

SHERWOOD MEADOWS ASSOCIATION, INC.
DUES ASSESSMENT COLLECTION POLICY

1. Payment of Assessments. The annual dues Assessment shall be paid in monthly installments due on or before the first day of each month. Any Assessment not paid within fifteen (15) days shall be assessed a penalty of \$20.00. Assessments past due more than thirty (30) days of its due date are considered late and delinquent.
2. Collection Procedures and Time Frames. The following are the collection procedures and time frames that will be followed in the event that any required assessment is not made on its date due:
 - a. If an Assessment, or portion thereof, remains unpaid thirty (30) past its due date, then interest charges on the unpaid Assessment balance will be assessed monthly at a rate of 1.5% per month or portion thereof.
 - b. If an Assessment, or portion thereof, remains unpaid sixty (60) days past its due date, then interest charges will continue to accrue and a notice shall be sent to the delinquent Owner specifying: (i) the total amount due, with an accounting of how the total was determined; (ii) whether an opportunity to enter into a payment plan exists; (iii) the name and contact information for the individual the Owner may contact to request a copy of the 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 (30) days may result in the Owner's delinquent account being turned over to an attorney, a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado law;
 - c. If an Assessment, or portion thereof, remains unpaid ninety (90) days past its due date and the Owner is not in full compliance with the terms of an established payment plan with the Association, the matter will be immediately turned over to the Association attorney for collection, and initial attorney fees of Two Hundred Fifty Dollars (\$250.00) will be charged against the delinquent Owner's account and Site, and a Notice of Lien against the delinquent Owner's Site will be recorded;
3. Returned Checks. The Owner will be responsible for any returned check charges the Association incurs and a \$35.00 return check fee.
4. Recovery of Attorneys' Fees and Collection Costs. The Association is entitled to recover its reasonable attorney fees and collection costs incurred in the collection of Assessments and other charges incurred on behalf of the delinquent Owner. These fees shall be payable when incurred and will be charged as an additional Assessment to the delinquent Owner's account. The Association is also entitled to recover attorneys' fees and collection costs through any collection action that the Association brings and is not limited to recovering such attorneys' fee and costs through judicial action.
5. Collection. Notwithstanding the collection procedures and timeframes as set forth in Section 2 of this Collection Policy, if the Board in good faith believes that the interest of the Association would be best served by referring a Default Assessment, which must be paid when required by the Association, or an otherwise delinquent Limited or General Assessment, immediately to an attorney for further legal action, the Board retains the right to do so, provided a notice as described in Section 2 b. of this

Collection Policy has been provided to the delinquent owner. The Board president is authorized to exercise this power on behalf of the Board without a formal resolution of the Board.

6. Remedies for Nonpayment (Payment Plan Provisions). Provided an Owner has not previously entered into payment plan with the Association, an Owner is entitled to enter into a payment plan and the Association shall make a good-faith effort to establish such a plan with an Owner. Such payment plan negotiated between the Association shall permit the Owner to pay off the deficiency in equal installments over a period of at least six (6) months. If an Owner fails to comply with the terms of his or her payment plan in any way, including but not limited to failing to remit payment of an agreed-upon installment on time, or failing to remain current with regular assessments as they come due during the six-month period, then the Association may take immediate legal action against the Owner. The Board may ask for judicial foreclosure of the Association's lien to obtain payment of current Assessments, past Assessments, or preserve the property. In addition, the Board may file suit to recover a money judgment, seek an injunction, or pursue such other remedies to the fullest extent permissible under Colorado law and the Declaration.
10. Liens on Property. Any Assessment levied against a Site or fines imposed against its Owner shall constitute a lien on the Owner's real property. The Association, through its managing agent and/or attorney, may record notice of the lien with the Office of the Clerk and Recorder for Eagle County, Colorado. The lien fee is One Hundred (\$100.00) and will be assessed to the Owner at the time the lien is recorded. The lien fee is in addition to any costs incurred by the Association related to the lien, including but not limited to attorney's fees, recording and release fees.