

**RESOLUTION OF  
THE COBBLE CREEK HOME OWNERS ASSOCIATION, INC.  
ADOPTING POLICIES AND PROCEDURES  
FOR COLLECTION OF UNPAID ASSESSMENTS  
Policy #3**

**SUBJECT:** Adoption of a policy and procedure regarding the collection of unpaid Cobble Creek Homeowners Association, Inc. (the "Association") Assessments.

**PURPOSE:** To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

**AUTHORITY:** The Declaration of Cobble Creek Golf Community, LLC (the "Declaration"), Articles of Incorporation and Bylaws of the Association, any amendments thereto (the "Governing Documents") and Colorado law.

**EFFECTIVE  
DATE:**

Amended May 19, 2015

**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 collections so as to minimize the Association's loss of assessment revenue. The Executive Board has retained as attorney with experience in representing homeowner associations in collections and other matters. 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.

- 1) Due Dates. The annual installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the 1<sup>st</sup> day of each calendar year. Assessments or other charges not paid in full to the Association on or before the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Associations within 30 days of the due date shall incur late fees and interest provided below. In the event notice of delinquency or acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged any cost incurred by the Association in giving notice of such default or acceleration.
- 2) Receipt Date. The Association shall post payments on the day that the payment is received by the Association.

- 3) Late Charges on Delinquent Installments. The Association shall impose on a monthly basis a 5% late charge for each Owner who fails to timely pay his/her annual installment of the annual assessment within 30 days of the due date. This late charge shall be a "common expense" for each delinquent Owner. The Association may impose interest from the due date at the rate of 15% per annum, or at such a lesser rate as may be set from time to time by the Executive Board for each Owner who fails to timely pay their annual installment of the annual assessment within 30 days of the due date.
- 4) Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the Residential 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 Declarations (as set forth herein) for payment of assessments.
- 5) Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation, and Bylaws, the Rules and Regulation of the Association of this Resolution, a reasonable fee not to exceed \$20.00 shall be assessed against an Owner in the event any check of 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 shall be a "common expense" of 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 charge shall become effective on any instrument tendered to the Association for payment of sums due under the Declarations, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. If two or more of the 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 (1) year, be made by certified check or money order. This return 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 on the annual installment of the annual assessment is not timely made within 30 days of the due date.
- 6) 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 chargers 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.

- 7) Application of Payments. All sums collected on a delinquent account that has been turned over to the Associations' attorney shall be remitted to the Associations' attorney until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied to payment of any and all legal fee 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 this Resolution prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.
  
- 8) Collection Process.
  - a) After an installment of an annual assessment or other charges due to the Association becomes more than 30 days delinquent, the manager shall send a written notice ("First Notice") in the form of a statement of non-payment, amount past due, notice of intent to charge accrued interest and late fees, and request for immediate payment to the homeowner.
  - b) After an installment of an annual assessment or other charges due to the Association become more that 60 days delinquent, the manager shall send a second written notice ("Second Notice") in the form of a statement of non-payment, amount past due, notice of intent to charge accrued interest and late fees, and request for immediate payment to the homeowner. The manager will transmit the Second Notice via FedEx delivery, or other suitable method as determined in the manager's discretion. The cost of delivery shall be charged to the homeowner's account.
  - c) After the installment of an annual assessment or other charges due to the Association become more that 90 days delinquent, the manager shall send a ("Third Notice") of non-payment in the form of a statement, amount past due, notice of accrued late fees, and a statement fee.
  - d) After the installment of an annual assessment or other charges due to the Association become more that 120 days delinquent, the manager shall send a ("Fourth Notice") of non-payment in the form of a statement, amount past due, notice of accrued interest and late fees, and a statement fee.
  - e) After the installment of the annual assessment or other charges due to the Association becomes more that 180 days delinquent the manager shall turn the account over to the Association's attorney for collection.

Upon receiving the delinquent account, the Association's attorney shall send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due or a lien may be filed. Upon further review, the Association's attorney may file a lawsuit. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees with the cost of the action and any applicable interest and late fees.

- f) Any collection letter sent shall include the following:
  - i) How the amount due was calculated;
  - ii) If the delinquent owner is eligible to enter into a payment plan;
  - iii) The name and contact information the delinquent owner may contact to receive a ledger verifying the debt; and
  - iv) A statement that, in the event the delinquent owner fails to cure the delinquency, the Association may turn the account over for collection to an attorney or a collection agency.
  
- g) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

9) Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board reserves the right to decelerate any accelerated assessment.

10) Collection Procedures/Time Frames. The Following time frames shall be followed for used in the collection of annual assessments and other charges.

Due Date	The 1st day of January each calendar year
First Notice – Statement and note that late fees and associated collection fees can be charged.	30 days after due date (February 1st)
Second Notice – Statement and note that late fees and associated collection fees can be charged.	60 days after due date (March 1st)
Third Notice – Statement with 5% late fees and statement fees.	90 days after due date (April 1st)
Fourth Notice – Statement and notice of accrued interest and late fees.	120 days after due date (May 1st)
Demand letter stating intent to lien.	180 days after due date (June 1st)

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate. If appropriate, a delinquent owner may qualify for a one-time repayment plan to bring their account current. Such a plan shall be a minimum of six (6) months. In the event the delinquent owner fails to make a scheduled payment, the Association may immediately begin collection proceedings.

- 11) Certification of Status of Assessment. The Association shall furnish to an Owner or Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement, in the form of an accounting ledger, setting forth the amount of unpaid assessments currently levied against such Owner's property, and how such amounts were calculated. However, if the account has been turned over to the Association's attorney, all such requests must be handled through the attorney. The Association may elect to charge a reasonable fee for the preparation of such ledger.
- 12) 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 shall notify the Association's attorney of the same and turn the account over to the Association's attorney if appropriate.
- 13) Regular Mail. Collection or demand letters or notices may be sent to delinquent Owners by first class mail, postage prepaid.
- 14) 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, is authorized to take whatever action is necessary and determined to be in the best interest of the Association, including but not limited to:
  - a) Filing a suit against the delinquent Owner for a money judgment.
  - b) Instituting a judicial foreclosure action of the Association's lien.
  - c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Associations' interests; and
  - d) Filing 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 Associations 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.

- 15) 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 assessment, reduce past due assessments and prevent the waste and deterioration of the property.
- 16) Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The association board must vote on an individual basis to proceed with foreclosure on any specific unit. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either money judgment lawsuit had been or is likely to be unsuccessful or other circumstances favor such action.
- 17) 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.
- 18) Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's 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.
- 19) 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.
- 20) Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
- 21) Supplement to Law. The provision of this Resolution shall be in addition to and in supplement of the terms and provision of the Declaration and the law of the State of Colorado governing the Project.
- 22) Deviations. The Executive Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

23) Amendment. This Procedure may be amended from time to time by the Executive Board.

**PRESIDENT'S CERTIFICATION:** The undersigned, being the President of the Association, certifies that the foregoing Resolution was adopted by the Executive Board of the Association, at a duly called and held meeting of the Executive Board on May 19, 2015 and in witness thereof, the undersigned has subscribed his/her name.

**COBBLE CREEK HOME OWNERS ASSOCIATION, INC.**

By: John D. Pro  
President

By: W. C. Pittman  
Vice President

By: Samuel W. Cook  
Secretary

By: \_\_\_\_\_  
Treasurer

By: Arthur D. Mc

Member P. J. St