

**THE NINETEENTH FAIRWAY TOWNHOUSE CONDOMINIUMS ASSOCIATION  
POLICY REGARDING COLLECTION OF UNPAID ASSESSMENTS**

Effective Date: August, 2023

In compliance with the Colorado Common Interest Ownership Act, the Board of Directors rescinds any previous policy(ies) concerning the collection of unpaid assessments and adopts a uniform and systematic policy and procedure for the collection of unpaid assessments.

The Association hereby adopts the following policy for the collection of unpaid assessments:

1. Scope. Adoption of a policy and procedure regarding the collection of unpaid assessments.
2. Purpose. To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.
3. Authority. The Declaration, Articles of the Association, Bylaws, and Colorado law.
4. Resolution. The Association hereby adopts the following policy:

It is in the best interest of the Association to refer delinquent accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue. The Association hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association, as follows:

a) Due Dates. The installments of the annual assessment as determined by the Association and as allowed for in the Declaration (Articles 19; 20 & 21) shall be due and payable on the first day of each month. Assessments or other charges not paid in full to the Association within 15 days of the due date are considered past due and delinquent and shall incur late fees as provided below. In the event a monthly installment of the annual assessment is not paid within 30 days of the due date, the Association may impose an interest charge of eight percent (8.0%) per year, or such amount as may be allowed by law, of such unpaid assessment amount from the due date until payment is received as provided herein.

b) The Association will post payments on the day that the payment is received in the Association's office if it is being considered delinquent, otherwise payments will be posted on a weekly basis.

5. Late Charges On Delinquent Installments. The Association shall impose a late charge in the amount of \$50 or such other amount as determined by the Board on all payments not received within 15 days of the due date. This late charge shall be a "common expense" for each delinquent Owner,

6. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

7. Return Check Charges. In addition to any and all bank charges and/or charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a \$35.00 fee, fee for certified mailing, lien preparation, recording, etc., or other amount deemed appropriate by the Board shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. 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, money order or automatic electronic payment (ACH or similar). This returned 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 installment of the annual assessment is not timely made within 15 days of the due date; interest added to costs if not paid in next billing and all interest is compounded monthly.

8. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, 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 from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

9. Application of Payments. All sums collected on a delinquent account that has been turned over to the Association's attorney shall be remitted to the Association's attorney until the account is brought current. If an Owner has both unpaid assessments and unpaid fines, fees, or other charges, a payment received will apply first to assessments owed, then to any fines, fees or other charges owed. Otherwise all payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), may be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or the Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.



10. Collection Process. After an installment of an annual assessment or other charges due to the Association becomes more than 30 days delinquent, the manager may send a written notice, including certified mail fees unless email address is provided, ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment or immediate communication to set up a payment plan to permit the Owner to pay off the deficiency under terms at a minimum of payments in equal installments over a period of at least eighteen months, including terms for the Owner to remain current with regular assessments as they come due during the payment plan period, which if not done will constitute a default of such payment plan. For purposes of this section, "assessments" includes regular and special assessments and any associated fees, charges, late charges, attorney fees, fines, and interest charged.

For purposes of this section the Owner must respond to the First Notice to set up a payment plan within thirty (30) days of the First Notice being sent. Failure to timely respond will terminate the Owner's ability to enter into a payment plan.

For purposes of this section, "Owner" shall exclude any Owner that does not occupy his/her/its Unit, and who acquired the Unit as a result of a default of a security interest encumbering the Unit; or Foreclosure of the association's lien; and no payment plan will be offered to any Owner who has previously entered into a payment plan under this section.

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 entity must send the Owner a notice of delinquency, by certified mail, return receipt requested, specifying: (a) the total amount due with an accounting of how the total was determined; (b) if the opportunity to enter into a payment plan exists and if so with instructions for contacting the Association for such payment plan; (c) the name/contact information to contact to obtain the Owner's ledger to verify the amount owed; (d) that action is required to cure the delinquency and that failure to do so within thirty days may result in the unit 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 unit owner's property, or other remedies available under Colorado law; (d) whether the delinquency concerns unpaid assessments; unpaid fines, fees, or charges; or both unpaid assessments and unpaid fines, fees, or charges, and, if the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the unit owner that unpaid assessments may lead to foreclosure; and will include: (I) A description of the steps the association must take before the association may take legal action against the unit owner, including a description of the association's cure process; and (II) A description of what legal action the association may take against the unit owner, including a description of the types of matters that the association or unit owner may take to small claims court, including injunctive matters for which the association seeks an order requiring the unit owner to comply with the declaration, bylaws, covenants, or other governing documents of the association.

(a) After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the manager may file a lien and turn the account over to the Association's attorney for collection, but prior to referring an account to either a collection agency or attorney, the Manager shall send the unit owner a notice of



delinquency specifying: (i) the total amount due, with an accounting of how the total was determined; (ii) whether the opportunity to enter into a payment plan exists pursuant to section 38-33.3-316.3 and instructions for contacting the entity to enter into such a payment plan; (iii) the name and contact information for the individual the unit owner may contact to request a copy of the unit owner's ledger in order to verify the amount of the debt; and (iv) that action is required to cure the delinquency and that failure to do so within thirty days may result in the unit 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 unit owner's property, or other remedies available under Colorado law. 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 suit after consultation with Manager or Board of Directors. 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.

(b) The legal remedies available to the entity to collect on a unit owner's delinquent account pursuant to the governing documents of the entity and Colorado law include collection by the Association directly, referral to a collection agency or attorney, including filing a civil claim in Court for collection and/or foreclosure of the Association's lien, and/or direct foreclosure of the Association's lien through the county public trustee or similar designated county foreclosure official.

(c) In addition to the steps outlined above, the Association may elect to suspend the voting rights and/or use of common area(s) of any Owner (and all who claim use under such Owner) whose account is past due at the time of such voting.

11. Association Cure Process. (a) With regard to a unit owner's delinquency in paying assessments, fines, or fees, an association shall:

(1) First contact the unit owner to alert the unit owner of the delinquency before taking action in relation to the delinquency and shall maintain a record of any contacts, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made. Any contacts that the Manager makes on behalf of an association is deemed a contact made by the association and not by a debt collector. An Owner may identify another person to serve as a designated contact for the unit owner to be contacted on the Owner's behalf for purposes of this Cure Process. An Owner may also notify the Association if the Owner prefers that correspondence and notices from the Association be made in a language other than English. If a preference is not indicated, the Association shall send the correspondence and notices in English. The Owner and the Owner's designated contact must receive the same correspondence and notices anytime communications are sent out; except that the Owner must receive the correspondence and notices in the language for which the Owner has indicated a preference, if any. The Association may determine the manner in which an Owner may identify a designated contact. In contacting the Owner or a designated contact, the Association shall send the same type of notice of delinquency, including sending it by certified mail, return receipt requested, and physically post a copy of the notice of delinquency at the

Owner's unit. In addition, the Association shall contact the unit owner by one of the following means:

- (A) First-class mail;
- (B) Text message to a cellular number that the association has on file because the unit owner has provided the cellular number to the association; or
- (C) E-mail to an e-mail address that the association has on file because the unit owner has provided the e-mail address to the association.

(2) Refer a delinquent account to a collection agency or attorney only if a majority of the executive board votes to refer the matter in a recorded vote at a meeting, which may be conducted in closed session. The Manager shall not refer a delinquent account to a collection agency or an attorney unless a majority of the executive board votes to refer the matter in a recorded vote at a meeting, which may be conducted in closed session.

(b) With regard to an Owner's violation of the declaration, bylaws, covenants, or other governing documents of an association that the association reasonably determines threatens the public safety or health, the Association shall provide the Owner written notice, in English and in any language that the Owner has indicated a preference for correspondence and notices, of the violation informing the Owner that he/she/it has seventy-two hours to cure the violation or the Association may fine the unit owner.

If, after an inspection of the unit, the Association determines that the Owner has not cured the violation within seventy-two hours after receiving the notice, the Association may impose fines on the Owner every other day and may take legal action against the Owner for the violation; except that the Association shall not pursue foreclosure against the Owner unit based on fines owed for such violation(s).

(c) If the Association reasonably determines that an Owner committed a violation of the declaration, bylaws, covenants, or other governing documents of the association, other than a violation that threatens the public safety or health, the association shall, through certified mail, return receipt requested, provide the Owner written notice, in English and in any language that the Owner has indicated a preference for correspondence and notices, of the violation informing the Owner that he/she/it has thirty days to cure the violation or the Association, after conducting an inspection and determining that the Owner has not cured the violation, may fine the Owner; however, the total amount of fines imposed for the violation may not exceed five hundred dollars.

(i) The Owner will get notice regarding the nature of the alleged violation, the action or actions required to cure the alleged violation, the timeline to cure (72 hours), specifying fines may be levied every other day, the fair and impartial fact-finding process; and that legal action against the Owner may be taken for the violation(s).

(ii) The fact-finding process means a person or group who has the authority to decide if the declaration, bylaws, covenants, or other governing documents of an association have been violated and who are impartial (no direct personal, financial interest or benefit beyond general membership in the Association, in the outcome of the decision).



The Association shall grant an Owner two consecutive thirty-day periods to cure such a violation before the Association may take legal action against the Owner for the violation, which shall not include foreclosure against the Owner's unit based on fines owed for such violation.

If the Owner cures the violation within the period to cure afforded the Owner, the Owner may notify the association of the cure and, if the Owner sends with the notice visual evidence that the violation has been cured, the violation is deemed cured on the date that the Owner sends the notice. If the Owner's notice does not include visual evidence that the violation has been cured, the association shall inspect the unit as soon as practicable to determine if the violation has been cured.

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

Due Date- (date payment due)	- first day of the month
Past Due Date Late Charge- (date payment is late if not received on or before that date)	- 15 days after due date
First Notice Date Interest-	- 30 days after due date
Collection-	- 60 days after due date

The attorney may consult with the Association and/or Manager if necessary to determine if payment has been arranged or what collection procedures are appropriate.

13. Certificate of Status of Assessment. The Association will furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, email notification, fax delivery return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney for a fee which is determined by the Owner's attorney.

14. Bankruptcies and 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 unit within the Association, the manager may notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

15. 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 email, regular mail, or certified

mail (at the expense of the Owner), the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail (at the expense of the Owner).

16. 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 Association's Board of Directors, is authorized to take whatever actions are necessary, allowed by law 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 when allowed;
- c. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- d. File 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. Upon referral of any matter to the Association's attorney, the Association shall pay the attorney's usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.

17. 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 waste and deterioration of the property.

18. Association Foreclosure. As allowed by law 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.

19. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

20. 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. Neither the Manager nor any 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.



21. 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.
22. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
23. 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.
24. 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.
25. Amendment. This Policy may be amended from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that this collection of unpaid assessments policy was adopted by resolution of the Board of Directors of the Association on this 24<sup>th</sup> day of AUGUST, 2023.

THE NINETEENTH FAIRWAY TOWNHOUSE  
CONDOMINIUMS ASSOCIATION  
a Colorado nonprofit corporation,

  
By: James Sheridan  
Its: President