

**WOODBRIIDGE TOWNHOMES**

**RULES**

**AND**

**REGULATIONS**

# **WOODBRIIDGE TOWNHOME RULES AND REGULATIONS**

## **TABLE OF CONTENTS**

Purpose Statement	1
<b>Section I Residential Rules</b>	
Air Conditioning	2
Antenna, Satellite dish and Mast Installation	2
Central Common area	2
Decks/BBQs/Awnings	3
Doors and Windows	4
Exterior Lighting	4
Fireworks	5
Garage Doors	5
Garage Sales	5
Nuisance/Noise	5
Pets	6
Prohibited Acts	6
Signs	6
Smoking	6
Snow Removal	6
Spas and Hot Tubs	7
Trash and Recycling	7
Vehicles/Speed-Limit/Parking/Storage	7
Water Intrusion	9
Window Wells	10
<b>Section II Resident and Rules Support Policies</b>	
Assessments	10
Dues Policy	11
Enforcement	11
Insurance-Claim/Deductibility	11
Tenants	13
<b>Section III Disputes, Violations and Collections</b>	
Dispute Resolution	13
Violations	15
Woodbridge Collections Policy	19

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
WOODBIDGE TOWNHOME OWNERS ASSOCIATION, INC.**

**WOODBIDGE TOWNHOME RULES AND REGULATIONS**

At a regular meeting of the Board of Directors held on June 18, 2020, by motion and vote, the Board of Directors adopted the following resolution concerning consolidation of resolutions, policies and rules:

WHEREAS, Article 7, Section 7.19 of the Declaration of Covenants, Conditions and Restrictions of Woodbridge Townhomes (the "Declaration") authorizes the Woodbridge Townhome Owners Association, Inc. ("Association") to govern the affairs of the properties subject to the Declaration and to adopt rules and regulations; and

WHEREAS, the Association's Board of Directors has periodically adopted resolutions and rules concerning matters affecting the Association; and

WHEREAS, Senate Bills 05-100 and 06-089 have required associations to adopt certain policies as well as to disclose certain documents; and

WHEREAS, the Board of Directors desires to consolidate all previously adopted policies, resolutions into one document to simplify record keeping and disclosure.

THEREFORE, it is hereby resolved:

A document titled "Woodbridge Townhome Rules and Regulations" is created which will incorporate all previously adopted resolutions policies and rules. The document may be provided to members upon request without the necessity of providing copies of prior resolutions, policies and rules and may be relied upon by members as being the current set of all such resolutions, policies and rules. The document may be modified from time to time by the Board of Directors and such modifications will have the same effect.

BY THE BOARD OF DIRECTORS OF WOODBRIDGE TOWNHOME  
OWNERS ASSOCIATION, INC.

# **WOODBIDGE TOWNHOME OWNERS ASSOCIATION, INC.**

## **Rules and Regulations**

(As Adopted by the Board of Directors, 18 June 2020)

These Rules and Regulations are adopted by the Board of Directors of the Woodbridge Townhome Owners Association, Inc., pursuant to Article 7, Section 7.19 of the Declarations of Covenants, Conditions and Restrictions of Woodbridge Townhomes Owners Association (the “Declarations”). Where there is a conflict between the Declarations and these Rules and Regulations, or where the Declarations are more specific than these Rules and Regulations, the Declarations shall control.

Please Note: All owners should familiarize themselves with provisions of the Association Declarations, Articles of Incorporation and Bylaws, and Rules and Regulations. Copies of these documents should have been provided to you by the Association at the time you purchased your property. Owners are responsible for assuring that their guests, visitors and tenants comply with these Rules and Regulations and the Declarations. If owners need a copy of the Rules and Regulations for any purpose (i.e., to provide to tenants), they may view a copy of the current revision on the Woodbridge Townhome web page at [www.woodbridgetownhomes.com](http://www.woodbridgetownhomes.com). If owners have any questions about any of these governing documents, please contact the Management Company.

### **PURPOSE**

To ensure that Woodbridge Townhomes continues its reputation as a high-standard community, reflecting an excellent quality of life for residents and guests.

To establish standards which will apply to all residents and owners.

To work inclusively to inform and enforce standards in a spirit of cooperation and sensitivity to all neighbors.

To aid in maintaining the value of the owner’s investment in the Woodbridge community.

To clarify and further the intent of the Declarations of Covenants, Conditions, and Restrictions of Woodbridge Townhomes.

## **SECTION I RESIDENTIAL RULES**

**AIR CONDITIONING CONDENSER:** Architectural Control Committee (ACC) approval must be received to install an air conditioning condenser in the common area. Complete the “Application for Exterior Alteration or Landscape Modification” form, available on the Woodbridge web page. Forward the completed form and all required information to the Management Company. This rule includes Section 7.4 of the Covenants.

**ANTENNA, SATELLITE DISH AND MAST INSTALLATION:** Installation of all antennas, satellite dishes and masts must comply with manufacturer’s installation instructions and any applicable building or safety codes. If the Association determines that an antenna, satellite dish or mast was improperly installed or was not installed in a suitable location, the owner will be required to move, remove it, or re-install it, all at the owner’s expense. Once the device is no longer being used, it must be immediately removed by the owner. To avoid problems after installation, the owner must complete the “Application for Exterior Alteration or Landscape Modification” form, available on the Association’s web page. The Association’s intent is to make these devices as unobtrusive as possible while providing access to the desired signals. This rule includes Section 7.17 of the Covenants.

**CENTRAL COMMON AREA:** The common area in the center of the property is designed for the pleasure and enjoyment of residents and guests. The common area may be used between the hours of 9:00 a.m. and 9:00 p.m. No excessive noise is allowed. Residents and guests who use the area are responsible for cleanup. Toys must not be left in the common area. No glass is allowed in the common area. The waterfall feature is not intended nor is it suitable for a playground. Residents are responsible for informing their guests of this issue. For safety and liability reasons, no playing in the water, no climbing on the rocks or throwing of rocks is permitted. Putting dirt or other foreign matter into the water stream risks damage to the pumps. The water is chemically treated and should not be swallowed. No bicycles, skateboards, scooters or rollerblades are permitted on the two bridges leading into the waterfall feature or on the sidewalk, patio & deck located inside the bridges. Owners will first be notified by the Management Company of any infractions to the above rules. If there is no compliance, fines will then be assessed to the Owner.

