

I. COLLECTION OF UNPAID ASSESSMENTS

1. Annual assessments shall be billed on or about December 1st of each year.
2. Payment of assessments shall be made no later than February 1st or sixty (60) days after the billing date, whichever is later. Interest at the rate of eight percent (8%) per annum shall accrue upon any past due assessment as of the first day of default.
3. The voting rights of any **Member** who is in default of assessments shall be suspended. Notice of suspension, together with amounts owed, shall be mailed to **Members** each June. Voting rights shall be reinstated upon payment in full.
4. It shall be in the **Board's** discretion as to when and how to enforce past-due assessments. The **Board** may choose amongst foreclosure of **SPOA's** lien, suit in small claims, county or district court for personal judgment, against a **Member** individually, or by suit against multiple defendants. Pursuant to the Colorado Common Interest Ownership Act (CCIOA), **SPOA** has a lien without further filings; however the **Board** may choose to file a Statement of Lien against the Lot of a defaulting **Member** as a further incentive and reminder for payment.

In exercising its discretion, it is the policy of the **Board** to treat delinquencies in a uniform manner while recognizing that there may be extenuating circumstances which make deviation from identical treatment necessary.

5. Not less than thirty (30) days prior to taking any collection action, including the filing of a Statement of Lien, the **Board** shall provide notice to the **Member(s)** of the action (e.g. suit, filing statement of lien). Notice shall be by certified mail to the address on record with **SPOA**.
6. Any defaulting **Member** shall be responsible for any attorney fees, costs, or fees incurred by **SPOA** caused by the non-payment or untimely payment of assessments.
7. Upon obtaining a judgment against any **Member**, **SPOA** is entitled to all collection remedies available at law.
8. Payments received from each **Member** shall be applied to the **Member's** account in the following order:

- a. Attorney's fees and costs incurred by **SPOA** and for which the **Member** is responsible pursuant to the Act or the **Governing Documents**;
 - b. Interest which has accrued on all unpaid amounts;
 - a. Fines, late charges or other monetary charges or penalties;
 - b. Past due Special Assessments;
 - c. Past due monthly installments of Annual Assessments;
 - d. Current Special Assessments; and
 - e. Current monthly installment for Annual Assessments.
9. Any fine, late charge or other monetary charge or penalty levied by **SPOA** pursuant to the **Governing Documents** or the Colorado Common Interest Ownership Act (the "Act"), including attorney's fees and costs incurred by **SPOA** and for which the **Member** is liable, shall be collectible as an "Assessment" as that term is defined by the Colorado Common Interest Ownership Act.
10. Before **SPOA** turns a delinquent account over to a collection agency or attorney for collection or enforcement, it shall send the **Member** a notice of delinquency that at the minimum specifies:
- a. The total amount due, with an accounting of how the total was determined;
 - b. Whether the opportunity to enter into a payment plan exists and instructions for contacting **SPOA** to enter into such a payment plan;
 - c. The name and contact information that the **Member** may contact to request a ledger to verify the amount of the debt;
 - d. That the **Member** must take action to cure the delinquency and that failure to do so within thirty (30) days may result in the **Member's** 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.

11. With the exceptions listed below, **SPOA** shall negotiate in good faith a payment plan with any **Member** who timely responds to the Notice of Delinquency that allows a minimum of six equal monthly installments. **SPOA** is not required to offer a payment plan to the following:

- a. Any **Member** who does not occupy the **LOT** and has acquired the property as a result of:
 - (i) A default of a security interest encumbering the **LOT**; or
 - (ii) Foreclosure of the Association's lien
- b. Any **Member** who has previously entered into a payment plan after the effective date of this policy.

12. **SPOA** shall only initiate an action to foreclose its lien if and when:

- a. The amount of assessments and charges secured by the lien is equal to at least six months of regular assessments; and
- b. The Board has duly voted an authorization of the foreclosure of the lien on the specific **LOT** being foreclosed and such vote is duly recorded.

13. This Policy applies to **SPOA** and any assignee or holder of the debt to **SPOA**.

Effective date of Policy: October 26, 2013