

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

The Board of Directors (Board) of Larkspur Community Association, Inc. (hereinafter Association) hereby adopts the following policy and procedure regarding the payment of unpaid dues and assessments and the imposition of liens. Any previous policy for collection of unpaid dues and assessments is hereby superseded and replaced in entirety with the following policy and procedure.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. Each owner is liable for assessments made against such owner's Lot during the period of ownership of such Lot. The obligation to pay such dues and assessments shall be a joint and several obligation of each owner on title to a Lot.

II. Invoices:  
All dues and assessments are invoiced 1/1, 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 annual dues is 1<sup>st</sup> day of the month following the invoice date. Invoices not paid when due are delinquent. For fines and fees, the due date for payment shall also be 30 day of the month when the payment is due.

III. Interest and Late Charges:  
Delinquent invoices shall bear interest at 8% per annum. A late fee of \$50.00 per month shall be charged for each delinquency. Invoices not paid when due 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 \$50.00 which shall become due by the end of the month billed.

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, acting through its duly elected Board, shall send by USPS mail certified return receipt requested a written notification of delinquency to the Owner. The notice shall be sent when an account is at least 30 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 and other remedies available under Colorado law.

In addition, prior to taking action the Association must do the following:

- (1) The Association must first contact the Lot Owner of the dues delinquency before taking action.
- (2) The Association must maintain a record of the efforts to contact the Lot Owner.
- (3) Any contact with the Lot Owner must be provided to the Lot owner and another person who has been identified by the Lot Owner as a Designated Contact.
- (4) Any contact with the Lot Owner must be provided to the Lot owner in a language identified by the Lot Owner. If the Lot owner does not identify a language other than English, contact can be made in English.
- (5) The Lot Owner and the Designated Contact must receive the same correspondence and notices any time communications are sent out, except that any Lot Owner that has identified a preferred language other than English must receive communications and notices in that preferred language.
- (6) Communications and notices must be sent by certified mail, return receipt requested AND two of the following methods:
  - a. Telephone, including leaving a voice message, if possible.
  - b. Text message.
  - c. Email
- (7) The Association is expressly permitted to charge the actual cost of the certified mail, but the fee may not exceed the actual cost of certified mail.

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

#### VII. Repayment:

Prior to taking any legal action, the Association must first offer a payment plan to a delinquent Owner.

Owners who are in arrears more than 30 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 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 must formally authorize in writing by recorded vote the filing of a legal action against a Lot on an individual basis.

#### IX. Judicial Remedies:

Subject to the procedure set forth herein, the Association may elect to take 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. 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.

With respect to a foreclosure action, the Association must have performed one of the following:

- 1) Obtained a personal judgment against the Lot Owner in a civil action; or
- 2) Attempted to bring a civil action against the Lot Owner but was prevented by the death of or incapacity of the Lot owner; or
- 3) Attempted to bring a civil action against the Lot Owner but the Association was unable to serve the unit owner within 180 days.

Additionally, the Association may foreclose on a lien if the Lot Owner is in a bankruptcy civil action. The Association may not foreclose on a lien if the Lot Owner is in compliance with a payment plan offered by the Association in accordance with C.R.S. Section 38-33.3-209. If Owner intends on redeeming, per the law, the Owner must file its notice of intent to redeem as established within 180 days from the foreclosure sale.

Prior to initiating a foreclosure action, the Association must give the Lot Owner written notice 30 days prior thereto, in which the Association must give the Owner the right to mediate prior to litigation.

#### X. Waiver:

Failure to assert any of its rights hereunder, or pursuant to the governing documents of Meridian Lake Meadows 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 the Owner's delinquent account to a collection agency or an attorney. 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 of not more than \$5000 or 50% the original amount owed, whichever is less, 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 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.

XVI. Exception. This Policy does not apply if the owner does not occupy his or her property as his or her primary residence, has acquired the property as a result of a default of a security interest encumbering the property or has acquired the property as a result of foreclosure of an Association lien.

APPROVED AND ADOPTED THIS 4 DAY OF APRIL, 2025

LARKSPUR COMMUNITY ASSOCIATION, INC., a Colorado nonprofit corporation

By: 

Jeff Duke, its President

**LARKSPUR COMMUNITY ASSOCIATION, INC.**  
**POLICY ON ENFORCEMENT OF ASSOCIATION DOCUMENTS**

The Board of Directors of Larkspur Community Association, Inc. (hereinafter Association) hereby approves and adopts the following Policy on Enforcement of Association Documents, effective as of 4/4, 2025. Any previous policy or policies on enforcement, including the imposition of fines, is hereby superseded and replaced in its entirety with the following policy.

