

**RESOLUTION OF THE
BNC METROPOLITAN DISTRICT NO. 1
REGARDING POLICIES AND PROCEDURES FOR COVENANT AND RULE ENFORCEMENT**

Establishing Policies Regarding Covenant and Rule Enforcement (“Policy”)

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 adopt a uniform procedure to be followed when enforcing covenants and rules to facilitate the efficient operation of the District.

AUTHORITY: (1) the Amended and Restated Service Plan, Section I.A, (2) Colorado law, (3) the Community Declaration for Turnberry Meadows (recorded with the Adams County Clerk & Recorder’s Office at reception #20040810000749180 on August 10, 2004) (“Declaration”), and (4) the District Services Agreement effective as of April 1, 2021.

EFFECTIVE DATE: July 15th, 2026

RESOLUTION: BNC Metropolitan District No. 1 (“District”) hereby adopts the following procedures to be followed when enforcing the covenants, restrictions, and rules and regulations of the District:

1. Reporting Violations. Complaints regarding alleged violations of the District’s governing documents may be reported by submission of a written complaint by a Lot Owner or resident within the community, a group of Lot Owners or residents, the District’s management company, Board member(s) or committee member(s) to District’s management company.
2. Complaints. Complaints may be submitted in writing to the Board of Directors by Lot Owners or residents, a member of the Board of Directors, a committee member, or the District’s manager. The complaining Lot Owner or resident (“Complainant”) shall have observed the alleged violation, and shall, in writing, identify himself or herself, the Owner of the alleged Property in violation (“Violator”) and Property address, 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 provide any other pertinent information. At the discretion of the District and its management company, any non-written complaints or written complaints failing to comply with this provision may or may not be investigated or prosecuted.
3. Investigation. If upon receipt of a complaint by the District 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, and the scope of investigation conducted.

Lot Owner Notification Policies

4. Initial Courtesy Letter. If a violation is found to exist, a courtesy letter (the “Courtesy Notice”) shall be sent to the Violator explaining (1) the nature of the violation, (2) the action required to remedy the violation, and (3) the fine that will be levied if a First Notice is issued by the District. The Violator will have 10 days from the date of the Courtesy Notice to correct the violation. The Courtesy Notice shall also include a statement regarding the Violator’s right to request a hearing before an impartial decision maker within ten (10) days of the date of the Courtesy Notice. If a written request for hearing is timely submitted, the hearing shall be scheduled as set forth in Section 8 below.
5. Notification Methods. All District enforcement notices shall be sent to Violators via first class mail and, if the Violator has provided the District with his/her email address, may be sent via email.
6. Continued or Repeated Violations After Courtesy Notice.
 - A. If the Violator does not correct the violation within 10 days of the Courtesy Notice and no hearing or appeal has been requested, the First Notice Letter (the “First Notice”) shall then be sent to the Violator providing the Violator with (a) notice of a continuing or repetitive violation, (b) notice of the fine(s) that will be posted to the Violator’s Property Account should the violation not be timely cured. A continuing violation is a single violation persisting for more than thirty (30) days. A repetitive violation is a violation that has been cured, but then occurs again (or on multiple occasions) at a single property address.
 - B. If the Violator does not correct the violation within 30 days of the First Notice, a “Second Notice” shall then be sent to the Violator. The Second Notice shall provide notice of the continuing or repetitive violation, notice of the fine posted to the Property Account in accordance with the fine schedule set by this Resolution and notice of the District’s intent to file a notice of non-compliance or lien on the Property if the violation remains uncorrected 30 days following issuance of the Second Notice. The Second Notice may contain a warning that the Property Account may be turned over to the District’s attorneys for additional legal action at any time after the cure period provided in the Second Notice has expired.
7. Notice Regarding Cured Violation. The District may, but is not required, to issue a notice to the Lot Owner when the District determines that a violation has been cured (the “Cure Notice”). Such notice may include (1) a statement that the violation has been cured and fines will no longer accrue regarding that particular violation, and (2) the final total for any outstanding balance owed by the Lot Owner to the District. A Lot Owner may provide evidence that the violation has been cured at any time. A Lot Owner may also request information regarding the status of the Owner’s account and any fines assessed to the account at any time. The fact that a violation has been cured does not affect the existence of fines already imposed pursuant to this Resolution. **Until paid (or formally waived pursuant to Section 17), any fee, rate, toll, fine, penalty, or charge imposed by the District shall constitute a perpetual lien on and against the property served on which the violation was found to exist.** Where the Violator has been found to have failed to comply with the District’s governing documents, the District may seek reimbursement for collection costs and reasonable attorneys’ fees without need to commence a legal proceeding.