Any damage caused to the waterfall, bridges, sidewalks or deck by an Owner, family member, tenant, guest or pets, will be repaired by the Association and charged to the Owner. The Owner will be provided an itemized invoice of the nature and cost of the damage and shall be responsible for paying the invoice within thirty (30) days. The cost of any such repairs will become an assessment to which the owner and owner's lot are subject. This rule includes Section 7.4 of the Covenants.

**DECKS/BBQs/Awnings:** The Association is responsible for repair and replacement of decks, but only the area of the deck as it was prior to any modification of the design or structure. This includes painting or staining of the repaired area or if the deck is replaced, painting or staining the deck, but only the area of the deck as it was prior to any modification of the design or structure.

The owner is responsible for ordinary maintenance and cleaning of decks, including painting and staining for normal maintenance or if the deck is replaced, painting or staining the area of any modification of the design or structure. A homeowner who will be painting or staining their deck should contact the Management Company for information concerning the proper paint or stain and the color to be used.

Any modification of the design or structure of an existing deck (i.e., enlargement, addition of stairs, hot tubs, awnings, etc.) must be approved by the Architectural Control Committee (ACC). Complete the "Application for Exterior Alteration or Landscape Modification" form available on the Association's web page. Forward the completed form and all required information to the Management Company. All units are allowed to have deck extensions outward up to 2 feet. Extensions must be permitted by the El Paso Regional Building Department as well as approved by the ACC.

Deck furniture, BBQ's and planters may be kept on decks. Neither decks, nor the area under decks, shall be used as a storage area. Deck railings are not to be used for drying of clothing, rugs, etc.

A contained barbecue unit and fire pits on a deck must have its fire box at least 2 feet off of the deck flooring and be a safe distance from any exterior structure. It must also be fueled only by natural gas, electric or propane. These devices must be directly monitored at all times during use. Charcoal, wood, and other similar non-gas fuels are not allowed since the hot embers can fall and/or blow out of the unit. The unit must be a commercially constructed device (no home-made/constructed device). The unit must be portable and cannot be attached to the deck.

Owners and residents shall take care not to place anything on their deck that unreasonably obstructs their neighbor's view. When using the decks, residents shall

use due care, at all times, to eliminate noise and other activities which may be offensive to their neighbors.

Awnings must be removed and re-installed, at the owner's expense, for painting, staining or siding and other required building maintenance.

Over the years, deck extensions and stairs have been built near and/or around trees/bushes that were planted by the HOA. Subsequently, these trees/bushes have grown to a point where they are causing some decks and stairs to be moved by the trees/bushes. If these infringements by the deck extension/stairs are causing harm to the HOA's portion of the deck, deck extension and/or stairs, then the homeowner is responsible for causing these infringements to cease and payment of any damage that may have resulted by this infringement. If a tree and/or bush dies that was planted by the HOA, the HOA will cause the tree/bush to be removed, however, any damage and/or repair to the deck, deck extension or stairs will be the responsibility of the homeowner. Simply stated, extensions and stairs were approved by the HOA's ACC; however, issues arising from these approved actions are a responsibility of the homeowner. Had the extension and stairs not been approved, then there would be no issue for the HOA and/or homeowner. This rule includes Section 7.5 of the Covenants.

**DOORS AND WINDOWS:** The maintenance, repair and replacement of all windows, exterior doors and garage doors on Townhomes are the responsibility of the Owners of that Townhome. Windows shall include all components of the window, including glass and framing. Exterior doors shall include all components of the door, including the door itself and frame. Garage doors shall include the door itself and all opening mechanisms. By clarifying the responsibility for maintenance, repair and replacement herein, the Board of Directors does not waive the approval requirements set forth in Article 8, Architectural Control Committee, of the Declaration.

If an owner wants to replace exterior doors or windows (including frames), Architectural Control Committee approval must be received prior to replacing the exterior doors or windows. Complete the "Application for Exterior Alteration or Landscape Modification" form, available on the Association's web page. Forward the completed form and all required information to the Management Company. This rule includes Section 6.1 (b-d) of the Covenants.

**EXTERIOR LIGHTING:** Post lights will be installed and maintained by the Association. Owners will replace exterior light bulbs with similar wattage as bulbs burn out. Whenever exterior light fixtures (entryway and deck) are replaced, all such light

fixtures must be replaced with approved fixtures. Contact the Management Company for currently approved fixtures. This rule includes Section 6.3 of the Covenants.

**FIREWORKS:** The use of or sale of fireworks of all kinds is prohibited on any of the property of the Association. This rule includes Section 7.8 (d) of the Covenants.

**GARAGE DOORS:** Woodbridge homeowners wishing to replace their garage doors must use the approved door (Raised Panel garage door). The Architectural Control Committee must approve replacement of the door with the approved door and the door must be painted the HOA approved color within thirty (30) days after installation, weather permitting. Complete the "Application for Exterior Alteration or Landscape Modification" form, available on the Association's web page. Forward the completed form and all required information to the Management Company. Garage doors are to be kept closed when not in immediate use. This rule includes Section 6.1 (o) of the Covenants.

**GARAGE SALES:** Garage sales are limited to one per year per residence. Any sign(s) temporarily posted for a garage sale shall be posted not more than two (2) days prior to the sale and shall be removed immediately after the sale. This rule includes Section 7.4 of the Covenants.

