

**RESOLUTION
OF THE
VILLAGES AT COTTON RANCH HOMEOWNER'S ASSOCIATION, INC
(herein the Association)**

SUBJECT:	Adoption of a Policy and Procedure regarding the collection of unpaid assessments, dues, fees and other charges (herein Collection).
PURPOSE:	To provide notice of the Association's adoption of a uniform and systematic procedure for Collections.
AUTHORITY:	The Declaration, Articles, and Bylaws of the Association and Colorado Law.
EFFECTIVE DATE:	
RESOLUTION:	The Association Board of Directors (herein Board) here by adopts the following policy and procedures

Proper operation of the Association requires collecting all Collections in a timely and consistent manner. To this end the Board has hired a bookkeeper and attorney to assist in pursuing unpaid Collections and in providing information to Owners (herein Owner(s) shall refer to the Owner of a unit that is part Association HOA as described by Eagle County Plat).

The publication of this Resolution on the Association website and an informational letter to all owners shall be considered as notice to owners. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning. The term Board shall is synonymous with Executive Board and the term Declaration is synonymous with Covenants, Conditions and Restrictions. This Policy and Procedure may be amended by the Board. The Board reserves the right to deviate from these procedures if in its sole discretion such deviation is reasonable under specific, documented, and unique circumstances. Owners with delinquent accounts may NOT vote on Association matters.

Due Dates: The amount and payment schedule are determined by the Board and are due and payable as scheduled. Association invoices not paid within 15 days of the due date shall be considered past due and delinquent.

Receipt Date: The Association shall post payments within 15 days from due date for payments mailed to the Association's post office box or by the date of receipt of electronic payment to the Association's bank account.

Late Charges on Delinquent Payments: The Association shall impose a late fee; see Collection Process, below, on all delinquent payments. Late payments may incur an 18% interest charge, bookkeeping fees, attorney fees, and other fees related to collections, depending on provisions of the Collection Process.

Collection Process:

30 Days Past Due: After a Collection becomes more than 30 days delinquent, the Association shall send a written notice (First Notice) of non-payment, containing a statement of the owners account and late charges, including interest charges. The Collections must be paid in full, including interest and late charges of \$25, to be considered paid. Owner's payment checks returned by the bank will incur an

additional \$75 returned check charge. The First Notice is due and payable 15 days after mailing. Owner's payment checks returned by the bank will incur an additional \$50 returned check charge.

60 Days Past Due: After an Collections becomes more than 60 days delinquent the Association shall send a written notice (Second Notice). The Second Notice shall contain a statement of the owner's account, including interest and a late charge of \$50, to be considered paid Owner's payment must include the entire amount of the delinquency including interest, fees and other charges.

Owner's payment checks returned by the bank will incur an additional \$75 returned check charge. The Second Notice is due and payable 15 days after mailing. The Second Notice will also contain a description of the Association's further collection remedies as described under 90 Days Past Due.

90 Days Past Due: After a Collection becomes more than 90 days delinquent the Association shall turn the Account over to the Association's Attorney. The Attorney will assess the owners account and plan of action to collect the past due amounts. The Attorney may consider the following actions: direct negotiation with the owner, filing a lien, filing a lawsuit pursuant to foreclosure or monitory payment, referring the owner to a collection agency, filing a delinquency report with credit bureaus, filing motions in bankruptcy court, seeking a court action to appoint a receiver, or any other action allowed under Colorado Law. Once a delinquency has been referred to the Attorney, it shall remain with the Attorney until the Owner's account is settled, has a zero balance or is written off. All payment plans negotiated by the Attorney shall be monitored by the Attorney, and the cost shall be billed to the delinquent Owner.

The Attorney shall provide a plan of action to the Board for approval, before execution. The plan shall be developed to curing a delinquency as cheaply and quickly as possible and may take into consideration Owners unique and documented circumstances.

Payment Plan: Each delinquent owner may elect a onetime payment to cure delinquency, or monthly, quarterly, or semi-annual payments. Each payment will include a \$50 service fee and 18% interest. A payment plan may be made with the Board or Bookkeeper. Failure to make payments will result in the Owner's account being referred to the Attorney.

Interest Calculation: Simple interest will be charged on a daily at the rate of 0.0493% per day on the delinquent balance (including other charges and fees). Interest will be applied from the date of the delinquency through the payment due date.

Returned Check Charge: The Association will charge an owner's account \$75 for each returned check or other instrument of payment, not honored by the Association's bank. If two or more checks are returned as unpaid by the bank within one fiscal year, the Association will require the owner to pay by certified check, money order or electronic funds transfer and will not accept Owner's personal checks for a period of two years from the date of the second returned check. Any returned check will cause the Owner's account to become past due, unless full payment, including returned check fee, are received within 15 days of the due date.

Service Fees and Charges: In the event the Association incurs any type of service fee regardless of what it is called, for handling and processing of a delinquent account, such fee or charge will be billed to the Owner. Non-payment of such fees may cause the Owner's account to become delinquent. These fees and charges shall include, but are not limited to, attorney fees, costs of court actions, collection bureau

charges, serving documents, mediation or arbitration, bookkeeping costs to produce reports at customers request ...

Status of Owner's Account: An Owner may request a statement of their account at any time. The Statement will show any delinquencies. The Statement will be provided by electronic means. Mailed Statements will be provided for a fee of \$5.

Bankruptcies and Foreclosures: Upon receipt of any notice of a bankruptcy filing by an Owner or upon receipt of notice of a foreclosure by any holder of an encumbrance against any Owner or unit within the Association, the Association shall notify the Association's Attorney of the same and turn the account over to the Attorney for appropriate action.

Waivers: The Association may extend the time for filing lawsuits and liens, or otherwise modify the procedures contained herein, if the Association determines, with the advice of the Attorney, that such modifications would accelerate the curing of a delinquency based on unique, specific and documented circumstances.

Defense: Failure of the Association to comply with any provision of this policy and procedure shall not be deemed a defense to full and prompt payment of delinquent accounts.

Certification: The undersigned being the President of the Association certifies that the foregoing Resolution was adopted by the Board on March 10, 2020.

Signed by Edward Spivak
President, the Villages at Cotton Ranch Homeowner's Association, Inc. , March 10, 2020