

MOUNTAIN SPRINGS HOMEOWNERS ASSOCIATION

RESOLUTION OF THE MOUNTAIN SPRINGS RANCH HOMEOWNERS ASSOCIATION ADOPTING POLICY AND PROCEDURES CONCERNING THE COLLECTION OF UNPAID ASSESSMENTS

In Compliance with C.R.S. 338-33.3-209.5

Pursuant to C.R.S. 338-33.3-209.5 of the Colorado Common Interest Ownership Act ("CCIOA"), the following policy and procedures have been adopted by the Mountain Springs Ranch Homeowners Association ("Association"), at a meeting of the Board of Trustees.

SUBJECT: Adoption of policy and procedures establishing a uniform and systematic procedure for collecting assessments and other charges of the Association.

PURPOSE: To facilitate the financial well-being of the Association and all Members of the Association ("Members").

AUTHORITY: CCIOA, the Protective Covenants for the Mountain Springs Ranch Homeowners Association ("Declaration"), rules and regulations adopted and/or implemented pursuant thereto, the Articles of Incorporation of the Association and the By-Laws of the Association (collectively with the Declaration, the "Association Documents").

RESOLUTION; The Association does hereby adopt the following policy and procedures for the collection of assessments and other charges of the Association, which policy will supersede and replace in its entirety all such policies previously adopted and/or implemented by the Board:

1. ASSESSMENTS

A. The levying and collection of assessments, other charges, costs, interest, fees, and fines, including special assessments for any common expense caused by the misconduct of any Member or occupant, and other Assessments are governed by the Association Documents and CCIOA.

B. Assessments are due and payable to the Association no later than January 31 of the calendar year following the annual meeting of the Association. Any assessment not paid by January 31 of the calendar year following the annual meeting of the Association is considered past due and delinquent. Special assessments for any common expense caused by the misconduct of any Member are due and payable when levied.

C. If any Assessment imposed under the Declaration is not timely paid, the Association shall also collect its costs of collection including its reasonable attorney's fees and expenses, interest from the date of delinquency at the rate of 15% compounded per annum, and may in its sole and absolute discretion assess a late charge of up to one hundred and fifty dollars (\$150.00). The Association shall also assess a fee of \$25.00 for each check from the Member refused or returned for insufficient funds. The Association may bring an action at law against the Member obligated to pay the same and/or foreclose the lien against the subject Lot.

D. Such fines may be levied only following prior written notice sent by first class mail, personal service, or electronic delivery/E-mail, and shall provide the Owner or occupant an opportunity to be heard before the Board on the subject violation. Fines shall be in accordance with the Association Documents. All such fines shall become an expense attributable to the subject Lot and shall be due and payable as part of the next installment of Assessments. All such fines may be filed as a lien on the subject Lot in the manner provided in the Association Documents and CCIOA, and may be referred for legal action; and interest, costs, and reasonable attorneys' fees of any such action shall be added to the amount of such fine.

E. If before January 15 of the calendar year following the annual meeting of the Association, a Member notifies the Board of Trustees that payment of the Member's assessment by January 31 will not be possible, the Board of Trustees may in its sole and absolute discretion offer the Member an opportunity to enter into a payment plan requiring payment in full by June 30 of the calendar year following the annual meeting of the Association. The total amount due at the time such a payment plan is established will be determined by the Association. If there are previous amounts owed these will be included in the payment plan, such as dues assessments, fees, charges, late charges, attorney fees, fines and interest on common expense assessments. The Association may pursue legal action against a Member if the Member fails to comply with the terms of his or her payment plan. A Member's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the six-month period, constitutes a failure to comply with the terms of their payment plan.

F. Before the Association turns over a delinquent account of a Member to a collection agency or refers it to an attorney for legal action, the Association must send the Member a notice of delinquency specifying:

- i. the total amount due, with an accounting of how the total was determined;
- ii. instructions for entering into a payment plan pursuant to Sec. 338-33.3-316.3 of the Colorado Common Interest Ownership Act and instructions for contacting the Association to enter into such a payment plan;
- iii. the name and contact information for the individual the Member may contact to request a copy of the Member'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 days may result in the Member's delinquent account being turned over to a collection agency, a lawsuit being filed against the Member, the filing and foreclosure of a lien against the Member's property, or other remedies available under Colorado law;
- v. the method by which payments may be applied on the delinquent account of a Member;
- vi. the legal remedies available to the Association to collect on a Member's delinquent account pursuant to the governing documents of the Association and Colorado law.

G. The Association may, in accordance with the provisions of the Association Documents including applicable Rules, levy fines against Owners and occupants who violate any provision of the Association Documents,

2. The Association hereby ratifies, adopts and approves all other actions taken by the Association in furtherance of the foregoing.

CERTIFICATION: The undersigned, being a member of the Board of Trustees of the Mountain Springs Ranch Home Owners Association, a Colorado nonprofit corporation, and being unanimously authorized by the Board of Trustees of the Association to do so, hereby certifies that the foregoing Resolution was adopted by the Board of Trustees at a duly called meeting of the Board of Trustees and, in witness thereof, the undersigned has subscribed his name.

MOUNTAIN SPRINGS RANCH HOME OWNER'S ASSOCIATION,

A Colorado nonprofit corporation

By: 

Gary Starr, Board President

Date revised and adopted: [DATE] March 1, 2022