

L P P O Association

Collection Policy for Property Assessments

The following policy and procedures have been adopted by the Board of Directors of L P P O Association ("Association") pursuant to the provisions of the Colorado Common Interest and Ownership Act (the "Act") C.R.S. § 38-33.3-209.5, and in accordance with the provisions of the Amended Protective Covenants for Unit 1, Lake Purgatory Subdivision, La Plata County, Colorado, recorded in the real property records of La Plata County on September 18, 1991 at Reception No. 616278 (the "Declaration") and the Bylaws of LPPO Association (the "Bylaws") at a meeting of the Board of Directors. The Board has the responsibility to ensure that it has the financial means to fulfill its obligations, which will in turn help to preserve the property values of all Owners;

NOW THEREFORE, IT IS RESOLVED that the Association, after a duly held meeting of the Board of Directors, does hereby adopt the following policy:

1. Due Date. The dues (comprised of the regular assessments and special assessments) become due and payable no later than thirty (30) days of the date of each billing and will be considered delinquent if not received by the Association on or before that date ("Due Date"). Once an account is considered delinquent, all privileges, including voting rights and access to Association amenities may be revoked to the extent such authority is otherwise provided and may not be reinstated until the account is brought current and the full amount of the monies due is received.

2. Payment. Payment is considered received when it is made in good funds and it is delivered to the Association by the US Postal Service or another mail delivery or courier system at the following address or paid by electronic invoice:

Simplified Accounting Solutions
PO Box 586
Durango, CO 81302
970-799-0573

If the due date falls on a weekend or on a State or Federal holiday, delivery on the next business day will be considered timely.

3. Returned check policy: Any check returned to the Association by the bank for insufficient funds, stop payment or any other reason, will be charged back to the Owner(s) and the Association will assess the Owner(s) a \$50.00 administrative fee in addition to the bank's fees. If the account has been turned over to the Association's attorney or its collection company for collection and a check is returned, the Owner(s) account will be assessed administrative fees charged by the agent.

4. Collection Process. If payment is not received by the Due Date, a first letter will be mailed First-Class U.S. Mail to the Owner(s) giving notice of the delinquency status and a late charge of \$10 will be added to the amount due. In addition to a first letter, the Association shall attempt to contact the Owner(s) by email, telephone call or voice mail message, or in-person contact. The Association shall

maintain a record of attempted contacts, including information regarding the type of communication used in attempting to contact the Owner(s) and the date and time of such attempted contact. Should an account be delinquent by over thirty (30) days (from the Due Date), a second letter will be mailed to the Owner(s) and a late charge of \$15 or 8%, whichever is lesser, will be added to the amount due each month thereafter until the balance is paid.

If payment in full (including any late fee and interest charge) is not received by ninety (90) days from the original due date, the delinquent Owner(s) will be sent a certified letter documenting:

- (a) The total amount of the delinquency including an accounting of how it was determined.
- (b) That upon request, the Association can provide the Owner with contact information for any available financial counseling services, legal aid services, translation services, mental and behavioral health services, services for senior populations, and veterans' services.
- (c) Offering the option to enter into a payment plan. If accepted, the Owner must remain current on payment of future assessment fees. The Owner should contact the Association's management representative to establish the payment plan.
- (d) The Owner may contact the Association to obtain a copy of the Association's ledger to verify the amount of debt at no expense to the Owner.
- (e) That action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law.
- (f) That the Association or Owner may take action in small claims court.
- (g) The steps the Association must take before the Association may take legal action against the Owner.
- (h) The names, addresses, and contact information for one or more foreclosure counseling services available in La Plata County.

A delinquent account may be turned over to a collection agency or attorney only after a majority of the Board of Directors votes to refer the matter in a recorded vote at a public meeting.

5. Payments Received: Any payments received from a delinquent Owner shall be applied first to interest and late charges, and then to the oldest debt showing on the ledger for that lot.

6. Authority: The Association and its Board of Directors have the authority provided under the Colorado Nonprofit Corporation Act, the Colorado Common Interest Ownership Act, and the Declaration.

7. Payment Plan. The Association shall offer a payment plan to an Owner that has not previously breached a payment plan agreement, which shall require payments in equal monthly installments over a minimum of an 18 month period; however, nothing herein shall be construed to prohibit the Association from (a) pursuing legal action against an Owner if the Owner fails to remit three or more agreed upon installments pursuant to a payment plan or fails to remain current with regular assessments as they become due or (b) negotiating a payment plan that involves payment from the proceeds of a sale of the lot if circumstances warrant in the sole discretion of the Association. The Owner is deemed to have failed to comply with a payment plan if the Owner fails to pay at least three of the monthly installment payments within 15 days after the monthly installments were due.

If the Owner has unpaid assessments and unpaid fines, fees, or other charges and makes a payment to the Association, the Association shall apply the payment first to the assessments owed and any remaining amount of the payment to the fines, fees or other charges owed.

8. Lien. The Association has a lien on a Lot for any Assessment levied against that Lot or fines imposed against the Owner pursuant to law. Thirty days after the certified letter to an Owner is provided as set forth in paragraph 4 above, a Statement of Lien may be recorded in the real property records of La Plata County against the Owner's Lot if the Owner fails to pay the delinquent amounts owed or fails to enter into and execute a payment plan.

9. Remedies at Law. In addition to the above, the Association may bring an action in law or in equity, or both, against any Owner personally obligated to pay such overdue assessments, charges, or fees and may also proceed to foreclose its lien against such Owner's Lot. Any action at law or in equity by the Association against an Owner to recover a money judgment for unpaid assessments, charges or fees may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefore.

10. Foreclosure. Before the Association may foreclose on its lien, the following two requirements must be met:

- a. The balance due from the Owner must equal or exceed six months of the Annual and/or Special Assessments allocated to the delinquent Owner's Lot as prorated over a 12 month period; and
- b. The Board must vote and execute a resolution evidencing approval of the commencement of foreclosure against the Lot of the delinquent Lot Owner.

The Board of the Association may revise this policy from time to time. The Board may waive the specific application of any part of this policy, on a case-by-case basis, if it finds just cause to do so.

This policy is intended to comply with C.R.S. Section § 38-33.3-209.5, as amended. In the event that any provision is in conflict with a mandatory requirement of said section, the provisions of the statute shall control. Unless otherwise required by law, the failure to follow this policy or any portion thereof shall not invalidate the existence of the original debt.

Approved by an affirmative vote of the majority of the Board of Directors of L P P O Association on the ____ day of _____, 2024.

By:

Its: President of the Board of Directors