

# MOUNTAIN VIEW ESTATES HOMEOWNERS' ASSOCIATION

## AMENDED COLLECTION POLICY

**Effective Date: April 1, 2016**

Mountain View Estates Homeowners' Association (the "Association") hereby adopts the following policies and procedures for collection of unpaid assessments (the "Policy"):

1. Definitions. Unless otherwise defined in this Policy, terms defined in the Declaration of Protective Covenants for Mountain View Estates (the "Declaration") and the Association's articles of incorporation ("Articles"), bylaws ("Bylaws") and rules and regulations ("Rules and Regulations") shall have the same meaning herein. The Declaration, Articles, Bylaws and Rules and Regulations are collectively referred to as the "Governing Documents." References in this Policy to the Act shall mean the Colorado Common Interest Ownership Act, as amended from time to time.
2. Effective Date and Applicability. This Policy is effective April 1, 2016, and shall be followed by the Association in collecting unpaid assessments after that date. This Policy applies to the collection of unpaid assessments and other delinquent payments enforceable as assessments, including fees, charges, late charges, attorney's fees, fines and interest. References herein to assessments shall include any and all of such amounts, as the context may require. In this Policy, references to the Association shall include a holder or assignee of the Association's debt.
3. Due Dates. Dues and assessments for common assessments are payable to the Association on the schedule approved by the Board of Directors from time to time. As of the date of this Policy, regular dues (assessments) have been established at the rate of \$25.00 per year and are payable in advance for periods of four years (through 2018). The Association may send Owners statements for regular assessments and shall send Owners statements for special assessments and other charges. Failure to send any statement shall not excuse payment or postpone the due date for payment. Regular assessments shall be considered past due and delinquent if not paid within thirty (30) days after billing or other notice that payment is due. Special or other assessments shall be due and payable on the date specified in the Notice of Assessment and shall be considered past due and delinquent if not paid in full within thirty (30) days after the date for payment specified in the notice.
4. Late Fees and Interest. A late fee in the amount of \$25 shall be imposed without further notice for any assessment not paid in full within thirty (30) days of the due date.
5. Interest. Interest at the rate of twelve percent (12%) per annum shall accrue and be payable without further notice on delinquent assessments from the due date until paid in full.
6. Personal Obligation and Lien. All assessments, fees, charges, late charges, attorney's fees, fines and interest assessed with respect to any Lot are the personal obligation of

the Lot Owner, and the Association shall have a lien on the Lot for all such amounts. If there is more than one Owner of the Lot, the obligations of each of the Owners for payment of assessments shall be joint and several, and references to herein an Owner shall include all Owners.

7. Returned Check Charges. If any check or other instrument payable to or for the benefit of the Association is not honored or is returned for any reason, including but not limited to insufficient funds, the Owner shall be liable to the Association for a returned check charge in the amount of \$30.00. Any returned check shall cause the Owner's account to be past due if full payment of the assessment or any other charge is delinquent. If two (2) or more of an Owner's checks are returned unpaid within any fiscal year, the Association may require that all of the Owner's future payments, for a period of twelve (12) months, be made by certified check or money order.

8. Payment Plans. The Association shall make a good faith effort to coordinate with the delinquent Owner to set up a payment plan for unpaid assessments provided that the Association is not obligated to offer a payment plan to any Lot Owner who either (i) does not occupy the Lot for which assessments are delinquent and acquired the Lot as a result of a default of a security interest encumbering the Lot or foreclosure of the Association's lien, or (ii) has previously entered into a payment plan pursuant to Section 38-33.3-316.3 of the Act.

The payment plan shall permit the delinquent Owner to pay off the deficiency in equal installments over a period of six (6) months or such longer period as the Association may agree in its sole discretion. The Association shall be entitled to pursue all remedies against a delinquent Owner if the Owner fails to comply with the terms of the agreed payment plan. The delinquent Owner's failure to remit payment of an agreed upon installment or to remain current with regular assessments as they come due during the period of the payment plan, constitutes a failure to comply with the terms of the payment plan.

9. Notice of Delinquency. Before the Association turns over a delinquent account of a Lot Owner to a collection agency or refers it to an attorney for legal action, the Association shall send the Owner a Notice of Delinquency specifying:

- (a) The total amount due, with an accounting of how the total was determined.
- (b) Whether the opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into such a payment plan.
- (c) 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.
- (d) 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 a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's Lot, or other remedies available under Colorado law.

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

11. Remedies. The legal remedies available to the Association to collect on an Owner's delinquent account are set forth in the Association's Governing Documents, the Act and other applicable laws. The remedies of the Association include, without limitation:

(a) The right to record a statement of lien against the delinquent Owner's Lot, provided that the failure to record a statement of lien shall not affect the existence or priority of the Association's lien.

(b) The right to sue the delinquent Owners in court and obtain judgment against the delinquent Owners personally. If there is more than one delinquent Owner, the judgment against them may provide for joint and several liability. The judgment may be collected in any manner permitted by law, including without limitation garnishment of bank accounts and wages and attachment and sale of the delinquent Owner's property.

(c) The right to foreclose the Association's lien on the delinquent Owner's Lot, subject to Section 12 of this Policy.

12. Foreclosure of Association's Lien. The Association's lien may be foreclosed in like manner as a mortgage in real estate, provided that the Association may only foreclose on the lien if:

(a) The balance of the assessments and charges secured by the lien equals or exceeds six (6) months of common expense assessments based on the periodic budget adopted by the Association; and

(b) The Board of Directors of the Association has formally resolved, by recorded vote, the filing of a legal action against a specific Lot on an individual basis. The Association's Board of Directors may not delegate its duty to act pursuant to this subparagraph (b).

13. 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, whether or not legal action or foreclosure proceedings are commenced. Attorney fees and collection costs incurred by the Association are part of the assessments and shall be due and payable immediately when incurred, upon demand.

14. Notices. Notices and other communications to a delinquent Owner by or on behalf of the Association shall be sent by regular first class mail, unless another form of communication is required by applicable law, provided that nothing herein shall prevent the

Association from communicating with a delinquent Owner by any other means, including electronic mail.

15. Notification to and Communication from Owners. This 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, all communications from the delinquent Owner to the Association shall be through the Association's attorney.

16. Waivers. The Association may alter the time, or otherwise modify the procedures contained herein, as the Association shall determine appropriate under the particular circumstances. 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 Policy shall not be deemed a waiver of the Association's right to require strict compliance and shall not be deemed a defense to the payment of any assessment, fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

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

18. Prior Policies. This Policy shall supersede all prior collection policies.

This Amended Collection Policy was adopted by resolution of the Board of Directors of the Association as of April 1, 2016.

MOUNTAIN VIEW ESTATES HOMEOWNERS'  
ASSOCIATION

By Fred N. Fuller  
Name Fred N Fuller  
Title President