**1. Association Documents Defined.** "Association Documents" shall mean and include the Association's Bylaws, Articles of Incorporation, Declaration of Protective Covenants, Design Guidelines, Rules and Regulations and resolutions of the Board of Directors (Board). Association Documents also includes any amendments to the foregoing.

**2. Compliance with Association Documents.** All enforcement procedures shall comply with the Association Documents and any applicable law. If there is a conflict between any Association Documents and the law, the law shall control. Violations for failure to pay dues shall be subject to the Policy for Collections of Unpaid Dues and Imposition of Liens, as it may be amended from time to time.

**3. Violations that threaten the public safety or health.** The Association may make a reasonable determination whether an alleged violation threatens public safety or health. For violations that threaten public safety or health, the Association shall provide the Owner written notice, in English and any other language the Owner designates, that the Owner has seventy-two (72) hours to cure the violation, or the Association may fine the Owner. The Association has the right to inspect the subject property or issue to determine if the violation has been cured. If the violation is not cured within seventy-two (72) hours, the Association may:

- impose fines on the Owner every other day; and/or
- take legal action against the Owner for the violation.

There is not a limit on the amount of a fine levied for threats to public safety or health. The amount of the fine shall be based on the nature of the violation and reasonable related thereto, in the discretion of the Board. The Association may not pursue foreclosure for unpaid fines.

**4. Violations that do not threaten the public safety or health.** For violations that do not threaten public safety or health, the Association shall, through certified mail, return receipt requested, provide the Owner with written notice of the violation. Such notice shall clearly indicate the nature, date, time and location of the alleged violation, and the name(s) of the alleged violator(s)/and/or address, if known, the required actions to cure the alleged violation, the timeline for the Association's fact-finding process, a date by which to cure the violation, and failing that, an advisory that a fine may be imposed. If the Owner has not cured the violation within 30 days, the Association may, after an inspection and determination that the Owner has not cured the violation, fine the Owner. The written notice shall also inform the Owner that if the Owner disputes the allegation, the Owner may request a hearing, provided that such a hearing is requested in writing within fourteen (14) days of the date on the written notice. If the Owner does not timely request a hearing, the right to such hearing shall be deemed waived. Contact with the Owner shall be made in the language requested by the Owner and in English, and/or to Owner's designee, if made. The Association shall keep a record of all contacts with the Owner.

The Association shall grant the Owner two consecutive 30-day periods to cure a violation before the Association may take legal action against the Owner for the violation. If the Owner cures the



violation within the timeframe permitted, the Owner shall send written notice to the Association with visual evidence of the cure. If no visual evidence of the cure is included, the Association shall inspect the Owner's property within 7 days of the expiration of the first 30-day cure period. If the Owner does not notify the Association that the violation has been cured, the Association shall inspect the property within seven (7) days after the expiration of the 30-day period to determine if the violation has been cured. If the Owner does not cooperate with the inspection, such lack of cooperation will be treated as though the violation has not been cured. If the Association determines that the violation has not been cured, a second 30-day period to cure commences; or the Association may take legal action if two 30-day periods have elapsed. Once the Owner cures the violation, the Association shall notify the Owner and the Owner will not be further fined; except that the Owner shall owe to the Association the outstanding balance of the fines.

The amount of the fine for each violation shall be \$500.00. The Board has discretion to levy a lesser amount.

**5. Hearing.** If a hearing is requested, the Owner allegedly responsible for the violation shall be provided written notice of the time, date and location of the hearing. Hearings may be held virtually. Such notices of hearing shall be mailed no less than ten (10) days in advance of the hearing. At the hearing, the Owner shall have an opportunity to participate in person or through a representative, and to present any witnesses, testimony, explanation, or documentation regarding the alleged violation. An Owner may also submit a written statement, documentary evidence, photographs or other similar documentation without being present at the hearing. Such evidence or documentation shall be submitted to the Board or management company at least forty-eight (48) hours before the scheduled hearing.

The hearing shall be before a panel of impartial decision makers who do not have a direct personal or financial interest in the outcome of the hearing. An impartial decision maker shall be an individual who has authority to make a decision on the alleged violation and does not have a direct personal or financial interest in the outcome. A person does not have a direct personal or financial interest in the outcome if the decision maker will not, as a result of the outcome, receive any greater benefit or detriment than will the general membership of the Association. The Board shall serve as the impartial decision maker, subject to any members of the Board who may be disqualified because the member is not an impartial decision maker. If the Board determines that no member of the Board can serve as an impartial decision maker, the Board may appoint a person or persons to the panel fill the vacancy by the disqualified director. The panel shall contain an odd number of persons.

