

CHERRY CREEK VISTA HOMEOWNERS ASSOCIATION

Collection Policy

RECITALS:

- A. The Association is charged with certain responsibilities regarding the care, maintenance and service of certain portions of the units and common elements.
- B. The Association must have the financial means to discharge its responsibilities.
- C. The Board of Directors has a responsibility to pursue collection of assessments and other charges from Owners pursuant to the Declaration for Cherry Creek Vista Homeowners Association ("Declaration"), Bylaws of the Association ("Bylaws") and the Colorado Common Interest Ownership Act C.R.S. § 38-33.3-101, et seq. ("CCIOA").
- D. Section 209.5 of CCIOA requires that the Association have a policy regarding the collection of unpaid assessments.
- E. The Board of Directors believes that it is in the best interest of the Association to refer delinquent accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue. The Board of Directors has retained an attorney with experience in representing homeowner associations in collections and other matters.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following resolution for the collection of assessments and other charges of the Association.

1. Due Dates. The annual assessments as determined by the Association and as allowed for in the Declaration shall be due and payable on the first day of September, each year.
2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's offices.
3. Late Charges and Interest on Delinquent Installments. The Association shall impose a late charge of \$50 per year for each Owner who fails to pay the assessment by December 1st of each year. This late charge shall be a "common expense assessment" pursuant to the Declaration and CIOA for each delinquent Owner.

4. Personal Obligation For Late Charges. In addition to being a lien on the unit, the late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Returned 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 forty dollar (\$40.00) 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 assessment" pursuant to the Declaration and CIOA for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such returned 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 after the date adopted as shown above. 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 on one (1) year, be made by certified check or money order. This returned 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 monthly installment of the monthly assessment is not timely made within thirty (30) days of due date.

6. 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 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.

7. Application Of Payments. Except as otherwise agreed to in writing by the Owner(s) and the Association, all sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. 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.

8. Collection Process.

(a) After an installment of an annual assessment or other charges due to the Association becomes more than thirty (30) days delinquent, the manager is directed to send a written notice ("First Notice") of non-payment, and amount past due.

(b) After an installment of an annual assessment or other charges due to the Association becomes more than sixty (60) days delinquent, the manager is directed to send a second written notice ("Second Notice") of non-payment and amount past due.

(c) After an installment of an annual assessment or other charges due to the Association becomes more than ninety (90) days delinquent, the Manager is directed to arrange for the filing of a notice of lien and to turn the account over to the Association's attorneys for collection. Upon receiving the delinquent account, the Association's attorneys shall send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorneys may file a summons and complaint with the court of jurisdiction. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney fees together with the cost of the action and any applicable late fees, interest or other charges as provided not only in CCIOA, but in the Declaration.

(d) In addition to the steps outlined above, the Association may also elect to suspend the voting rights of any Owner whose account is past due at the time of such voting or suspend any other privileges as set forth in the Declaration, Bylaws, or Rules and Regulations.

9. Acceleration of Assessment. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate the entire unpaid annual assessment on any delinquent account, in its sole discretion.

10. Collection Procedures/Time Frames. The following timeframes shall be followed for use in the collection of annual installments of the semi-annual assessment and other charges.

Due date (date payment due)	First day of September
Past due First Notice date (date payment is late if not received on or before that date)	Thirty (30) days after due date
Second Notice of overdue account	Sixty (60) days after due date
Delinquent account turned over to Association's attorney; Notice of Lien filed; Demand letter sent to Owner.	Ninety (90) days after due date

The attorney is to consult with the Association at all times, to determine if payment has been arranged or what collection procedures are appropriate.

11. 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 requested, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property. However, if the account has been turned over to the Association's attorney, such request shall be handled through the attorney and subject to the fees and costs billed by the Association's attorney.

12. 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 advise the Association's attorney of the same and turn the account over to the Association's attorney.

13. 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 may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

14. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorneys, the attorneys 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. The attorney is authorized to take whatever action is necessary, in consultation with the President of the Board of Directors or other authorized representative, believed to be in the best interests of the Association, including, but not limited to:

19. Ongoing Evaluation. Nothing in this Resolution shall require the Association to take specific actions other than to notify the Owners of the adoption of these policies and procedures. Once an Owner's account is turned over to the Association's attorney, all communication regarding the account must be made through the attorney. However, the Association has the option and right to continue to evaluate each delinquency on a case-by-case basis.

20. Defenses. Failure of the Association to comply with any provision in this Collection 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 Collection Policy.

21. Amendment. This Collection Policy may be amended from time to time by the Board of Directors.

22. Survival. In the event a court of competent jurisdiction finds a provision of this collection policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

Procedure adopted this 4 day of Feb, 2006 by Resolution of the Board of Directors.

Cheryl Gaeke Osta HOA
by Barbara Weiss
its President