

**Date:** June 2021  
**To:** Cougar Ridge Homeowners  
**From:** Cougar Ridge Homeowners' Association Board of Directors  
**Subject:** **GOVERNING DOCUMENTS PROCESS**

**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 Covenants, Conditions and Restrictions (CC&Rs) 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 the current Cougar Ridge Water System Fees and Billing Policy as adopted for details about the fee schedule and delinquent account policy.

**Annual assessment billing:** See the current Annual Notification of Cougar Ridge Annual Assessment and Billing Policy as adopted 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. If a meeting is desired, the request for a meeting must be made 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 is repeated or continues. It is sent via USPS and certified mail indicating a \$50.00 fine has been assessed. The fine must be paid within 30 days of the receipt of the notice. Another opportunity to be heard by the Board is offered and if desired, the request for a meeting must occur within 10 days of the receipt of the notice. A copy of CC&R fine authorization and pertinent CC&R section is included in the mailing.

**3rd notice:**

- Failure to pay fine - If the fine has not been paid within 30 days after the 2<sup>nd</sup> notice, a Letter will be 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% per annum and is due no later than 10 days from the receipt of the letter.
- Third violation - If a third violation of CCR should occur a 3<sup>rd</sup> Notice of violation letter will be sent via USPS certified mail indicating a fine of \$50 has been assessed. An opportunity to be heard by the board is offered and if desired, the request for a meeting must occur within 10 days of the receipt of the notice. A copy of CC&R fine authorization and pertinent CC&R section is included in the mailing.

**4th notice:** If the fines have not been paid within 30 days after the 3rd notice, a Letter will be 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 from receipt of the letter.

**5th notice:** If the fines have not been paid within 30 days after the 4th notice, a Letter will be 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 the sitting Board.