

# SPINNAKER RUN CONDOMINIUM ASSOCIATION, INC.

## COLLECTION POLICY AND PROCEDURE

Adopted August 18, 2005

The following resolution has been adopted by the Spinnaker Run Condominium Association, Inc. ("Association") pursuant to Colorado Law, at a regular meeting of the Board of Managers.

### RECITALS

- (a) The Association is the association identified in the Condominium Declaration for Spinnaker Run Condominiums charged with the rights and responsibilities to govern the administration of the Condominium Project.
- (b) The Association must have the financial ability to discharge its responsibilities.
- (c) The Board of Managers of the Association ("Board") is required to pursue collection of assessments and other charges from owners.
- (d) The Board desires to adopt a uniform and systematic procedure to collect assessments and other charges of the Association.

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

- 1. Due Date. The annual assessment as determined by the Board and as allowed for in the Declaration and Colorado statutes shall be due and payable in monthly installments due on the first day of each month. Assessments or other charges not paid to the Association by the 30th day of each month shall be considered past due and delinquent.
- 2. Late Charge and Interest Imposed. A monthly assessment shall be past due and delinquent if not paid by the 30th day of each month. The Board shall assess a Late Charge of twenty dollars (\$20.00) for that month's assessments and interest at the statutory rate of 18% per annum on the outstanding or past due balance then due the Association.
- 3. Return Check Charges. In addition to any and all charges imposed under the Declaration, Colorado statutes, or this resolution, a twenty five dollar (\$25.00) fee to be paid to the management company or other amount deemed appropriate by the Board 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. 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 property 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, Colorado statutes, Rules and Regulations or this Resolution.

4. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and Colorado statutes, 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. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.
5. Collection Letters.
  - (a) After an assessment, or other charge due the Association, becomes 30 days past due, a "late notice" will be mailed to the property owner who is delinquent in payment.
  - (b) If payment is not received within 60 days, a "Notice of intent to create a lien letter" will be mailed to the property owner who is delinquent in payment giving 10 days to respond.
  - (c) If payment is not received within 10 days of mailing the "Notice of intent to create a lien letter", the account will be sent to the Association's attorney for further collection.
6. Application of Payments: Any payment received will apply first to attorney fees, interest, NSF fees and collection costs, then to fines or penalties, then to the assessments and special assessments from oldest to newest. The Board of Directors will utilize, at its discretion, all methods available in the Association governing documents and at law to collect past-due accounts on behalf of the Association.
7. Referral of Delinquent Accounts to Attorneys. The Board may, but shall not be required to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred, including recording of a Notice of Assessment Lien against the property. 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.
8. Referral of Delinquent Accounts to Collection Agencies. The Board may, but shall not be required to refer delinquent accounts to one or more collection agencies for collection. Upon referral to a collection agency, the agency shall take all appropriate action to collect the accounts referred.
9. Appointment of a Receiver. The Board may seek the appointment of a receiver if an owner becomes delinquent in the payment of assessments. 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.
10. Judicial Foreclosure. The Board may choose to foreclose on the Association's lien in lieu of or in addition to suing an owner in county court 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.

11. Waivers. The Board may grant a waiver of any provision herein 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 Association 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 shall determine appropriate under the circumstances.
12. Notification to Owners. The Board shall cause all owners who become delinquent in the payment of assessments by thirty days to be notified of this Resolution and the late charges, returned check charge, interest and attorney fees to be imposed after the effective date of those provisions of this Resolution. All other policies and procedures set forth in this Resolution shall be effective immediately.
13. Ongoing Evaluation. 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.

**PRESIDENT'S**

**CERTIFICATION:**

The undersigned, being the President of the Spinnaker Run Condominium Association, Inc., a Colorado non-profit corporation, certifies that the foregoing Resolution was adopted by the Board of Managers of the Association, at a duly called and held meeting of the Board of Managers on May 18, 2005, and in witness thereof, the undersigned has subscribed his/her name.

**SPINNAKER RUN CONDOMINIUM  
ASSOCIATION, INC.,**

a Colorado non profit corporation

By:

Susan A. Bureau

President