

**CASTLE PINES NORTH ASSOCIATION, INC.
COLLECTION POLICY**

Adopted: December 6, 2013

The following procedures have been adopted by the Castle Pines North Master Association ("Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors. The legal name for Castle Pines North Master Association is Castle Pines North Association, Inc.

Purpose: To establish a uniform and systematic procedure for collecting Assessments of the Association, thus ensuring the financial well being of the Association.

Collection Philosophy: All Owners are obligated by the Master Declaration of Covenants, Conditions, Restrictions and Easements for Castle Pines North ("Declaration") to pay all Assessments in a timely manner. Failure to do so jeopardizes the Association's ability to pay its bills. Failure of Owners to pay Assessments in a timely manner is also unfair to its other Owners who do. Accordingly, the Association, acting through the Board of Directors must take steps to ensure timely collection of Assessments.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following procedures and policies for the collection of Assessments of the Association:

1. Due Dates. The Association's annual Assessment is billed annually for current Owners; Owners closing on new-homes pay a prorated annual Assessment at the date of closing
 - a. Annual Assessment: The annual Assessment, as determined by the Association, shall be due on January 1st of each year. Annual Assessments not paid to the Association by February 10th in the year in which they are due shall be considered past due and delinquent.
 - b. New-Home Closings (the first payment of the annual Assessment, for homes not previously assessed by the Association): The amount due shall be prorated according to the number of days remaining in the calendar year and is due at closing
2. Late Charges. If any annual Assessment is not paid by February 10th in the year when due (the "Delinquency Date"), the amount due shall bear interest at a rate of eight percent (8%) per annum from the Delinquency Date until paid. If the Owner pays the annual Assessment within one year of the Delinquency Date, and is current in the payment of all Assessments then due, then all accrued interest charges may be waived at the discretion of the Board of Directors. The Association shall also impose a one-time late charge of fifty dollars (\$50.00) on any annual Assessment that has not been paid by the Delinquency Date, and may impose additional late charges of \$10.00 for each additional month that the annual Assessment remains unpaid. All interest and late charges shall be due and payable immediately, without notice, in the manner provided for payment of Assessments.
3. Return Check Charges. A twenty dollar (\$20.00) fee shall be charged to 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. Such amount shall be in addition to any charges made by the bank due to the dishonored check. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of an Owner's checks are returned unpaid by the bank within any twelve (12) month period, the Association may require that all of the Owner's future payments, for a period of at least one (1) year, be made by certified check or money order.

4. Notice of Delinquency. If payment in full for the annual Assessment owed to the Association is not received by February 15th in the year when due, but before the Association turns the delinquent account over to a collection agency or refers it to the Association's attorneys for legal action, the Association shall cause a notice of Delinquency ("Notice of Delinquency") to be sent to the Owner who is delinquent in any payment. The Notice of Delinquency shall specify the following:

- a. The total amount due, with an accounting of how the amount was determined;
- b. Whether an opportunity to enter into a payment plan exists under the requirements and conditions set forth in Paragraph 5 below, and the instructions for contacting the Association or its Manager to enter into such a payment plan;
- c. The name and contact information for the person the Owner may contact to request a copy of the Owner's ledger in order to verify the amount owed;
- d. That action is required to cure the delinquency and the specific action required to cure the delinquency; and
- e. That failure to cure the delinquency within thirty (30) days may result in the delinquent account being turned over to a collection agency or the Association's attorney, acceleration of the balance of the Assessment or the installments of the Assessment for the then current fiscal year, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's unit, or other remedies available under Colorado law.

The Notice of Delinquency shall be mailed to the Owner at the address of the Owner's Privately Owned Site or Unit unless the Owner has given notice, in writing, of an alternate address. The Association may, but shall not be required to, send periodic follow-up notices to the Owner for as long as amounts remain past due on the Owner's account.

5. Offer of Payment Plan. Subject to the following requirements and conditions, the Association shall offer a payment plan to any delinquent Owner and make a good faith effort to coordinate a payment plan with the Owner:

- a. The payment plan must allow the delinquent Owner the right to pay off the delinquency in equal installments over a period of at least six (6) months;
- b. No payment plan need be offered if the Owner does not occupy the Privately Owned Site or Unit and has acquired the Privately Owned Site or Unit as a result of:
 1. a default of a security interest encumbering the Privately Owned Site or Unit; or
 2. foreclosure of the Association's lien;
- c. The Association is not required to offer a payment plan or negotiate such a plan with an Owner who has previously entered into a payment plan with the Association;
- d. The Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular Assessments as they come due during the period of the payment plan, constitutes a failure to comply with the terms of the payment plan.

e. The Association may pursue legal action against the Owner if the Owner fails to comply with the terms of the payment plan.

