be used as a residence for a single family or such other uses permitted by the Master Declaration or by these Rules and Regulations, and for no other purpose.

2.2 General Use Restrictions.

(a) No owner or occupant of a Residential Unit shall operate any machines, appliances, electronic devices, accessories or equipment in such a manner as to cause, in the judgment of the CAB, an unreasonable disturbance to others, or cause any damage to or overloading of any mechanical, electrical, plumbing, or any other system serving any building within the Community. So as not to disturb other Owners, owners and occupants of Residential Units shall not permit within Residential Units loud noises or playing of musical instruments, radios, stereos, televisions, etc. in such a manner as to disturb others and volumes shall be appropriate between the hours of 10:00 p.m. to 8:00 a.m., and at all other times, as determined by the CAB (this provision shall not be deemed to restrict Commercial Units).

(b) Each Owner shall maintain his/her Lot(s) and the Improvements thereon in good condition and in good order and repair, at the Owner's expense.

(c) Any accessory business use of a Residential Unit permitted by Section 4.2 of the Master Declaration must be conducted in accordance with the Master Declaration and these Rules and Regulations.

(d) No Lot or Improvement may be used for any use, and nothing may be stored on any Lot or Improvement, which would constitute an unusual fire hazard, would result in jeopardizing any insurance maintained on other Lots or Improvements within or on any other portion of the Property.

(e) Under no circumstance may Owners or their agents use Residential Units for short-term lodging, vacation rentals, "hotel" purposes, i.e., rental or leasing on a day-to-day or week-to-week basis, or any similar temporary lodging or living quarter arrangements.

(f) Outside burning of trash, leaves, debris or other materials is prohibited;

2.3 Pets and Livestock. In addition to those provisions set forth in the Master Declaration with respect to pets and livestock, the following rules shall apply to pets:

(a) The CAB may prohibit keeping certain breeds or kinds of pets, restrict the size of such pets, and impose conditions and restrictions upon keeping such pets, based upon a specific determination that such type or size of pet or that more than one of a particular type of pet may constitute a safety concern or nuisance to other Owners.

(b) Pets and livestock shall not be allowed to damage grass, shrubs, trees or any other portion of the Development or to become a nuisance or annoyance to others. Expenses and costs incurred by the CAB as a result of damage caused by any pet shall be reimbursed to the CAB by the owner of the pet responsible for causing the damage.

(c) Pets shall not be allowed outside of an Owner's Residential Unit unless (i) restrained by a suitable leash and under the direct control of the pet's owner or his or her representative, or (ii) in an enclosure expressly permitted by the Design Guidelines.

(d) Pets and livestock shall not be leashed, chained or tethered to any building, stake, sprinkler, fence, trees or other improvements or landscaping contained within the Development or otherwise left unattended, in each case outside of such Owner's Lot, except for short durations and in such locations as may be permitted by the owner of the property upon which it is leashed, chained or tethered. The Owner or Occupant so leashing, chaining or tethering remains responsible for such pets and livestock, including any damage they cause.

(e) Owners agree to comply with:

(i) current inoculations of pets as required by applicable Department of Health guidelines; and

(ii) all other applicable governmental laws and regulations pertaining to keeping, maintaining or raising a pet, including, without limitation, registration of pets.

2.4 Signs; Flags. Except as provided in Section 5.2.1 of the Master Declaration and these Rules and Regulations, no signs or advertising devices of any nature shall be displayed, hung, stored or used on any part of any Residential Unit or Lot, in such a manner as to be visible from any location outside of such Residential Unit or Lot, without the prior written permission of the Design Review Committee (the "DRC"). Any signs not in conformance with the Master Declaration and these Rules and Regulations may be removed by or on behalf of the CAB, and any damage caused by the placement and removal of such nonconforming sign shall be paid for by the Owner responsible for the placement of such sign.

Notwithstanding anything to the contrary in these Rules and Regulations or the Master Declaration, an Owner may display an American flag, military service flag, Colorado flag or political signage, subject to the following restrictions:

(a) An Owner or Occupant may place (i) an American or Colorado flag on the balcony or patio adjacent to its Unit without the prior consent of the DRC, or on a flagpole approved by the DRC and (ii) a military service flag bearing a star denoting the service of such Owner or Occupant, or members of such Owner's or Occupant's immediate family, in the active or reserve military service of the United States during a time of war or armed conflict on the inside of any window or door of the Owner's Unit. All such flags shall be in good condition (i.e., not tattered).