At that hearing, the panel shall make a determination, based on a preponderance of the evidence, as to:

- (i) whether a violation has occurred;
- (ii) whether the accused Owner is responsible for the violation; and
- (iii) if applicable, the imposition of the appropriate fine, if a violation does exist.

The hearing panel may issue its ruling orally after its deliberation at the conclusion of the hearing or by written notice within 15 days after the hearing. A decision on the validity of the allegations shall be determined by a majority vote of the panel members.

6. **Continuing Violations.** Violations that are not corrected and are continuing in nature shall incur continuing fines, every other day. A violation is continuing if the violation is capable of being stopped or remedied by the Owner.

7. **Notice of Delinquency.** On a monthly basis and by first-class mail, the Association shall send to each Owner who has an outstanding balance an itemized list of all assessments, dues, fines, fees and interest owed to the Association. This notice of delinquency must be sent in English and in any other language the Owner specifies. For violations that are continuing in nature, the notice must also specify the intervals upon which fines may be levied.

The notice of delinquency must include the steps the Association must take before the Association may take legal action against an Owner, including a description of the cure process set forth above, and the types of matters which may be heard in Small Claims court, including injunctive matters.

8. **Correction by the Association.** If the Owner fails to correct the violation, the Board or management company may authorize correction to be made by the appropriate entity and assess the Owner for any cost incurred.

9. **Additional Remedies.** The Association will make every reasonable effort to treat similar cases in a similar manner, however the Board reserves the right to consider the unique facts and circumstances of each case, and to act as it deems appropriate in any given case. For example, for violations that threaten public safety and health, the Board may fine an Owner based on the nature of the violation. The failure of the Association to enforce any provision of the Association Documents or applicable law shall not be deemed a waiver to enforce for any subsequent violations. In addition, the Association may take legal action and pursue other available remedies at the same time as the imposition of fines. Any foreclosure action of a Lot with delinquent dues must comply with the Collection Policy for Meridian Lake Meadows.

10. **Owner Responsibility.** The Owner of any Lot shall be responsible for any noncompliance or any violations of the Association Documents committed by any family member, guest, tenant, invitee, contractor, or licensee of the Owner.

11. **Attorney Fees.** If the Association prevails in defending or enforcing its rules or Bylaws, it shall be entitled to an award of attorney fees; except that such fees shall be the lesser of \$5000 or 50% of the original amount at issue, if a monetary amount is at issue.

ADOPTED AND APPROVED this 4 day of April, 2025

LARKSPUR COMMUNITY ASSOCIATION, INC., a Colorado nonprofit corporation

By:   
Jeff Duke, President

## **LARKPSUR COMMUNITY ASSOCIATION, INC.**

### **RECORD RETENTION, INSPECTION, AND PRODUCTION POLICY**

Purpose: To establish efficient and consistent policy and procedure with respect to Larkspur Community Association, Inc. (Association) record retention, inspection and production requirements pursuant to C.R.S. Section 38-33.3-317 (2023).

1. **Mandatory Production.** The Association shall retain the following records for production to owners of Larkspur Community Association, Inc., with respect to the Association.
  - a. Larkspur Declaration of Protective Covenants, including any and all amendments thereto;
  - b. Bylaws;
  - c. Articles of Incorporation;
  - d. A list of all Association insurance policies;
  - e. Responsible Governance Policies and other policies adopted by the Board of Directors (Board);
  - f. Rules and Regulations;
  - g. Financial Statements for the past three (3) years showing the Association's assets and liabilities and the results of its operations, and tax returns for past seven (7) years to the extent available;
  - h. Financial records sufficiently detailed to enable the Association to provide statements of unpaid assessments;
  - i. The current operating budget for the most recent fiscal year;
  - j. Detailed records and receipts and expenditures affecting the operation and administration of the Association;
  - k. Most recent reserve study, if any;
  - l. Most recent annual report filed with the Colorado Secretary of State;
  - m. The names of all owners in a form that permits preparation of a list of the name of all owners, physical addresses at which the Association communicates with the owners, and number of votes each owner is entitled to cast;
  - n. A list of the names, email addresses and mailing addresses of each current Board member;
  - o. A list of the current amounts of all unique and extraordinary fees, assessments and expenses that are chargeable by the Association in connection with the purchase and sale of a lot and are not paid through assessments, including transfer fees, record change fees and the charge for a status letter or statement of assessments due;
  - p. Minutes of all meeting of the owners and the Board, records of all actions taken by owners or the Board without a meeting, and records of any action taken by a committee of the Board without a meeting;
  - q. Ballots or proxies and other records relating to voting by owners for one year after the election, action or vote to which they relate;



- r. Written communications among, and the votes cast by, Board members that are directly related to an action taken by the Board without a meeting pursuant to the Association's Bylaws;
- s. All written communications to owners within the last three (3) years;
- t. Resolutions adopted by the Board related to the characteristics, qualifications, rights and limitations or obligations of members;
- u. Records of Board or committee actions to approve or deny any requests for design or architectural approval from owners;
- v. Records of claims for construction defect actions and amounts received pursuant to settlement thereof;
- w. Written contracts to which the Association is a party and contracts for work performed for the Association within the immediately preceding two (2) years; and
- x. All documents required by C.R.S. Section 38-33.3-209.4(2), which are not subject to a reasonable charge set forth in Section 7 below.

