

**RESOLUTION OF
SUNDANCE HOMEOWNERS ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURE FOR COLLECTION OF
UNPAID ASSESSMENTS AND OTHER ASSOCIATION CHARGES**

SUBJECT: Adoption of policies and procedures regarding the collection of unpaid assessments and other charges in compliance with Colorado law.

PURPOSE: To amend and restate the Association's policies and procedures for the collection of unpaid assessments and other charges.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Sundance Homeowners Association and Colorado law.

EFFECTIVE

DATE: August 22, 2016

RESOLUTION: The Association hereby adopts the following policies and procedures, contained herein.

PRESIDENT'S

CERTIFICATION: IN WITNESS WHEREOF, the undersigned certify that this Collection Policy and Procedure was adopted by resolution of the Board of Directors of the Association this 22nd day of August, 2016.

SUNDANCE HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation

By: _____


K.J. McCorry, President

Collection of Unpaid Assessments Policies and Procedures

1. **Due Dates.** Monthly installments of the annual assessment are due and payable on the first day of each month. Payments will be deemed received and will be posted on the date the payment is received in the Association's office or the Association's payment processor's office. Any installment not paid in full when due will be considered past due and delinquent.
2. **Late Charges and Fees.** The Association may impose, on a monthly basis, a \$5.00 late charge for any assessment not received by the last day of the month without further notice to the Owner. Late charges may also be imposed on fines or other charges not received within fifteen (15) days from the date of the notice. Late charges are a personal obligation of the Owner and a lien on the Lot.
3. **Interest Charges.** Delinquent assessments, fines or other charges due the Association are to bear interest at the rate of 15% per annum rate commencing on the day following the due date.
4. **Return Check Charges.** In addition to any and all charges imposed under the Declaration, or the Articles of Incorporation or Bylaws of the Association or this policy, a reasonable fee, not to exceed \$20.00 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.
5. **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:
 - of the total amount due, with an account for how that total was determined
 - 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
 - whether the opportunity to enter into a payment plan exists (as provided in this collection policy)
 - how the Owner may contact the Association to enter into a payment plan (if a payment plan is available)
 - 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
 - that a lien is in place on the Owner's property, as provided under the Declaration and state law
 - that payment is required within thirty (30) days to cure the delinquency
 - that failure to pay within thirty (30) days may result in the Owner's delinquent account being turned over to the attorneys for the Association or a collection agency
 - 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
 - that other remedies available under Colorado law may be sought by the Association
6. **Payment Plans.** The Association 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

13. Use of Certified Mail/Regular Mail. In the event the Association sends 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.

14. Remedies.

- 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.
- Liens. The Association may file a lien on a property for the balance of assessments and all related fees. If assessments are unpaid over six (6) months, then notification, including a current statement of the assessment dues owed, will be sent that a lien will be placed on their property if full payment is not received within 30 days of the notification. Liens can be placed on Owners property based on the Colorado Common Interest Ownership Act of 2006, section 38-33.3.-316 Lien for Assessments.
- 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 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.
- 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.
- General. The Association has all of the remedies available to it under the Declaration and Colorado law.

15. 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.

16. 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.

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.

7. 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.
8. 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.
9. 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.
10. Suspension of Voting Rights. In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is six (6) months past due at the time of such voting, after notice and an opportunity for a hearing as provided in the Bylaws.
11. Certificate of Status of Assessment. The Association will 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 for a reasonable fee. However, if the account has been turned over to the Association's attorney, such request may be handled by the attorney, and the Owner must pay the cost of the Association's attorney.
12. 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.