Lot Owner Rights to Appeal Violation Notices

8. Notice of Hearing. If a hearing is timely requested or an appeal timely filed in writing by the Violator, the hearing shall be conducted at the next regularly scheduled meeting of the District's Board of Directors providing the next regularly scheduled meeting is at least 10 days after the date of the written hearing/appeal request. If the next regularly scheduled meeting of the Board of Directors is less than 10 days after the date of the written request, the hearing/appeal shall be added to the meeting agenda of the regularly scheduled Board meeting which is more than 10 days after the request. The Board of Directors meets bi-monthly and the meeting schedule is posted on the District's website. Failure to file a written request for hearing or appeal within ten (10) calendar days of the date of the Courtesy Notice shall result in waiver of the right to hearing or appeal.
9. Impartial Decision Maker. Pursuant to Colorado law, the 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 covenants, conditions, and restrictions, including architectural requirements, and other rules and regulations of the community, and who 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 community. Unless otherwise disqualified pursuant to the definition of Impartial Decision Maker, the Board may appoint the entire Board, specified members of the Board, or any other individual or group of individuals to act as the Impartial Decision Maker.
10. Hearing. At the beginning of each hearing, the presiding member of the Impartial Decision Maker or management shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Neither the Complainant nor the Violator is required to attend the hearing but either or both may appear. Hearings may be held in executive session if requested by the alleged violator. 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. The Impartial Decision Maker shall, within a reasonable time not to exceed 30 days, render and deliver to the Lot Owner its written findings and decision, and impose a fine, if determined to be applicable.
11. Failure to Timely Request Hearing. If the Violator fails to request a hearing or file an appeal within 10 days of the Courtesy Notice, the right to contest the violation shall be deemed waived and the District 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 District may attach a fine to the Property Account pursuant to these policies and procedures.
12. Fine Schedule. The following fine schedule has been adopted for violations of the District's governing documents:

COURTESY NOTICE	First Violation and Notice of Opportunity to be Heard
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FIRST NOTICE and Identification of Fine to be Imposed if Violation Not Cured	First Notice of Continuous or Repetitive Violation – Identifying violation of covenant, rule and regulation, or restriction and whether violation is continuing or a repeat of a prior violation
SECOND NOTICE and Imposition of Fine of \$50.00. District may proceed with recording Notice of Non-Compliance or Suspension of Access to Community Facilities	Second Notice of Continuous or Repetitive Violation – identifying violation of covenant, rule and regulation, or restriction and whether violation is continuing or a repeat of a prior violation
THIRD NOTICE and Imposition of Fine of \$100.00. District may proceed with recording Notice of Non-Compliance or Notice of Lien, if not yet recorded. Suspension of Access to Facilities may be Extended or Imposed.	Third Notice of Continuous or Repetitive Violation – identifying violation of covenant, rule and regulation, or restriction and whether violation is continuing or a repeat of a prior violation
FOURTH and SUBSEQUENT NOTICES	Additional Fines of \$100.00 for every 30 days that the violation remains or is again repeated. Property Account may be referred to the District's attorneys for further enforcement action and/or fine collection