1. Discretionary Production. The Association may exercise discretion to withhold from inspection and production the following to the extent they are or concern:
  - a. Architectural drawings, plans and designs, unless released upon the written consent of the legal owner of the drawings, plans, or designs;
  - b. Contracts, leases, bids, or records related to transactions to purchase or provide goods or services that are currently in or under negotiation;
  - c. Communications with legal counsel that are otherwise protected by the attorney-client privilege or the attorney "work product" doctrine;
  - d. Disclosures of information in violation of law;
  - e. Records of an Executive Session of the Board; or
  - f. Individual lots or units other than those of the requesting owner.
2. No Production. The Association shall withhold from inspection and production the following:
  - a. Personnel, salary, or medical records relating to specific individuals; or
  - b. Personal identification and account information of the owners, including bank account information, telephone numbers, electronic email addresses, driver's licenses numbers, and social security numbers; except that an owner may provide the Association with prior written consent to the disclosure of, and the Association may publish to other owners, the person's telephone number, electronic mail address, or both. The written consent must be kept as a record of the Association and remains valid until the person withdraws it by providing the Association with a written notice of withdrawal of the consent. If a person withdraws his or her consent, the Association is under no obligation to change, retrieve, or destroy any document or record published prior to the notice of withdrawal.
  - c. Accounts receivable reports listing owners in arrears on dues and assessments.

3. Procedure for Inspection and Production. An owner or the owner's agent must make a written request using the Association's form therefor for the records sought for inspection and production and must describe such records with reasonable particularity the records sought. The Association shall not condition the inspection and production of the requested records upon the statement of a proper purpose. The owner or his or her authorized agent may inspect and copy requested Association records at 15 days after such written request is made. Such inspection and production shall occur during normal business hours (9:00 a.m. to 5:00 p.m.) at the Association offices. An owner or owner's agent shall not remove the records from the Association's offices for inspection or production. The Association may request written evidence from an owner with respect to the authority given to his or her agent to inspect the requested records. Such records may be delivered by electronic or other means, if requested. The Association is not obligated to compile or synthesize the records sought. At the discretion of the Board, records shall be inspected only in the presence of a Board member or authorized and designated agent of the Association. Owners may not photograph records without the consent of the Association.
4. Use of Association Records. No owner may use Association records, or information contained within those records, for commercial purposes.
5. Membership List. A membership list or any part thereof shall not be obtained or used by any person for any purpose unrelated to an owner's interest as an owner or Association business. A membership list or any part thereof shall not be used to solicit money or property, unless such money and property will be used solely to solicit the votes of the owners in an election to be held by the Association, sold to or purchased by any person, used for commercial purposes, used for any purpose unrelated to the owner's interest as an owner, or used for any other purpose prohibited by law. An owner requesting such records shall be required to sign an acknowledgement and agreement to abide by this policy with respect to this paragraph 5.
6. Reasonable Charge. The Association shall impose a reasonable charge for the disclosure and production of requested documents. The charge shall cover the costs of labor and materials for retrieving and assembling the documents and for copies of such documents. The owner shall pay the charges prior to inspecting and receiving the copies. If the Association fails to allow inspection or copying of records within 30 calendar days after receipt of a written request submitted by certified mail, return receipt requested, and payment of fees required, the Association is liable for penalties in the amount of \$50.00 per day, commencing on the 11<sup>th</sup> day after the Association received the written request, up to a maximum of \$500.00 or the Owner's actual damages sustained as a result of the refusal, whichever is greater.

7. Remedies. The Association may pursue any owner for damages or injunctive relief or both including reasonable attorney fees and costs, for abuse of inspection and production, including any use in violation of paragraph 5 above.
8. Amendments. Amendments to this policy shall be in writing and adopted by the Board.

ADOPTED AND APPROVED THIS 4 DAY OF April, 2025  
LARKSPUR COMMUNITY ASSOCIATION, INC., a Colorado nonprofit corporation

  
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Jeff Duke, President