

AMENDED RESOLUTION OF WILDWING COMMUNITY ASSOCIATION, INC.,  
REGARDING POLICY AND PROCEDURES FOR  
COLLECTION OF UNPAID ASSESSMENTS

- SUBJECT: Policy and procedure regarding the collection of unpaid assessments.
- PURPOSE: To provide notice of the Association’s adoption of a uniform and systematic procedure to collect assessments and other charges of the Association, as required by Colorado law.
- AUTHORITY: The Declaration, Bylaws and Articles of Incorporation of the Association and Colorado Law.
- EFFECTIVE DATE: May 13, 2020
- RESOLUTION: The Association hereby adopts the following policy:
1. Due Dates. As designated by the Executive Board pursuant to the Declaration, the annual installment of the Association’s assessment shall be due and payable on or before the first day of January during each calendar year. Assessments or other charges not paid in full to the Association by the due date shall be considered past due and delinquent.
  2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association’s office.
  3. Late Charges and Interest on Delinquent Installments. The Association shall impose a \$50.00 late charge for each Owner who fails to pay his/her installment of the annual assessment within 30 days of the due date. This late charge shall be a “common expense” for each delinquent Owner. Any delinquent assessments, including late charges, shall bear interest from the date of the Second Notice (defined below) at the Prime Rate of Interest plus five percent (5%) per annum.
  4. Return Check Charges. 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 Resolution, a \$20.00 fee or other amount deemed appropriate by the Board of Directors 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. This returned check charge shall be a “common expense” for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the

Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution. If two or more of an Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the annual assessment is not timely made within 5 days of the due date.

5. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado Law, the Association shall be entitled to recover its reasonable attorney fees and collection cost incurred in the collection of assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.
6. Application of Payments. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late charges, returned check charges, lien fees and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.
7. Personal Obligation. All charges owed shall be the personal obligation of the Owner(s) of the unit for which such assessment or other charge is unpaid and shall be due and payable immediately, without notice.
8. Collection Process.
  - (a) After the annual assessment or other charges due to the Association becomes more than 30 days delinquent, the manager shall send a written notice ("Notice of Default") of non-payment indicating the amount past due and notice that late fees have accrued. As required by the Declaration, the Notice of Default shall specify:
    - (i) The fact that the installment is delinquent;
    - (ii) The action required to cure the default;
    - (iii) A date, not less than thirty days from the date the notice is mailed to the Member, by which such default must be cured; and

- (iv) That failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the assessment or the installments of the assessment for the then current calendar year, if applicable, and the filing and foreclosure of the lien for the assessment against the Lot of the Member.
- (b) Notice to Owner/Payment Plan. If any annual assessment is not paid by the cure date specified in the Notice of Default, and before the Association turns over a past due account to a collection agency or an attorney for legal action, the Association shall send the delinquent Owner a letter ( the “Second Notice”) via first-class United States mail notifying the Owner of the delinquency and specifying:
  - (i) The total amount due, with an accounting showing how the total amount was determined;
  - (ii) That unless the Owner acquired the Owner’s unit through a foreclosure and does not occupy the unit, the Owner shall have a one (1) time opportunity to enter into a Payment Plan (defined below) that allows the Owner to pay off the past due amount in equal payments over a period of at least six (6) months pursuant to Section 9(c) below. Under such a Payment Plan, the Owner will be required to make payment of the past due assessments and also remain current with payment of the regular assessments as they come due during the term of the Payment Plan. If the Owner does not comply with the Payment Plan, the Association may then pursue legal action against the Owner;
  - (iii) The name and contact information of the individual(s) acting on behalf of the Association in the event the delinquent Owner wishes to enter into a Payment Plan, obtain a copy of the Owner’s ledger or has any other questions regarding the amount owing to the Association;
  - (iv) That action is required to cure the Owner’s delinquency and if the Owner fails to do so within thirty (30) days following the date of the Association’s letter, the Owner’s past due account may be turned over to a collection agency or an attorney, a lawsuit may be filed against the Owner and the Association may pursue any other remedies available under Colorado law.
- (c) Collection Remedies. In the event payment is not received from any delinquent Owner within thirty (30) days following the date of the Second Notice referred to in Section 8(c) above, the Association may pursue any one (1) or all of the following remedies:
  - (i) Record a notice of an assessment lien against the delinquent Owner’s property;
  - (ii) Commence a lawsuit seeking a personal judgment against the delinquent Owner for the recovery of delinquent assessments, late fees, interest, attorneys’ fees and costs, as may be allowed by the Association documents or CCIOA;

