

**EAGLERIDGE ESTATES FILING NO. 3 HOMEOWNERS ASSOCIATION OF
PUEBLO, INC.**

POLICY & PROCEDURES -

PAYMENT & COLLECTION OF MEMBER ASSESSMENTS & COMMON EXPENSES

The following policy & procedures have been adopted by Eagleridge Estates Filing No. 3 Homeowners Association of Pueblo, Inc. (hereinafter “Association”) pursuant to the Declaration, Articles of Incorporation and Bylaws of the Association, and Colorado law.

Purpose: To establish a uniform and systematic policy & procedures for collecting assessments and other common expenses from Association members (hereinafter “Member(s)”).

Effective Date: _____, 2022

NOW, THEREFORE, IT IS RESOLVED that the Association hereby adopts the following policy and procedures (hereinafter “Policy”) regarding collection from all Members of assessments and other Common Expenses.

1. Assessment Due Dates: Annual assessments, as allowed for in the Declaration, will be paid in one annual payment, are billed on or about the first day of January in the calendar year for which the assessments are made, and are due on the immediately following February 1st. Payments not received, or with a Receipt Date after February 1st, are considered delinquent and are subject to Late Fees.

Special assessments, supplemental assessments and other Common Expenses may be assessed or billed from time to time by the Association, and are due and payable as specified in the resolution authorizing such assessment or Common Expenses or, barring specification of a due date, are due thirty (30) days after the assessment or billing date. Payments not received, or with a Receipt Date after the due date, are considered delinquent, and are subject to Late Fees.

2. Common Expenses (as delineated in 2016 Colorado Revised Statutes, 38-33.3-315. (3)-(4)): All amounts, including but not limited to assessments, late fees, returned payment fees, legal fees & collection costs, lien filing and release fees & costs, other service fees and interest charged by the Association to Members are Common Expenses of the Association, whether charged to Members in equal allocations, or charged to a specific Member as the result of misconduct of that Member. Common expenses will be the personal obligation of the Member who incurs said expenses.
3. Receipt Date: The Association will post payments on the day the payment is received in the Association’s office or, if payment is received on a Saturday, Sunday or federal holiday,

on the next following business day. Payment will be deemed paid on the Receipt Date as here defined for all purposes pertaining to this Policy.

4. Late Fees: The Association will impose late fees in the amount of twenty-five dollars (\$25.00) quarterly on March 1st, June 1st, September 1st and December 1st of each year on Members with any delinquent account balance due the Association as of that date. Late fees are due on the date imposed, and are delinquent on the day immediately thereafter. The purpose of the late fee is to reimburse the Association for costs related to collection of Common Expenses.
5. Returned Payment Fee: In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association, or this Policy, a Returned Payment Fee in the amount of twenty dollars (\$20.00) will be assessed against a Member in the event any manual or electronic check, or other payment form (hereinafter "Member's Payment"), attributable to or payable for the benefit of such Member, is returned unpaid by a financial institution for any reason whatsoever. The purpose of the Returned Payment Fee is to reimburse Association for related bank fees and processing costs incurred by the Association. A Returned Payment Fee will be the obligation of the Member for which payment was tendered to the Association, and is a Common Expense for that Member. The Returned Payment Fee will be due and payable immediately upon demand.

Returned payments will result in assessments, fees and other Common Expenses intended to be paid by the Member's Payment being treated as unpaid, and may result in additional, related late fees and interest. The Returned Payment Fee is in addition to any late fees or interest incurred by a Member.

Returned Payment Fees will be charged on any Member's Payment tendered to the Association after the date this Policy is adopted.

If two or more of a Member's Payments are returned unpaid by a financial institution within any calendar year, the Association may require all of a Member's future payments, for a period of one (1) year, be made by certified or bank check, or money order.

Notwithstanding this provision, the Association will be entitled to all additional remedies as may be provided by applicable law.

6. Other Service Fees: In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Member as such fee would not be incurred but for the delinquency of the Member.

7. Legal Fees & Collection Costs: The Association is entitled to recover from a Member its reasonable legal fees and collection costs incurred in the collection of assessments and other common expenses from said Member. A court will determine reasonable attorney fees.
8. Interest Charges: The Association will impose interest charges on the 1st day of the month, on Members with any delinquent Common Expenses due the Association as of that date. Interest at the rate of eight (8) percent per annum will be charged monthly until delinquent balances are paid in full. Interest charges are due on the date imposed, and are delinquent on the day immediately thereafter. The purpose of the interest charges is to reimburse the Association for costs related to collection of Common Expenses and unavailability of cash balances with which to conduct business.
9. Repayment Plan. Any Member who is entitled, pursuant to any provision of this Policy, to enter into a Repayment Plan for delinquent payment of assessments may enter into a repayment plan with the Association, which plan will be for a minimum term of 18 months or such other longer term as may be approved by the Board of Directors. Association is not required to but may, in its sole discretion, include Common Charges other than assessments in the delinquent balance owed by Member to Association at the time the Repayment Plan is entered into by the parties thereto.