13. Legal Action. The Board may turn over Property Violations to the District's attorneys for legal action following issuance of the Fourth Notice.
14. Covenant Liens. The Board may file a Notice of Non-Compliance or a covenant lien against any property within the District where a violation remains uncorrected subsequent to the issuance of a Second Notice. The Board may consider any criteria in determining whether and when to record a Notice of Non-Compliance or covenant lien against any property. Such criteria may include recommendations submitted by the District Manager and/or a committee. All costs incurred by the District related to filing Notice of Non-Compliance or covenant liens will be charged back to the respective Property Accounts.
15. Fine Limitations. No limit exists on the amount of fines that may be imposed in accordance with this Resolution for failure to comply with the District's governing documents. Property Accounts with accrued, unpaid fines may be turned over to the District's attorneys for collection in accordance with the Board's collection policy and Colorado law. Pursuant to Colorado law, the Board may give notice to Owners having fines against their properties, of the District's intent to certify outstanding fines to the County Treasurer for collection with property taxes. This notice will be given prior to the Board's certification of delinquent fines to the County Treasurer. The County Treasurer may impose fees for collecting the delinquent fines. The fees will be added to the certified balance.

Board Discretion Regarding Lot Owner Appeals

16. Violation Classification. The Board reserves the right to determine whether identified violations on a Lot constitute continuing violations, one or more separate violations or repetitive violations.
17. Waiver of Fines. The Board may waive all, or any portion, of the fines imposed against a Property 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 violation being resolved and the Property remaining in compliance with the District's governing documents.
18. District Manager Fine Waiver Authority. The District Manager has the authority to waive up to \$100.00 in fines occurring within a single calendar year on any Property Account if, in the District Manager's sole discretion, such waiver is appropriate under the circumstances. Any requests to waive more than \$100.00 in fines within a single calendar year must be submitted to and approved by the Board.
19. Violator Requests for Compliance Deadline Extensions. In situations where the Board or District Manager agrees to a Violator's request to extend the compliance deadline for a violation, the District or District Manager may continue to issue notices and assess fines in accordance with this Resolution subject to later adjustment. If the Violator corrects the violation within the extended compliance deadline, the District or the District Manager within its limited authority stated in Section 18, may reverse some or all of the fines imposed on the Property Account during the deadline extension period.

Compliance Expectations

20. Failure to Identify Violations. Lot Owners are responsible for identifying, correcting and preventing covenant violations from existing on their Lots. The District's failure to identify one or more violations on a Lot does not constitute Board approval of such violations or prevent the Board from subsequently enforcing such violations, so long as the enforcement is in compliance with this Resolution and Colorado law.
21. Lot Owner Responsibilities.
 - A. Lot Owners are responsible for maintaining their Lots in a manner that reasonably complies with the District's governing documents. The Board will hold Lot Owners responsible for the reasonable maintenance of their Lots—regardless of any contractual maintenance arrangements that may exist between Lot Owners and their renters or property management companies. In addition, the Board will hold Lot Owners who use their Lots as their primary residence responsible for the reasonable maintenance of their Lots—regardless of the Lot Owners' personal or business schedules that may cause the Lot Owners to be away from their Lots for extended periods of time.
 - B. Lot Owners are responsible for being familiar with the covenants and restrictions contained within the District's governing documents, including the recorded Declaration, Design Guidelines and any rules and regulations adopted by the District Board. In addition, Lot Owners are responsible for being familiar with the Board's

interpretations of various covenants and restrictions as may be provided in the District's Design Guidelines.