(b) An Owner or Occupant may place political signs promoting or opposing a candidate for office or a ballot issue in the window of such Owner's or Occupant's Unit, or within the boundaries of an Owner's Lot, not earlier than 45 days prior to the applicable election day, and shall remove any such signs within 7 days after such election. Not more than 1 sign per candidate, office or issue may be so displayed and, subject to applicable law, no such sign shall exceed 36" by 48" in size.

2.5 Trash.

(a) No Owner or Occupant will permit any refuse, garbage, trash, lumber, grass, shrubs or tree clippings, plant waste, metal, bulk materials, scrap or debris of any kind to be kept, stored, accumulated on its Lot, nor will such items be deposited on a street, unless

placed in a suitable, tightly covered container that is suitably located solely for the purpose of garbage pickup, recycling or composting. Further, no Owner or Occupant will permit any trash or materials to accumulate in such a manner as to be visible from any Lot or Unit. Owners and Occupants will keep all equipment for the storage or disposal in a clean and sanitary condition. No garbage or trash cans or receptacles or trash bags shall be placed outside other than on the morning of trash pick-up day, and shall be kept within garages or other suitable enclosures or locations approved by the DRC at all other times.

(b) Trash removal and recycling shall be organized by, and be performed by companies engaged by the CAB. All Owners shall be obligated to use such trash removal and recycling services in accordance with any rules and regulations in connection therewith, except with the approval of the CAB. Except as permitted by such companies, disposal of hazardous waste or large items such as, but not limited to, building materials and large quantities of landscape materials, furniture, appliances, or hot water heaters shall not be permitted, and removal of these items from the property is the responsibility of the Owner.

(c) All roadways and walkways shall be clear for emergency traffic. No furniture, bicycles, barbecues, toys or other items of personal property shall be stored, left or parked on a roadway, walkway or any other place within the Development other than an Owner's Lot; provided, however, that bicycles may be stored in designated bicycle parking areas within the Development, if any.

(d) CAB assumes no liability for any loss or damage to articles left or stored in any portion of the Development.

(e) No incendiary or explosive devices shall be permitted within the Development. "Incendiary or explosive device" shall include, but not by way of limitation, any device consisting in whole or in part of flammable material or other material having the capability of exploding, igniting or burning, other than reasonably sized propane tanks (no larger than 20 pounds) intended for use with gas grills.

2.6 Flammable Substances. Owners, tenants, occupants or guests shall not store any flammable, combustible, odorous, explosive, or other inherently dangerous fluids, chemicals or substances anywhere within the Community, except those reasonably required for normal household and business use and in accordance with these Rules and Regulations. Gasoline or fuel for a lawn mower, snow blower, and the like may be maintained on an incidental basis on or in a Lot or Unit if the amount so kept does not exceed five gallons and is kept in UL approved containers. Gasoline or other volatile or incendiary materials or devices shall be stored only in a manner that strictly complies with all Applicable Laws. CAB reserves the right to require Owners to promptly remove any such materials that CAB believes might constitute a hazard. Owners agree to remove such contents upon receipt of written notice from CAB.

2.7 Vehicles; Parking.

(a) Commercial vehicles, tractors, mobile homes, recreational vehicles, trailers (either with or without wheels), campers, camper trailers, motorcycles, scooters, boats and other watercraft, golf carts and boat trailers, must be parked only in enclosed garages and

may not be parked on the street. Notwithstanding the foregoing, recreation vehicles and motor homes may be temporarily parked for a maximum of seventy-two (72) consecutive hours in the driveway of a Lot. This restriction does not prohibit (i) trucks or commercial vehicles which are necessary for construction or for the maintenance of any portion of the Property or any Improvements, (ii) vehicles for temporary loading or delivery services or in the case of an emergency or (iii) standard motor vehicles (i.e., less than or equal to one-ton) with advertising logos.

(b) No vehicle may be parked in such a manner as to impede or prevent ready access to any entrance or exit of a building or parking space, nor shall any vehicle be parked on any grass, sidewalks or patios, block garbage trucks from access to any dumpsters, or be parked in a fire lane or designated “no parking” area.

(c) All vehicles parked in the Development which are required by law to have license plates must have current license plates. Inoperative, abandoned, unlicensed or “stored” vehicles (as defined in the Master Declaration) may not be parked on any street. Vehicles shall be deemed to be abandoned or inoperative if they meet one or more of the following criteria:

(i) The vehicle has a flat tire or other condition rendering it inoperable.

(ii) Does not have current license plates.

(iii) Is in an obvious state of disrepair, such as a missing tire, smashed window, missing or damaged body panel or other parts, or the vehicle is on jacks or blocks.

