

**ALQUEZAR CONDOMINIUM ASSOCIATION
AMENDED AND RESTATED POLICY FOR
COLLECTION OF ASSESSMENTS**

SUBJECT: Adoption of an amended procedure regarding collection of assessments pursuant to C.R.S. 38.33.3-209.5 and C.R.S. 38-33.3-316.

PURPOSE: To adopt a standard procedure to be followed for collection of assessments in compliance with the Colorado Common Interest Ownership Act.

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

**EFFECTIVE
DATE:** _____, 2013

RESOLUTION: The Association hereby adopts the following Policy:

1. General. This Amended Policy is adopted for the purpose of compliance with C.R.S. §38-33.3-209.5, and to promote the recreation, health, safety and welfare of the Association and its Members. The Association is entitled to levy assessments to meet the expected fiscal needs of the Association in order to act in a financially sound manner and pursuant to the provisions of the Association's governing documents. Assessments are assessed and payable per the Association governing documents and as determined by the Board in compliance therewith which shall be inclusive of this Policy. This Amended and Restated Policy replaces in total the Association's prior Policy for Collection of Assessments.

2. Due Date. The rate of assessment shall be fixed, and from time to time amended, in a manner sufficient to meet the expected needs of the Association, as determined by the Board in order to act in a fiscally sound manner. Assessments for the Common Expenses are to be paid quarterly or in such other intervals as the Board may determine, in advance, and are due on the first day of the period to which the assessment installment relates in the amount specified in the most recent notice from the Association until the Association notifies the Owners in writing of a different amount. Special Assessments are due thirty (30) days after the Association gives an Owner notice of the amount of the Special Assessment and shall be payable either in a lump sum or in quarterly or monthly installments as the Board may deem appropriate. Default Assessments, fines and penalties shall be due ten (10) days after imposition of the same.

3. Interest Rate. Interest shall accrue on any overdue Assessment at the Interest Rate of 8% per annum, the Colorado statutory rate of interest, on all assessments not paid when due.

4. Late Charges. Pursuant to Article 12(c) of the Declaration, the Board hereby imposes a late fee of ten percent (10%) of the amount due upon any assessment, or portion thereof, whether pertaining to annual, special, or default assessments, if not paid when due, in addition to interest. Each Assessment that becomes overdue can be assessed a Late Fee.

5. Suspension of Voting Rights. No Owner who has an assessment delinquency shall be entitled to vote on any Association matter pursuant to Section Article VII, section 3, of the Bylaws.

6. Returned Check Charges. The Association shall charge a fee of \$50.00 for any returned check in addition to any fees and charges assessed against the Association by its banking institution.

7. Method of Application of Payments. All payments received by an Owner shall be applied first to interest, late fees and penalties, if any, and then to the oldest outstanding assessment or portion thereof.

8. Collection of Assessments.

(a) *Notice to Owner of Delinquency.* Prior to the Association turning over any delinquent Owner account for collection by a third party, including a collection agency or attorney for legal action, the Association shall provide a Notice of Delinquency to the delinquent Owner that provides for the following:

- i. The total amount due, with an accounting of how the total was determined;
- ii. Whether the Association will provide an opportunity to enter into a payment plan pursuant to Section 8(b) below including instructions for contacting the Association to enter into such a payment plan;
- iii. The name and contact information for the person that the delinquent Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt;
- iv. That action is required to cure the delinquency and that failure to do so within thirty (30) days of the date of the Notice of Delinquency 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 Owners' Unit, or other remedies available under Colorado law.

(b) *Lien Foreclosure.*

i. *Foreclosure.* The Association has a statutory lien for any assessment delinquency, whether pertaining to monthly, special, or default assessments. The Association's lien may be foreclosed upon in like manner as a mortgage on real estate if:

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

b. The Executive Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific unit that is delinquent on an individual basis. The Board will not delegate its duty in this regard to any attorney, insurer, manager, or other person.

c. The Association shall also make a good-faith effort to coordinate with any delinquent Owner to set up a payment plan the terms of which are negotiable by the Association but which at a

minimum will permit the delinquent Owner to pay off the deficiency in equal installments over a period of at least six months ("Payment Plan"). The Association may pursue legal action against a delinquent Owner if the Owner fails to comply with the terms of the payment plan. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the pendency of a Payment Plan, shall constitute a failure to comply with the terms of the Payment Plan. The Association does not have to offer a Payment Plan of any nature or kind to an Owner who the Association has previously entered into a Payment Plan with. Additionally, this Section 8(c) does not apply if the Owner does not occupy the Unit and has acquired the property as a result of:

- i. A default of a security interest encumbering the unit; or
- ii. Foreclosure of the Association's lien;

9. Non-binding on Association. The provisions of this Policy are to establish a framework for prompt and uniform collection of overdue assessments. The Association shall not be required to take each or any of the steps set forth herein except to the extent that any such steps are mandated by the Colorado Common Interest Ownership Act codified at C.R.S. 38-33.3-101 et seq., The Association's failure to take any of these steps not mandated by Colorado law, and/or to follow each step as prescribed herein, shall not be deemed a violation that would alleviate an Owner's obligations under the Association documents or the Colorado Common Interest Ownership Act ("CCIOA") or be a waiver by the Association of any of its rights pursuant to the Association documents or CCIOA.

10. Non-exclusive Remedies. All remedies set forth herein are cumulative and non-exclusive.

11. No Waiver. Failure of the Executive Board, the Manager, or designated agent to enforce the Association documents and/or these policies and procedures, shall not be deemed a waiver of the right to do so with regard to said violation, any subsequent violations, or the right to enforce any other part of the Association documents at any future time.

12. No Liability. No member of the Executive Board, the Manager, or any Owner shall be liable to any other Owner for the failure to enforce any of the Association documents, including this Policy.

13. Recovery of Costs. If an attorney is hired to enforce any provisions of the Association documents, including this Policy, or for the restraint of violation of the Association documents, the Association is entitled to recover its reasonable attorney fees and all costs incurred by it in such action. The sole exception would be in the event of any collection action filed without evidence of the recorded vote authorizing a lien foreclosure action per Section 8(b) above.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Alquezar Condominium Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on _____, 2013 and in witness thereof, the undersigned has subscribed his/her name.

Alquezar Condominium Association
A Colorado non-profit corporation,

By: _____
President