

Castle Pines North Master Association

Collection Policy

Adopted Apr. 18, 2008

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 and other charges 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, Castle Pines North ("Declaration") to pay all dues and 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 payment of assessments.

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

1. Due Dates. The Association's Assessment is billed annually for current owners; owners closing on new-homes pay a prorated assessment at their home closing.
  - (a) Annual Assessment: The annual assessment, as determined by the Association, shall be due on January 1<sup>st</sup> of each year. Assessments or other charges not paid to the Association by February 1<sup>st</sup> in the year 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 assessment is not paid by February 1<sup>st</sup> in the year when due, the amount due shall bear interest at a rate of eighteen percent (18%) per annum from the date of delinquency until paid. The Association shall also be entitled to impose a late charge of not less than fifty dollars (\$50.00) on each past due and delinquent installment. 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 assessed against 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. 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 month period, the association may require that all of the owner's future payments, for a period of one year, be made by certified check or money order.

4. Attorney Fees on Delinquent Accounts. The Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent owner.

5. Application for 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 attorney 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.

6. Collection Letters.

- (a) First Notice: If payment in full for the common assessment or other charge owed to the Association is not received by February 1<sup>st</sup> in the year when due, the Association shall be entitled to send a notice of delinquency to the unit owner who is delinquent in payment.
- (b) Intent to Lien: If payment in full is not received by March 1<sup>st</sup> in the year when due, the Association shall be entitled to send a notice of default (Intent to Lien) to the owner.

7. Liens. If payment in full, for any assessment or other charge, is not received by April 1<sup>st</sup> in the year when due, the Association shall be entitled to file a notice of lien against the property of the delinquent owner. The lien shall include fees, charges, late charges, attorney 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.

8. Referral of Delinquent Accounts to Attorneys. The Association may, but shall not be required to, refer delinquent accounts to its attorneys for collection. After consultation with the Board of Directors or the Association's managing agent, the attorneys shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent owner's property, except that foreclosure shall not be commenced until at least thirty days after the mailing of the statement of lien as provided for in paragraph 7 above.

9. 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.

10. Waivers. 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. Such relief granted to an owner shall be appropriately documented. 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.

11. 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 and Hearing and Enforcement Policy and Procedures.

Castle Pines North Association, Inc.

By: Maureen A. Dineen  
President

This Collection Policy was adopted by the Board of Directors on the 18th day of Sept, 2008, effective the 1st day of Nov., 2008, and is attested to by the Secretary of the Castle Pines North Association, Inc.

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Secretary