

PineRidge Homeowners Association
Policy and Procedures for Collection of Unpaid Assessments
Adopted August, 2015

The following policies and procedures were adopted by resolution of the Board of Directors of PineRidge Homeowners Association ("Association") pursuant to Colorado Revised Statutes, section 38-33.3-209.5 at a regular meeting of the Board of Directors.

1. Collection Philosophy: All members are obligated by the Master Declaration of Covenants, Conditions and Restrictions for PineRidge ("Declaration") to pay all dues and assessments in a timely manner. Failure to do so jeopardizes the Association's ability to pay its bills. Failure of members to pay assessments in a timely manner is also unfair to its other members who do. Accordingly, the Association, acting through the Board of Directors must take steps to ensure timely payment of assessments.
2. Due Dates: The annual assessment, as determined by the Association, shall be due and payable quarterly in equal installments due on the first (1st) day of the month each quarter, specifically the first (1st) day of January, April, July, and October. Special Assessments or other charges may be assessed or made from time to time by the Association in accordance with the Declaration and are due and payable as specified by the resolution authorizing such assessment or charge. All assessments or other charges not paid to the Association when due shall be considered past due and delinquent.
3. Receipt Date: The association shall post payments on the day that the payment is received in the Association's bank or Management Agent's office.
4. Late Fees and Interest: The Association shall be entitled to impose a late fee of ten dollars (\$10.00) on any assessment or other charge not paid with fifteen (15) days after the due date. Additionally, any assessment or other charge not paid within fifteen (15) days after the due date shall bear interest from the due date at the rate of twenty-one percent (21%) per annum. All such fees and interest shall be due and payable, without notice, in the manner provided for payment of assessments. Late fees and other charges shall be the personal obligation of the Owner(s) of the unit for which such assessment or other charges are unpaid.
5. 30 Days Delinquent - "Reminder Letter" : After an installment of an assessment or other charge due to the Association becomes thirty (30) days past due, the Association's Management Agent shall send a written "Reminder Letter" to the Owner who is delinquent in payment. The "Reminder" shall be mailed to the Owner at the unit address unless the Owner has given notice, in writing, of an alternate address. The "Reminder" shall state the following:
 - 1) the amount past due.
 - 2) any late fees and interest that have accrued and that will continue to accrue.

- 3) the name and contact information for the person the owner(s) should contact to obtain a copy of the Owner(s) ledger in order to verify the amount owed.
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6. 60 Days Delinquent - "Notice of Delinquency" : After an installment of an assessment or other charge due to the Association becomes sixty (60) days past due, the Association's Management Agent shall send a written "Notice of Delinquency" to the Owner who is delinquent in payment. The "Notice" shall be mailed to the Owner at the unit address unless the Owner has given notice, in writing, of an alternate address. The Association's Management Agent will charge the delinquent Owner(s) a twenty five dollar (\$25.00) collection fee for this "Notice". The "Notice" shall state the following:
 - 1) the amount past due with an accounting of how this amount was determined, including late fees, interest and other charges.
 - 2) the name and contact information for the person the owner(s) should contact to obtain a copy of the Owner(s) ledger to verify the amount owed.
 - 3) Whether the Owner(s) may enter into a payment plan and instructions for contacting the Association's Management Agent to arrange for and enter into a plan.
 - 4) that failure to take action to cure the delinquency within 30 days or enter into a written payment plan may result in the account being turned over to the Association's attorneys or a collection agency for collection, 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.
 7. 90 Days Delinquent - "Demand Letter" : After an installment of an assessment or other charge to the Association becomes ninety (90) days past due, the Association's Management Agent shall send a written "Demand Letter" to the Owner who is delinquent in payment. The "Demand" shall be mailed to the Owner at the unit address unless the Owner has given notice, in writing, of an alternate address. The Association's Management Agent will charge the delinquent Owner(s) a fifty dollar (\$50.00) collection fee for this "Demand". The "Demand" will state the following:
 - 1) the amount past due.
 - 2) that the balance must be paid in full within 10 days or the account will be turned over to the Association's attorney or any other alternative means of collection, as determined by a simple majority vote of the Board of Directors for legal action.
 - 3) that legal action may include a lawsuit being filed against the Owner(s), the filing and foreclosure of a lien against the Owner(s) property or other remedies available under Colorado law.
 8. No Response to Demand Letter: If the Owner has failed to respond to the "Demand Letter" and has not requested a payment plan, or has requested a payment plan and defaulted, the Board of Directors may, but shall not be required to, instruct the Management Agent to turn over all delinquent account(s) to a collection agency or the Association's attorney. The Association's Management Agent will charge all delinquent Owner(s) a flat fee of \$75.00 for turning the account over to the attorney and for all additional correspondence with the attorney. Owner(s) are responsible for

payment of all collection fees, lien fees and legal fees incurred. All further charges will be billed to the delinquent owner(s).

