



SHADOW CREEK

ASSOCIATION RESOLUTION REGARDING

COLLECTION OF ASSESSMENTS AND DELINQUENT ACCOUNTS

WHEREAS: The Shadow Creek Homeowners Association, Inc., a non-profit corporation recorded in Arapahoe County on October 19, 2001, record number 20011202684 and

WHEREAS: The Board of Directors serving as the governing body of the Community is empowered to enforce the Federal Laws, State Statutes and Governing Documents of the Shadow Creek Homeowners Association according to Section 10.3.a of the Declaration of Covenants recorded on August 14th 2002 number B2148261 and

WHEREAS: The Association's operation is funded through the collection of Common Assessments as defined in the Declaration of Covenants Section 11.3. Common Assessments are divided into monthly installments in accordance with the Annual Budget approved by the Board and ratified by the members at a meeting duly called for that purpose.

WHEREAS: The Colorado Common Interest Ownership Act (The Act, CCIOA) requires Homeowner Association Assessment Collection Policies are amended to include specific language and collection processes effective January 1, 2014.

COMES NOW: The Shadow Creek HOA Board hereby resolves the following:

One of the many advantages of living in a community association is sharing with other members the costs of certain maintenance, repairs, and amenities that are often too expensive for an individual homeowner. All Shadow Creek Homeowners Association Owners are legally bound to share those costs.

To properly maintain Shadow Creek Homeowners Association's common elements and to provide the other services this it is required to provide under its governing documents, it is imperative that all assessments, whether common, limited, special or specific, be paid in full and on time. Delinquencies throw the association's entire budget off course and negatively affect all members' property values and lifestyles.

To adequately maintain our community, state statutes and our governing documents give Shadow Creek Homeowners Association's Board of Directors the authority to impose and collect assessments and other allowable charges from members. In fact, the Board owes a duty to all members to make sure everyone pays. The Board has adopted the following policy to fulfill its duty in a fair, systematic, and impartial manner.

The term "common expenses" refers to any amount a member must pay to Shadow Creek Homeowners Association. Among the charges it includes are regular annual assessments, special assessments, rules violation fines, late fees, common area repairs, and any other fees, interest, or charges imposed under this policy.

Payments are to be sent to the mailing address for the management company or lockbox as may be appropriate.

Common Assessments are due and payable on the first of each month. Payments for other charges

would be due and payable on a payment schedule approved by your Board of Directors with payments due on the first of one or month months.

Post-dated checks will not be accepted

Once a Common Assessment payment is delinquent, Shadow Creek Homeowners Association may take any or all of the following actions:

Any payment not received within 30 days after the payment is due and payable is considered delinquent and a late charge of \$10.00 will be assessed to every account with a full monthly assessment balance outstanding.

If payment is not received by the 30th day after it became due and payable, a Reminder Notice will be sent to the owner by the Association or its Managing Agent. A charge by Metro Property Management for the administrative time incurred for the reminder notice and monitoring the account will be assessed to the owner. The Reminder Notice will include language offering the owner a one-time payment plan over a term of six 6 months.

If payment is not received by the 60th day after it became due and payable, a "Notice of Default" will be sent to the owner by the Association or its Managing Agent. A charge by Metro Property Management for the administrative time incurred for the "Notice of Default" and monitoring the account will be assessed to the owner. The Notice of Default will include language offering the owner a one-time payment plan over a term of six (6) months.

If payment is not received by the 90th day after it became due and payable, a "Notice of Intent to Lien" will be sent to the owner by the Association or its Managing Agent. A charge by Metro Property Management for the administrative time incurred for the "Notice of Intent to File a Lien" and monitoring the account will be assessed to the owner. The Notice of Intent to File a Lien will include language offering the owner a one-time payment plan over a term of six (6) months.

After six (6) months, if payment or suitable arrangements for payment are not received by the 120th day after a payment became due and payable, the account may be forwarded to the Association's attorney for legal action. The board will formally approve the action in session.

Once an account is turned over to the Association's attorney, all communications and correspondence from an owner will be referred to the attorney.

- The attorney will immediately send a demand letter to the owner and will file a lien against the property.
- If the owner does not respond to the attorney's demand letter, a suit for personal judgment may be initiated approximately thirty (30) days after the date of the demand letter.
- The owner will be responsible for reimbursing the Association for attorney fees and court costs incurred as a result of turning the account over to the attorney for collection.

In addition to any late fee that may be applicable for each check to Shadow Creek Homeowners Association that is returned by a bank for any reason, the member whose account was intended to be paid by the check shall pay any related bank charges that Shadow Creek Homeowners Association incurs because of the returned check. Metro Property Management will apply a Non Sufficient Funds check fee to the homeowner account for the administrative demands to reverse the payment and notify the owner of the NSF. These charges will be treated as common expenses.

All delinquent accounts remain delinquent until paid in full. No partial payments will waive Shadow Creek Homeowners Association's right to pursue full payment and/or to enforce the provisions of this policy. Shadow Creek Homeowners Association will apply partial payments to the outstanding balance in the following order:

- To collection costs incurred by the Managing Agent. When these charges are paid in full, then
- Legal fees and court costs. When these charges are paid in full, then
- Association approved fines, penalties and charges for repair or replacement due to failure to comply with your Association's governing documents. When these charges are paid in full, then
- Association late charges. When these charges are paid in full, then
- Association interest charges. When these charges are paid in full, then
- The longest outstanding Association maintenance fees or assessments working forward to the current maintenance fees or assessments outstanding.

If an individual's check specifically designates a payment of a particular item, such as a monthly maintenance fee, or if a payment coupon for a particular month is enclosed, the check will be applied as requested. If no check designation is made, the funds will be applied as indicated in items 1 through 6 above

Unless otherwise required by law, all notices will be sent by first-class mail, postage prepaid, to the delinquent member's address as shown in Shadow Creek Homeowners Association's books and records on the date the notice goes out. All amounts due must be paid in full before the notice period expires. If the notice period expires without full payment, the consequences set forth in the notice and/or in this policy shall apply.

The Association has additional rights with respect to delinquent accounts, which may include, but not limited to, the following:

By statute, any and all delinquent sums are automatically a lien against the property. The Association may, but is not required to, file a written statement with the county Clerk and Recorder to evidence the lien. All costs associated with the lien proceeding are assessed against the Owner's account. The Association may foreclose the lien in a similar manner as a foreclosure of a mortgage on real property. All costs with foreclosure proceedings are assessed against the Owner's account. If the property is vacant or tenant occupied, the Association may request the court to appoint a receiver to take over management responsibility for the property from the tenant, and to pay those rents over to the Association until the assessment account is brought current. All costs with receivership proceedings are assessed against the Owner's account and will be paid out of the receivership proceeds prior to payment of the assessments.

This resolution may be amended or repealed from time to time as desired by the current and future Executive Boards for the Shadow Creek Homeowners Association in accordance with Federal Laws, State Statutes, Articles and Declaration of Covenants.

The undersigned does hereby witness approval:

President	Date

Secretary	Date