

Date: November 13, 2018

To: Cougar Ridge Homeowners

From: Cougar Ridge Homeowners' Association Board of Directors

Subject: **Fines and Assessments Policy**

Purpose: To establish a process that supports CRHOA governing documents in a fair, reliable and consistent manner. Specifically, this process implements application of fines, penalties, fees, interest and associated costs as they pertain to delinquent water accounts, delinquent annual and special assessments and CC&R violations as per CC&R Article IV, Section 4.7 Penalty Assessments; and Section 4.1, Creation of the Lien and Personal Obligations of Assessments.

Authorizing documents: The First Restatement of Declaration of Covenants, Conditions and Restrictions (CC&Rs) dated March 22, 2011, Article IV Sections 4.7 & 4.1.

Existing billing policies: Water System bills quarterly. See Annual Notification of Cougar Ridge Water System Fees and Billing Policy for 2018 as adopted November 29, 2017, for details about the fee schedule and delinquent account policy.

Annual assessment billing: See Annual Notification of Cougar Ridge Annual Assessment and Billing Policy for 2018 as adopted November 29, 2017, for details about the fee schedule and delinquent account policy.

Schedule for notice of violations exclusive of water & annual/special assessments:

- First notice: Written courtesy notice of violation, along with a copy of pertinent CC&R Article, is sent via USPS. This letter offers the opportunity to discuss the specific violation with the Board within 10 days of the date of the letter.
- 2nd notice: This letter is sent if the first notice fails to resolve the violation or if the violation continues. It is sent via USPS and certified mail indicating a \$50.00 fine has been assessed. Another opportunity to be heard by the Board is offered and must occur within 10 days to avoid additional penalties, fines and/or costs. A copy of CC&R fine authorization and pertinent CC&R section is included in the mailing.
- 3rd notice: Letter sent via USPS and certified mail indicating an additional \$50.00 fine has been added to the previous assessment as well as interest at 12% and is due no later than 10 days.
- 4th notice: Letter sent via USPS and certified mail indicating an additional \$50.00 fine plus interest on all assessments to this point has been added and is due no later than 10 days.
- 5th notice: Letter sent via USPS and certified mail indicating that unless the accrued fines, interests, penalties and/or costs are paid, a lien will be levied on the property and additional \$50.00 assessments plus fines, penalties, interest and other charges as applicable will continue to accrue until paid in full.
- Final notice: Legal suit as deemed appropriate by sitting Board.