

**ROARING JUDY RANCH ASSOCIATION
POLICIES, PROCEDURES, RULES AND REGULATIONS
REGARDING
COLLECTION OF UNPAID ASSESSMENTS
AND
IMPOSITION OF FINES**

Roaring Judy Ranch Association, a Colorado nonprofit corporation (the "Association"), for the purpose of complying with C.R.S. § 38-33.3-209.5, hereby adopts the following responsible governance policies, procedures, and rules and regulations. Unless otherwise defined herein, terms defined in the Declaration of Protective Covenants Roaring Judy Ranch recorded in the real property records of Gunnison County, Colorado at Reception No. 415613, as amended (the "Covenants"), and the Association's Articles of Incorporation (the "Articles") and the Association's bylaws, as amended (the "Bylaws") shall have the same meaning herein. The Declaration, Articles, and Bylaws shall hereafter be collectively referred to as the "Governing Documents." The term "Owner" includes all owners of legal or equitable title in any real property in the subdivision, including all Members. Unless otherwise required by the context or applicable law, any reference to the Association is to the Association acting through its Board of Directors.

Article 1: Collection of Unpaid Assessments – C.R.S. § 38-33.3-209.5(1)(b)(I) and C.R.S. § 38-33.3-209.5(5)(a):

1. Assessments are due within 30 days of the date of notice for such assessment. If the assessments are not paid when due, then such assessments shall become delinquent.
2. Interest on delinquent assessments, including recovery of attorneys' fees incurred in pursuing delinquent assessments, is 10% per annum from the date the assessments became delinquent.
3. The Association does not charge a return check charge. A late fee of 10% of the delinquent amount is charged on all delinquent assessments.
4. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association must send the Owner a notice of delinquency specifying:
 - A. The total amount due, with an accounting of how the total was determined;
 - B. Whether the opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into such a payment plan;
 - C. The name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; and
 - D. That action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law.

5. In accordance with C.R.S. § 38-33.3-316.3, a delinquent Owner may be eligible to enter into a payment plan, but not where:
 - A. The Owner does not occupy the Owner's lot and has acquired the Owner's lot as a result of a default of a security interest encumbering the lot or foreclosure of a lien by the Association; or
 - B. The Owner has previously entered into a payment plan with the Association; or
 - C. The Association informs the delinquent Owner of the potential for a payment plan and the delinquent Owner does not agree to pay in accordance with the terms of the offered payment plan within 30 days of the Association informing the delinquent Owner of the potential for a payment plan and the terms of any such payment plan. The Association is under no obligation to negotiate or provide an opportunity for a payment plan of a greater duration than six months as provided below.
6. Any payment plan shall permit the delinquent Owner to pay off the deficiency in equal installments over a period of at least six months. The Board of Directors of the Association, in its sole discretion, may determine whether a payment plan should exceed six months in duration, and no Owner shall have any right to demand or request a payment plan for in excess of six months. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the six-month period, constitutes a failure to comply with the terms of his or her payment plan.
7. Payments on a delinquent account of an Owner are applied to the most outstanding balances first and, where balances are equally outstanding, first to unpaid interest and other costs or fees, and then to unpaid principal.
8. Unpaid assessments will be collected through enforcement of all rights, procedures and remedies under the Covenants in accordance with the remaining Governing Documents and applicable law. These rights, procedures and remedies include the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, obtaining and foreclosing a judgment against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law. Delinquent Owners will be liable for all costs of collection, including without limitation attorneys' fees and court costs.
9. In determining which methods of enforcement to employ, it shall be the policy of the Association that the person or persons making such decision on behalf of the Association take into consideration, to the extent legally permissible, the totality of the circumstances, including without limitation any history with the Owner.
10. Road recovery fees and other new construction fees must be paid prior to commencement of any construction.