- (iii) Commence proceedings to foreclose the Association's lien against the delinquent Owner's property;
- (iv) Pursue collection of judgments obtained against delinquent Owners;
- (v) Sell, transfer, convey and assign the Association's claim and lien to a collection agency;
- (vi) Sell, transfer, convey and assign the Association's claim and lien to any person or entity at such price and upon such terms as the Association may deem appropriate;
- (vii) Take all other lawful action necessary to collect delinquent assessments in accordance with the Association's documents and Colorado law; and
- (viii) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

9. Additional Regulatory Constraints on Collection Procedures.

- (a) Third Party Purchasers of Debt. Third party purchasers of the Association's debt or lien must adopt this Collection Policy and comply with its terms prior to taking action to foreclose on the lien or collect on the debt.
- (b) Board Authorization of Foreclosure. The Association, or the holder or assignee of the Association's lien (whether the holder or assignee of the Association's lien is an entity or a natural person), may only foreclose on the Association's lien if the total amount secured by the lien would equal or exceed six (6) months of assessments based on a periodic budget adopted by the Association. Also, the Board must vote to proceed with the foreclosure on a specific delinquent account, and the Board cannot delegate its responsibility to authorize a foreclosure action to any attorney, insurer, manager or any other person. The decision of the Board to authorize the filing of a legal action against any Owner must be by formal resolution documented by recorded vote, and no legal action shall be taken without evidence of the recorded vote. Further, no legal charges (attorneys' fees, court costs, etc.) shall be assessed against the Owner in connection with any legal action that is dismissed for the reason that it was filed without such documentation.
- (c) Payment Plan for Delinquent Owner. Delinquent Owners shall be given one (1) opportunity to pay off their delinquent account over a period of six (6) months or such longer period as the Board may approve, in its sole discretion ("Payment Plan"). Such Payment Plan shall be offered to each Owner prior to the Association referring the delinquent account to an attorney or collection agency for collection action. The delinquent Owner must make the scheduled payment as required by his or her Payment Plan and also pay his or her current

annual assessment as it becomes due. If these payments are not received within twenty (20) days after the scheduled payment date, the Association may immediately initiate formal collection procedures pursuant to Section 8(d) above. This one (1) time opportunity to enter into a Payment Plan does not extend to Owners who do not occupy the property and who obtained title to the property as a result of a default of a security interest (i.e., lender foreclosure or deed-in-lieu of foreclosure) or foreclosure of the Association's lien. Third party purchasers of the Association's debt must also comply with the Payment Plan provisions. Only one (1) Payment Plan will be offered to a delinquent Owner during any twenty-four (24) month period.

10. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid assessment on any delinquent account. Such acceleration shall result in the entire unpaid assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.
11. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of the assessment and other charges.

<b>Due Date</b>	January 1st
<b>Notice of Default</b> (Notice that late charges have accrued and information required by 8(a))	30 days after due date
<b>Second Notice</b> (Notice that late charges and interest have accrued, intent to file a lien and information required by 8(b))	Day after cure date specified in Notice of Default.

12. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement within 14 calendar days of receipt of such request setting forth the amount of unpaid assessments currently levied against such Owner's property for a reasonable fee. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.
13. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any unit within the Association, the manager shall

notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

14. Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association shall also cause an additional copy of that letter or notice by certified or registered mail.
15. 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 shall determine appropriate under the circumstances.
16. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any member of the Board of Directors shall discuss collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.
17. Defenses. Unless otherwise required by Colorado law, failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.
18. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
19. 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 Project.
20. 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.
21. Amendment. This Procedure may be amended from time to time by the Board of Directors.

OFFICER'S  
CERTIFICATION:

The undersigned, being the President of Wildwing Community Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was

adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on this 13 day of May, 2020. In witness thereof, the undersigned has subscribed his/her name.

WILDWING COMMUNITY ASSOCIATION, INC.,  
a Colorado nonprofit corporation

By Barbara E. Sluun  
Name/Title: President