

**BRANDYCHASE RECREATIONAL ASSOCIATION, INC.**

**AMENDED AND RESTATED  
POLICY AND PROCEDURES  
FOR  
COLLECTION OF UNPAID ASSESSMENTS**

Effective Date: January 1, 2014  
As Amended and Restated: November 28, 2022  
As Amended: January 15, 2026

Pursuant to the Declaration of Covenants and Conditions ("Declaration"), Articles of the BrandyChase Recreational Association, Inc. ("Association"), Bylaws of the Association, as supplemented by resolutions adopted from time to time by the Board of Directors, and Colorado Law, the following resolution is hereby adopted by the Association to amend and restate the Association's policy and procedures for collection of unpaid assessments ("Collection Policy").

The Association hereby adopts the following amended and restated policy and procedure for collection of assessments:

1. Due Dates, Late Charges, Interest, and Acceleration of Assessments.

A. Due Dates: Monthly installments of the annual assessment are due and payable on the first day of each month. Payments shall be deemed received and shall 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 on or before the due date shall be considered past due and delinquent.

B. Late Charge. A late charge in the amount of \$5.00 shall be imposed for any assessment, fine or other charge not paid within thirty (30) days of the due date. Such late charge is a personal obligation of the Owner and a lien on the Unit.

C. Interest. Interest at the rate of 8% per annum shall accrue on any delinquent assessment, fine or other charge from the due date. Interest will be added to the Owner's account thirty (30) days following the due date. Such interest is a personal obligation of the Owner and a lien on the Unit.

D. Acceleration and Deceleration of Assessments. Upon thirty (30) days written notice to the Owner, the Board may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment. Upon acceleration, that Owner loses the privilege of paying any and all assessments and charges in installments for the remainder of the fiscal year, unless such privilege is otherwise reinstated in the Board's sole discretion. The Board also reserves the right to decelerate any accelerated assessment.

2. Return Check Charges.

A. If any check or other instrument payable to or for the benefit of the Association is not honored by the bank or is returned by the bank for any reason, including, but not limited to insufficient funds, the Owner is liable to the Association for one of the following amounts, at the option of the Association:

(i) An amount equal to the face amount of the check, draft, or money order and a return check charge of \$20.00; or

(ii) If notice has been sent as provided in C.R.S. § 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the person issuing the check, draft or money order shall be liable to the Association for collection for three times

the face amount of the check, but not less than \$100.00.

B. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment or of any other charge is delinquent.

C. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, 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.

3. Attorney Fees. 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 pursuant to the terms of the Declaration and Colorado law, except that the Association is not entitled to reimbursement for attorney fees that exceed five thousand dollars or fifty percent of the assessments and any money owed to the Association, whichever is less, and other actual costs incurred as a result of the failure to pay. Attorney fees incurred by the Association shall be considered part of the assessments and shall be due and payable immediately when incurred, upon demand.

4. Service Fees. In the event the Association incurs any type of service fee regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner, as such fee would not be incurred but for the delinquency of the Owner.

5. Application of Payments. All payments received on account of any Owner or the Owner's property, may be applied first to the payment of any assessments owed; then to any post-judgment attorney's fees, costs and expenses; then to costs and attorney's fees not reduced to a judgment; then to late charges; then to interest; then to return check charges; then to fines and other amounts levied pursuant to the Declaration; then to current assessments not reduced to judgment; and finally to amounts reduced to judgment.

6. Delegation of Authority to Sign Notice of Lien. The Board of Directors delegates authority to the Association's attorney to sign and acknowledge the Notice of Assessment Lien. This delegation may be withdrawn at any time. In the event the delegation is withdrawn, the Board will send written notice to the Association's attorney of the withdrawal.

7. Time Frames. The following time frames shall be followed in the collection of monthly installments of the annual assessment and for collection of other charges.