**NUISANCE/NOISE:** While the homeowner's association (HOA) realizes that sounds/vibrations do emit from speaker systems (i.e. TV's, stereo systems, etc.) within a homeowner's unit, these sound emissions cannot be so loud that they can be heard through a common wall by adjoining neighbors. If a neighbor does hear such sounds, then the other neighbor must reduce the volume of the device emitting the sound. Similarly, some sound equipment can transmit a vibration through a wall or floor regardless of the volume being emitted by the sound system. If a neighbor experiences such vibrations, the sound/vibration initiating neighbor must take appropriate action(s) to eliminate the sources of annoyance to the satisfaction of neighboring homeowners. Additionally, we understand some homeowners do have hearing problems that result in sound systems being turned up. However, they cannot disturb neighbors and, if necessary, alternative hearing devices should be used. No owner or resident shall make or permit any guest or invitee to make excessive noise or create any other obnoxious or offensive activity at any time. This rule includes Section 7.8 of the Covenants.

**PETS:** Pet owners must immediately remove any waste left by their pet(s). Pet owners shall maintain strict control over their pets at all times. Pets may not be left unattended on decks or in any common area at any time. Pets must be carried or walked on a leash at all times.

No pet(s) shall be tied or chained to any tree, deck or other structure. No pet(s) may be on a leash that is staked into the ground.

Pet owners shall prevent pets from barking, and/or making loud, disturbing noises or behavior annoying to residents at all times.

Owners will be charged for all damages, including cleanup of waste, caused by their pet(s) or by pets belonging to their tenants or guests. This includes, but is not limited to, the cost of reseeding or replacing sod if a pet damages the grass by repeated urination in one area.

This rule includes Section 7.10 of the Covenants.

**PROHIBITED ACTS:** Owners, renters and guests shall not use the premises for any act prohibited by these Rules and Regulations, Declarations of Covenants, Conditions and Restrictions, Articles of Incorporation or Bylaws of the Association, or City, State and Federal Statutes. This rule includes Section 7.1 of the Covenants.

**SIGNS:** A sign can be displayed by a homeowner when SELLING and/or RENTING their home. The sign cannot exceed 2 feet by 2 feet. It must be a professionally produced sign and can have a Realtor's name and logo or say "For Sale (or Rent) By Owner". No handwritten signs. Signs may be displayed in no more than one FRONT and one REAR window. NO sign may be placed on common area property, i.e. lawns, flower beds, etc. This rule includes Section 7.14 of the Covenants.

**SMOKING:** Outdoor (including Decks) smoking is prohibited on any of the Association's property except within an enclosed vehicle or building (e.g. garage). This rule includes Section 7.8 (b) of the Covenants.

**SNOW REMOVAL:** While the homeowner's association (HOA) realizes that proper snow removal services for the roads, driveways, and front entry ways of homes are necessary for access to the community and the safety of its residents; in order to maintain reasonable business and historical practices the following conditions are used as a guideline for snow removal services.

A minimum of three (3) inches of snow shall be on the common grounds before snow removal crews are called.

Unless extreme conditions exist, snowfall shall have stopped.

Upon cessation of snowfall, every effort will be made to have snow removal services begin as soon as possible.

For environmental reasons and damage control, ice melt products will not be used except for extreme conditions.

This rule includes Section 6.3(a) of the Covenants.

**SPAS AND HOT TUBS:** Architectural Control Committee approval must be received before installing a spa or hot tub on the exterior of the residence. Complete the “Application for Exterior Alteration or Landscape Modification” form, available on the Association’s web page. Forward the completed form and all required information to the Management Company. This rule includes Section 7.5 of the Covenants.

**TRASH AND RECYCLING:** Trash and recyclables shall be stored in garages. Trash and recyclables should be placed outside the morning of pickup, and empty cans/recycling containers must be put away before the end of the day of pickup. Trash must be kept in either sealed plastic bags or covered cans. Recyclables should be kept in the plastic containers provided by the recycling company. To protect against scattering on windy days, papers and other recycling materials must be either weighted down or sealed in plastic bags. This rule includes Section 7.15 of the Covenants.

**VEHICLES - SPEED LIMIT - PARKING - STORAGE:**

The maximum speed limit on Woodbridge Drive is 15 MPH. No stopping is permitted in the entry area of Woodbridge Drive.

**PARKING RESTRICTION:** No vehicle shall be parked within the Property or on any public streets bordering Property except within the garage or driveway portion of a Lot and except for visitors parking for short-term guests. Residents should park their vehicles in their garage whenever possible. Garage doors are to be kept closed when not in immediate use. Any truck that is parked in the driveway must have the bed of the truck covered by an appropriate and professional manufactured truck bed cover. Otherwise the truck must be parked inside the homeowner’s garage.

**GUEST/VISITOR PARKING:** Visitor parking areas are to be used for short-term parking of guests (no more than two weeks). Residents may not utilize the guest parking areas without advance approval by the Board for special circumstances (i.e., those circumstances which render use of driveway and garages impossible or impracticable). No parking is permitted anywhere along Woodbridge Drive because it is a Fire Lane. Illegally parked vehicles will be subject to towing and storage at the owner’s expense.

No commercial vehicle belonging to any resident may be parked in a driveway or guest parking area overnight or on the weekends.

**REGISTRATION/REPAIRS:** All vehicles must have current license plates. Minor repairs/maintenance of vehicles is allowed only within garages. Disassembling or other major maintenance of vehicles is prohibited anywhere within Woodbridge. Residents are responsible for removing grease and oil stains from their driveway. Excessive noise by any type of vehicle, including car stereos, is prohibited.

**STORAGE:** No lot or private streets, driveways, or parking areas within the Common Area, unless specifically designated by the Association, or any public street adjoining the project shall be used as a parking, storage, display or accommodation area for any type of house trailer, camping trailer, motor home, boat trailer, hauling trailer, running gear, boat, or accessories thereto, motor-driven cycle, truck, self-contained motorized vehicle, or any type of van except as a temporary expedience for loading, delivery or emergency. Residents will be allowed a maximum of 24 hours for loading and unloading motor home type vehicles. This restriction, however, shall not restrict trucks or other commercial vehicles within the Property which are necessary for the construction/remodeling of residential dwellings or maintenance of the Common Area or making deliveries or performing services.