(d) Vehicles in violation of parking regulations are subject to being towed and stored at the owner's expense.

(e) No maintenance, repair, rebuilding, dismantling, repainting or servicing of any kind of any motor vehicles, trailers or boats may be performed or conducted in the Property. The foregoing restriction does not prevent washing and polishing of any motor vehicle, trailer or boat.

2.8 Household Items.

(a) Rugs, clothing or other household items may not be hung from any window, balcony, fence, or facade of the buildings. No clothesline of any type shall be allowed which is visible from the street or any neighbor's Unit.

(b) No fireworks or firearms may be fired or discharged within the Development, except (i) in any areas specifically designated therefor and in compliance with all Applicable Laws, (ii) with the permission of CAB and (iii) firework displays performed by professional pyrotechnics companies/persons approved by CAB.

2.9 Wiring; Air Conditioning. No Owner or Occupant may install exterior wiring for electrical or telephone installation or for any other purpose, nor shall any items, including but not limited to, television, cable, or radio antennae, furnace or other vent, machines or air

conditioning unit vents, be installed on the exterior of a Unit or protrude through the walls or the roof of Improvements, except with the approval of the DRC. Notwithstanding the foregoing, the foregoing restriction shall not apply to any satellite dish or antennas used to receive video programming, broadband radio or wireless data service and internet access except in compliance with Section 207 of the Telecommunications Act of 1996 and the rules and regulations promulgated thereunder.

2.10 Satellite Dishes. Except as provided below, all Owners must apply to DRC for permission to install a new satellite dish or to move or alter in any way any then existing satellite dish in the Project Area. The DRC will review applications on their individual merit, and will consider aesthetic, safety and practical issues and shall have the right to regulate the placement of satellite dishes. Notwithstanding the foregoing, the foregoing restriction shall not apply to any satellite dish or antennas used to receive video programming, broadband radio or wireless data service and internet access except in compliance with Section 207 of the Telecommunications Act of 1996 and the rules and regulations promulgated thereunder.

ARTICLE III DESIGN REVIEW COMMITTEE; DESIGN GUIDELINES; DESIGN REVIEW COMMITTEE PROCEDURES

3.1 Construction/Alteration of Improvements. Per the Master Declaration and adopted Design Guidelines, construction of all Improvements on a Lot, and any alterations or modification of such Improvements (other than changes the interior thereof), must be approved, in writing, by the DRC. The submittal requirements and procedures for the DRC are set forth below. Except as expressly provided to the contrary in the Master Declaration or the Design Guidelines, no Improvement shall be constructed without the prior written consent of the DRC, and no changes or deviations in or from the plans and specifications consented to by the DRC shall be made without the prior written consent of the DRC. The approval rights of the DRC extend to aesthetic considerations as well as issues of design consistency and quality.

3.2 Design Guidelines. The Design Guidelines adopted for the Development consist of the Design Principles for Sterling Ranch and the appendices thereto, including, without limitation, the Water Demand Management Initiatives and the Technology Guidelines and Specifications. The Design Guidelines are subject to modification or amendment from time to time by the CAB. The terms and provisions of the Design Guidelines are incorporated herein by reference and made a part hereof as if set forth at length. OWNERS SHOULD REVIEW THE DESIGN GUIDELINES CAREFULLY. THE DESIGN GUIDELINES INCLUDE PROVISIONS RELATING TO DESIGN, CONSTRUCTION AND OPERATION OF INTERIOR, EXTERIOR, LANDSCAPING AND IRRIGATION IMPROVEMENTS, AS WELL AS WATER BUDGETS OF THE LOTS. THE TIERED RATE STRUCTURE IN PLACE FOR THE DEVELOPMENT PROVIDES FOR INCREASED RATES FOR WATER CONSUMPTION BEYOND DEFINED VOLUMES. OUTDOOR WATER USE IN EXCESS OF THE WATER BUDGETS SET FORTH IN THE DESIGN GUIDELINES MAY RESULT IN SIGNIFICANT INCREASES IN UTILITY CHARGES.

3.3 Approval Request; Plans and Specifications. Each request for DRC approval (an "Approval Request") at the conceptual design submittal and final design submittal phases described in Section 3.4 shall be accompanied by such plans and specifications of the proposed

Improvement as are set forth in the applicable Design Guidelines that show, to the extent applicable to the Improvement for which the approval is requested, the design and other characteristics thereof as are set forth in the applicable Design Guidelines and a review fee as established by the DRC (the “Review Fee”). The DRC will submit a schedule of proposed review fees annually to the CAB for review and approval. The DRC may postpone review of any material submitted until it has received all required or requested Plans and Specifications and other information. The DRC shall notify the Owner in writing upon receipt of all required Plans and Specifications and that the Owner’s Approval Request is complete.