Due date	1 <sup>st</sup> day of the month for monthly installment of annual assessment or 10 days after notice of assessment or charge for all other assessments, fines and charges.
Late Fee date	30 days after due date
Interest date	30 days after due date
First Notice from Association or manager	30 days after due date
Second Notice from Association or manager	45 days after due date
Intent to Lien Notice from Association or manager	60 days after due date

Delinquent account turned over to Association's attorney or collection agency; lien filed; demand letter sent to Owner following majority vote of Board at meeting 90 days after due date

Notwithstanding the time frames set forth above, if a lien holder with priority over the Association's lien (i.e., first mortgagee) takes title to a Unit through foreclosure or deed in lieu of foreclosure, the Association may file a lien on the Unit for any delinquent amounts owed.

Once accounts are turned over to the Association's attorney or collection agency, Owners shall make payment to the Association at the address of the Association's attorney or collection agency. The Association's attorney shall consult with the Association regarding collection procedures and payment arrangements.

8. Communications with Owners, Designated Contacts. For communications made by or on behalf of the Association, the Association or manager shall maintain a record of all contacts, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made. An Owner may identify another person to serve as a designated contact ("Designated Contact") for the Owner. The Owner shall designate the Designated Contact by delivering a written document to the manager which identifies the Owner, the Owner's Unit, and the identity of and contact information for the Designated Contact. The designation may be made by electronic mail. If an Owner identifies a Designated Contact in writing, then on and after receipt of the written designation, the Association shall cause duplicate correspondence, including notices, to be sent to the Owner and the Designated Contact.

9. Preferred Language for Communications. An Owner may notify the Association if the Owner prefers that correspondence and notices from the Association be made in a language other than English. If a preference is not indicated, the Association shall send correspondence and notices in English. Expenses associated with translating communications and notices into the Owner's preferred language may be assessed to the Owner's account as an assessment.

10. Notices: Manner of Delivery. In the event an account becomes delinquent by thirty (30) days, the Association shall cause a collection or demand letter or notice ("First Notice") to be sent to a delinquent Owner by first class mail. This First Notice shall contain the amount past due, notice that interest and late fees have accrued, and a request for immediate payment.

After an account becomes more than forty-five (45) days delinquent, the Association shall cause a second notice ("Second Notice") to be provided by certified mail, return receipt requested at a cost that may not exceed the actual cost of the certified mail. The Association shall also cause an additional copy of that letter or notice to be provided by two of the following means: (a) by regular mail, if the Owner or Designated Contact has not provided a telephone number, cellular number, or email address as additional means by which to receive notices, (b) telephone call to a telephone number that the Association has on file because the Owner or Designated Contact has provided the number to the Association, (c) text message to a cellular number that the Association has on file because the Owner or Designated Contact has provided a cellular number to the Association, or (d) email to an email address that the Association has on file because the Owner or Designated Contact has provided the email address to the Association. The Second Notice shall contain, at minimum, the following:

- A. The total amount due to the Association together with an accounting of how the total amount was determined;
- B. Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange the payment plan;

- C. The name and contact information for a person the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt;
- D. A statement indicating that action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Owner's delinquent account being turned over to an attorney or a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law and the Association's governing documents, including revocation of voting privileges and suspension of access to and use of some or all of the Association services and amenities (including but not limited to pool, storage building, basketball court, playgrounds, shaded relaxation area), if available;
- E. A statement specifying whether the delinquency concerns unpaid assessments, unpaid fines, fees or charges, or both unpaid assessments and unpaid fines, fees or charges. If the delinquency concerns unpaid assessments, the notice shall notify the Owner that unpaid assessments may lead to foreclosure;
- F. A description of the steps the Association must take before the Association may take legal action against the Owner, including a description of the Association's covenant violation cure process as set forth in the Association's Covenant and Rule Enforcement Policy and Procedure; and,
- G. A description of what legal action may be taken against the Owner by the Association, including descriptions of the types of matters that the Association or the Owner may take to small claims court, including injunctive matters for which the Association may seek an order requiring the Owner to comply with the Declaration, Bylaws, Covenants, or other governing documents of the Association.