9. Payment Plan: Subject to the following requirements and conditions, the Association shall offer the opportunity to enter into a payment plan to any delinquent Owner(s) and make a good faith effort to coordinate a payment plan with the owner:
 - 1) The payment plan must allow the delinquent Owner(s) the right to pay off the delinquency in equal installments over a period of at least six (6) months.
 - 2) No Payment plan need be offered if the owner does not occupy the unit and has acquired the unit as a result of a default of a security interest encumbering the unit or foreclosure of the Association's lien.
 - 3) The Association is not required to offer a payment plan or negotiate such a plan with an owner who has previously entered into a payment plan with the Association.
 - 4) The Owner(s)' failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the period of the payment plan, constitutes a failure to comply with the terms of the payment plan.
 - 5) The Association may pursue legal action against the Owner(s) if the Owner(s) fails to comply with the terms of the payment plan.
10. Returned Check Charges: A twenty dollar(\$20.00) fee shall be assessed against the Owner(s) 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 (2) or more of an Owner(s) checks are returned unpaid by the bank within any twelve(12) month period, the Association may require that all of the Owner(s) future payments, for a period of one (1) year, be made by certified check or money order.
11. Use of Regular and Certified Mail: In the event the Association shall cause a "Notice of Delinquency" or "Demand Letter" or other notices to be sent to a delinquent Owner(s) by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.
12. Attorneys' Fees on Delinquent Accounts: The Association shall be entitled to recover its reasonable attorneys' fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner(s), together with post-judgment and appellate attorneys' fees and costs incurred.
13. Application of Payments Made to the Association: The Association reserves the right to apply all payments received on account of any Owner(s) first to payment of any and all legal fees and costs (including attorneys' fees), then to costs and expenses of enforcement and collection, late charges, interest, returned check charges lien fees, and other costs owing or incurred with respect to such Owner(s) and any remaining amounts shall be applied to the assessments or other charges due with

respect to such Owner(s). For purposes of collecting an outstanding judgement, the Association may, but shall not be required, to first apply payments received following entry of a judgement towards post-judgement attorneys' fees and costs and/or assessments and other charges coming due following the entry of the judgement. Any returned check shall cause an account to be past due if full payment of the assessment is not timely made within 15 days of the due date.

14. Lien: If payment in full of any assessment or other charge is not received by the deadline stated in the "Demand Letter", the Association may cause a notice of lien to be filed against the property of the delinquent Owner(s). The lien shall include assessments, fees, charges, late charges, attorney's fees, fines and interest owed by the delinquent owner.
15. Foreclosure of Lien: Notwithstanding any provision of this policy to the contrary, the Association may only foreclose the lien if:
 - 1) the balance of the assessments and charges secured by the lien equals or exceeds six (6) months' worth of regular assessments based on the periodic budget adopted by the Association; and
 - 2) The Board of Directors has formally resolved, by a recored vote, to authorize the filing of a legal action against the specific Owner(s)' unit on an individual basis.
16. Credit Report: In the event an Owner(s) becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law, the Owner(s) acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.
17. Referral of Delinquent Accounts to Attorneys: The Board of Directors by majority vote may, but shall not be required to, have the Management Agent refer delinquent accounts to the attorney for collection. Upon referral 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. Only after consultation and a majority vote of the Board of Directors 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.
18. Waivers: Nothing in this policy shall require the Association to take specific action(s) other than to notify owners of the adoption of this policy. The failure to provide notice to a homeowner in accordance with the provisions of his policy with the exception of the offer of a payment plan if applicable, shall not constitute a defense or condition precedent to any action to collect the debt. 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 an provision herein upon petition in writing by an Owner(s) showing a personal hardship. Such relief granted an Owner(s) shall be appropriately documented in the files with the name of the person or persons repre-

senting 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 except as may be prohibited by Colorado law.

19. Communication with Owners: All communication with a delinquent Owner(s) shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Management Agent nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner(s) after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.
20. Defenses: Failure of the Association to comply with any provision in this Policy shall not be deemed 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.
21. Deviations: The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
22. Severability: If a provision of this Policy is or becomes illegal, invalid or unenforceable, that shall not affect the validity or enforceability of any other provision of this Policy.
23. Amendment: This Policy may be amended from time to time by the Board of Directors.
24. Superseding Previous Policies: This Policy shall replace and supersede any previous rules and regulations of the Association addressing the collection of past due assessments.

This Policy and Procedure for Collecting Unpaid Assessments was adopted by the Board of Directors of the PineRidge Homeowners Association on the 11th day of August 2015, effective the 11th day of August 2015.

By: Arlene J. Armata President