3.4 Review Procedure. The DRC review process for Improvements generally consists of three stages: a pre-design meeting with the DRC, a conceptual design submittal and a mandatory final design submittal. While final design submittal is the only mandatory step, final design submittal applications made without prior completion of the pre-design meeting and conceptual design submittal have a significantly increased probability for denial by the DRC. Therefore, applicants are strongly encouraged to complete the pre-design meeting and the conceptual design submittal prior to submittal for final design approval, unless otherwise directed by the DRC. The DRC shall strive to approve, approve with conditions or deny a complete Approval Request within the later to occur of (a) 30 days after its receipt or (b) 10 days after the first meeting of the DRC following its receipt. The DRC’s failure to approve, approve with conditions or deny a complete Approval Request within such period shall be deemed a denial of such Approval Request. Approval of a majority of the members of the DRC, either at a meeting or in writing, shall be required to approve any Approval Request. If DRC approval is granted subject to conditions, the Owner shall revise its Plans and Specifications to incorporate such changes and shall deliver the required number of complete sets of revised Plans and Specifications (reflecting responses to all items) to the DRC, which shall again be reviewed in accordance with and in the timeframe described above.

3.5 Modifications to Approved Plans and Specifications. Any modification or change to an approved set of Plans and Specifications must again be submitted to the DRC for its approval in the same manner as for initial approval of Plans and Specifications.

3.6 Appeal of DRC Decision. If the DRC disapproves any part of the Plans and Specifications submitted (or approves the same subject to conditions), the Owner may, within ten (10) days after the DRC's disapproval or deemed disapproval, make a written request for a hearing before the CAB, or any appeals board established by the CAB in accordance with the Master Declaration, to reconsider the Plans and Specifications. A form of a request for a hearing for an Owner’s use is attached hereto as Exhibit E. If the Owner requires a hearing in accordance with the foregoing sentence, the hearing shall be held in executive session of the CAB or such appeals board, affording Owner a reasonable opportunity to be heard. The Owner shall be notified in writing of the decision within ten (10) days after the hearing. The decision of the CAB or the appeals board, as applicable, shall be final and binding upon the Owner.

3.7 Prosecution of Work; Notice of Completion; Notices of Noncompliance. All work approved by the DRC in an Approval Request must be diligently prosecuted to completion, and a Notice of Completion delivered to the DRC in connection therewith, in accordance with and within the time allotted in Article 3 of the Master Declaration. In addition, the DRC shall

have the powers to inspect the work and issue Notices of Noncompliance as set forth in the Master Declaration.

3.8 Water Metering. Water metering systems shall be capable of separately measuring indoor and outdoor residential water use. Each Builder shall purchase and install the CAB's specific approved water meter in every home. These water meters have been designed to be read remotely through the internet – as such, each home must have an internet connection for the meters to be read remotely. Any Owner replacing the Builder-installed water meter (other than with a CAB-approved water meter) or terminating the internet connection within his/her home must provide the CAB with written authorization to enter such home to manually read the water meter and pay the CAB a monthly or other fee established by the CAB from time to time in order to do so. Failure to do so, or to obtain and maintain an internet connection, will be deemed a violation of these Rules and Regulations and may result in the CAB shutting off service until the violations at issue are brought into compliance.

3.9 Variances. Exceptions from the provisions of the Design Guidelines are considered by the DRC on a case-by-case basis for specific applications only, and shall not establish a precedent for any other project or future development. Typically, a technical criteria variance is submitted with and reviewed concurrently with plans for the improvement pursuant to the Design Guidelines.

(a) Submittal Requirements for Technical Criteria Variance.

- (i) Criteria from which the variance is sought.
- (ii) Identification of the alternative design, improvement, construction technique or material proposed to be used.
- (iii) Supporting documentation including: justification for variance including how the intent of the criteria is still being achieved, related calculations, details, exhibits, etc.
- (iv) The variance request shall be signed by the owner or design professional.

(b) Review Criteria for Technical Criteria Variances. A technical criteria variance may be approved if one or more of the following criteria are met, provided that no variance shall impose a detriment or injury to other property or improvements within the Property and will not militate against the general intent and purpose of the Design Guidelines and the Master Declaration:

- (i) The standards may be met by an alternative method that is demonstrated to have an equivalent or better function and meet the same objective.
- (ii) Physical constraints exist, such as steep topography or other natural hazards, which limit the ability to install the improvement, would limit healthy plant growth, or could cause safety concerns.