Article 2: Enforcement of Covenants and Rules, Including Notice and Hearing Procedures and the Schedule of Fines – C.R.S. § 38-33.3-209.5(1)(b)(III)

1. All enforcement procedures shall comply with the Governing Documents and any applicable law.

2. In the absence of contrary procedures and provisions in the Governing Documents and the law, the procedures for enforcement of the Covenants and rules regarding fine shall be as follows:
 - a. It is the policy of the Association to attempt in good faith to contact in person or by phone or email the Owner that committed the alleged violation (whether at or after the time of the violation). This good faith obligation is not intended to be a bar to any subsequent enforcement actions if such contact is not made. Failure to make contact shall not, in any way, prevent the Association from enforcement of the Governing Documents and correction of any violation.
 - b. If the matter is not resolved to the satisfaction of the Association through an initial contact, such Owner shall be provided with a written notice describing the alleged violation in sufficient detail to allow the Owner to determine the nature of the violation alleged if the Board of Directors decides to enforce such provision. Such notice shall (1) set a deadline for compliance if the noncompliance continues, (2) inform the Owner that the Owner may dispute that a violation exists or has occurred and demand a hearing, and (3) set a deadline to demand a hearing. These deadlines shall be set by the Board of Directors in accordance with what the Board of Directors believes to be reasonable under the circumstances taking into consideration the nature of the alleged violation.
 - c. Any Owner who requests a hearing as provided above shall be afforded a fair and impartial hearing before a hearing board comprised of individuals that are impartial decision makers. The Board of Directors shall set the date and location of the hearing and provide notice of the date and location to the Owner a reasonable time in advance, considering the nature of the violation. The Owner must be given an opportunity to be heard at the hearing. The Board of Directors shall select, in its discretion, three or five impartial decision makers for the hearing, who may be members of the Board of Directors provided that such members are impartial decision makers. An individual is an impartial decision maker if the individual has the authority to make a decision on a claimed violation and does not have a direct personal or financial interest in the outcome of the hearing. 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 Association. The hearing board shall decide whether a violation exists or has occurred and whether the Owner is the one who should be held responsible. The hearing board may rule orally at the hearing or through a written document provided to the Owner within 30 days of the hearing. The hearing board and all other participants may appear or otherwise participate by telephone.
3. In the event that fines are imposed, fines for violations to the covenants will begin to accrue on the first day of the violation, however, the Board should provide the Owner with notice of violation reasonably after learning of the alleged violation and shall provide the Owner with the opportunity for hearing in the manner described above. A violation that is continuing in nature will incur a new fine each day that it persists as if the violation were a new violation each day that it persists, but the violation shall be considered a single, continuing violation for purposes of notice and a hearing. A violation is continuing in nature if it creates noncompliance that will continue unless discontinued, remediated or otherwise terminated. An example of a continuing violation includes without limitation the erection or maintenance of structures that violate the

Covenants. If no hearing is requested, the fine is due and payable 45 days after the Owner receives notice described in paragraph 2 b.

4. The schedule of fines for violations shall be as follows:

- First violation: \$100.00
- Second violation: \$200.00
- Third violation and all violations thereafter: \$300.00
- Notwithstanding the foregoing each night of a short term rental or each day that a violation of the single family residential requirement persists shall result in a \$300.00 fine.

5. If a hearing is requested, all fines are due and payable 30 days after the hearing described in paragraph 2 c. A fine becomes late if not paid within 30 days of being imposed and such late fines will bear interest at the rate of 10% per annum. If the Board and Owner are able to resolve the matter to the satisfaction of the Board, the Board, may in its sole discretion, relieve the Owner of all or part of the fines accrued.
6. The Association (and any member thereof) may at any time, pursue all other legal remedies available as provided by the Governing Documents and applicable law. The failure to enforce any provision of the Governing Documents; these rules or other applicable law, shall not be deemed a waiver of the right to do so for any subsequent violations. Any non-compliance with the Governing Documents by any Owner, tenant of an Owner, guest of an Owner, family member of an Owner, or invitee or licensee of an Owner, will be the responsibility of the Owner and the Owner may be fined for such violation. The Association may simultaneously impose fines and seek damages or other relief through judicial process.
7. In the event that the Board is required to file suit to collect fines for covenant violations, the Board shall be entitled to recover reasonable attorney's fees and costs incurred in litigation.

CERTIFICATION: The undersigned, being the President of the Association, certifies that the foregoing was adopted by the Board of Directors of the Association at a duly called and held meeting of the Board of Directors on _____, 2016.

Roaring Judy Ranch Association, a Colorado
nonprofit corporation

By: _____, President