

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

The Board of Directors (Board) of Buckhorn Ranch 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 2023. Any previous policy for collection of unpaid dues and assessments is hereby superseded and replaced in entirety with the following policy and procedure.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: Assessments, dues, interest, fines and fees are the personal obligation of the owner of each Lot or Townhouse. Each owner is liable for assessments made against such owner's Lot or Townhouse during the period of ownership of such Lot or Townhouse. The obligation to pay such dues and assessments shall be a joint and several obligation of each owner on title to a Lot or Townhouse.

II. Invoices:

All dues and assessments are invoiced bi-annually, and delivered electronically or by United States Mail to each Owner, as an Owner may direct, using the addresses on the Association's records for each Owner. The due date for payment of each invoice is 30 days after the invoice date. Invoices not paid by the due date shall be deemed delinquent. For fines and fees, the due date for payment shall also be 30 days after the invoice date.

III. Interest and Late Charges:

Delinquent invoices shall bear interest at 8% per annum. A late fee of 10% of the amount due and owing shall be charged for each delinquency. Invoices not paid within 30 days after the due date shall be delinquent and subject to interest and late charges. Interest shall begin to accrue the day after the invoice is due and not paid. Interest and late charges are the personal obligation of each Owner.

IV. Returned Check Charges: Each returned check shall be subject to a returned check fee of \$25.00 which shall become due and owing within 30 days of being invoiced therefor.

V. Payment:

Payment shall be applied first to dues and assessments, then to late charges, interest, and collection costs, including attorneys' fees, if any.

VI. Notice of Delinquency and Collections:

Prior to turning over an account to a collection agency or an attorney for collection purposes, the Association shall send by USPS mail certified return receipt requested and physical posting at the Lot or Townhouse a written notification of delinquency to the owner. The notice shall be sent when an account is at least fifteen days past due. The notice shall include:

1. The total amount of the arrearage with an itemized accounting of how the arrearage is determined;
2. Whether the opportunity exists for a repayment plan pursuant to this Policy and instructions on how to contact the Association;

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;
4. Steps the Association needs to take before legal action must be taken, including the cure process; and
5. Requirements the owner needs to take in order to cure the delinquency and failure to do so within 30 days of the written notice may result in the Owner's account being turned over to collections, legal action being commenced, including the filing and foreclosure of a lien against the Owner's Lot or Townhouse and other remedies available under Colorado law.

The decision to turn an account over the collections shall be by recorded majority vote of the Board of Directors at a duly noticed meeting. The notice of delinquency shall also be sent by text message, email or by first class mail. The Association shall keep a record of all contacts made to an owner.

VII. Repayment:

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

Owners who are in arrears more than 60 days shall be permitted to enter into a repayment plan with the Association. The repayment plan shall authorize the owner to repay the debt in monthly installments over 18 months. Under the repayment plan, the Owner may choose the amount to be paid each month so long as each payment is in the amount of at least \$25.00. During this 18-month period, the Owner must make all scheduled payments under the repayment plan as well as pay all current dues and assessments as and when due. Owners have only one opportunity for 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 18-month period shall constitute failure to comply with the payment plan, and may result in the Association immediately proceeding with collections. If a repayment plan is offered and the Owner does not respond thereto within 30 days thereof or declines the repayment plan, or has failed to make at least three (3) monthly installments within 15 days when due, the Association may proceed with foreclosure.

VIII. Liens:

Pursuant to Colorado Common Interest Community Act (CCIOA), the Association has a statutory lien on any Lot or Townhouse for dues and assessments, fines, fees (including attorney fees), interest and late charges, but only after an Owner fails to make an installment payment within 15 days of when due. Unpaid dues and assessments, fines, fees (including attorney fees), interest and late charges 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, fines if applicable, and attorney fees and costs incurred by the Association for the preparation of recording of the Statement of Lien. Prior to the recording of any lien, the Association shall first comply with the repayment option set forth above. 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 Townhouse on an individual basis.

IX. Judicial Remedies:

Subject to the procedure set forth herein, the Association may elect to take any action to recover the past due assessments and dues, fines, late charges, and fees, including but not limited to a personal suit for monies due, including attorney fees and costs, and a judicial foreclosure action on the subject Lot or Townhouse. A foreclosure action may not be initiated only upon unpaid fines and collection fees. The Association may choose Small Claims Court, subject to its jurisdictional limits of \$7500.00, to adjudicate the action.

X. Waiver:

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

XI. Attorneys' Fees and Costs:

If an Owner defaults under a repayment plan, or if a repayment plan is not applicable, the Association may turn over to a collection agency or an attorney the Owner's delinquent account. Whether or not litigation is instituted but only after the Association has complied with the notice provisions herein, the Association may recover attorney fees and costs and/or collection agency fees and costs from an Owner as a result of collection efforts. In the event of litigation, the prevailing party is entitled to an award of reasonable attorneys' fees and costs.

XII. 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 invoices are paid in full, including late charges, interest, and attorney fees and costs, per the Declaration of Amended and Restated Protective Covenants, as amended from time to time. The Association may elect to suspend other services and privileges for a delinquent Owner until the account is brought current.

XIII. Compliance:

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

XIV. Third Parties:

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

XV. Amendment:

Any amendments to this policy shall be set forth in writing, and adopted by the Board of Directors.

APPROVED AND ADOPTED THIS ___ DAY OF _____, 2023

BUCKHORN RANCH ASSOCIATION, INC., a Colorado nonprofit corporation

By: _____
Sean Patrick, its President