6. Attorney Fees on Delinquent Accounts. The Association shall be entitled to recover its reasonable attorneys' fees and collection costs incurred in the collection of Assessments due the Association from a delinquent Owner, together with post-judgment and appellate attorneys' fees and costs incurred.

7. Application of Payments Made to the Association. The Association reserves the right to apply all payments received on account of any Owner first to payment of any and all legal fees and costs (including attorneys' fees), then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner, and any remaining amounts shall be applied to the Assessments due with respect to such Owner. For purposes of collecting an outstanding judgment, the Association may, but shall not be required to, first apply payments received following entry of a judgment toward post-judgment attorneys' fees and costs and/or Assessments coming due following the entry of the judgment.

8. Referral of Delinquent Accounts to Attorneys. After the deadline stated in the Notice of Delinquency has expired, the Association may, but shall not be required to, refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, and after consultation with the Board of Directors or the Association's Manager, the attorneys shall take all appropriate action and exercise all available remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent Owner's property. After an account has been referred to the attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

9. Liens. If payment in full of any Assessment is not received by the deadline stated in the Notice of Delinquency, the Association may cause a notice of lien to be filed against the property of the delinquent Owner. The lien shall include Assessments, fees, charges, late charges, attorneys' fees, fines and interest owed by the delinquent Owner. The Statement of Lien shall be duly signed and acknowledged by the President or a Vice-President of the Association or its Manager, and shall be served upon the delinquent Owner by mail to the address of the Owner's Privately Owned Site or Unit or at such other address as the Association may have in its records for the Owner.

10. Foreclosure of Lien. Notwithstanding any provision of this policy to the contrary, the Association may only foreclose the lien if:

a. The balance of the Assessments secured by the lien equals or exceeds six (6) months of annual Assessments based on the periodic budget adopted by the Association; and

b. The Board of Directors has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific Owner's unit on an individual basis.

11. Referral of Delinquent Accounts to Collection Agencies. The Association may, but shall not be required to assign delinquent accounts to one or more collection agencies for collection, subject, however, to the same terms and conditions as specified herein, including the payment plan and foreclosure authorization requirements.

12. Waivers. Nothing in this policy shall require the Association to take specific actions other than to notify Owners of the adoption of this policy. The Association has the option and right to continue to evaluate each delinquency on a case by case basis. The Association may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship. Such relief granted an Owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate under the circumstances except as may be prohibited by Colorado law.

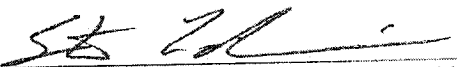
13. Order of Remedies. Subject to the restrictions contained in paragraph 10 above concerning foreclosure, the Association may pursue any actions or remedies, including, but not limited to, actions for personal judgment, foreclosure or receivership, to collect amounts owed in any order or contemporaneously, and cumulatively, and in the case of a foreclosure by the holder of another security interest in the Owner's property, may immediately proceed to file actions for personal judgment, foreclosure or receivership (on an ex-parte basis or otherwise) without the necessity of following the procedures set forth above.

14. Delinquencies Constitute Covenant Violations. Any delinquency in the payment of Assessments shall constitute a violation of the covenants contained in the Declaration, and following notice and an opportunity to be heard, the Association shall be entitled to impose sanctions on the delinquent Owner consistent with the Association's Notice, Hearing and Enforcement Policy.

15. Superseding Previous Policies. This policy shall replace and supersede any previous rules, regulations or policies of the Association addressing the collection of Assessments.

16. Capitalized Terms. Capitalized terms in this policy have the same meaning as terms defined in the Declaration unless otherwise specifically defined herein.

Castle Pines North Association, Inc.

By: 
President

This Collection Policy was adopted by the Board of Directors on the 6th day of December 2013, effective the 1st day of January 2014, and is attested to by the Secretary of Castle Pines North Association, Inc.


Secretary