

# WESTRIDGE ESTATES P.U.D. ASSOCIATION POLICIES, RULES AND REGULATIONS FOR DECLARATION ENFORCEMENT, AND PROCEDURES FOR COLLECTING UNPAID ASSESSMENTS AND FINES

Effective: April 1, 2015

1. Introduction. The Board of Directors ("Board") of Westridge Estates P.U.D. Association, a Colorado nonprofit corporation ("Association"), acting pursuant to the powers set forth in the Association's Bylaws, Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions for Westridge Estates P.U.D., as amended ("Declaration") (such documents being collectively referred to as the "Association Documents"), and the Colorado Common Interest Ownership Act, as amended ("CCIOA"), has enacted the following Policies, Rules and Regulations ("Policies") effective as of the date set forth above. From time to time, the Board may be represented in implementing the following Policies by a designee ("Management Company"). Unless the context otherwise indicates, capitalized words and terms shall have the meanings set forth in the Association Documents and, if not defined in the Association Documents, then as set forth in the CCIOA. These Policies supersede any previously adopted Policies on the same subject matter.

2. Policies Purposes. The purposes of these Policies are to define clearly the responsibilities of the Members of the Association ("Members") in regard to the Declaration thereof, to inform the Members of the procedures that will be followed in enforcing the requirements of the Declaration, and to specify the policies and procedures that will be followed by the Board in collecting unpaid assessments and fines. These Policies do not include matters pertaining to the maintenance of the roads within the subdivision, which are maintained by Larimer County under the auspices of the Westridge Public Improvement District #24 (P.I.D.), and which are funded through taxes levied by Larimer County annually on Members of the Association.

3. Member Responsibilities. It is the responsibility of each Member of the Association to understand and comply with all covenants, conditions and restrictions set forth in the Declaration, as amended. It is the responsibility of the Board to enforce the same to "insure the lasting beauty, value, and enjoyment of the Property."

4. Assessments. As specified in the Declaration, the common expenses of the Association will be funded through the payment by Members of fees ("Assessments"), due annually or at such other intervals as may be set by the Association, through the Board, from time to time. The Association will prepare and deliver by mail to each Member a statement for the annual Assessment for common expenses. The statement will include the due date of payment and will normally occur in the first month of the calendar year.

4.1. Collection of Unpaid Assessments. The collection of unpaid Assessments and fines is an important part of governing the Association and such collection will be done in a uniform manner in accordance with the Association Documents and the CCIOA. This

policy provides a framework for the collection of past due Assessments and fines in a timely and efficient manner. To assist with the collection of unpaid Assessments and fines in a timely and efficient manner, the Association shall employ the following procedures and policies:

4.2. Due Date/Delinquency Payments. Assessments are due upon the date specified by the Board in the annual statement sent to all Members. Any Assessment not paid within 30 days after its due date is considered past due and delinquent. A monthly late charge in the amount of \$25.00 will be assessed against the delinquent Member for each month that the Assessment remains past due, or the maximum amount permitted by law, whichever is less. Furthermore, delinquent Assessments shall bear interest from the date of delinquency at the rate of 18 percent per annum, or the maximum amount permitted by law, whichever is less. A Member's voting rights will be suspended automatically until paid in full in the event an Assessment is delinquent.

4.3. Returned Check Charge. In addition to any other charges under the Association Documents and these Policies, if a Member makes payment of Assessments to the Association by a check which is not honored by the bank on which it was written or is returned by such bank for any reason whatsoever, including but not limited to insufficient funds, the Member shall immediately pay the Association, as part of the Member's Assessment, a reasonable returned check charge not to exceed \$25.00.

4.4. Notices to Member of Payment Plan. If any Assessment is 30 days past due, and before the Board turns over a past due account to a collection agency or an attorney for legal action, the Board shall send the delinquent Member a letter via First Class U.S. Mail, certified, return receipt requested, notifying the Member of the delinquency, and specifying:

- a. The total amount due, as of the date of the letter, with a copy of the Board's Assessment ledger relating to the Member only, specifying the Member's account and showing how the total was determined.
- b. That unless the Member acquired the Member's Unit or Lot through a foreclosure and does not occupy the Unit or Lot, the Member will have a one-time opportunity to enter into a payment plan that allows the Member to pay off the past due amount in six equal payments, beginning immediately, over a period of not more than six months. Under such a payment plan, the Member will be required to make payment of the past due Assessments and also remain current with payment of the regular Assessments as they come due. If the Member does not comply with the payment plan, the Board may then pursue legal or other action against the Member as the law permits.

- c. The contact information for the Association's Property Manager in the event the delinquent Member wishes to enter into a payment plan or has any other questions about the amount owing to the Association.
- d. The Member shall cure the delinquency by entering into a payment plan or paying in full the delinquent amount, and if the Member fails to do so within 30 days following the date of Member's receipt of the Board's letter, the Member's past due account may be turned over to a collection agency or an attorney, a lawsuit may be filed against the Member, a lien may be filed and foreclosed against the Member's Unit or Lot, and the Board may pursue any other remedies available under Colorado law.
- e. All notices required or permitted under these Policies shall be in writing and deemed delivered by (a) personal delivery; or (b) U.S. registered or certified mail, with return receipt requested, postage paid; or (c) a nationally-recognized overnight courier, with return receipt requested, postage prepaid, sent to the delinquent Member at the address last known, or to such other address as the delinquent Member may designate by written notice to the Board. Failure by a delinquent Member to accept a U.S. registered or certified letter or other recognized courier package shall be a deemed acceptance by Member of the notice letter.