(iii) Site conditions, including geology, topography, indigenous soils, or issues related to water demand, may be better addressed through the alternative proposal.

(c) Documentation of a Technical Criteria Variance. Technical criteria variances shall be documented on drawings for construction and inspection purposes, including: the variance number, description of the variance, any conditions of approval, and the approval date

(d) Appeals of Denials to the CAB. If the DRC denies a request for a variance, it shall provide notice thereof within ten (10) days after such denial. Notice shall include the reason for the action and shall be delivered to the address of record. The Owner requesting such variance may appeal such decision to the CAB. The forms for filing a written appeal can be found in the Sterling Ranch Community Authority Board Book of Fees and Forms. The procedure for appeals shall be as follows:

(i) Within ten (10) days after the notice of denial has been delivered to the Owner, the Owner must complete a Request for a Hearing form substantially similar to the Request for a Hearing form which is attached hereto as Exhibit E.

(ii) Upon receipt of a valid request for hearing, the CAB shall set a time, date, and place of the hearing, which shall be conducted at a CAB Board meeting no later than sixty (60) days after receipt of the Request for a Hearing, and so notify the Owner.

(iii) The Owner or other interested parties may provide testimony at the schedule hearing. The CAB shall provide the applicant or registrant with written findings and a ruling by certified mail, within fifteen (15) days after the completion of the hearing.

(iv) Any decision rendered by the CAB shall be final.

ARTICLE IV ENFORCEMENT COMMITTEE; ENFORCEMENT

4.1 Enforcement Committee. Pursuant to the Master Declaration, the CAB has established an Enforcement Committee. The Enforcement Committee is composed of no less than three (3) and no more than seven (7) members appointed and removed by the governing boards of the Districts. The Enforcement Committee shall be responsible for the ministerial administration and enforcement of the Documents, and has the right to: (a) accept complaints for violations of the Documents; (b) submit complaints regarding Violations of the Documents; (c) inspect the Property for Violations of the Documents; (d) issue various notices to Owners regarding the Documents; and (e) provide all ministerial administration and enforcement of the Documents. In addition, the DRC may submit Notices of Noncompliance to the Enforcement Committee for further action.

4.2 Owner Complaints. Any complaint by an Owner which alleges a violation of the Master Declaration or any other Document shall be made in writing and shall contain substantially the same information as that set forth in the form of Witness Statement set forth in Exhibit A hereto and in the Sterling Ranch Community Authority Board Book of Fees and Forms. At a minimum, the complaint shall set forth:

- (a) The name, unit number and phone number of the complaining witness.
- (b) The name, if known, and unit number of the violator.
- (c) The specific details or description of the violation, including the date, time and location where the violation occurred.
- (d) A statement by the complaining witness that he or she will cooperate in the enforcement procedures and will provide testimony at any proceedings, hearings or trial which may be necessary.
- (e) The signature of the complaining witness and the date on which the complaint is made.

4.3 Notification of Alleged Violation. If (i) an investigation or inspection reveals that any part or portion of a Lot or Unit is not in compliance with the Documents, (ii) the DRC has submitted a Notice of Noncompliance with respect to a Lot or Unit, or (iii) another Owner has submitted a complaint in accordance with Section 4.2 above, the Owner shall be notified of the complaint and alleged violation by the Enforcement Committee or its duly authorized agent, and the Owner shall have thirty (30) days to correct or cure the violation, except that certain violations constituting a nuisance or a threat to the health, safety or welfare of another resident may require immediate correction or cure. If the complaint is based on conduct of the Owner's Occupant, the Occupant shall also be notified of the alleged violation. In addition, if the alleged violation is due to an Owner complaint, the complaining Owner will also be copied. The notification shall be in a manner prescribed by the Enforcement Committee in a form similar to that set forth in Exhibit B-1 hereto and the Sterling Ranch Community Authority Board Book of Fees and Forms.

4.4 Opportunity for a Hearing Before the Enforcement Committee. Any Owner receiving a Notice of Alleged Violation and who has not corrected or cured the violation within the permitted time is entitled to an opportunity for a hearing. If the Owner desires a hearing, the Owner must proceed as follows:

(a) If the Owner desires a hearing on the alleged violation, within ten (10) days after the Notice of Alleged Violation has been delivered on the Owner and the time for correction or cure of the violation has expired, the Owner must complete the Request for a Hearing form, in the form attached to the Notice of Alleged Violation (a copy of which form is set forth as Exhibit B-2 hereto and in the Sterling Ranch Community Authority Board Book of Fees and Forms), and return it to the Enforcement Committee.

