

HORIZON TOWERS CONDOMINIUM ASSOCIATION
AMENDED POLICY #0006: COLLECTION POLICY AND PROCEDURE
Amended & Adopted May 13, 2014

The following Policy has been adopted by the Horizon Towers Condominium Association ("Association") pursuant to C.R.S. §38-33.3-209.5, and in accordance with C.R.S. §38-33.3-123, §38-33.3-315, §38-33.3-316, the Association Documents and The Act, at a regular meeting of the Board of Directors.

Purpose: All Members are obligated by the Declaration to pay all dues and Assessments in a timely manner, and failure to do so jeopardizes the Association's ability to meet its financial obligations. Failure of Members to pay Assessments in a timely manner is also costly to the Association and unfair to other Members. Accordingly, the Association, acting through the Board must take steps to ensure timely payment of Assessments so that it may operate in a fiscally responsible manner. The purpose of this Policy is to establish a uniform and systematic procedure for collecting Assessments and other charges of the Association, thus ensuring the financial well being of the Association; and to adopt a zero tolerance waiver policy with regard to the application of applicable late fees and interest. To perform these duties, the Board needs to remain flexible in its approach in order to account for the unique facts and circumstances surrounding each delinquent payment.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Policy governing the collection of Assessments and other charges of the Association:

1. Procedure.

a. Annual HOA Assessment. The annual Home Owner Association (HOA) Assessment as determined by the Association shall be due and payable monthly in equal installments due on the first (1) day of each month. Annual HOA Assessments not paid to the Association within ten (10) days of the due date, shall be considered past due and delinquent.

b. Other Amounts Due to the Association. Other Assessments, charges, and payments due to the Association shall be due and payable on the first (1) day of the month. Any amount not paid to the Association within ten (10) days of the due date, shall be considered past due and delinquent.

c. Transfer of Ownership. In the event that the ownership of a Unit is transferred on a day other than the first day of the month, the monthly installment of the annual HOA Assessment and any other Assessments, charges and payments due and payable to the Association for the month of closing shall be prorated to the date of closing. Unless otherwise allowed by the Association in writing, and if not sooner paid by the seller and/or buyer, all Assessments, charges, and payments due and payable to the Association shall be paid at closing.

d. **Late Charges and Interest Charges.** The Association shall be entitled to impose a late charge equal to the greater of \$35.00 or twenty percent (20%) of the delinquent balance on each past due and delinquent installment. If any Assessment is not paid within thirty (30) days after its due date, the amount due shall bear interest at a rate of twenty one percent (21%) per annum from the due date until paid. All late charges and interest charges shall be due and payable immediately, without notice, in the manner provided for payment of Assessments.

e. **Payment Plans.** Except as provided here, the Association will make a good faith effort to coordinate with a Member who has unpaid assessments to set up a payment plan with the following minimum terms: repayment of all unpaid assessments (including regular and special assessments and any associated fees, charges, late charges, attorney fees, fines, service fees, recording fees and interest) over a period of no fewer than six (6) months in equal monthly installments, as provided in C.R.S. 38-33.3-316.3. During the term of any payment plan entered into under this policy, the Member also shall keep current on all assessments that may come due, as the failure to remain current with payment of regular assessments as they come due during the term of the payment plan shall constitute a failure to comply with the terms of the Members payment plan. The Association has no obligation to coordinate a payment plan with a Member who does not occupy his, her, or its Unit and acquired such Unit either: (1) through default in a security interest encumbering the Unit, or (2) foreclosure of the Associations lien. Additionally, the Association has no obligation to coordinate a payment plan with a Member with whom it has previously entered into a payment plan under this policy, regardless of the outcome.

f. **Return Check Charges.** A twenty-five dollar (\$25.00) fee shall be assessed against a Member in the event any check or other instrument attributable to or payable for the benefit of such Member is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of a Member's checks are returned unpaid by the bank within any twelve month period, the Association may require that all of the Member's future payments, for a period of one year, be made by certified check or money order.

g. **Application of Payments on Delinquent Accounts.** The Association shall apply all payments received on balances owed on delinquent accounts of any Member first to payment of any and all attorney fees and costs, then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, lien fees, and other costs owing or incurred with respect to such Member, and then to unpaid assessments beginning with the amounts left unpaid the longest and continuing in chronological order.

