

Responsible Governance Policies
Westermere Condominium Owners Association, Inc.

These policies were adopted by the Board of Directors of the Westermere Condominium Owners Association, Inc. ("Association"), pursuant to C.R.S. 38-33.3-209.5, and are made effective as of February 26, 2008. These policies shall replace and supersede all previous policies adopted by the Association or Board of Directors that address the specific subjects referenced herein.

1. Invoicing and Collection of Unpaid Assessments

- a. **Invoices; Due Date.** The Association shall send out invoices by mail or email. Payments for regular assessments are due in advance on the first of the month. All other assessments shall be due as determined by the Board of Directors, but in no event less than ten (10) days from the date invoiced.

- b. **Collection of Less Than \$500 Less Than 6 Months Past Due.** For outstanding balances less than \$500, that are 30 days or more past due, but less than 6 months past due, the Association may send the delinquent Owner one letter advising that the amount is thirty (30) days past due, that interest is accruing on the balance, and requesting payment. The letter shall also advise that, if not paid, the amount past due will be added to the delinquent Owner's next statement with accrued interest. The Association will not charge the delinquent Owner for this letter. The amount past due shall be added to the delinquent Owner's next statement with accrued interest.

- c. **Collection of \$500 or More; Collection of \$500 or Less 6 Months Past Due.** For outstanding balances of \$500 or more, and outstanding balances of less than \$500 that are 6 months or more past due, the Association has adopted the following collection policy.
 - i. For balances that are thirty (30) days past due, the Association may send a collection letter to the delinquent Owner advising that the amount is thirty (30) days past due, that interest is accruing on the balance, and requesting payment. There is no charge for this letter.

 - ii. For balances that are sixty (60) days past due, the Association may send a collection letter to the delinquent Owner advising that the amount is sixty (60) days past due, that the Association intends to record a lien against that Owner's unit, that there is an administrative charge for the letter and that there will be an administrative charge for recording the lien. The Association will charge the administrative charge for the letter

to the delinquent Owner.

- iii. For balances that are more than ninety (90) days past due, the Association may record a lien against the delinquent Owner's unit. If the Association records a lien, then the association will send a copy of the lien to the delinquent Owner via certified mail. The Association will charge the administrative charge for recording the lien to the delinquent Owner.
 - d. **Returned Checks.** There is a \$25 charge for returned checks.
 - e. **Interest.** All amounts past due to the Association shall bear at the rate of eighteen percent (18%) *per annum* from the date the payment was due.
 - f. **Attorneys Fees and Costs of Collection.** Delinquent Owners are responsible for payment to the Association of all costs of collection, including the costs of collection letters, charges by the Association's manager, reasonable attorneys fees and collection agency fees.
 - g. **Application of Payments.** The Association will apply Owner payments of outstanding balances first to collection costs, then to interest, then to the most recent invoices for assessments, and finally to the oldest balance.
2. **Handling of Conflicts of Interest Involving Board Members.** Conflicts of interest shall be subject to C.R.S. § 7-128-501 (Colorado Nonprofit Corporation Act), as same may be amended.
 3. **Conduct of Meetings.** Meetings shall be conducted in accordance with all applicable provisions of the Colorado Nonprofit Corporation Act (C.R.S. § 7- 135-100 *et. seq.*) and the Colorado Common Interest Ownership Act (C.R.S. § 38-33.3-101 *et. seq.*), and in accordance with Roberts Rules of Order as such rules are applied to small Associations that do not need full parliamentary procedure.
 4. **Enforcement of the Governing Documents.** Monetary enforcement of the governing documents is subject to the Association's collection policies, above. The Association will enforce nonmonetary violations of the Association governing documents as follows. Whenever the Board has reason to believe that any Owner has violated and/or is in violation of any non-monetary covenant, restriction or other obligation under any of the Association governing documents, the Board will direct that a Notice of Hearing be mailed to the Owner, at the Owner's address as it appears in the records of the Association. The Notice of Hearing shall state the time and place at which a hearing will be held and shall describe the violations to be addressed. The

hearing shall be set no earlier than fifteen (15) days from the date of the Notice of Hearing. The Board, the Association's manager (if desired by the Board), Association counsel (if desired by the Board), the offending Owner, such Owner's counsel or representative (if any), and any witnesses, may appear at such hearing, and such appearance may be in person or via telephone.

At the hearing, the Board will address the nature and details of the violation with the Owner and the Owner will be provided an opportunity to rebut, explain, or present any evidence in his or her defense. If the Board and the Owner are able to reach an agreement at, or following, the hearing, as to how best to resolve the alleged violation, that agreement shall be reduced to writing and signed by the Owner and on behalf of the Board. If the Board and the Owner are unable to reach an agreement, then the Board may, in its sole discretion, by vote or by consent, find the Owner in violation of the Governing Documents. If the Board finds the Owner in violation, then the Board may pursue any available legal remedy that the Board deems necessary and proper, including but not limited to, the imposition of fines of up to \$200 per violation per day until such violation ceases, as well as legal action for damages, injunctive relief and legal fees and costs.

5. Inspection and Copying of Association Records by Unit Owners. Owners may submit a request to the manager to copy Association records. The Owner will pay the Association's actual costs for research and copying in connection with such records requests.
6. Investment of Reserve Funds. Reserve funds may be held either in a savings deposit account or certificate of deposit at the discretion of the Association's manager.
7. Procedures for the Adoption and Amendment of Policies, Procedures, and Rules. In the absence of a contrary provision in the declaration or articles of the Association, these policies may be amended and supplemented by a vote of the majority of the Board of Directors.

The undersigned certifies that the foregoing Rules and Regulations were adopted by the Board of Directors at its meeting held February 26, 2008.

M. M. Astill
President

Date: 2/26 .08