11. Referral of Delinquent Accounts to Attorney or Collection Agency. Any collection account referred to an attorney or a collection agency for collection shall first be approved by a majority of the Board in a recorded vote at a meeting conducted pursuant to Colorado law. Before the Association turns over the delinquent account to an attorney or a collection agency, the Association must (a) send the Owner a notice of delinquency, by certified mail return receipt requested, specifying the following: (i) the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt, which copy of the ledger must be provided to the Owner no later than seven business days after receipt of the Owner's request; (ii) a description of the action that is required to cure the delinquency, and that failure to do so within thirty days may result in the Owner's delinquent account being turned over to an attorney or a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, the sale of the Owner's Unit at auction to pay delinquent assessments, which could result in the Owner losing some or all of the Owner's equity in the Unit, or other remedies available under Colorado law; and (iii) the availability of, and instructions on how to access free online information through the HOA Information and Resource Center created in section 12-10-801(1) (a) relating to the collection of assessments by an association, including the association's ability to foreclose an association lien for unpaid assessments and force the sale of an owner's home, and the availability of online information from the Federal Department of Housing and Urban Development concerning credit counseling before foreclosure that may be accessed through a link on the Department of Local Affairs' website. Upon referral of a delinquent account to the Association's attorney or a collection agency, the attorney or collection agency shall take appropriate action to collect the accounts referred. All communication with a delinquent Owner shall be handled through the Association's attorney or the collection agency once a matter has been referred. After an account has been referred, the account shall remain with the attorney or collection agency until the account is settled, has a zero balance or is written off. The Association's attorney or collection agency is authorized to take whatever action is necessary, in consultation with the President of the Board of Directors or other person designated by the Board, believed to be in the best interest of the Association, including, but not limited to:

A. Filing a lien against the delinquent Owner's property to provide record notice of the Association's claim against the property, if not already filed.

B. Filing suit against the delinquent Owner for a money judgment. The purpose of obtaining a personal judgment against the Owner is to allow the Association to pursue remedies such as garnishment of the Owner's wages or bank account to collect judgment amounts.

C. Instituting a judicial action of foreclosure on the Association's lien. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or in other circumstances that may favor such action. A decision to commence a foreclosure shall be approved by the Board by resolution or by a majority vote of the Board recorded in the minutes of the meeting at which the vote was taken (notwithstanding anything to the contrary in this Collection Policy or any other governing document of the Association, the Association may not foreclose on an Unit if the debt securing the lien consists only of one or both of the following: (i) fines that the Association has assessed against the Owner, or (ii) collection costs or attorney fees that the Association has incurred and that are only associated with assessed fines). In order to foreclose its lien, the Association must first have obtained a personal judgment against the Owner in a civil action to collect the amounts due; the Association, must have attempted to bring a civil action against the Owner but was prevented by the death or incapacity of the Owner; the Association must have attempted to bring a civil action against the Owner and made a reasonable attempt to serve the Owner but the Association was unable to serve the Owner within one hundred eighty days; or, the Owner must have filed a bankruptcy petition or must have an involuntary bankruptcy petition filed against the Owner. The Association shall strictly comply with any applicable association lien or foreclosure provisions contained in applicable statutes and any application lien or foreclosure provisions of the Association's governing documents. At least thirty days before initiating a legal action to foreclose an association lien, the Association shall provide written and electronic notice to the Owner or the Owner's Designated Contact of the Association's intent to foreclose the Association lien and notice that (a) the Owner has the right to participate in credit counseling at the Owner's expense and that information relating to obtaining credit counseling and the consequences of foreclosure by an association is available through the HOA Information and Resource Center created by section 12-10-801(1) or through a link to the Federal Department of Housing and Urban Development on the Department of Local Affairs' website, and (b) credit counseling may include: (I) discussion of amounts owed to the Association in unpaid assessments and related costs; (II) the impact of foreclosure on the Owner's credit; (III) additional debt that may be incurred by the Owner if foreclosure by the Association is completed, (IV) options available to the Owner to retain title to the Unit or to remain in the Unit, and (V) any other options that may be available to the Owner to avoid foreclosure. Prior to sending the foregoing notice(s), if the Association does not already have the Owner's and Designated Contact's telephone number for phone calls, a cellular number for texts, and an email address for emails, the Association shall request said information. The notice of intent to foreclose shall be delivered in a manner consistent with paragraph 10 above and shall also inform the Owner that (a) the Association intends to file a lawsuit against the Owner's property and that, if the court forecloses on the lien, the court will order the sale of the Unit at auction to pay the delinquent assessments due to the Association; (b) based on the sale price of the Unit at auction, the Owner could lose some or all of the Owner's equity in the Unit; and, (c) the Owner has a right to participate in mediation with the Association prior to foreclosure. No later than five business days after an Association initiates legal action to foreclose a lien the Association shall provide written and electronic notice to all lienholders identified in the Owner's property records of (a) the right to cure the nonpayment pursuant to section 38-38-104, and (b) the right of the Owner to file a motion to stay the sale of the property at auction pursuant to section 38-38-109.5.

D. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim.

E. Filing a court action seeking appointment of a receiver. A receiver is a disinterested

person appointed by the court to manage rental of the Owner's property and to collect the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments, and prevent waste and deterioration of the property.

All payment plans involving accounts referred to an attorney or collection agency for collection shall be set up and monitored through the attorney or collection agency.

Upon referral of any matter to the Association's attorney or a collection agency, the Association shall pay the Association's attorneys or the collection agency, their usual and customary charges as well as any costs incurred on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney or collection agency.

12. Itemized Statements. In addition to the notices and communications outlined above, and even after an account has been sent to the Association attorney or collection agency for collection, the Association shall cause to be sent to any Owner having an outstanding balance due, an itemized list of all assessments, fines, fees, and charges, that the Owner owes the Association. This monthly notice shall be sent by first class mail to the Owner and to any Designated Contact. The monthly notice may also be sent by email if the Owner has provided the Association with an email address. This itemized statement may not contain additional legal fees and legal costs that have been incurred by the Association but have not yet been posted to the ledger. To obtain the additional legal fees and legal costs, the Owner is required to communicate with the collection attorney or collection agency.

13. Notification to and Communication with Owners. This Collection Policy shall be made available to all Owners by the Association as required by Colorado law. After a delinquent account has been referred to the Association's attorney or collection agency, all communication with the delinquent Owner shall be handled through the Association's attorney or collection agency. Neither the manager, if any, 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 or collection agency unless the attorney or collection agency is present or has consented to the contact. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.

14. Certificate of Status of Assessment/Estoppel Letter. The Association shall furnish to an Owner or such Owner's designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's Unit. The statement shall be delivered within fourteen (14) calendar days after receipt of the request personally or by certified mail, first-class postage prepaid, return receipt requested. The fee for the statement shall be assessed in accordance with the management company's fee schedule for such statements, which fee shall become an assessment. If the Owner's account has been turned over to the Association's attorney or collection agency, such statement shall be handled through the Association's attorney or collection agency and shall include attorney fees, if any, incurred in providing the statement.

15. Bankruptcies and Public Trustee Foreclosures. 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 Unit within the Association, the Association shall advise the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

16. Waivers and Deviation. The Association may alter the time for the filing of lawsuits and liens, or otherwise modify the procedures contained herein, as the Association shall determine appropriate under the particular circumstances so long as any specified time period is not shortened and the action conforms to applicable law. Any such accommodation shall be documented in the Association's files with the conditions of relief. Failure of the Association to require strict compliance with this Collection Policy shall not be deemed a waiver of the Association's right to require strict

compliance and shall not be deemed 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 Collection Policy. The Board may deviate from the procedures set forth in this policy if in its sole discretion such deviation is reasonable under the circumstances and allowed by law.

17. Amendment. This Collection Policy may be amended from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that this Amended and Restated Policy and Procedures for Collection of Unpaid Assessments was adopted by resolution of the Board of Directors of the Association this 28th day of November, 2022, as amended on January 15, 2026

BRADYCHASE RECREATIONAL ASSOCIATION, INC.,  
a Colorado nonprofit corporation

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By:  
Its: President

ATTEST:

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By: