

2. **Collection Procedure.** The Association hereby adopts the following policy and procedure regarding the collection of unpaid assessments required by HB-1276: Effective May 1, 2014.

1. See attached Policy - Exhibit A. (Attach policy and related documents.)
2. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
3. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.
4. 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.
5. Amendment. This Policy may be amended from time to time by the Board of Directors and is intended to supplement the policies required by HB 13-1276.

Exhibit "A" Policy

Sunset Ridge Property Owners Association Inc.

Policy for Notifying Owners of the Collection Process of Unpaid Assessments

In order to comply with the requirements of C.R.S. § 38-33.3-209.5, the Association hereby institutes the following policy governing the collection of unpaid assessments.

1. The date on which assessments must be paid shall be 30 days after the date of invoice. Assessments shall be considered past due and delinquent 30 days after said date.
2. The Association is entitled to impose and will impose late fees in the amount of \$100.00 and interest on the unpaid balance shall accrue at the rate of Wall Street Journal Prime plus 5% against a delinquent Lot/Tract owner's account.
3. The Association may impose return check charges in the amount of \$20.00.
4. An owner whose account is more than six (6) months past due shall be entitled to a payment plan as required by C.R.S. § 38-33.3-316.3, if the owner has not previously been given a payment plan. Said plan shall contain the following:
 - A. A statement that the balance of the assessment and charges secured by the Association lien which equals or exceeds six (6) months of common expense assessments based on the periodic budget adopted by the Board of Directors;
 - B. The Board of Directors has formally resolved by a recorded vote to authorize the filing of a legal action against the owner's Lot/Tract on an individual basis;
 - C. The Association under the terms of the agreement may only foreclose its assessment lien if
 - (1) the balance of the assessment charge is secured by the lien equals or exceeds six (6) months of common expense assessments based on the periodic budget adopted by the Board;
 - (2) an affirmative vote by the Board of Directors has formally resolved by a recorded vote to authorize the filing of the legal action against the specific Lot/Tract on an individual basis.
 - (3) the Association and the Lot/Tract owner must make a good faith effort to set up a payment plan that meets the requirements of C.R.S. § 38-33.3-316.3 and no plan is reached or the owner fails to comply with said plan.
 - (4) this policy shall not apply in the event that the Lot/Tract owner does not occupy the unit and has acquired the property as a result of:
 - (a) a default of a security interest in covering the Lot/Tract or foreclosure of the Association's lien.
 - (5) The Association is not obligated to negotiate a payment plan with a Lot/Tract owner who has previously entered into a payment plan.
 - (6) A copy of the approved plan is attached as Exhibit "B".
 - D. Under the plan, owner shall pay the deficiency in equal installments over a period of at least six (6) months.
 - E. Failure of the Lot/Tract owner to comply with the terms of the payment plan or to remain current with regular assessments as they come due during the payment plan will result in the Association going forward with foreclosure of its lien.
 - F. For the purposes of this policy, assessments includes regular and special assessments, any

associated fees, charges, late charges, attorneys fees, fines and interest charged against the owner's account.

- G. Prior to turning over a delinquent account, the Association shall send a letter and notice to the owner. See attached Exhibits "C" and "D".
- H. Payments made under any plan shall be applied as follows: See the attached approved payment plan.
- I. The Association has the legal right to file an assessment lien against your property covering assessments, late fees, interest and attorneys fees and to bring a foreclosure action of said lien against your Lot/Tract and/or a personal action against you individually for all past due amounts plus attorneys fees and costs. You will be responsible for the fees and costs of any such action.

Exhibit "B" Approved Payment Plan

**Sunset Ridge Property Owners Association Inc.
Past Due Assessment Payment Plan**

Sunset Ridge Property Owners Association Inc., hereinafter designated as Association, and _____, hereinafter designated as Owner agree as follows:

RECITALS:

- A. Owner is owner of the Lot/Tract designated as _____.
- B. Owner is indebted to Association in the amount of \$_____ which constitutes six (6) months assessments, late charges, penalties, interest, if any.
- C. The parties wish to enter into this agreement to comply with the provisions of C.R.S. § 38-33.3-209.5 and C.R.S. § 38-33.3- 316.3.

