

Dillon Valley East Condominium Association

Collection Policy

September 01, 2013

Owners may receive upon written request coupon books for monthly payments and have the option to pay by check, cash, money order, monthly automatic clearing house withdrawal (ACH), on-line debit card or credit card payment, on-line one time e-check transfer, and on-line re-occurring monthly automated e-check transfer.

On September 29, 2008 a majority of the owners in the Dillon Valley East Condominium Association voted to amend the By-Laws to authorize the Board of Managers to set and to change from time to time the amount of late charge and interest rate.

Dues are due the 1st day of the month with a grace period of 20 days. If payment is not received either on-line or physically to the management company by the end of the next business day, a \$45.00 late fee will be assessed to the owner of the condominium unit.

The following schedule will be applied to delinquencies of dues, fines, and payment for other services:

- First day of the month – Payment is due with a grace period of 20 days.
- 21st Day of each month thereafter – If any balance remains on the account at this time, a \$45.00 late fee will be assessed each month together with all expenses and attorneys fees to the condominium owner.
- On day 30 or the last day of the calendar month and thereafter, a finance charge of 12% per annum on any unpaid balance is assessed. A statement is sent to the condominium owner's address on record by first class mail.
- Day 60 to day 70 - Statement and lien threat letter is sent to the condominium owner's address on record by first class mail with a 30 day deadline to pay the unpaid balance including late fees and finance charge. Said letter shall specify the total amount of the arrearage with an accounting of how it is determined, that the owner may contact Basic Property Management at 970-668-0714 to request a copy of the ledger of the debt and also that action is required to cure the delinquency and failure to do so within 30 days may result in the 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, the appointment of a Receiver if appropriate and other remedies available under Colorado law.
- Day 90 to day 100 – 30 days after the lien threat letter noted above is sent, a lien is filed and a notice and statement is sent to the condominium owner to the address on record by first class mail. At this time, delinquent owners shall be given a one-shot opportunity at a payment plan to bring the delinquent account current. The payment must be for a minimum of six months but can be longer if the association so wishes. The delinquent owner must make the scheduled payment as required by their payment plan and pay their current month assessment obligations. If they fail to make these payments, the association may immediately proceed with collections. The owner must respond within 10 days to take advantage of this payment offer.
- Day 101 to day 110 – If the delinquency is not cured, or a payment plan not arranged, within 10 days of the letter giving notice that a lien has been filed and the offer of a payment plan, the case is sent to a collection agency or an attorney for collection. The collection agency or attorney will assume communication with the unit owner. The unit owner is notified of this action by first class

mail sent to the address on record. The unit owner is notified by the collection agency or attorney to pay the unpaid balance within 29 days.

- Day 130 to day 140 – Foreclosure proceedings on property begins. The association, or the assignee of the association's lien, may only proceed to foreclosure if the total amount secured by the lien would equal or exceed 6 months of assessments. Also, the board must vote to proceed with foreclosure on any given delinquent account. The board is not permitted to delegate their responsibility to authorize a foreclosure action to an attorney, insurer or any other person.

Special Assessments

If a Special Assessment is payable in installments and an installment payment of that Special Assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the Special Assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.

Payment of Unpaid Balance

Payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest and collection expenses, including attorney's fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.

Inspection of Accounting Record

An owner may inspect the Association's accounting record for their unit. A five (5) day notice must be given to the property management company, Basic Property Management 970-668-0714 to prepare records. Records may not be removed from the property management's office. A reasonable fee will be charged for paper copies and if necessary, postage.

In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the changes, interests, and costs of collection associated with collection of those assessments.

Release of Lien or Dismissal of Legal Action

Prior to release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorney's fees must be paid in full to the Association.

Right of Offset

There is no Right of Offset. An owner may not withhold assessments owed to the Association on the alleged grounds that the owner is entitled to recover money or damages from the Association for some other obligation.

Suspension of Privileges

Until the owner has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, the owner's right to vote is suspended and the Association may suspend the use of the clubhouse.

Address on Record

It is the owner's responsibility to insure their correct address is on record with the management company. The Association and Management Company will not search county records for updated information.

Returned Checks and Bank Charges

For each check that returned to the Association for lack of funds, the member will be assessed \$50 plus any fees imposed by the bank.

Waivers

- The Association has the option and right to continue to evaluate each delinquency on a case by case basis.
- The Association has the option and right to grant a waiver of any provision herein (consistent with Colorado law) after reviewing the circumstances.
- The Association is authorized to extend the time for the filing of lawsuits and liens.
- The Association is authorized to modify the procedures contained herein (consistent with Colorado law) as the Association may determine appropriate.

Dillon Valley East Condominium Association

By: Richard S. Garcia
Richard S. Garcia, President

Attest: Catherine N. Brosius
Catherine N. Brosius, Secretary

This Collection Policy was adopted by the Board of Managers on the 21st day of Aug, 2013, effective the 1st day of _____, 2013, and is attested to by the Secretary of the Dillon Valley East Condominium Association.

Catherine N. Brosius
Catherine N. Brosius, Secretary