POLICY FOR COLLECTION OF ASSESSMENTS

This Assessment Collection Policy supersedes and replaces all prior assessment collection policies.

Purpose: Adoption of a policy and procedure for collection of assessments by the Trail Ridge Association, Inc. ("Association").

Authority: The Declaration for Trail Ridge Association, Inc. recorded on April 19, 1985 at Reception 2523061 ("Declaration"), Articles of Incorporation, Bylaws of the Association, the Colorado Common Interest Ownership Act ("CCIOA"), §38-33.3-123, §38-33.3-209.5, and §38-33.3-302, C.R.S., and other applicable Colorado and Federal laws.

Effective Date: January 1, 2022.

Resolution:

The Association hereby adopts the following policy:

1. **Due Date**

   i. Common Assessments are due annually, payable in 2 equal payments, in January and July of each year, and are due and payable on or before the first day of each respective month ("Due Date") in an amount determined by the Board of Directors.
   ii. All other types of assessments are due on the date specified by the Board of Directors at the time the assessment was imposed.
   iii. Payments are delinquent if not fully paid within 30 days after the Due Date ("Delinquency").

2. **Late Fees and Interest**

   i. The Association may impose a $75.00 late fee for any Delinquency.
   ii. Interest accrues at the rate of 20% per annum for any Delinquency, including late fees, and other monies due, until paid in full.
   iii. Interest will continue to accrue each month on all amounts owed to the Association until paid in full.

3. **Notice of Delinquency**

When a Delinquency occurs (on the 30th day after the Due Date), the Association may mail by first class mail only to the address on file with the Association, a Notice of Delinquency setting forth:

- i. The total amount due with an accounting on how the total was determined;
- j. That a payment plan is available as set forth below and instructions for contacting the Association to enter into such plan;
- k. The name and contact information of the person from whom the owner may obtain a ledger in order to verify the amount;
- l. That action is required to cure the Delinquency; and
- m. That failure to cure the account in full within thirty (30) days ("Cure Date") may result in the account being turned over to a collection agency or the association's attorneys, a lawsuit being filed, the filing and foreclosure of a lien against the property and/or other remedies available under Colorado law.

4. **Assessment Lien**

If the Association records as Assessment Lien against the property it may impose a $160.00 Assessment Lien against the owner's account to cover the costs of preparation, recordation and release of the lien. The Association may record the Assessment Lien at any time after the Cure Date with or without any other notice.

5. **Payment Plan**

All lot owners are entitled to enter into a Payment Plan to pay off the Delinquency in equal monthly installments over six (6) months except where (a) a lot owner who has previously entered into a payment plan under this section, or (b) the lot owner does not occupy the lot and acquired the property as a result of a default of a security interest encumbering the lot or foreclosure of the Association's lien. All such Payment Plans shall be executed by the owner and the Association in a document entitled Stipulated Settlement Agreement which may be filed with the Court.

6. **Delinquent Accounts Referred to Attorneys**

- i. If payment in full of all outstanding amounts is not received by the Cure Date, the Association may turn the matter over to a collection agency or the Association's attorneys for collection.
- ii. The attorney may take all steps necessary to collect the past due balance including, but not limited to, filing suit for a personal money judgment, filing an action for judicial foreclosure of the

Assessment Lien, and/or requesting that the court appoint a receiver.

iii. Judicial foreclosure may only be commenced if the Delinquency equal or exceeds the amount of six months' worth of common expense assessments.

iv. Judicial foreclosure must be authorized by the Board by recorded vote prior to initiating such action.

v. All late fees, interest, attorney fees and costs incurred will be added to and become part of the Assessment.

vi. Once the matter is referred to the Association's attorneys, the owner must communicate with the attorney to arrange payment of the past due balance. The Association or management company staff will cease all further communication with the owner regarding the delinquency until such time as the delinquency is cured in full except that the owner may communicate with the Board of Directors at a regularly scheduled meeting in accordance with the rules established for such communication.

vii. Once the account is referred to the attorneys for collection, all payments must be made by bank check, money order or certified funds.

7. **Restrictive Endorsements**

If an owner intends to seek satisfaction of the outstanding debt by tendering a check containing a restrictive endorsement for less than the entire balance then outstanding, the owner must deliver the check to the Association's managing agent by certified mail, postage prepaid, return receipt requested, with a notation in the bottom right-hand corner of the envelope not covered by the return receipt, stating in capital and bold letters "RESTRICTIVE ENDORSEMENT". Generally, such checks will be rejected and returned to the owner.

8. **Application of Payments**

Any payment for less than the full amount then outstanding will be applied by the Association to the owner's account in the order listed below and the oldest balance in each category will be paid first:

i. Attorney fees and costs;
ii. Association costs and expenses;
iii. Late Fees;
iv. Assessment Lien fee;
v. Interest;
vi. Fines (if applicable); and
vii. Assessments

9. **Forms of Payment**

i. The Association will accept checks and money orders.
ii. All payments are to be made payable to the Trail Ridge Association, Inc.
iii. Complete, accurate and proper completion of any payment instrument is the responsibility of the Owner or person/institution submitting the instrument.
iv. The Association will not be responsible for any fees of any kind that may be incurred by an Owner as a result of the Association submitting a payment instrument for processing.
v. The Association will not accept cash.

10. **Post-dated Checks**

  i. The Association will not hold post-dated checks.
  ii. The Association will deposit all post-dated checks on or after the date the check is received without regard to the date written on the check and irrespective of any written instructions provided by the person submitting the check.
  iii. The owner will be responsible for any late fees, interest, attorney fees and costs, returned check fees and any other fees of any kind that may be incurred as a result of a post-dated check being dishonored.

11. **Returned Check Fee**

In addition to the statutory remedies available to the Association, if any check is not paid upon presentation for any reason, the Association shall assess a $25.00 Returned Check Fee to the owner's account, in addition to any applicable late fees and/or attorney fees incurred by the Association. An owner's payment of the amount of the check plus the Returned Check Fee must be made by cashier's check or money order only.

12. **Status Letter Fee**

Upon written request and payment in advance to the Association of a $200.00 status letter fee, the Association will furnish to an owner or designee of the owner, a written statement of the full balance owed including all assessments, charges, interest, fees, etc. If a status letter is a "Rush" order, a fee of $400.00 will be charged.

13. **Statement of Assessments Due**

  i. If the account has not yet been transferred to the Association's attorney, a ledger may be obtained from the community association manager at no charge.

ii. If the owner's account has been transferred to the Association's attorney for handling, the owner(s) are required to pay the attorney's then-current fee for preparation of a payoff amount, currently $175.00.

14. **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 community.

15. **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.

16. **Amendment**

This policy may be amended from time to time by the Board of Directors.

17. **Severability**

Invalidation of one of the foregoing provisions by court order or judgment shall have no effect on the remaining provisions which shall remain in full force and effect.

CERTIFICATION:

The undersigned, being the President of Trail Ridge Association, Inc., a Colorado non-profit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on January 1, 2022 and in witness thereof, the undersigned has subscribed his/her name.

TRAIL RIDGE ASSOCIATION, INC.
A Colorado non-profit corporation,

By: Paul Winkelman

Its: President