

THE VILLAS AT SUNRISE CREEK HOMEOWNERS ASSOCIATION POLICY FOR COLLECTION OF DELINQUENT ASSESSMENTS

Policy Background:

It is vital to the effective administration of the Association that assessments and other charges to members be paid in a timely manner. Late or non-paying members place an unfair burden on members who pay on time. The Association must collect past due assessments in order to continue to serve the community well and efficiently. This Policy is in compliance with Colorado Revised Statutes §38-33.3-209.5, the Declaration of Covenants, Conditions and Restrictions of The Villas at Sunrise Creek (the "Declaration") and the Articles of Incorporation and Bylaws of the Association.

Policy Procedures & Requirements:

Definitions: "Assessments" include those assessments as provided for in the Declaration, other Association governing documents, and as defined under Colorado statute, as well as any special assessments imposed by the Association, other associated fees, charges, late charges, attorney fees, fines, penalties and interest. All Assessments are due within ten (10) days from the date of billing, unless otherwise stated in the billing. An Assessment is "delinquent" or "past-due" if it remains unpaid after said ten day time frame or after the date specified in the billing. .

Collecting Delinquent Assessments: The Association, through the Board of Directors, may initiate collection proceedings at any time after any Assessment payment becomes delinquent, subject to the following policy. The Board, in its sole discretion, consistent with state law, and in light of the relevant facts and circumstances, may choose to employ any reasonable means to collect said delinquent assessment. Prior to initiating collection action, the Board shall do the following:

1. For all Assessments that are delinquent for thirty days or more: send a late-notice letter to the delinquent member explaining all the following:
 - a. Total amounts owed, with an accounting of how the total was determined.
 - b. A one-time offer of the opportunity for the delinquent member to enter into a payment plan, under which the total delinquent amount is fully paid off in equal installments over a six-month period. The payment plan option is not available to a member who has previously been in a delinquent status or who has previously entered into a payment plan with the Association. Failure to comply with the terms of the payment plan shall immediately trigger the next step of the collections process described in (c) below.
 - c. The late-notice letter will specify that if a delinquent member fails to cure the entire delinquency or does not enter into a payment plan, within 30 days of the

date of the late-notice letter, or at anytime fails to comply with the terms of the payment plan, the Association's Board, by recorded vote, will consider initiating collection action as stated in Section 2, below.

- d. The late-notice letter will give the contact information of the association representative that the member may contact to verify the amount of the debt and to inform as to the member's acceptance or rejection of the payment plan option.
 - e. The late-notice letter will be the only written notice from the Association prior to undertaking collection action.
2. Upon the failure of a delinquent member to cure the entire delinquency, to enter into a payment plan or to comply with the terms of a payment plan, the Association Board, by recorded vote, may refer the delinquent account to its attorney for further actions as necessary, or pursue action through other HOA representatives. These actions may include, but are not limited to; filing a lien on the property, filing a lawsuit against the delinquent member, foreclosure of the Assessment lien, or other such actions as may be recommended by the Association's attorney and approved by recorded vote of the Board. The delinquent member will additionally be responsible for all legal fees and costs involved in the collections process. Should the Association initiate collection action under this policy, all further communication regarding the delinquent account will be between the delinquent member and the Association's attorney or designated representative only until resolution. Also, at the discretion of the Board, the voting privileges of the delinquent member may be suspended by recorded vote of the Board.
3. The Board shall review this Policy annually. The Board may amend this Policy when such modification is deemed to be in the interests of the Association.

The undersigned, being President of The Villas at Sunrise Creek Homeowners Association, Inc., certifies that the forgoing Policy was adopted by the Board of Directors of the Association at a duly called meeting of the Board on 6-6-19, and in witness thereof the undersigned has subscribed his/her name.

By: , President