

COLLECTION OF UNPAID ASSESSMENTS

POLICY #3

Pursuant to C.R.S. 38-33.3-209.5 and the Bylaws and Declaration of Covenants, Conditions and Restrictions ("Declaration") for Columbine East Subdivision, the following resolution and procedures have been adopted by the Columbine East Homeowners Association, Inc. ("Association").

NOW THEREFORE, LET IT BE RESOLVED that the following procedures and practices are established for the collection of Assessments and other charges owing and to become owing by the Owners of Lots (Owner) in the Association:

1. **Policy Objective.** The collection of assessments pursuant to the Declaration and this Assessment Collection Policy will be governed by the following objective:

The Association will pursue collection of all assessments. At each step within the collection process, the Board will analyze the facts and circumstances then known concerning a given delinquency to direct collection efforts toward the expedient course of action for resolving the delinquency.

2. **Ownership Records.** All collection notices and communications will be directed to those persons shown by the records of the Association as being the Owner of the Lot for which assessment are due and will be sent to the most recent address of such Owner solely as reflected by the records of the Association. Any notice or communication directed to a person at an address, in both cases reflected by the records of the Association as being the Owner and address for a given Lot, will be valid and effective for all purposes pursuant to the Declaration and this Assessment Collection Policy until such time as there is actual receipt by the Association of written notification of any change in the identity or status of such Owner or its address or both.
3. **Ownership Interests.** Pursuant to the Declaration, the person who is the Owner of the Lot as of the date an assessment becomes due is personally liable for the payment of the assessment. The personal obligation for delinquent assessments shall not pass to the successors in title of the Owner unless expressly assumed by them.
4. **Delinquencies Constitute Covenant Violations.** Any delinquency in the payment of assessments shall constitute a violation of the covenants contained in the Declaration, and following notice and an opportunity to be heard, the Association shall be entitled to impose sanctions on the delinquent Owner consistent with the Association's Policy regarding Enforcement Procedures.
5. **Return Check Charge.** A twenty five dollar (\$25.00) fee shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of an Owner's checks are returned unpaid by the bank within any twelve month period, the Association may require that all of the Owner's future payments, for a period of one year, be made by certified check or money order.
6. **Alternative Collection Courses.** At each step in the collection process the Board, acting with input and recommendation from management and counsel, will evaluate which course of legal action appears to be in the best interest of the Association for recovery of unpaid assessments.
7. **Collection Procedures.** The Association may grant authority to a management company to identify, notify and fine Owners as part of the enforcement procedures. Collection procedures will be followed as permitted in the Enforcement Procedures Policy.
8. **Acceleration.** The Association may elect to accelerate and declare immediately due and payable the remaining balance of regular or special assessments for such fiscal year.
9. **Payment Plan.** Prior to a delinquent account being turned over to a collection agency, a lawsuit, a lien or foreclosure or an account being referred to an attorney for legal action, the Association will offer the Owner a written payment plan with the following information attached to the proposed payment plan:

- a. The total amount due by the Owner, with an accounting of how the total was determined;
- b. Whether the opportunity to enter into a payment plan exists pursuant to Section 38-33.3-316.3 of the CCIOA 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.
- e. That the Owner must pay off the deficiency in equal installments over a period of at least six months, while keeping current with the remaining regular assessments.
- f. That failure of Owner 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.

The payment plan does not apply if the Owner does not occupy the unit and has acquired the property as a result of a default of a security interest encumbering the unit or foreclosure of the Association's lien. The Association is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan.

10. Liens. The Association may cause to be filed a notice of lien against the property of the delinquent Owner, as per C.R.S. 38-33.3-316. The lien shall include fees, charges, late charges, attorney fees, fines and interest owed by the delinquent Owner.
11. Suit at Law. The Association may, but shall not be required, to bring a suit at law to collect the delinquent assessments. Any Judgment rendered in such action shall include a sum for costs of suit, including a reasonably attorney's fees.
12. Referral of Delinquent Accounts. The Association may, but shall not be required, to assign delinquent accounts to one or more collections agencies for collection. The Association may, but shall not be required, to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney. After consultation with the Board of Directors or the Association's managing agent, the attorneys shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent Owner's property.
13. Attorney Fees on Delinquent Accounts. The Association shall be 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.
14. Payment Applications. The Association reserves the right to apply all payments received on account of any Owner first to payment of any and all legal fees and costs (including attorney fees), then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, firm fees, and other costs owing or incurred with respect to such Owner, and any remaining amounts shall be applied to the assessments due with respect to such Owner.
15. Voting Rights Suspended. Owner voting rights will be suspended while Owners are in default of assessments.
16. Waivers. Nothing in this Resolution shall require the Association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Association may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship. Such relief granted an Owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting

the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate under the circumstances.

The undersigned hereby certify that the foregoing resolution (Policy #3) was adopted and made a part of the minutes of the meeting of the Board of Directors of the Association conducted on the 10th day of December, 2015. This policy will supersede all prior policies of the same or similar subject.

Columbine East Homeowners Association, Inc.

By: Bill Maddy
President

Attest: Amanda J. Quinn
Secretary