

CINNAMON VILLAGE HOMEOWNER'S ASSOCIATION, INC.

COLLECTION POLICY

PURPOSE: To establish a uniform procedure for collecting assessments and other charges of the Association.

AUTHORITY: The following procedures have been adopted pursuant to the provisions of C.R.S. 38-33.3-209.5

EFFECTIVE

DATE: _____, 2017

RESOLUTION: The Association hereby adopts the following Collection Policy:

1. Due Dates. The Common Expense Assessment, as determined by the Association, shall be due and payable monthly in equal installments, due on the first day of each month. Other Assessments or charges may be assessed or made from time to time by the Association in accordance with the Declaration and are due and payable as determined by the Board of Directors. All Assessments or other charges not paid to the Association when due shall be considered past due and delinquent.
2. Late Fees and Interest. Any assessment or other charge not paid within thirty (3) days of the due date shall bear interest from the due date at the rate of the percent (10%) per annum. Any such interest shall be due and payable immediately, without notice, in the manner provided for payment of assessments and shall be the personal obligation of the Owner(s) of the Lot for which such assessment or installment is unpaid.
3. Return Check Charges. A twenty-dollar (\$20.00) 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 (2) or more of an Owner's checks are returned unpaired 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 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. The reasonable attorney fees and costs incurred by the Association shall be due and payable immediately when incurred, upon demand.
5. Application of Payments. 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 or other charges due with respect to such Owner.

6. Collection Process.

A. First Notice of Delinquency. After any assessment or installment thereof owed to the Association becomes thirty (30) days past due, the Association shall cause a notice of delinquency to be sent to the Owner who is delinquent, (2) the amount of the delinquency, including any interest charges and late fees, and (3) that a failure to cure the delinquency may result in a lawsuit being filed against the Owner and/or the filing of a lien against the Owner's property.

B. Second Notice of Delinquency. After any assessment or installment thereof owed to the Association becomes sixty (60) days past due, the Association shall cause a second notice of delinquency to be sent to the Owner who is delinquent in payment. The notice shall specify (1) the fact that the assessment is still delinquent, (2) the amount of the delinquency, including any interest charges and late fees, and (3) failure to immediately cure the delinquency may result in a lawsuit being filed against the Owner and/or the filing of a lien against the Owner's property. The Second Notice shall also state that within 30 days the Owner may contact the Association to enter into a payment plan for the past due assessments.

C. Liens. If payment in full of any assessment or other charge is not received within seventy-five (75) days of its due date, the Association may cause to be filed a notice of lien against the property of the delinquent Owner. The lien shall include late fees, interest charges, attorney fees, and other charges owned by the delinquent Owner.

D. Referral of Delinquent Accounts to Attorney. If payment in full is not received within ninety (90) days of its due date and the Owner has not made a timely request for a payment plan, the Association may, but shall not be required to, refer delinquent accounts to its attorney for collection. Upon referral to the attorney, the attorney 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 attorney 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.

7. Payment Plans. If the Owner contacts the Association within 30 days of the Second Notice, he/she is entitled to enter into a payment plan for the past due assessments. The payment plan must allow the owner to pay off the delinquent assessments in no less than 6 equal monthly installments. The Association may take additional action against an Owner if the Owner fails to comply with the terms of the payment plan. An Owner's failure to remit a payment as agreed, remain current with the regular assessments during the payment plan, or comply with other agreed upon terms, shall constitute a failure to comply with the terms of the payment plan. Notwithstanding the above, the Association shall not be obligated to enter into a payment plan with an Owner who has previously entered into a payment plan with the Association. The Association shall also not be obligated to enter into a payment plan with an Owner who does not occupy the property and has acquired the property through a foreclosure.

8. Payment Plan Default. If an Owner fails to comply with the terms of a payment plan, the total amount past due shall be immediately due and payable. In such instance the Association shall send the Owner a Notice of Default notifying the Owner of the total amount past due, of any additional interest and late fees have accrued, and the failure to take immediate action and cure the delinquency may result in the account being turned over to the Association's attorneys for collection, a law suit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law. If Owner fails to pay the amount past due within 15 days of the Default Letter, the management company shall file a lien and turn the account over to the Association's attorney for collection.
9. Waivers. The Association has the option and right to evaluate each delinquency on a case-by-case basis and may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship. Such relief granted on Owner shall be appropriately documented in the files of the Association, 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 authorized to otherwise modify the procedures contained herein as the Association shall determine appropriate under the circumstances.
10. Additional Remedies. If any installment of the Common Expense Assessment is not paid within ninety (90) days of the due date, the Association may cause the total amount due for the remainder of the year to become immediately due and payable. Additionally, the Association may choose to foreclose on its lien or seek the appointment of a receiver in lieu of or in addition suing an Owner for the money judgement. In the case of a foreclosure by the holder of another security interest in the Owner's property, the Association may immediately proceed to file action for personal judgement, foreclosure or receivership without the necessity of following the procedures set forth above. Notwithstanding the above, no foreclosure action shall be initiated by the Association unless the amount due equals or exceeds six months' of assessments and the Board has formally resolved to authorize the action.
11. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.
12. Defenses. Failure of the Association re comply with any provision of this Policy shall not be deemed a defense to payment of assessments, late fees, interest charges, return check charges, attorney fees, or other costs and charges described and imposed by this Policy.
13. Definitions. Unless otherwise defined in this Policy, capitalized terms defined in the Declaration shall have the same meaning herein.
14. Supplement to Law. The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and Colorado law.
15. Amendment. This Policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S
CERTIFICATION:**

The undersigned, being President of the Cinnamon Village Homeowner's Association Inc., certifies that the foregoing Dispute Resolution Policy was adopted by the Board of Directors of the Association at a duly called and held meeting of the Board on _____, 2017, and in witness thereof the undersigned has subscribed his/her name.

**CINNAMON VILLAGE
HOMEOWNER'S ASSOCIATION, INC.**

By: _____
President