(b) If a request for a hearing is timely filed, a hearing on the complaint shall be held before the Enforcement Committee. The Owner shall be notified of the date and time of the hearing, which shall be conducted no later than thirty (30) days after receipt of the Request for a Hearing, as determined by the Enforcement Committee. The hearing shall be conducted in accordance with any rules and procedures therefor promulgated by the CAB or the Enforcement Committee.

(c) At any such hearing, the Enforcement Committee shall hear and consider arguments, evidence or statements regarding the alleged Violation. Following a hearing, the Enforcement Committee shall issue, within ten (10) days, its determination regarding the alleged Violation.

(d) Notification of the Enforcement Committee's determination shall be made in a form similar to that set forth in the Sterling Ranch Community Authority Board Book of Fees and Forms. Where the Lot or Unit is determined to be in Violation of the Documents, the notification shall be considered a notice of violation (a "Notice of Violation"), and shall include the time period, which may be immediate and may not exceed thirty (30) days, in which the Violation is to be corrected, remedied or otherwise removed, as well as any fines or other sanctions imposed. Fines may be imposed according to the fine schedule set forth in the Sterling Ranch Community Authority Board Book of Fees and Forms.

(e) At any time prior to the Enforcement Committee's final determination of Violation, an Owner may notify the Enforcement Committee in writing that any Violation has been corrected, remedied or removed. Following inspection of the Lot or Unit by the Enforcement Committee and confirmation that the Lot or Unit is in compliance, the Enforcement Committee may suspend or dismiss all actions to enforce its remedies.

(f) If no Request for a Hearing is filed within ten (10) days after a Notice of Alleged Violation, a hearing will be considered waived, the allegations in the Notice of Alleged Violation shall be deemed admitted by default, and appropriate sanctions shall be imposed at a meeting of the Enforcement Committee. The Owner shall be notified by the Enforcement Committee of any such determination using the same form and in the same manner as if a hearing had been conducted.

4.5 Opportunity for a Hearing Before the CAB. Any Owner who has received a decision from the Enforcement Committee of a Notice of Violation that desires to appeal to the CAB is entitled to an opportunity for a hearing before the CAB. If the Owner desires such a hearing, the Owner must proceed as follows:

(a) Within ten (10) days after the Owner's receipt of the Notice of Violation with the Enforcement Committee decision, the Owner must complete the Request for a Hearing form for a hearing before the CAB, which is attached to the Notice of Violation (a copy of which form is set forth in Exhibit C-2 hereto and the Sterling Ranch Community Authority Board Book of Fees and Forms), and return it to the General Manager of the Sterling Ranch Community Authority Board.

(b) If a request for a hearing is timely filed, a hearing on the complaint shall be held before the CAB at its next Board meeting to be held no less than five (5) business days after receipt of the request for a hearing. The Owner shall be notified of the date and time of the hearing, which shall be conducted no later than sixty (60) days after receipt of the Request for a Hearing. The hearing shall be conducted in accordance with any rules and procedures therefor promulgated by the CAB.

(c) At any such hearing, the CAB shall hear and consider arguments, evidence or statements regarding the Notice of Violation. Following a hearing, the CAB shall issue, within ten (10) days, its determination regarding the Notice of Violation.

(d) Notification of the CAB's determination shall be made in a form similar to that which is attached hereto as Exhibit D and as set forth in the Sterling Ranch Community Authority Board Book of Fees and Forms. Where the Lot or Unit is determined to be in Violation of the Documents, the notification shall be considered a confirmed Notice of Violation (a "Confirmed Notice of Violation"), and shall include the time period, not to exceed forty-five (45) days, in which the Violation is to be corrected, remedied or otherwise removed, as well as confirmation of the fines or other sanctions imposed by the Enforcement Committee.

(e) At any time prior to the CAB's issuance of the Confirmed Notice of Violation, an Owner may notify the CAB in writing that any Violation has been corrected, remedied or removed. Following inspection of the Lot or Unit by the Enforcement Committee and confirmation that the Lot or Unit is in compliance, the CAB may suspend or dismiss all actions to enforce its remedies.

(f) If no Request for a Hearing is filed within ten (10) days after a Notice of Violation, a hearing before the CAB will be considered waived, the allegations in the Notice of Violation shall be deemed admitted by default, and appropriate sanctions shall be imposed as the Enforcement Committee recommends. The Owner shall be notified by the Enforcement Committee of any such determination using the same form and in the same manner as if a hearing had been conducted before the CAB.