4.5. Application of Payments on Delinquent Accounts. All payments received with regard to a delinquent Member's account shall be applied to the Association's attorney's fees and costs, expenses of enforcement and collection, late charges, interest, returned check charges, and other costs owing under the Association Documents prior to being applied to payment of any Assessments then due. Payments and allocations thereof will be determined by the Board.

4.6. Collection Remedies. In the event payment is not received from any delinquent Member within 30 days after the delivery or deemed delivery date of the Board's letter referenced above, the Association may pursue any one or all of the following remedies:

- 4.6.1. File an Assessment lien against the delinquent Member's Unit or Lot;
- 4.6.2. Commence and maintain legal proceedings (including, but not limited to, lawsuits seeking personal judgments and foreclosure actions) for the recovery of

delinquent Assessments, late fees, interest, attorney fees and costs as may be allowed by the Association Documents or the CCIOA;

4.6.3. Pursue collection of a judgment obtained against a Member;

4.6.4. Take all other lawful action necessary to collect delinquent Assessments in accordance with the Association Documents and Colorado law; and

4.6.5. Suspend the voting rights of the delinquent Member during the duration of the delinquency.

4.7 Failure to Follow Procedures. If the Board fails to follow the procedures set forth above, it shall not be construed as any waiver or release of a delinquent Member's obligation to pay Assessments or the Association's right to collect the Assessments in accordance with the Association Documents and the CCIOA, and no waiver of any such right, power, privilege, breach or default on any one occasion shall constitute a waiver or laches thereof on any subsequent occasion unless clear and express written notice thereof.

5. Declaration Enforcement Policy and Procedures. The Board is responsible for ensuring that all Members comply with the covenants, conditions and restrictions as set forth in the Declaration and its amendments. The Board will, from time to time and at random intervals, have the P.U.D. inspected from the exterior of buildings, and have any noticeable violations of the Declaration and its amendments noted and reported to the Board. In addition, the Board will record any violation reported by Members or others. When a violation is observed or reported, the Board will employ the following procedure:

5.1. First Warning Notice. The Board will send a letter and email to the Member describing the observed or reported violation of the Declaration and its amendments, including notation of the specific covenant, condition, or restriction violated. The Member will be informed that failure to correct the violation may result in an initial \$50 fine, and he/she will be asked to correct the violation within 30 days from the date of the email and postmarked letter. If the Member has questions about or disagreements with the reported or observed violation, the Board will specify to whom those questions or disagreements should be expressed.

5.2. Second Warning Notice. If, after 30 days following the First Notice (5.1), the violation is not corrected, the Board will send, via email and a letter, a Correction Period reminder to the Member. The Member will be allowed two weeks from the date of the email and postmarked letter in which to correct the violation.

5.3. Official Notice of Violation. If the violation is not corrected by two weeks following the Second Notice (5.2), the Member will be assessed a \$50 fine. The Board will send the Member an official notice of the violation and \$50 fine via email and letter.

The Member will have two weeks from the date of the email and postmarked letter to correct the violation and make arrangements to pay the assessed fine. If the Member disagrees with the violation and assessed fine, he/she may submit a written request for a meeting of the Board to present his/her side relating to the violation. The request must be submitted to a Board member, via letter or email, within two weeks of the notice of violation and fine. The Board will form within 30 days of the receipt of the email or written request, at which time the Member may present his/her position. The fine will be deferred until a ruling is issued by the Board.

5.4. Second Notice of Violation-Final Assessment Notice/Pre Lien. If the Board determines that the violation has not been corrected within two weeks of the Official Notice of Violation (5.3), and if the Member has not contacted and requested a meeting with the Board, an additional \$100 fine will be assessed. The Member will be notified by the Board of the violation and fine via First Class U.S. Mail, certified, return receipt requested. The Member will have five business days from the receipt of notification (Pre-Lien period) to correct the violation and to make arrangements to pay the assessed fines. Upon expiration of the Pre-Lien period, a Lien may be filed against the property and Member with the Larimer County Clerk and Records Office and a Notice of Lien will be sent to the Member.

5.5. Repeat Violations and Notice of Assessment. In the event that the Member has been issued three Notices of Violation for the same repeat violation within any 12 month period, the Board may assess a \$500 fine upon the Member, plus accrual of interest as described in 4.2 above. The Repeat Violations and Notice of \$500 Assessment will be sent to the Member via First Class U.S. Mail, certified, return receipt requested. Collection of the fine may be conducted per collection methods established by the Board in 4.6 above if not paid within 30 days of receipt of the Notice of Assessment.

6. Association's Attorney Fees and Costs. Any delinquent Owner shall be responsible for attorney fees and costs incurred by the Association in the collection of past due Assessments, whether or not a lawsuit is commenced or lien filed in accordance with the Association Documents and the CCIOA. Payments will be allocated as described in 4.5 above.

7. Foreclosure and Bankruptcy Notices. If the Association receives any bankruptcy or foreclosure notice regarding a Member with unpaid Assessments, the Association may seek advice from its attorney regarding the appropriate action to be taken.

8. Variances. The Board may from time to time vary from the requirements set forth in these Policies if the Board determines in its sole discretion that such variance is reasonable under the circumstances.

9. Amendment. These Policies may be amended from time to time by the Board.

## CERTIFICATION

The undersigned, being the duly elected and acting President or Secretary of the Westridge Estates P.U.D. Association, a Colorado nonprofit corporation ("Association") certifies that the foregoing Policies were approved by the vote of a majority of the Association's Directors at a meeting of the Association's Board of Directors held on March 26, 2015.

Westridge Estates P.U.D. Association, a Colorado nonprofit corporation.

By:

A handwritten signature in black ink, appearing to read "Joe LaGrotta", with a horizontal line extending to the right.

Joe LaGrotta  
Secretary Westridge Estates HOA  
March 27, 2015