Such repayment plan will be offered to each Member prior to the Association referring any account to an attorney or collection agency for collection action. Under the repayment plan, the Member may choose the amount to be paid each month, so long as each payment is at least twenty-five dollars (\$25.00) until the balance of the amount owed is less than twenty-five dollars (\$25.00).

Member will be deemed to be in default of the repayment plan, and the repayment plan with the Association will be null and void if within thirty (30) days after the Association has provided the Member with a written offer to enter into a repayment plan, the Member either declines the repayment plan or, after accepting the repayment plan, fails to pay at least three (3) of the monthly installments within fifteen (15) days after the monthly installments were due.

If Member does not confirm written acceptance of the repayment plan within thirty (30) days after the Association has provided Member with a written offer to enter into a repayment plan, the offer will be deemed to be declined.

In the event Member defaults or otherwise does not comply with the terms and conditions of the repayment plan, including the payment of ongoing assessments of the Association, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

A Member who has entered into a repayment plan may elect to pay the remaining balance owed under the repayment plan at any time during the duration of the repayment plan.

10. Member Delinquency in Paying Common Expenses – Collection Process:

- (a) After any Common Expense owed by a Member to the Association becomes more than ten (10) days delinquent, the Association's Management Company ("Management Company") may send a courtesy written notice ("First Notice") of non-payment, specifying the amount past due, noting if interest and late fees have accrued, and making a request for immediate payment. This First Notice is a courtesy notice only, and will be sent by regular first-class mail.
- (b) After any Common Expense becomes more than sixty (60) days delinquent, the Management Company will send a written notice ("Second Notice") of non-payment, specifying the amount past due, that interest and late fees have accrued, notice of intent to file a lien, and requesting immediate payment. Management Company's failure to send a courtesy First Notice will not restrict it from sending the Second Notice. The Second Notice, at a minimum will include the following:
 - i. The total amount due to the Association, along with an accounting of how the total amount was determined.
 - ii. Notification that Member may enter into a Repayment Plan, and instructions for contacting the Association to make arrangements for entering into the Plan.
 - iii. Name and contact information of an individual the Member may contact to request a copy of the Member's ledger in order to verify the delinquent amount owing.
 - iv. Statement indicating action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Member's delinquent account being turned over to an attorney or collection agency, the filing of a lawsuit against the Member, appointment of a receiver, filing and foreclosure of a lien against the Member's property, or other remedies available under Colorado Law including revoking the Member's right to vote if permitted in the Bylaws or Declaration.

- v. Specification as to whether the delinquency concerns unpaid assessments; unpaid fines, fees or other Common Expenses; or both unpaid assessments and unpaid fines, fees, or other Common Expenses. If the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the Member that unpaid assessments may lead to foreclosure.
- vi. Description of the steps the Association must take before the Association may take legal action against the Member, including a description of the Association's covenant violation cure process as laid out in the Association's Policy & Procedures for Covenant Enforcement.
- vii. Description of what legal action the Association may take against the Member, including a description of the types of matters that the Association or Member may take to Small Claims Court, and injunctive matters for which the Association may seek an order requiring the Member to comply with the Declaration, Bylaws, Covenants, or other governing documents of the Association.

(c) Second Notice will be provided to the Member in the following manner:

- i. Certified mail, return receipt requested, AND
- ii. Physical posting on the Member's Association residence, AND
- iii. By one of the following:
 - a. First class mail,
 - b. Text message to a cellular number that the Association has on file because the Member has provided the cellular number to the Association; or
 - c. E-mail to an e-mail address that the Association has on file because the Member has provided the e-mail address to the Association.

(d) After an annual assessment or other Common Expenses due to the Association becomes more than ninety (90) days delinquent, the Management Company will turn the account over to the Association's attorney for collection.

Any collection account referred to an attorney for collections will first be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken, pursuant to the Association's Policy Regarding Conduct of Meetings.

Upon receiving the delinquent account, legal counsel may file a lien, or instruct Management Company to do so, and send a letter to the delinquent Member demanding immediate payment for past due assessments or other Common Expenses due. Upon further review, legal counsel may file a lawsuit or proceed with other collection action. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree will include reasonable attorney fees together with the cost of the action and any applicable interest and late fees.

In addition to the steps outlined above, even after the Member has been sent to the attorney for collections, on a monthly basis, the Association will send any Member with an outstanding balance due an itemized list of all assessments, fines, fees, and other Common Expenses that the Member owes the Association. A ledger going back to the last zero balance can satisfy this requirement. The monthly notice will be sent by first-class mail, and also by e-mail if the Association has an e-mail address for the Member.

The itemized list included with the notice may not contain additional legal fees and legal costs that have been incurred by the Association but have not yet been posted to the ledger. As such, the Member is required to communicate with the collection attorney to obtain the most up to date balance.

11. Collection Procedures/Time Frames: The following time frames will be followed for use in the collection of the annual assessment and other Common Expenses.