4.6 Remedies. If an Owner does not cure any Violation within the time period set forth in the Confirmed Notice of Violation, the CAB shall have all of the remedies set forth in Section 7.5 of the Master Declaration.

ARTICLE V MISCELLANEOUS

5.1 Master Declaration Prevails. In the event that there is any inconsistency between the provisions of these Rules and Regulations and the Master Declaration, the Master Declaration shall prevail.

5.2 Amendment. The CAB may amend, supplement, repeal, replace or modify these Rules and Regulations from time to time as it deems appropriate or convenient.

5.3 Construction and Development. Notwithstanding anything to the contrary herein contained, normal construction activities and parking in connection with Declarant's building of improvements within the Development or Declarant's other developmental activities shall not be considered a nuisance or otherwise be prohibited by these Rules and Regulations.

5.4 All remedies set forth in the Master Declaration and these Rules and Regulations shall be cumulative of any remedies available at law or in equity, except as limited in the Master Declaration. The decision to pursue enforcement action in any particular case shall be left to the CAB's or Enforcement Committee's discretion, except that neither the CAB nor the Enforcement Committee shall be arbitrary or capricious in taking enforcement action. Without

limiting the generality of the foregoing sentence, the CAB or the Enforcement Committee may determine that, under the circumstances of a particular case:

- (a) the position is not strong enough to justify taking any or further action;
- (b) the covenant, restriction, or rule and regulation being enforced is, or is likely to be construed as, inconsistent with applicable law;
- (c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the CAB's resources; or
- (d) that it is not in the CAB's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

Such a decision shall not be construed as a waiver of the CAB's or the Enforcement Committee's right to enforce such provision at a later time or preclude the CAB or the Enforcement Committee from enforcing any other covenant, restriction, or rule.

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IN WITNESS WHEREOF, the undersigned certifies adoption of the foregoing Rules and Regulations of the Sterling Ranch Planned Unit Development by the Sterling Ranch Community Authority Board on the 26st day of August, 2020.

STERLING RANCH COMMUNITY
AUTHORITY BOARD

By: _____
Name: _____
Its: _____

EXHIBIT B-1

NOTICE OF ALLEGED VIOLATION

TO: _____ Date: _____
(Unit Owner/Tenant)

NOTICE OF ALLEGED VIOLATION

Re: Violation of Master Declaration, Bylaws or Rules and Regulations

You are hereby notified, as the Owner/Tenant of the Unit # _____ at (Address, City) _____, Colorado that you violated the Master Declaration or Rules and Regulations. The actions complained of occurred on or about _____, 20__ and are described as follows:

You have ____ days to correct or cure the violation.

UNDER THE CAB'S RULES AND REGULATIONS, IF YOU FAIL TO CORRECT OR CURE THE VIOLATION OR REQUEST A HEARING BEFORE THE ENFORCEMENT COMMITTEE WITHIN 10 DAYS OR FAIL TO APPEAR AT A HEARING ON THESE VIOLATIONS, YOU WILL BE DEEMED TO HAVE COMMITTED THE VIOLATION BY DEFAULT, AND FINES, CHARGES, COSTS, EXPENSES AND LEGAL FEES MAY BE IMPOSED AGAINST YOU.

IF A VIOLATION EXISTS, WHICH HAS NOT ALREADY BEEN CORRECTED AND YOU FAIL TO MAKE AN APPROPRIATE CORRECTION, THE CAB MAY CORRECT THE VIOLATION AT YOUR EXPENSE.

Please consult the Master Declaration and Rules and Regulations for further details.

You may request a hearing before the Enforcement Committee by signing, dating and returning the attached Request for a Hearing form to the CAB at the address below.

Very truly yours,

STERLING RANCH COMMUNITY AUTHORITY BOARD

By: _____

Title: _____

Address

City, State, Zip

Area Code and Phone #

EXHIBIT B-2

REQUEST FOR A HEARING BEFORE THE ENFORCEMENT COMMITTEE

I hereby request a hearing before the Enforcement Committee on the statements made against me as contained in the Notice of Alleged Violation dated _____, 20____ alleging a violation of the Master Declaration or Rules and Regulations for Sterling Ranch Planned Development.