**PARKING VIOLATIONS:** Vehicles in violation are subject to be towed, at the owner's expense. If the identity of the owner is not known the vehicle will be towed forty-eight (48) hours after the vehicle is tagged, at the owner's expense, except for the Fire Lane when vehicles can be towed at any time. When vehicles are moved temporarily, then returned to violation status, the original violation notice is deemed still in force. Homeowners will be notified in writing by letter and/or email by our Management Company of any infractions to the above rules. If there is no compliance, fines will then be assessed to the homeowner per day or per occurrence. An itemized invoice of fines will be provided and the homeowner will be responsible for paying the invoice within thirty (30) days. Fines will become an assessment to which the owner and owner's Lot are subject.

Driveways are part of the Common Area and are managed by the Association. Homeowners should report parking violations to the Management Company when they first notice them, by telephone, followed by written notification (i.e., letter, e-mail or fax). When the Management Company notices a violation, or receives notice from a reporting homeowner, or is advised of a violation at a duly noticed Board meeting, the Management Company, upon inspection visit to verify, shall tag the vehicle, or cause the vehicle to be tagged, with notice of violation.

The Management Company shall also begin notifying the violator, by telephone or letter. Reporting homeowners should notify the Management Company (by telephone, followed by letter, e-mail or fax), if the violation is not corrected. When vehicles are moved temporarily, then returned to violation status, the original violation notice is deemed still in force. The Management Company shall enforce notification and fines as shown in the "VIOLATIONS" section of this Resolution.

**WATER INTRUSION:** The Association has consistently interpreted the term "exterior building surface" to refer to the visible portion of any townhome, and does not include the foundation or the underground drains around any townhome, which have historically been maintained by the individual owners in accordance with Article 6 of the Covenants.

The Association has never maintained or budgeted funds for the maintenance of foundations or underground drains, or any other portion of any townhome not readily visible, and the individual owners have always paid for the maintenance of same on their lots.

The Board has determined that such maintenance of foundation walls and any water intrusion problems are the sole responsibility of the lot owner, rather than the Association, and such decision is based upon the Board's exercise of its reasonable business discretion, its historical practices and rulings, the absence of funds to maintain non-visible portions of townhomes, the naturally occurring conditions on the property, the original builders' construction of the townhomes, the past practice of the Association, and the interpretation of the Association's legal documents.

NOTWITHSTANDING any contrary provision of any governing document, the term "exterior building surfaces" shall not include the foundation or structural walls of any Townhouse unit. All repair, maintenance, restoration and placement of foundations and underground drains shall be the sole responsibility of the Owners of the Townhouse unit to which those foundations and drains are attached, and the Association shall have absolutely no responsibility therefore, and the Board shall make all decisions regarding the definition of "exterior building surfaces" and the allocation of maintenance responsibility between the Association and the Owners. The Owner shall be solely responsible for any consequential damage to any part of the Townhome unit, any personal property therein, or any damage to the common area. The Association shall not be responsible for any claims arising from such actions or inactions. This rule includes Section 6.1 of the Covenants.

**WINDOW WELLS:** Woodbridge homeowners wishing to replace their window wells must use the approved window well design. The Architectural Control Committee must approve replacement of the window wells with the approved window well. Complete the “Application for Exterior Alteration or Landscape Modification” form, available on the Association’s web page. Forward the completed form and all required information to the Management Company. This rule includes Section 6.1 (h) of the Covenants.

## SECTION II

### RESIDENT AND RULES SUPPORT POLICIES

**ASSESSMENTS:** Article 5.7 of the Covenants refers to the Annual Assessment. This assessment shall include, but is not limited to the following common expenses. The amounts budgeted may vary from year to year depending on budget restraints and the need for a particular budget line item in a particular budget year. This assessment is paid monthly (1/12) by each homeowner using established procedures by the Property Manager.

- Snow removal (roads, driveways, entryways, and sidewalks)
- Trash removal for all homeowners (more efficient than homeowners having their own individual trash service)
- Property Management for the Association
- Premiums for all insurance which the Association is required or permitted to maintain
- Common area lighting, water, and other utility and sewer service charges
- Landscaping and care of the common grounds to include irrigation
- Common Area repairs/maintenance/improvements
- Legal and Accounting fees
- A working capital fund (i.e. Reserves)
- Gutter Cleaning/repair
- Building/Deck repair
- Street repairs and resurfacing (as needed)
- Concrete Repair/Mud Jacking (as needed)
- Water Fall Maintenance/Repair
- Meeting/Social Expenses
- Any other costs, expenses, and fees which may be incurred or may reasonably be expected to be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

**DUES POLICY:** Dues are payable in advance of or on the first of each month and are delinquent if payment is not received by the tenth (10<sup>th</sup>) of the month. Dues not received by the tenth (10<sup>th</sup>) of the month shall incur a late charge of \$10.00. A late charge will be assessed each month the dues are unpaid or if a balance remains unpaid on that unit's account. An interest charge of 12% per annum will be charged on all balances which are not paid within 30 days of their due date. If the dues and the late charges are not paid by the tenth (10<sup>th</sup>) of the following month, the Association may file a lien against the townhome. In order to discharge the lien, the owner must pay the Association the delinquent dues, late charges, and attorney's fees for the filing and releasing of the lien.

The Association has the right to foreclose on the property, have a receiver appointed to manage the property, or it may file a lawsuit to recover the delinquent dues, late charges, attorney's fees, and interest as provided in the Declarations.

This policy includes Section 5.4 of the Covenants.

**ENFORCEMENT:** Violations of the Rules and Regulations, Declarations, Articles of Incorporation, and Bylaws of the Association will be addressed pursuant to the provisions as shown in Section 10.1 of the Covenants and the VIOLATIONS section of this resolution.

The Association has the right to foreclose on the property, have a receiver appointed to manage the property, or it may file a lawsuit to recover delinquent fines, interest, and attorney's fees, as provided in the Declarations.

When the Management Company receives notification from a reporting party that a violation has occurred, said Management Company will conduct a site visit to verify that the violation has occurred. The name of the reporting party shall be kept confidential. If it is determined that no violation has occurred, or that no action is needed, the Management Company shall advise the reporting party of the nature of the determination.