Assessment Due Date (date payment due)	February 1 st following date assessment billed
Assessment Past Due Date (date payment is late if not received before that date)	One day after due date
Common Expenses Due Date (date payment due)	Day Common Expenses billed
Common Expenses Past Due Date (date payment is late if not received before that date)	One day after due date
First Notice (notice that Assessment or Common Expenses and interest have	Any time after ten (10) days after due date

accrued,)	
Second Notice (notice that Assessment or Common Expenses have accrued, notice of intent to file lien, required disclosures of the Association and the availability of a payment plan if applicable)	Any time after sixty (60) days after due date
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Member	Any time after ninety (90) days after due date

The attorney may consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

12. Certificate of Status of Assessment: The Association will furnish to a Member or such Member's designee, upon the Member or designee's written request to the Association made via first class postage prepaid, return receipt requested mail, a written statement from the Association, setting forth the total amount of unpaid assessments currently levied against such Member's property. Statement will be provided at no charge and delivered personally or by certified mail, first class-postage prepaid, return receipt requested. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

A status letter provided to a title company or mortgage company in anticipation of a sale of the property or a refinance of the mortgage provides additional information beyond a statement of the total amount due and as such any costs incurred by the Association for providing a status letter will be charged back to the Member.

13. Bankruptcies & Foreclosures: Upon receipt of any notice of a bankruptcy filing by a Member, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any property within the Association, Management Company will notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.
14. Referral of Delinquent Accounts to Attorneys: Upon referral to the Association's attorney, the attorney will take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account will remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with Management Company, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- (a) Filing of a suit against the delinquent Member for a money judgment;

- (b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;
- (c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- (d) Filing a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection will be set up and monitored through the attorney.

15. Appointment of a Receiver: The Association may seek the appointment of a receiver if a Member becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.
16. Judicial Foreclosure: The Association may choose to foreclose on its lien in lieu of or in addition to suing a Member for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful, or other circumstances favor such action. The Association will consider individually each recommendation for a foreclosure. Such foreclosure will be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

The Association may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association. The Association may not foreclose on a Member's Property if the debt securing the lien consists only of one or both of the following:

- (a) Fines that the Association has assessed against the Member as a result of covenant violations; or
- (b) Collection costs or attorney fees that the Association has incurred and that are only associated with assessed fines as a result of covenant violations.

If a Property has been foreclosed on by the Association, the Property will not be purchased by a member of the Board of Directors, an employee of the Association's management company representing the Association, an employee of the law firm representing the Association, or an immediate family member of any of these individuals.

17. Waivers: The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association will determine appropriate under the circumstances.
18. Communication with Members: As to any communication sent by the Association or the Management company on behalf of the Association pursuant to this Policy, the Association, or Management Company on their behalf, will maintain a record of any contacts, including information regarding the type of communication used to contact the Member and the date and time that the contact was made.

A Member may elect, by giving notice to the Association in the form of certified mail, first class-postage prepaid, return receipt requested, to identify another person to serve as a designated contact for the Member to be contacted on the Member's behalf. If the Member identifies a designated contact, the Association will send any collection correspondence and notices to both the Member and their designated contact. However, once a Member is sent to the attorney for collections, all communication will be directly with the Member until or unless the Member provides permission directly to the Association's attorney giving permission for the attorney to communicate with the designated contact.

A Member may elect, by giving notice to the Association in the form of certified mail, first class-postage prepaid, return receipt requested, if the Member prefers that correspondence and notices from the Association be made in a language other than English. If a preference is not indicated, the Association will send the correspondence and notices in English. If the Member has notified the Association of a preference other than English, any notices or letters sent pursuant to this Policy will be sent both in English and in the preferred language.

If a Member has elected, in the form and manner indicated above, to exercise the preference for a different language AND to choose a designated contact, the Association will send the Member the correspondence or notice in the preferred language and in English, and the designated contact will receive the correspondence or notice in English.

Once a matter has been referred to the Association's attorney, all communication with the delinquent Member will only be conducted through that attorney. No member of the Board of Directors will discuss the collection of the account directly with a Member after it has been turned over to the Association's attorney, unless the attorney is present or has consented to the contact.

19. Communication by Members: Except as otherwise required by this Policy, Members may communicate with the Association in any manner they choose including e-mail, text, fax, phone, or in writing, when available. However, in doing so, the Member acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.
20. Defenses: Failure of the Association to comply with any provision in this Policy will

not be deemed a defense to payment of assessment fees, late charges, return check charges, attorney fees and/or costs, and other Common Expenses as described and imposed by this Policy.

21. Definitions: Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration will have the same meaning herein.
22. Supplement to Law: The provisions of this Policy will 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 Development.
23. Deviations: The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.
24. Amendment: This Policy may be amended from time to time by the Board of Directors.

PRESIDENT’S CERTIFICATION: The undersigned, being the President of Eagleridge Estates Filing No. 3 Homeowners Association of Pueblo, Inc., a Colorado nonprofit corporation, certifies that the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on _____ and in witness thereof, the undersigned has subscribed his name.

**Eagleridge Estates Filing No. 3 Homeowners
Association of Pueblo, Inc.,** a Colorado nonprofit
corporation

By: _____
President