Owner/Resident's Name (printed)

Address

City, State, Zip

Area Code and Phone #

Signature

Date

**EXHIBIT C-1
NOTICE OF VIOLATION
ENFORCEMENT COMMITTEE DETERMINATION**

TO: _____ Date: _____
(Unit Owner/Tenant)

NOTICE OF DETERMINATION REGARDING VIOLATION

On _____ 20 _____ you were notified of a violation of the Master Declaration or Rules and Regulations of Sterling Ranch Planned Development. Pursuant to Rules and Regulations:

- () A hearing before the Enforcement Committee was held at your request regarding the alleged violation.
- () You have admitted to the violation by default and waived your right to request a hearing. After considering the complaint and evidence, the following determination has been made and the following action(s) will be taken:
 - () You were found not to have committed the violation and no action will be taken.
 - () A 1st, 2nd, 3rd or subsequent violation (circle one) of the Master Declaration or Rules and Regulations has occurred and a fine in the amount of \$ _____ is now due.
 - () A violation of the Master Declaration or Rules and Regulations of a continuing nature has occurred and a fine in the amount of \$ _____ per day from _____, 20 _____ is now due. A FINE FOR A CONTINUING VIOLATION WILL CONTINUE UNTIL THE VIOLATION HAS BEEN ELIMINATED AND THE CAB HAS BEEN NOTIFIED.
 - () Damages & expenses in the amount of \$ _____ have accrued and are due.
 - () Legal expenses in the amount of \$ _____ have been incurred by the CAB and are due.
 - () Damage has occurred or an architectural violation exists, as charged in the complaint. You have _____ days from the date of this Notice of Violation to correct the violation. If you fail to correct the violation within such time, the CAB will proceed to have the damage or violation corrected or repaired at your expense, or may exercise other legal remedies.
 - () As a result of a second or subsequent violation, we have instructed our attorneys to inform you that legal proceedings will be instituted if further violations occur, and you will be responsible for paying the fees and expenses incurred.

STERLING RANCH COMMUNITY
AUTHORITY BOARD

By: _____
Title: _____
Address: _____

EXHIBIT C-2

REQUEST FOR A HEARING BEFORE THE CAB BOARD

I hereby request a hearing before the CAB Board on the decision made by the Enforcement Committee on the matters contained in the Notice of Violation dated _____, 20____ regarding violations of the Master Declaration or Rules and Regulations for Sterling Ranch Planned Development.

Owner/Resident's Name (printed)

Address

City, State, Zip

Area Code and Phone #

Signature

Date

EXHIBIT D
NOTICE OF DETERMINATION OF CAB BOARD ON APPEAL FROM
ENFORCEMENT COMMITTEE NOTICE OF VIOLATION

TO: _____ Date: _____
(Unit Owner/Tenant)

NOTICE OF DETERMINATION REGARDING VIOLATION

On _____ 20 _____ you were notified of the Notice of Violation issued by the Enforcement Committee.

- A hearing was held at your request regarding the violation.
- You have admitted to the violation by default and waived your right to request a hearing. After considering the complaint and evidence, the following determination has been made and the following action(s) will be taken:
 - You were found not to have committed the violation and no action will be taken.
 - A 1st, 2nd, 3rd or subsequent violation (circle one) of the Master Declaration or Rules and Regulations has occurred and a fine in the amount of \$ _____ is now due.
 - A violation of the Master Declaration or Rules and Regulations of a continuing nature has occurred and a fine in the amount of \$ _____ per day from _____, 20 _____ is now due. A FINE FOR A CONTINUING VIOLATION WILL CONTINUE UNTIL THE VIOLATION HAS BEEN ELIMINATED AND THE CAB HAS BEEN NOTIFIED.
 - Damages & expenses in the amount of \$ _____ have accrued and are due.
 - Legal expenses in the amount of \$ _____ have been incurred by the CAB and are due.
 - Damage has occurred or an architectural violation exists, as charged in the complaint. You have _____ days from the date of this Notice of Violation to correct the violation. If you fail to correct the violation within such time, the CAB will proceed to have the damage or violation corrected or repaired at your expense, or may exercise other legal remedies.
 - As a result of a second or subsequent violation, we have instructed our attorneys to inform you that legal proceedings will be instituted if further violations occur, and you will be responsible for paying the fees and expenses incurred.

STERLING RANCH COMMUNITY
AUTHORITY BOARD

By: _____
Title: _____
Address: _____

EXHIBIT E

REQUEST FOR A HEARING BEFORE THE CAB BOARD

I hereby request a hearing before the CAB Board on the decision made by the Design Review Committee denying my request for a variance from the Design Guidelines.

Owner/Resident's Name (printed)

Address

City, State, Zip

Area Code and Phone #

Signature

Date