**INSURANCE CLAIM/DEDUCTIBILITY:**

While the Colorado Common interest Ownership Act ("CCIOA") does not require a policy pertaining to Insurance Claims and Deductibles, certain requirements are listed in various areas of Colorado law and/or in the Association's Declaration. Therefore, the Board of Directors desires and agrees to adopt an Insurance Claim and Deductible Policy and Procedure. This policy's purpose is to provide Owners with information

pertaining to the filing of claims with the Association's insurance carrier and the responsibility for insurance claim deductibles.

The Owner must promptly notify his/her personal insurance carrier of the damage.

The Owner must contact the Association's Managing Agent in writing, and in accordance with any applicable Association policies or procedures or Colorado law for owner-initiated insurance claims, regarding the subject matter of the claim and provide the following information:

- a) Owner's home address and telephone number.
- b) Time, date, place and circumstances of event causing damage.
- c) Clear identification of the damaged property.
- d) Names and address of injured persons and witnesses, if any.

Subject matter of the claim must fall within the Association's insurance responsibilities. The Owner must give the Association's Managing Agent at least fifteen (15) days to respond in writing, and, if so requested, provide the Association's agent a reasonable opportunity to inspect the damage.

If the Board, in its sole discretion, determines that the subject matter of the claim is within the Association's insurance coverage responsibility, the Board and/or Managing Agent may either submit a claim to the insurance carrier on behalf of the Owner subject to the requirements of the insurance policy, or the Board may pay for the damage out of existing Association funds. If the Board and/or Managing Agent submits a claim pursuant to this policy, the Owner may not submit a separate claim to the Association's insurance carrier.

Payment of Insurance Claim Deductible: If an insured loss is caused by an act of God or some other occurrence that is beyond the control of the Owner(s), tenant(s), representative(s) or guest(s), the Association will not assume liability for payment of the deductible. The homeowner has the option of paying their share of the deductible or accessing their homeowner's HO-6 insurance policy to cover the deductible. In the event the deductible is not a specific dollar amount (such as a percentage hail damage deductible or uncovered claim), the Association shall maintain the right to assess the individual unit. If the claim is caused by an act or failure to act by the Owner(s) or any of their tenant(s), representative(s), or guest(s), the Association may assess the owner of the residence for the deductible amount. The Association will follow the guidance of the Association's insurance carrier in determining who will pay any deductibles for an event requiring insurance liability. If an event involves all units of the Association, any deductible will be apportioned equally to all units. However, if the insurance deductible is for a particular unit or several units, then the deductible will be directed to just that unit (or units).

In all cases where damage is caused to common or limited common elements by an act or failure to act by the Owner(s), tenant(s), representative(s) or guest(s), as determined by the Board, in its sole discretion, the Association may seek reimbursement of any such damages which are not recovered from insurance proceeds, including not only the deductible amounts of the Association's insurance policies, but any amount of such damages not otherwise recovered and for which the Association may be held responsible under its governing documents. Such amounts shall be collected in the same manner as assessments.

This policy includes Section 9.4 of the Covenants.

**TENANTS:** Owners who elect to rent their townhomes shall (a) attach a copy of the current Rules and Regulations to each rental/lease agreement, (b) include a provision in the lease requiring the tenants to abide by the Rules and Regulations and the provisions of the Declarations, (c) secure the tenant's written acknowledgement that the tenant has received and read the Rules and Regulations, and has had an opportunity to review the Declarations, and (d) provide in the lease that the tenant will be liable to the Association for any violation of the Rules and Regulations or Declarations and that the Association has the right to evict under the lease or otherwise enforce the Rules and Regulations, and Declarations in regard to the tenant. Owners shall provide the Association with a copy of the rental agreement/lease and a copy of the tenant's written acknowledgement that he or she has received and read the Rules and Regulations and the Declarations within ten (10) days of the tenant's taking possession of the townhome, and within ten (10) days of notification by the Association of amendments to these Rules and Regulations, and/or the Declarations. This policy includes Section 7.3 of the Covenants.

### **SECTION III DISPUTES, VIOLATIONS and COLLECTIONS**

**DISPUTE RESOLUTION:**

Background. The Association believes that the cost, complexity, and delay inherent in court proceedings make litigation a particularly inefficient means of resolving community disagreements. Further, relationships in our community may be damaged through use of adversarial means of resolving disputes. Accordingly, the Association encourages the use of alternative methods for resolving disputes.

General Policy. In the event of any dispute between the Association and Member (and disputes between individual Members or Residents) in situations that do not

involve an imminent threat to the peace, health, or safety of the community, the Association and Member(s) involved in the dispute shall work to resolve the dispute using the procedures set forth below prior to filing a complaint in court or otherwise initiating a legal proceeding. For each of the resolution processes, Colorado law governs the process and the parties do not waive their right to employ legal counsel at their own expense to assist them.

Procedures for Resolving Disputes.

The Association or any Member wishing to resolve a dispute (“Initiating Party”) will provide each other Party to the dispute with a written request (“Request for Resolution”) describing:

1. the nature of the dispute, including the date, time, location, persons involved, and the other party’s or parties’ role in the dispute; and
2. a request for what the Initiating party would like the other party or parties to do or not do to resolve the dispute; and
3. times and dates that the Initiating Party may be available to communicate directly with the other party or parties to discuss in good faith ways to resolve the dispute.

Negotiation. The parties are encouraged to make reasonable efforts to communicate directly with each other in an attempt to reach an agreement that serves the interests of all parties prior to initiating any other dispute resolution procedures.

Mediation.

Beginning the process. Unless otherwise agreed, if the parties do not resolve the dispute within 20 business days of the date of receipt of the “Request for Resolution”, the parties will begin efforts to schedule a mediation session with a trained, neutral mediator to assist them in reaching their own solution. The mediator will facilitate the process but will not make decisions for the parties. The parties shall meet with the mediator within 60 days of the date of receipt of the Request for Resolution.

