

**BUCKHORN RANCH ASSOCIATION, INC.
POLICY FOR COLLECTION OF UNPAID DUES AND ASSESSMENTS
AND THE IMPOSITION OF LIENS**

The Board of Directors (Board) of the Association, Inc. (hereinafter Association) hereby adopts the following policy and procedure regarding the payment of unpaid dues and assessments and the imposition of liens, effective as of January 1, 2014. Any previous policies for collection of unpaid dues and assessments is hereby superseded and replaced in entirety with the following policy and procedure. This Policy also applies to a holder or assignee of the Association's debt.

I. Personal Obligation:

Dues and assessments are the personal obligation of the Owner of each Lot or Unit. Each Owner is liable for assessments made against such Owner's Lot or Unit during the period of ownership of such Lot or Unit. The obligation to pay such dues and assessments shall be a joint and several obligation of each Owner on title to a Lot or Unit.

II. Invoices:

All dues and assessments are invoiced bi-annually, and delivered electronically or by United States Mail to each Owner, using the addresses on the Association's records for each Owner. Invoices may be delivered by United States Mail or by electronic mail, as the Owners may direct. The due date for payment of each invoice is thirty (30) days after the invoice date. Invoices not paid by this date shall be considered delinquent.

III. Interest and Late Charges:

Invoices not paid when due shall bear interest at 18% per annum. Owners in arrears shall be assessed a late charge of 10% of the amount due and owing for each delinquency. Invoices not paid within 30 days after the due date shall be deemed delinquent and shall be subject to interest and late charges. Interest shall begin to accrue on the day after the payment is due (but not paid). Interest and late charges are the personal obligation of each Owner, and shall become part of the dues and assessments owing to the Association.

IV. Return Check Charges:

Each returned check shall be subject to a \$25.00 returned check charge, which shall become due and owing with the next invoice for dues and assessments.

V. Payment:

Payment shall be applied first to late charges, then to return check charges, then to interest, then to attorney fees and costs, and then to dues and assessments.

VI. Payment Plan:

Prior to taking any legal action, including the recording of a lien, the Association must first offer a payment plan to a delinquent Owner. This Section VI. does not apply if the Owner does not occupy the Lot or Unit and has acquired the Lot or Unit as a result of a default of a security interest encumbering the lot or foreclosure of the Association's lien.

Owners who are in arrears more than sixty (60) days shall be permitted to enter into a payment plan with the Association. The minimum term of the payment plan shall be at least six (6) months, with payments made in equal installments. During this six-month

period, the Owner must make all scheduled payments under the payment plan as well as pay all current dues and assessments as and when due. Owners have only one opportunity at a payment plan to bring their delinquent accounts current. Failure to make the payment plan payments as required or to remain current with dues and assessments as they may become due during the six-month period shall constitute failure to comply with the payment plan, and may result in the Association immediately proceeding with collections.

VII. Collection:

Prior to turning over the account to a collection agency or to an attorney for the purpose of collection, the Association shall send written notice to the delinquent Owner by United States Mail, which notice shall include the following information:

1. The total amount of the arrearage, with an accounting of how the arrearage is determined;
2. Whether the opportunity to enter into a payment plan pursuant to this Policy exists and instructions for the Owner to contact the Association to enter into a payment plan;
3. The name and contact information of the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt; and
4. The Owner is required to take action to cure the delinquency and failure to do so within thirty (30) days of the written notice may result in the Owner's account being turned over to a collection agency, legal action being commenced against the Owner, the filing and foreclosure of a lien against the Owner's lot, and other remedies available under Colorado law.

The Association shall make a good faith effort to coordinate with the Owner to set up a payment plan that meets the requirements of Section VI. above.

VIII. Liens:

Pursuant to Colorado Common Interest Ownership Act (CCIOA), the Association has a lien on any Lot or Unit for unpaid dues and assessments. Unpaid dues and assessments in excess of \$750.00 shall be subject to a recorded Statement of Lien, recorded in the official records of the Gunnison County Clerk and Recorder's Office. The lien will be comprised of unpaid dues and assessments, late charges, returned check charges, interest, and attorneys' fees and costs incurred by the Association for the preparation of recording of the Statement of Lien. Prior to filing a lien, the Association shall first comply with Section VI. herein, if applicable, and offer a payment plan to a delinquent Owner. The Association or a holder or assignee of the Association's debt may only foreclose on a lien if the balance of the assessments and charges secured by the lien equals or exceeds six (6) months of common expense assessments assessed to a Lot or Unit, based on a periodic budget adopted by the Association. In order to foreclose on a lien, the Board of Directors must formally authorize in writing by recorded vote the filing of a legal action against a Lot or Unit on an individual basis.

IX. Judicial Remedies:

Subject to the procedure set forth in the Policy, the Association may elect to take any action to recover the past due assessments and dues, including but not limited to a personal suit for monies due, including attorneys' fees and costs, and a judicial foreclosure action on the subject Lot or Unit.

X. Waiver:

Failure to assert any of its rights hereunder, or pursuant to the governing documents of Buckhorn Ranch Association, shall not operate as a waiver of the Association to exercise its rights in the future.

XI. Attorneys' Fees and Costs:

Whether or not litigation is instituted, the Association may recover attorneys' fees and costs from an Owner as a result of collection efforts. Attorney fees and costs shall be due and payable upon demand. In the event of litigation, the prevailing party is entitled to an award of reasonable attorneys' fees and costs.

XII. Acceleration:

The Association may elect to accelerate all dues and assessments for a delinquent Owner for the fiscal year in play.

XIII. Voting:

An Owner who is in arrears for dues and assessments and related charges, as set forth above, is not in good standing and shall not be permitted to vote on Association matters until his or her account is brought current, and all past due invoices are paid in full, including late charges, interest, and attorney fees and costs. The Association may elect to suspend other services provided by the Association to a delinquent Owner until the account is brought current.

XIV. Compliance:

Notwithstanding the foregoing, the Association will comply with CCIOA and other applicable laws in collecting such assessment and dues from delinquent Owners.

XV. Third Parties:

Third-party purchasers of the Association's debt or liens must also adopt this Policy and comply with its terms, including the payment plan provisions, prior to taking action to foreclose on a lien or collect a debt.

XVI. Amendment:

The Association acting through its Board of Directors may deviate from this Policy when special circumstances warrant the same, in the Board's sole discretion. Any amendments to this Policy shall be set forth in writing, and adopted by the Board of Directors.

APPROVED AND ADOPTED THIS 19 DAY OF March, 2015

BUCKHORN RANCH ASSOCIATION, INC., a Colorado nonprofit corporation

By: 
Morgan Weinberg, President