NOW, THEREFORE, the parties agree as follows:

- 1. Owner shall pay the amount set forth in Recital B above in six (6) installments commencing on the ____ day of _____, 20____, and due on the ____ day of _____ thereafter until paid in full. Owner shall remain current in all dues assessed during the said six (6) months.
- 2. Interest shall continue to accrue at the rate of Wall Street Journal Prime plus 5% per annum.
- 3. Late charges in the amount of \$100.00 shall be assessed against the unpaid balance.
- 4. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- 5. Jurisdiction over this agreement shall be found in the District Court, 14th Judicial District, Grand County, Colorado and the laws of the State of Colorado shall apply. If any court of competent jurisdiction strikes down one of the clauses contained herein, all other portions of this agreement shall remain in full force and effect.
- 6. This is the entire agreement of the parties and shall not be modified except by a written instrument signed by the parties hereto.
- 7. In any action, litigation, or dispute arising under or in any way relating to rights created by this contract, the prevailing party shall recover its attorneys fees and costs. Prevailing party shall be the party in whose favor the net final judgment or resolution of the controversy is entered.
- 8. This instrument may be executed in one or more counterparts, all of which taken together shall constitute the same document.
- 9. Facsimile signatures on this instrument will be accepted as original signatures.

ASSOCIATION: _____ OWNER: _____
BY _____ BY _____

Exhibit "C" Letter to Owner

SUNSET RIDGE PROPERTY OWNERS ASSOCIATION, INC.
P.O. BOX 416
TABERNASH, CO 80478
www.sunsetridgepoa.com

Date,

Dear _____:

You are indebted to the Sunset Ridge Property Owners Association for assessments, late fees and interest in the amount of \$ _____. This constitutes at least six months unpaid charges. Enclosed is a Notice which describes your rights. Pursuant to the provisions of C.R.S. § 38-33.3-209.5 and C.R.S. § 38-33.3 -316.3 the Board of Directors of the Association has determined, on an individual basis, by written resolution, to begin the collection process against you. Also enclosed is a Payment Plan which provides for the payment of past due charges as well as payment of current charges as they fall due. Your Association believes that this Agreement constitutes a reasonable effort to cooperate with you in the payment of past due charges while still allowing the Association to have the funds available to properly manage the common elements and the Association.

Please respond to the address above within 30 days of the date of this letter if this plan is acceptable to you. Failure by you to enter into a plan can result in foreclosure of the Association's assessment lien against your property. Please see the Notice to Owner attached.

Sincerely,

BY: _____
Title:

Exhibit "D" Notice to Owner

**SUNSET RIDGE PROPERTY OWNERS ASSOCIATION, INC.
P.O. BOX 416
TABERNASH, CO 80478
www.sunsetridgepoa.com**

Date,

TO: _____

You are hereby notified pursuant to the provisions of C.R.S. § 38-33.3-209.5 that you are indebted to the Sunset Ridge Property Owners Association in the amount of \$_____. This amount was determined as follows:

Dues
Late Charges
Finance Charges
Collection Fees
Attorneys Fees

You may have the opportunity to enter into a payment plan pursuant to the provisions of C.R.S. § 38-33.3-316.3 if this is your first past due account and your first opportunity to enter into such a plan. A blank copy of the form of plan is attached. It is necessary that you contact _____ at the address above, or by phone _____ in order to enter into such a plan.

You may contact _____ at the address above, or by phone _____ to request a copy of your ledger in order to verify the past due amount. Action is required to cure the delinquency. Failure to make payment or enter into a payment plan within 30 days may result in your account being turned over for collection to the Association attorney and foreclosure of the lien against your property or other remedies available under Colorado law.

Payments made by you against the delinquent account shall be applied first to attorney fees and costs, next collection fees, next interest and late charges, next to unpaid assessments.

The Association has the legal right to file an assessment lien against your property covering assessments, late fees, interest and attorneys fees and to bring a foreclosure action of said lien against your Lot/Tract and/or a personal action against you individually for all past due amounts plus attorneys fees and costs. You will be responsible for the fees and costs of any such action.

You must contact the Association within 30 days to enter into the payment plan if this is your first delinquency and plan.

BY: _____

Title