Selecting a mediator. Unless otherwise agreed, the parties shall select a mutually acceptable mediator within thirty (30) business days of the date of receipt of the Request for Resolution. Each party will provide the other(s) with the name of at least one acceptable mediator. If the parties cannot reach agreement on whom to select as a mediator, a mediator shall be appointed by a third party or parties. The parties will work with the mediator to establish the date for the mediation meeting. The cost of mediation will be shared equally among the parties unless they agree otherwise.

Documentation of mediation. The mediator shall provide the parties and the Association (if the Association is not a party) with documentation noting who attended and that the mediation occurred.

Arbitration.

Beginning the process. If the parties do not resolve the dispute through mediation, and at the acceptance of all parties, binding arbitration with a trained, neutral arbitrator who will decide the outcome of the dispute based on evidence and testimony provided by the parties may be utilized. If both parties agree to accept binding arbitration, the decision of the arbitrator will be final and binding on them to the fullest extent permitted under the laws of Colorado. Judgment may be enforced in any court having jurisdiction.

Selecting an arbitrator. The parties shall mutually agree on an arbitrator. The cost of arbitration will be shared equally among the parties unless they agree otherwise. Unless otherwise agreed, the parties shall select a mutually acceptable arbitrator within thirty (30) business days of the completion of mediation. Each party will provide the other(s) with the name of at least acceptable arbitrator. If the parties cannot reach agreement on who to select as an arbitrator, an arbitrator shall be appointed by a third party or parties. The parties will work with the arbitrator to establish the date(s) for the arbitration. The cost of arbitration will be shared equally among the parties unless they agree otherwise. The arbitrator shall have authority to require one party to pay all or a portion of the other party's legal fees to the extent such an award is permissible under law.

Arbitration Award. The Arbitrator shall provide the parties [and the Association if the Association is not a party] with an award including findings of fact and conclusions.

Failure to comply with Agreement or Award. If the parties resolve any dispute through mediation, or arbitration, and a party or parties fails to abide by the terms of the agreement or award, the other party may initiate legal proceedings to enforce the agreement or award without need to comply with the provisions of this Policy. Additionally, the party taking action to enforce the agreement or award shall, if that party prevails, be entitled to recover from the non-complying party all costs incurred in enforcing the agreement or Award, including without limitation, attorney fees and costs. This policy includes Section 10.1 (b) of the Covenants.

**VIOLATIONS :** Initial complaints of any violation (a) may be submitted in writing (including fax or email) to the Property Manager by any Woodbridge owner or resident, (b) may be filed by the Property Manager if observed by an employee, agent or contractor of the Management Company, or the Association, or (c) may be reported the Property Manager at duly noticed Board meeting. When the Management Company receives a notification, said Management Company will conduct a site visit to verify the violation. The name of the reporting party shall be kept confidential. If the

Board determines that no violation has occurred, or that no action is needed, the Management Company shall advise the reporting party of the nature of the determination.

The Woodbridge Covenants in Article 10. Section 10.1 (b)(i) as well as the Colorado Common Interest Ownership Act in Section 38-33.3-302 (1)(k) authorizes the Association to impose fines for violations of the Declarations, Bylaws, and Rules and Regulations after notice and an opportunity to be heard.

The Board of Directors (the "Board") of the Association has adopted the procedures herein contained in order to enforce the Association's Rules and Regulations.

**APPLICABILITY:** This policy shall apply to any alleged violation ("violation") of the Association's Declarations, Bylaws, and Rules and Regulations ("Governing Documents"), except and excluding non-payment of assessments or other sums, and except for any violations involving unusual or emergency circumstances that the Board in its sole discretion believes to require immediate corrective action.

**INITIAL COMPLAINTS AND WARNING:** Initial complaints of any violation (a) may be submitted in writing to the Property Manager by any Woodbridge owner or resident, (b) may be filed by the Property Manager if observed by an employee, agent or contractor of the Management Company, or the Association, or (c) may be reported to the Property Manager at a duly noticed Board meeting. When the Management Company receives notification from a reporting party that a violation has occurred, said Management Company will conduct a site visit to verify that the violation has occurred. The name of the reporting party shall be kept confidential. If the Board determines that no violation has occurred, or that no action is needed, the Management Company shall advise the reporting party of the nature of the determination.

The owner(s) of a Lot within the Association is responsible for compliance with the Association's Governing Documents by him/herself and by any other person in the Association community with the permission of the owner(s). For purposes of communication regarding violations and enforcement action concerning violations, the owner shall be considered the "violation" regardless of whether the owner was the actual violator.

For initial violations, the Property Manager shall verify that a violation has occurred, then shall contact the alleged violator (owner) by telephone, stating (a) that the violation has been observed, and (b) requesting correction within five (5) days. In the event the violator (owner) cannot be contacted by telephone, the violator (owner) shall be contacted by letter and given five (5) days from the date of the letter to correct the violation. Reporting parties should notify the Property Manager (by

telephone, followed by a letter, e-mail or fax), if an initial violation is not corrected. After receipt of the notice, the Property Manager will verify that the violation remains uncorrected. If the violation has not been corrected within said five (5) day period, a second and final warning will be given to the violator (owner) in writing in which the Property Manager will advise the violator (owner) that (a) the owner is subject to fines for failure to correct the violation, (b) a date as to when the initial fine will be assessed and the amount thereof, (c) that successively greater fines will be levied if the violation is not corrected and the amounts thereof, (d) that he or she has a right to request a hearing within ten (10) days from the date of that notice of violation and (e) that unless he or she requests such hearing(s), the right to a hearing will be considered waived. The owner shall also be advised that unpaid fines accrue interest at the rate of 12% per annum, and that the Association has the right to foreclose on the property, have a receiver appointed to manage the property, or file a lawsuit to recover delinquent fines, interest, and attorney's fees, as provided in the Declarations.

