

Collection Policy

A. Due Date and Late Charges.

1. Annual Assessment: Annual Assessment as determined by the Association will only be billed upon request. Owners are encouraged to sign up for monthly automatic bank withdrawals (ACH). If the owner declines automatic withdrawals, the annual dues assessment will be billed in either quarterly or semi-annual payments and shall be due on the first day of the billing period. Assessments or other charges not paid to the Association within 30 days of the date they are due shall be considered past due and delinquent.

2. For any Site not previously assessed by the Association, or upon transfer of any Site prior to payment of the current assessment, or any other amount assessed as fines or fees for violations or otherwise, all such assessed amounts shall be payable to the Association on closing of the transfer.

3. The Association shall be entitled to impose a late charge of 10% per annum from the date it becomes due and payable if not paid within 30 days after such date on each past due and delinquent installment. All late charges shall be due and payable immediately, without notice, in a manner provided for payment of assessments. A \$20.00 fee shall be assessed against any owner in the event any check or other instrument payable for the benefit of such owner is not honored by the bank or is returned by the bank for any reason whatsoever.

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

C. Application of Payments. The Association reserves the right to apply all payments received on account of any owner first to the payment of any and all legal fees and costs, then to costs and expenses of enforcement and collection, late charges, interest, other charges, lien fees and other costs owing to or incurred with respect to such owner and any remaining amounts shall be applied to the assessments due with respect to such Owner.

D. Collection Letters. After an assessment, or other charge due the HOA, becomes 30 days past due, the HOA may cause, but shall not be required to send, a written "late notice" to the owner who is delinquent in payment. Said "late notice" shall specify the total amount of the arrearage with an accounting of how it is determined, that the owner may contact Basic Property Management at 970-668-0714 to request a copy of the ledger of the debt and that action is required to cure the delinquency and failure to do so within 30 days may result in the account being turned over to an attorney, a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the owner's property, the appointment of a Receiver if appropriate and other remedies available under Colorado law. See Paragraph E, Payment Plan, for information to be included in the "late notice" regarding a Payment Plan.

E. Payment Plan. Said "late notice" as mentioned in Paragraph D. Collection Letters shall inform delinquent owners they may contact Basic Property Management at 970-668-0714 for a one-shot opportunity at a payment plan to bring their delinquent account current, that the payment plan must be for minimum of six months but can be longer at the discretion of the HOA and the delinquent owner must make the scheduled payment as required by their payment plan and pay their current monthly assessment obligations, and the association may immediately proceed with collections if they fail to make these payments.

F. Liens. If payment in full, for any assessment, fine, fee or other charge, is not received by 60 days past due, the Association shall be entitled to file a notice of lien against the Site of the

delinquent Owner. The lien shall include fees, charges, late charges, attorneys fees, fines and interest owed by the delinquent owner. The statement of lien shall be duly signed and acknowledge by the Association, or its manager, and shall be served upon the delinquent owner by mail to the address of the owner as set forth in the Association's records.

G. Referral of Delinquent Accounts. The Association may, but shall not be required to, refer delinquent accounts to its attorneys for collection. The Association may but shall not be required to assign delinquent accounts to one or more collection agencies for collection. Provisions of this policy notwithstanding, the Association shall be entitled to all additional remedies that may be provided by applicable law. 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; provided, however, that foreclosure shall not be commenced until thirty (30) days after the mailing of the statement of lien.

H. Individual Determinations. The Association has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Association may waive any provision herein. Such relief granted an owner shall be documented with the records of the Association. Further, the Association is authorized to extend the time for filing of lawsuits, liens or otherwise modified procedures contained herein as deemed appropriate under the circumstances.

I. Delinquency is a Violation. Any delinquency in the payment of Assessments shall constitute a violation of the covenants contained in the Declaration, and the Association shall be entitled to impose sanctions on delinquent owners consistent with the Association's other policies and procedures, including, without limitation, the procedures set forth in Article V.

J. Escrow of Funds. In the event any Owner seeks to convey or transfer any Site upon which the Association has asserted a lien, and which lien is the subject of a dispute, the Association may, as a precondition to its agreement to the escrow of any amount intended to satisfy such lien, require an escrow in an amount not less than two hundred percent (200%) of the then current lien amount, or such other amount as determined in the sole discretion of the Board. Nothing in this provision shall be deemed to require the Association's assent to any escrow arrangement intended to satisfy any lien.