22. Rental Properties—No Reset on Tenant Turnover. Violation notices and fines will not be reset when a turnover in tenant occupancy occurs on a Lot used as a rental property. Regardless of the contractual arrangements entered into between tenants and Lot Owners, Lot Owners (not tenants or other occupants of the Lot) are responsible to the District for ensuring their Lots are adequately maintained in a manner that complies with the District's governing documents.
23. Change in Ownership—Violations Reset. Although violation notices and fines are attributed to the Lot rather than to the Lot Owner, the Board may reset any open violations back to a First Notice when a change in Lot ownership occurs. All fines and related expenses shall be paid on sale of the Property in satisfaction of the District's prior, perpetual lien. For purposes of this paragraph, a change in ownership occurs only when none of the original Lot Owners of record become Lot Owners of record on the newly issued title.
24. Location or Proximity of Lots to Open Spaces. Generally, the Board will not excuse violations (especially related to yard maintenance) because of a Lot's proximity to open space. For example, Lot Owners may assert that weed violations on their Lot are due to the proximity of their Lot to native areas or unlandscaped open space, however this proximity shall not be recognized as a defense to a violation notice.
25. Compliance Deadlines. The compliance deadline date for correction of a violation is the date by which the violation must be fully corrected. It is not the date by which Lot Owners should start correcting the violation.
26. Results-Oriented Compliance Required. The act of taking corrective action does not in and of itself constitute correction of a violation, to be recognized as cured the violation must cease to exist. For example, starting fence repairs, spraying weeds, scrubbing oil-stained driveways, installing weed barriers, or beginning to paint a structure does not constitute compliance until such action has been completed and the Violator has received a Cure Notice or confirmation from the District or District Management that the violation has been cured.
27. Violations Not Conditionally Excused. The Board will not excuse violations on a Lot Owner's Lot and shall not be deemed to have waived its right to enforce the governing documents because violations may be asserted to exist on other Lots.

Violation Specific Policies

28. Black-out Period & Reset Conditions for Yard Maintenance. Yard maintenance deficiencies specifically related to (1) lawn mowing, (2) weeds, and (3) turf disrepair are subject to violation notices between May 1st and October 31st. For the 6-month period between November 1st and May 1st, violation notices will not be issued for such deficiencies. Yard maintenance-related violations that remain open as of October 31st will be carried forward and treated as a continuous violation when such deficiencies continue to exist and are subject to inspection beginning after May 1st. Conversely, yard maintenance-related violations that are closed as of October 31st will not be carried forward and classified as a

continuous violation when new yard maintenance deficiencies become subject to inspection again beginning on or after the subsequent May 1st.

29. Weed Violations. When Lot Owners receive a violation notice regarding excessive weeds (e.g., weeds in the lawn, weeds in the rockbeds, weeds in the driveway, weeds throughout the Lot), Lot Owners must correct such violations by removing all such weeds. Applying chemicals and/or cutting down the height of weeds may not constitute correction of such violations if weeds remain present and visible.
 - a) The Board encourages Lot Owners to carry out preventative measures (e.g., apply weed and feed to lawns, install/replace weed barriers, spray weed killing chemicals on rockbeds, sidewalks, driveways, etc.) to reduce the risk that an excessive amount of weeds may come to exist on a Lot. However, when an excessive amount of weeds already exist on a Lot, the application of chemicals alone may fail to properly address the issue and the Lot Owners may be subject to further notices and fines.
 - b) Lot Owners are required to remove weeds regardless of whether the Lot Owners intend to purposefully incorporate such weeds (e.g., “manicured” or trimmed weeds) into the overall landscaping plan for their Lot. Weeds are not acceptable elements of landscaping plans.
 - c) Weeds are defined in accordance with the Colorado state-listed Noxious Weed list as published by the Colorado State University CoOp Extension and include all variations of dandelions, oxalis and bindweed.
30. Turf Disrepair. The application of seed, fertilizer or other chemicals does not constitute a correction of a turf disrepair violation. Such actions are merely actions taken by a Lot Owner to restore the damaged turf. Correction of a turf disrepair violation only occurs when the turf has returned to an acceptable condition as determined by the District. During periods of declared drought, the District will not require lawn maintenance that exceeds the drought restrictions (i.e. maintenance of a green lawn where water restrictions limit outdoor irrigation). Drought conditions shall not be an excuse for failing to perform reasonable lawn maintenance.
31. Backyard Landscaping Maintenance Enforcement. For backyards that are visible to the public from public points of view (e.g., streets, sidewalks, open spaces), the District may issue violation notices if any such backyards fail to substantially comply with the requirements of the District’s governing documents. For backyards that are not visible from public points of view, the District will issue violation notices if (1) any such backyards fail to substantially comply with the requirements of the District’s governing documents and (2) a verifiable complaint is received from a Lot Owner or District Management identifies the violation. A verifiable complaint is defined as a complaint from a Lot Owner who provides the District with photos or other means to visually verify whether the Lot that is the subject of the complaint is in violation of the District’s governing documents. For backyard violations that require the District representative to visually verify the violation from another Lot Owner’s Lot, the Lot Owner in violation is required—after receiving the violation notice—to provide the Board with evidence in the form of photos of the corrected violation or provide access to the Lot for inspection. The District may advance the violation in accordance with this Resolution if the Lot Owner fails to provide the Board with satisfactory evidence that the