**NOTICE:** If an owner requests a hearing, or if the Board determines in any event that a hearing is necessary and proper, the Board, or its officers or agent, shall send a written notice (the "Notice") by certified mail, return receipt requested, to the owner, and the owner's agent, if one has been designated. The Notice shall indicate the time and place of the hearing, and any other information regarding the violation which the Board deems appropriate in its discretion. The Notice shall be deemed received by the alleged violator three (3) days after mailing. The Owner's copy of the Notice may be sent to the unit if the owner has failed to register a current address. A blind copy of the Notice shall be sent to the reporting party.

**HEARING:** The hearing will be conducted by the Board, either at a duly noticed Board meeting, or at such other time as the Board may determine. At the hearing, the Board may consider any written or oral information produced by the alleged violator or other interested party. No legal or statutory rule of evidence or procedure shall apply, and the Board may restrict testimony or proceed in any manner or order, which it deems appropriate in its discretion. Generally, any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objections in civil actions. Hearsay evidence shall be sufficient in itself to support a finding. The Board, in its discretion, may close the hearing to the public, press or any third parties that are not witnesses. The Board may tape record or otherwise transcribe the hearing. The Board may proceed with the hearing even if the alleged violator fails to appear or refuses to participate or to submit information. The alleged violator may be

represented by legal counsel and may examine any witnesses or documents presented. If the violator (owner) fails to request a hearing or if a hearing is held and the Board determines to impose fines, the violator (owner) shall be informed of the Board's decision in writing by regular mail as to the amount of the initial fine, the time for corrective action prior to additional fines and the amount of any additional fines thereafter with any applicable periods for corrective action.

EACH DAY A SEPARATE VIOLATION: If a violation has continued to the point where the maximum fine has been imposed, the Board may elect, in its discretion, to treat each incident or day of the continuing violation thereafter as a separate violation for which a fine may be imposed daily. Where fines are imposed daily, the maximum fine shall be \$50.00 per day.

PARTIES TO VIOLATIONS: Owners shall be responsible for violations committed by their contractors, guests, family members, and tenants, such as pets kept by tenants or signs placed by real estate agents. In the case of a continuing violation committed by a tenant, the Board shall give consideration to the cooperation shown by the owner in attempting to correct the violation before extending fines to the owner. An owner electing all legal recourse available to him or her against the tenant to correct the violation shall not be liable for fines, if the violation is corrected or the tenant is evicted. The Board may proceed against both the owner and the agent or tenant, simultaneously or separately, and actions against one shall not bar action against the other. The Board may contact the police, any regulatory or licensing authorities or other parties regarding the alleged violation but any action or decision by those parties shall not bar the Board from proceeding.

FINES AND SANCTIONS: Any fine shall be both a personal obligation of the owner or the violator, or both, and shall also be a lien which may be recorded against the unit and may be foreclosed as provided in the Declarations and Colorado law. The Board may notify any lender and credit agency of such obligation and lien. Additionally, the Board may bring legal action to enforce the violated provision and to recover the fine. Any violation shall entitle the Board to recover from the owner or violator, or both, its reasonable attorney's fees, court costs, interest, and any other collection expenses, regardless of whether litigation is instituted or successfully concluded.

When a violation has occurred, the Management Company shall impose the following procedure and fines:

- 1<sup>st</sup> Contact - Telephone Call or Letter - Warning - 5 days to correct
- 2<sup>nd</sup> Contact - Telephone Call or Letter - Final Warning - Correct immediately
- 3<sup>rd</sup> Contact - Letter - Present fine schedule and action plan - Correct immediately
- 4<sup>th</sup> Contact - Letter - \$25.00 Fine - Correct immediately

5<sup>th</sup> Contact - Letter - \$50.00 Fine - Correct immediately

6<sup>th</sup> Contact - Letter - \$100.00 Fine - Correct immediately

Once a \$100.00 fine has been imposed, the Board may elect to treat each successive day that the violation continues as a separate violation and the owner (and tenant, if applicable) may be liable for a fine of \$50.00 per day.

SUBSTANTIAL COMPLIANCE: Technical irregularities or defects in the report or complaint, Notice or other compliance with the Policy shall not invalidate the proceedings or any fine or sanction imposed. This Policy shall be liberally construed to accomplish prompt, effective enforcement of the Association's Declarations, Articles of Incorporation, Bylaws and Rules and Regulations.

GENERAL DUTIES AND OBLIGATIONS OF THE BOARD REGARDING ENFORCEMENT: At any time during this notice/fine/tow procedure, for violation of these Rules and Regulations or for violation of the Declarations, even if the violator has not requested a hearing, and even if the violator is paying the fines, the Board may elect to hold a hearing to determine whether alternate remedies, available to the Association under the Declarations, Articles of Incorporation and Bylaws, should be pursued. These remedies include, but are not limited to, the filing of a lawsuit for recovery of damages and/or fines, or for injunctive relief.

**WOODBRIIDGE ASSESSMENT COLLECTION POLICY:**

**DUE DATES.** The monthly installments of the annual assessment, as determined by the Association and as allowed for in the Declaration, are due and payable on the first day of each month. Assessments or other charges not paid when due are considered past due and delinquent.

**RECEIPT DATE.** The Association will post payments within a reasonable time after payment is received in the Association's office.

**LATE CHARGES AND FEES.** The Association will impose, on a monthly basis, a \$10.00 late charge for each Owner who fails to timely pay any assessment or other sums within 10 days of the due date. This late charge is a "common expense" for each delinquent Owner.

**INTEREST CHARGES.** Delinquent assessments, fines or other charges not paid in full to the Association within 30 days of the due date are to bear interest at the rate of 12% per annum.

**PERSONAL OBLIGATION FOR LATE CHARGES.** The late charge is a personal obligation of the Owner(s) of the Lot for which such assessment or installment is unpaid. All late charges are due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth in this Policy) for payment of assessments.

