

**POLICY  
OF THE PLAZA AT ASPEN VILLAGE OWNERS ASSOCIATION  
REGARDING PROCEDURE DUES AND ASSESSMENTS COLLECTION**

**SUBJECT:** Adoption of a policy related the procedure for the collection of dues and assessments from members.

**PURPOSES:** Establish procedures for collecting dues and assessments.

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

**EFFECTIVE  
DATE:**

---

**RESOLUTION:** The Association adopts the following policy and procedures for collection of dues and assessments:

1. Due Dates, Late Charges, Interest, and Suspension of Rights.

A. Due Dates: All monthly installments of Annual Assessments are due on the 1<sup>st</sup> day of each month and become delinquent on the 10th day of the month. Invoices will be sent to members as close to the due date as possible. Non-receipt of an invoice does not relieve the member of the obligation to pay. Payments will be deemed received and will be posted on the date the payment is received by the Association or in the Association's payment processor's office.

The Due Date for any Special Assessments shall be the date or dates so determined by the Board of Directors.

B. Late Charge. A late charge in the amount of \$50.00 per month for annual or special assess, fine or other charge not paid before the delinquency date without further notice to the Owner. Such late charge is a personal obligation of the Owner and a lien on the Property.

C. Interest. After 60 days past the date of Delinquency, Interest at the rate of 6% above prime interest rate will accrue on any delinquent assessment, fine or other charge from the Late Fee Date without further notice to the Owner. Interest will be added to the Owner's account beginning the first day of the month following the Delinquency date and continuing until paid. Such interest is a personal obligation of the Owner and a lien on the Property.

D. Suspension of Rights. An Owner's right to vote will be automatically suspended if an assessment or other charges is not paid within ~~60~~ 10 days of the Due Date.

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 10 days after such notice is given, the person issuing the check, draft or money order will 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 will 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.

D. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the assessment is not timely made within 10 days of the due date.

3. Attorney Fees and Collection Costs. The Association will 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. Attorney fees incurred by the Association will be considered part of the assessments and will be due and payable immediately when incurred, upon demand.

4. Application of Payments. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), may be applied first to post-judgment attorney's fees, costs and expense; then to costs and attorney's fees not reduced to a judgment; then to interest; then to late charges; then to return check charges;; then to delinquent assessments; then to current assessments not reduced to judgment; and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

5. 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.

6. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

Due Date  (date payment due)	1st day of the month due
Past Due Date  (date payment is late if not received on or before that date)	10 days after due date
First Notice  (notice that late charges have accrued, required disclosures of the Association and the availability of a payment plan if applicable)	Any time after 30 days after due date
Second Notice  (notice that late charges have accrued, notice of intent to file lien)	Any time after 45 days after due date
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	Any time after 60 days after due date

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

7. Notice. 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 will send the Owner a notice of delinquency specifying: the total amount due, with an accounting of how the total was determined; whether the opportunity to enter into a payment plan exists as provided in this collection policy, and instructions for contacting the Association to enter into a payment plan, if available; 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; and that action is required to cure the delinquency and that failure to do so may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law.

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 Property through foreclosure or deed in lieu of foreclosure, the Association may file a lien on the Property for any delinquent payment.

8. 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 minimum period of six months or such other period as authorized by the Board of Directors. If the Owner fails to comply with the terms of the payment plan (fails to remit payment of an agreed-upon installment or fails to remain current with regular assessments as they come 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 pursuant to this policy. Furthermore, the Association is not obligated to offer or negotiate a payment plan with an Owner who does not occupy the Property and acquired the Property because of a default of a security interest encumbering the Property or a foreclosure of the Association's lien.

9. Foreclosure. 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. ***If the Association forecloses on its lien, the Owner will lose the Owner's Property, having the same effect as if a first mortgagee institutes a foreclosure action against the property (though the procedure is different).*** 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 (or half of the annual assessment if the annual assessment is not paid in installments). Prior to filing a foreclosure action, the Board will resolve by a recorded vote to authorize the filing of the foreclosure action against the particular Property, on a specific basis.