2. **Available Legal Remedies.** Subject to the provisions of this policy, the Association, acting through the Board, may initiate collection proceedings of any kind at any time after any assessment payment becomes past due, as defined above. The Board, in its sole discretion in light of the relevant facts and circumstances, may choose to employ any one or more of the following means in seeking collection, with or without notice, at any time after a payment is past due. In addition to remedies described in this policy, the Board may pursue

collection of unpaid assessments by any means authorized under Colorado law, as the same may exist from time to time.

a. **Acceleration.** Subject to Section 5.10 of the Declaration, all of the assessment payments due during the remainder of the current assessment year will become immediately due and owing. The entire amount so accelerated will be charged upon the land of the delinquent Member, as provided in the Declaration.

b. **Notice of Delinquency and Collection Agencies/Lawyers.** Once an assessment has become ninety (90) days past due, the Association may refer the past due assessments to a collection agency or a lawyer for collection. The delinquent Member will be liable for any fees or other expenses associated with referring the matter for collection. Such expense will be added to all delinquent amounts and will become a charge upon the land, as described in the Declarations. At least thirty (30) days prior to referring the matter to a collection agency or lawyer, however, the Association shall first provide the involved Member with a notice of delinquency, describing the amount due, indicating whether the Member is eligible for a payment plan under this policy and providing contact information for purposes of setting up such a plan, stating the name of the person from whom the Member may obtain a copy of the ledger or other accounting statement indicating the amount due, and providing that a failure to act in response to the notice within thirty (30) days may result in referral of the matter to a collections agency or a lawyer for collection, which may include filing a lawsuit against the Member, foreclosure of the Association's assessment lien or the pursuit of other remedies provided by law.

c. **Lien.** Once an assessment has become one hundred twenty (120) days past due, the Association will give formal legal notice of its lien against the delinquent Member's property. Any costs or expenses associated with this process, including attorney fees, shall be added to the total delinquent amount and shall become a charge upon the land as provided in the Declarations.

d. **Foreclosure.** As a last resort, the Association may foreclose its assessment lien upon the property of the delinquent Member to satisfy the past due assessments, fee, costs, and other expenses charged against the land. Once the Member has a balance of unpaid assessments equal to or exceeding six (6) months computed under the Association's periodic budget, and the Board, by vote on the record, determines to pursue foreclosure on an individual basis, the Association may begin foreclosure proceedings. The costs and expenses of so doing, including attorney fees, shall be charged against the proceeds of any foreclosure sale, along with the delinquent assessments, costs, fee, and other expenses as provided by the Declaration.

e. **Waivers.** Nothing in this Resolution shall require the Association to take specific actions other than to notify Members of the adoption of this Policy. The Association has the option and right to continue to evaluate each delinquency on a case by case basis. Although a zero tolerance waiver policy does exist and will be applied, the Association retains the authority


to grant a waiver of any provision herein upon petition in writing by a Member showing an extreme personal hardship or other valid basis for a waiver. Such relief granted a Member shall be appropriately documented in the records of the Association, including the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, 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 may determine appropriate under the circumstances.

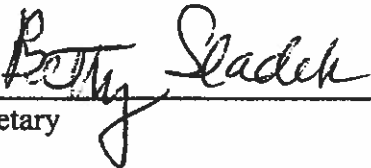
f. Delinquencies Constitute Covenant Violations. Any delinquency in the payment of any Assessments shall constitute a violation of the covenants contained in the Declaration, and following notice and an opportunity to be heard, the Association shall be entitled to impose sanctions on the delinquent Owner consistent with the Association's Enforcement of Covenants and Rules: Notice and Hearing Policy.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of the Horizon Towers Condominium Association, a Colorado nonprofit corporation, certifies that the foregoing Amended Resolution #0006 was introduced for first reading at a duly called and held meeting of the Board on February 5, 2014 and was hereby amended, approved and adopted by the Board, at a duly called and held meeting of the Board on May 13, 2014 and in witness thereof, the undersigned has subscribed his name.

Horizon Towers Condominium Association, a
Colorado non-profit corporation

By: 
President

By: 
Secretary