

Elk Falls Property Owners Association

ANNUAL FEE AND SPECIAL ASSESSMENT COLLECTION POLICY

The following procedures have been adopted by the Elk Falls Property Owners Association. ("Association"), pursuant to C.R.S. 38-33.3-209.5, by the Board of Directors.

WHEREAS, the Board of Directors believes it to be in the best interest of the Association to establish a uniform and systematic procedure for collecting assessments and other charges of the Association, thus ensuring the financial well-being of the Association, and

WHEREAS, all members of the Association are obligated by all the recognized covenants for Elk Falls Property Owners Association. ("Covenants") to pay assessments (both Annual Assessments and Special Assessments as described in the Bylaws and hereinafter collectively referred to as "Assessments") in a timely manner; and

WHEREAS, the failure of Owners to pay Assessments in a timely manner jeopardizes the Association's ability to pay its bills, and is unfair to the Owners who do; accordingly, the Association, acting through the Board of Directors,(the "Board") must take steps to ensure timely payment of Assessments.

NOW, THEREFORE, BE IT RESOLVED that the Association does hereby adopt the following procedures and policies for the collection of Assessments and other authorized charges of the Association:

1. Due Dates. The Annual Assessment of the Association as determined by the Board of Directors per article V11 of the Elk Falls Property Owners Association By-laws shall be due and payable the first day of the month following thirty days after the notice of Assessment. Special Assessments shall be due and payable on the first day of the month following notice of the Special Assessment. Assessments or other charges not timely paid shall be considered past due and delinquent. If any Owner does not make the payment of any Assessment levied against their Lot within ten (10) days of the date due, the Board of Directors shall have the right to declare all unpaid Assessments to date.
2. Late Charges and Interest Charge. The Board shall be entitled to impose a late charge of twenty five dollars (\$25.00) on each past due assesment. If any Assessment is not paid within ten (10) days after its due date, the amount due shall bear interest at a rate of one and one-half percent (1 1/2%) per month, compounded monthly, from the due date until paid. All late charges and interest charges shall be due and payable immediately, without notice, in the manner provided for payment of Assessments.
3. Return Check Charge. A thirty dollar (\$30.00) fee shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Notwithstanding this provision, the Association shall be entitled to all additional fees as may provided by applicable law. If two or more of an Owner's checks are returned unpaid by the bank within any twelve month period, the Board may require that all of the Owner's future payments, for a period of year, be made by certified check or money order.
4. Attorney Fees on Delinquent Accounts. The Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of Assessments or

other charges due the Association from a delinquent Owner, without the necessity of commencing a legal proceeding.

5. Application for payments made to the Association. The Board reserves the right to apply all payments received on account of any Owner first to payment of any and all legal fees and costs (including attorney fees), then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, other incidental fees, and other costs owing or incurred with respect to such Owner, and any remaining amounts shall be applied to the Assessments due with respect to such Owner.
6. Collection Letters.
 - a) After an Assessment or other charge owed to the Association becomes 10 days past due, the Board may cause a notice of delinquency to be sent to the Owner who is delinquent in payment.
 - b) If payment in full is not received within 14 days after the notice of delinquency, the Board may, but shall not be required, to send a notice of default to the Owner.
7. Liens. Within 30 days after an Owner's failure to pay any Assessment or other charge, the Board may cause to be filed a notice of lien against the Lot of the delinquent Owner. The lien shall include fees, charges, late charges, attorney fees, fines and interest owed by the delinquent Owner.
8. Referral of Delinquent Accounts to Attorneys. The Board may, but shall not be required to, refer delinquent accounts to an attorney for collection. Upon referral to the attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.
9. Referral of Delinquent Accounts to Collection Agencies. The Board may, but shall not be required to, assign delinquent accounts to one or more collection agencies for collection.
10. Waivers. Nothing in this Resolution shall require the Board to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Board has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Board may grant a waiver of any provision herein, for a limited time, in its discretion or upon petition in writing by an Owner showing a personal hardship. Such relief granted an Owner shall be appropriately documented in the files with the name of the person or persons representing the Board granting the relief and the conditions of the relief. In addition, the Board is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Board may determine appropriate under the circumstances.
11. Delinquencies Constitute Covenant Violations. Any delinquency in the payment of Assessments shall constitute a violation of the By laws, and following notice and an opportunity to be heard, the Board shall be entitled to impose sanctions, including fines and penalties, on the delinquent Owner. Without limitation on other remedies, the Board may be justified in suspending a delinquent Owner's right to enjoy certain privileges or

services, including but not limited to all voting privileges (see, Bylaws, Article VII dues) and access to and use of the Common Properties and facilities.

The undersigned hereby certifies that the foregoing resolution was adopted on the ___ day of _____, 2008.

Elk Falls Property Owners Association

By: _____
David Crespo, President

Attest:

This Policy was adopted by the Board of Directors on the ___ day of _____, 2008, effective the ___ day of _____, 2008, and is attested to by Secretary of Elk Falls Property Owners Association.

Suzy Nelson, Secretary