10. Notices: Use of Certified Mail/Regular Mail. In the event the Association sends a collection or demand letter or notice to a delinquent Owner by regular mail, the Association may also send, but will not be required to send, an additional copy of that letter or notice by certified mail.

11. Referral of Delinquent Accounts to Attorneys. Upon referral of a delinquent account to the Association's attorneys, the attorneys will take appropriate action to collect the accounts referred. After an account has been referred to the Association's attorney, the account will remain with the attorney until the account is settled, has a zero balance or is written off. The Association's attorney 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;

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

E. Filing a court action seeking appointment of a receiver. A receiver is a disinterested person, appointed by the court, who manages rental of the Owner's property, and collects 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.

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

10. Notification to and Communication with Owners. This Collection Policy will 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, all communication with the delinquent Owner will be handled through the Association's attorney. Neither the manager, if any, nor any member of the Board of Directors will 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. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.

11. Certificate of Status of Assessment/Estoppel Letter. The Association will 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 Property. The statement will be delivered within 14 calendar days after receipt of the request personally or by certified mail, first-class postage prepaid, return receipt requested for a fee in the amount of \$75.00, which will become an assessment. If the Owner's account has been turned over to the Association's attorney, such statement will be handled through the Association's attorney and will include any attorney fees incurred in providing the statement.

12. 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 Property within the Association, the Association will advise the Association's attorney of the same and turn the account over to the Association's attorney.

13. Waivers. The Association may alter the time for the filing of lawsuits and liens, or otherwise modify the procedures contained herein, as the Association determines appropriate under the particular circumstances. Any such accommodation will be documented in the Association's files with the conditions of relief. Failure of the Association to require strict compliance with this Collection Policy will not be deemed a waiver of the Association's right to require strict compliance and will 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.

14. Amendment. This Collection Policy may be amended from time to time by the Board of Directors pursuant to the Policy for approving Policies.

15. 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.

16. Collection Process.

(a) After the ann assessment or other charge due to the Association becomes more than 30 days delinquent, the Board of Directors shall send a written notice ("First Notice") of non-payment, amount past due, notice that late fees have accrued and request for immediate payment. The Association's notice, at a minimum shall including the following:

(i) The total amount due to the Association along with an accounting of how the total amount was determined.

(ii) Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.

(iii) A name and contact information for an individual the owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.

(iv) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquency account being turned over to an attorney, 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 including revoking the owners right to vote if permitted in the Bylaws or Declaration.

(b) After the annual assessment or other charge due to the Association becomes more than ~~60~~ 45 days delinquent, the Board of Directors shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that late fees have accrued, notice of intent to file a lien and request for immediate payment.

(c) After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the Board of Directors shall file a lien and may turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorneys may send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorney may file a lawsuit. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any applicable interest and late fees.

(d) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

**PRESIDENT'S**

**CERTIFICATION:** The undersigned, being the President of The Plaza at Aspen Village Owners Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on \_\_\_\_\_ and in witness thereof, the undersigned has subscribed his/her name.

**The Plaza at Aspen Village Owners Association**, a Colorado nonprofit corporation

By: \_\_\_\_\_ Its: President

Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's 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. The attorney, in consultation with the Board of Directors, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

(a) Filing of a suit against the delinquent Owner for a money judgment;

(b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;

(c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and

(d) Filing a court action seeking appointment of a receiver.

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

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. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses 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 the waste and deterioration of the property.

Rental Interception. To the extent permitted by the Declaration, the Association may, without court order, notify the tenant of any unit where the Owner is delinquent in the payment of assessments, pursuant to the Declaration and Colorado law, that rents shall be paid to the Association effective immediately and continue until such time as the Owner's account is current. Such notice shall be in writing to the tenant and the Owner. All funds received by the Association from the tenant shall be credited to the Owner's account as set forth herein.

Judicial Foreclosure. 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 other circumstances favor such action. The Association shall consider individually each recommendation for a foreclosure and may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

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. No 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.

Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.

Defenses. Failure of the Association to comply with any provision in this Policy 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 Policy.

Credit Report. In the event an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law, the Owner acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.

Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

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