

**ST. VRAIN RANCH PROPERTY OWNERS ASSOCIATION, INC.  
COLLECTION POLICY**

The following procedures have been adopted by St. Vrain Ranch Property Owners Association, Inc. (“Association”) pursuant to C.R.S. 38-33.3-209.5, as amended by HB 13-1276, at a regular meeting of the Board of Directors.

**Purpose:** To establish a uniform and systematic procedure for collecting assessments and other charges of the Association, thus ensuring the financial well being of the Association.

**Collection Philosophy:** All members are obligated 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.

**NOW, THEREFORE, IT IS RESOLVED** that the Association does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Association:

1. **Due Dates.** The annual assessment, as determined by the Association, shall be due and payable upon receipt, but may be paid in semi-annual installments in April and October. Assessments or other charges not paid to the Association within thirty days after their due date shall be considered past due and delinquent.
2. **Late Charges and Interest Charges.** The Association shall be entitled to impose a late charge of Twenty-Five Dollars (\$25.00) per month and in addition may charge interest on the delinquent assessment amount at the rate of Eighteen percent (18%) per annum so long as such assessment shall be unpaid. All such charges shall be due and payable immediately, without notice, in the manner provided for payment of assessments.
3. **Return Check Charges.** 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. Such return check charge shall be considered to be a “common expense”. 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.

4. 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.

5. Application for payments made to the Association. 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, lien 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.

6. Collection Letters and Time Frames. If payment in full is not received within fifteen (15) days after the notice of delinquency, the Association will send a notice of default to the owner, specifying the following:

- (I) The total amount due, with an accounting of how the total was determined;
- (II) Whether the opportunity to enter into a payment plan exists pursuant to CRS §38-33.3-316.3, and instructions for contacting the Association to enter into such a payment plan;
- (III) The name and contact information for the individual the Member may contact to request a copy of the Member's ledger in order to verify the amount of the amount owed; and
- (IV) That action is required on the part of the Member to cure the delinquency and that failure to do so within thirty (30) days may result in the Member's delinquent account being turned over to a collection agency, a lawsuit being filed against the Member, the filing of a foreclosure lien against the Member's property, or other remedies available to the Association under Colorado law.

7. Payment Plans. Except for situations where the Member's mortgage on the property is in foreclosure, or the Member has filed for federal bankruptcy protection, or where the Member is in any other way in default of a security interest encumbering the Member's property, or the Member does not actually occupy the property, the Association shall attempt to negotiate a payment plan with the Member regarding any/all assessments, fines, penalties, etc., that are due and owing to the Association. The Association shall permit any/all such delinquencies to be paid in equal monthly payments over at least a six (6) month period, during which time the Association shall not pursue any other methods of collection of the delinquency from the Member, provided that the Member is

compliant with the payment agreement, and remains current with any/all assessments that become due during the term of the payment agreement. In the event that the Member should fail to comply with the provisions of the payment agreement, the Association may resort to any/all other remedies available to it for collection of the delinquent amount(s). This provision will be effective beginning January 1, 2014.

8. Liens. If payment in full of any assessment or other charge is not received within two months after it became due, the Association may cause to be filed a notice of lien against the property of the delinquent owner. The lien shall include fees, charges, late charges, attorney fees, fines and interest owed by the delinquent owner.

9. Referral of Delinquent Accounts to Attorneys. If payment in full is not received within two months after its due date, 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.

10. Referral of Delinquent Accounts to Collection Agencies. The Association may, but shall not be required to assign delinquent accounts to one or more collection agencies for collection.

11. 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.

12. 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 Notice and Hearing and Enforcement Policy and Procedures.

13. In the event that there exists any conflict between this Collection Policy and the St. Vrain Ranch "Design Guidelines and Rules and Regulations", as adopted November 2, 2016, the provisions of this Collection Policy shall control.

St. Vrain Ranch Property Owners Association, Inc.

By:

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Title

Attest:

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Secretary

This Collection Policy was adopted by the Board of Directors on the \_\_\_ day of \_\_\_\_\_, 2016, effective the 5<sup>th</sup> day of December 2016, and is attested to by the Secretary of St. Vrain Property Owners Association, Inc.

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Secretary