OTHER CHARGES. Other charges, including, but not limited to charges levied by the Association's managing agent for tracking delinquent accounts, sending delinquency letters and filing liens may be levied against the delinquent Owner. The Association may impose, without limitation, the following fees:

- a. Account receivable service or tracking fee of its managing agent
- b. Demand letter fee of its managing agent
- c. Notice of lien fee of its managing agent

These charges may be imposed monthly, or other periodic basis as the Association and/or its managing agent may determine, once an annual assessment or other sums are past due, and is a "common expense" for each delinquent Owner. These charges are a personal obligation of the Owner and a lien on the Lot.

RETURN CHECK CHARGES. In addition to any and all charges imposed under the Declaration, Articles of incorporation and Bylaws, the rules, regulations, design guidelines, policies and procedures of the Association or this Policy, a \$20.00 fee, or an amount equal to the actual charges incurred by the Association levied by the party returning the check, whichever is greater, may be assessed against an Owner in the event any check or other instrument attributable or payable for the benefit of the Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge is a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge is due and payable immediately, upon demand. The Association is entitled to all additional remedies as provided by applicable law. Any returned check will cause an account to be past due if full payment of the monthly installment of the annual assessment is not timely made within 10 days of the due date.

NOTICE TO OWNER BEFORE REFERRAL FOR COLLECTION. 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 a notice to the Owner. The notice must inform the Owner:

- a. of the total amount due, with an account for how that total was determined
- b. that a notice of assessment lien (in addition to the lien established by the Declaration and recognized by state statutes) may be recorded against the property of the Owner
- c. whether the opportunity to enter into a payment plan exists (as provided in this collection policy)
- d. how the Owner may contact the Association to enter into a payment plan (if a payment plan is available)
- e. of the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt

f. that a lien is in place on the Owner's property, as provided under the Declaration and state law

g. that payment is required to cure the delinquency

h. that failure to pay may result in the Owner's delinquent account being turned over to the attorneys for the Association or a collection agency

i. that a lawsuit on the Owner's promise to pay, a foreclosure of the Association's lien or both may be filed against the Owner

j. that other remedies available under Colorado law may be sought by the Association

**PAYMENT PLANS.** The Association, through its managing agent, will make a good faith effort to coordinate with the Owner to set up a payment plan. An Owner may enter into a payment plan to pay off a deficiency in equal installments over a period of six months or such longer period as authorized by the Board of Directors. If the Owner fails to comply with the terms of the payment plan by failing to remit payment of an agreed-upon installment or failing to remain current with regular assessments as they become due during the payment plan term, the Association may pursue legal action. The Association is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan. Further, the Association is not obligated to enter a payment plan if the Owner does not occupy the Lot and has acquired the property as a result of a default of a security interest encumbering the Lot or foreclosure of the Association's lien.

**ATTORNEY FEES ON DELINQUENT ACCOUNTS.** As an additional expense permitted under the Declaration and by Colorado law, the Association is entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association are due and payable immediately when incurred, upon demand.

**REFERRAL FOR COLLECTION.** Once referred to the Association's attorneys or collection agent for collection, the entire account of that Owner is referred, including sums to accrue, until the entire account is paid in full, the account is settled and has a zero balance or is written off. All sums collected on a delinquent account that has been turned over for collection attorney are to be remitted to the Association's attorney or collection agent until the account is brought current.

**APPLICATION OF PAYMENTS.** All payments received on account of any Owner or the Owner's property ("Owner") may be applied as determined by the Association's attorneys. Alternatively, payments may be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with

respect to the Owner pursuant to the Declaration, Articles, Bylaws, rules, regulations, design guidelines, policies and procedures, prior to application of the payment to any special or regular assessments due or to become due with respect to the Owner. In the event an owner makes a payment in excess of all amounts due and owing, the Association will not be obligated to issue a refund prior to 14 days from the date the overpayment was received to verify the funds were credited to the Association's account.

**TIME FRAMES.** The following time frames will be followed in the collection of installments of the annual assessment and for collection of other charges:

Due Date 15th day of the month for monthly installment of annual assessment or 10 days after notice of assessment or charge for all other assessments, fines and charges

Late Fee Date 10 days after due date

Interest Date 30 days after due date

**SUSPENSION OF RIGHTS.** The Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting and may also suspend the right of any Owner to use any facility within the Common Areas until all monies owed are paid in full.

**CERTIFICATE OF STATUS OF ASSESSMENT.** The Association is to furnish to an Owner or the Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's property, for a reasonable fee. However, if the account has been turned over for collection, the request may be handled through the attorneys or collection agent.

**BANKRUPTCIES OF OWNER AND FORECLOSURES BY LENDERS TO OWNERS.** Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Lot within the association, the manager may notify the Association's attorney or collection agent of the same and turn the account over for collection, if appropriate.

**USE OF CERTIFIED MAIL/REGULAR MAIL.** In the event the Association may cause a collection or demand letter or notices to be sent to a delinquent Owner (other than quarterly statements and other routine notices), the letters or notices may be sent by registered or certified mail.

**REMEDIES.**

- a. **Lawsuits on Covenant to Pay Assessments.** The Association may pursue a lawsuit against an Owner who has sums due the Association, based on the covenant (or promise) to pay the Association as set forth in the Declaration.
- b. **Judicial Foreclosure.** The Association may choose to foreclose on its lien in lieu of or in addition to other remedies. The purpose of foreclosure by the Association is to

obtain payment of all assessments owed. If the Association forecloses on its lien, the Owner will lose the Owner's property. The Association will not commence a foreclosure action

c. Unless the balance of the assessments and charges secured by its lien (which may include late fees, fines and other charges) equals or exceeds six months of common expense assessments based on the Association's periodic budget. Prior to filing a foreclosure lawsuit, the Board must resolve, by a recorded vote, to authorize the filing against the particular Lot, on a specific basis.

d. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law.

e. General. The Association has all of the remedies available to it under the Declaration and Colorado law.

WAIVERS. The Association is authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained in these policies and procedures, as the Association may determine appropriate under the circumstances.

COMMUNICATIONS WITH OWNERS. All communication with a delinquent Owner will be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any member of the Board of Directors will discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

DEFENSES. Failure of the Association to comply with any provision in this policy is not a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this policy.