violation has been corrected. Violations may include excessive pet waste creating a nuisance to adjacent Lots.

32. Violations Regarding Noxious Odors from Marijuana. Violation notices regarding noxious odors caused by marijuana plants may be resolved if the Violator provides a written confirmation to the District that either no marijuana is being grown on the Property or the Property complies with City, County and State regulations regarding personal marijuana plants. If the Property is subsequently cited by any governmental entity for failing to comply with City, County or State regulations regarding the growing of marijuana, the Board may retroactively assess fines to the Property Account in accordance with this Resolution. Fines may be retroactively assessed back to the original violation date, unless facts and circumstances provided to the Board indicate that fines should otherwise be assessed, which determination shall be made in the Board's sole discretion.
33. Noise/Odor Violations. The Declaration prohibits "unreasonably offensive" sounds or odors from emanating from any Lot. The District may issue a violation notice to a Lot Owner in the event one or more adjacent Lot Owners submit complaints regarding unreasonably offensive or disturbing noises or odors originating from such Lot. Violations may be noticed if two or more complaints are received by the District from one or more adjacent Lot Owners within 8 weeks of issuing a prior notice. The District refers all complaints regarding barking dogs to the City's animal control or to the police.
34. Livestock and Poultry Restrictions. The Declaration prohibits livestock and poultry from being raised, bred or kept on any Lot. Lot Owners are allowed to maintain up to three domesticated animals on a Lot. Pygmy goats, miniature goats, dwarf goats and chickens of any kind are considered a nuisance (due to an unreasonable amount of noise and/or odor) and are prohibited from being maintained on a Lot.

Miscellaneous Policies

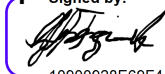
35. Other Enforcement Means. This Resolution is adopted in addition to all other enforcement measures which may be available to the District through the District's governing documents and Colorado law. Reliance on this Policy does not preclude the District from invoking any other enforcement measure or remedy allowed by law. The District may use whatever collection measures are available to it under the law.
36. Advice and Direction. Neither the Board nor its agents are responsible for or required to provide Lot Owners with advice or direction on how to maintain their Lots. Lot Owners are responsible for acquiring the knowledge, tools, experience and/or assistance necessary to ensure their Lots are adequately maintained in accordance with the District's governing documents.
37. Definitions. Unless otherwise defined in this Resolution, initially capitalized terms or terms defined in the Declaration shall have the same meaning herein. References in this Resolution to "Lot Owner" or "Owner" shall mean the owner of record of a Lot within the District. The District's governing documents shall consist of the Community Declaration for Turnberry Meadows, the District Services Agreement, the District's Amended and Restated Service Plan, the Design Guidelines, Bylaws, and any resolutions, rules, regulations, policies and procedures adopted by the District Board as same may be amended from time to time.

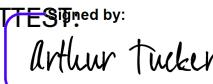
38. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the District's governing documents the laws of the State of Colorado.
39. Amendment. This Policy may be amended from time to time by the Board.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of the BNC Metropolitan District No. 1, certifies that the foregoing Resolution was adopted by the Board of Directors of the District at a duly called and held meeting of the Board of Directors on July 15th, 2026, and in witness thereof, the undersigned has subscribed his/her name.

BNC Metropolitan District No. 1

Signed by:

By: 40900928E69F4A...
Jeff Trzeciak, Board President

ATTEST:
Signed by:

0F9B3B3867374D1...
Arthur Tucker, Board Secretary