

**SANDSTONE 70 CONDOMINIUM ASSOCIATION, INC.
AMENDED AND RESTATED POLICY FOR
COLLECTION OF ASSESSMENTS**

SUBJECT: Adoption of a procedure regarding collection of assessments.

PURPOSE: To adopt a standard procedure to be followed for collection of assessments.

AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: 2/14, 2014

RESOLUTION: The Association hereby adopts the following Policy:

1. General. This Amended Policy is adopted for the purpose of compliance with C.R.S. §38-33.3-209.5, and to promote the recreation, health, safety and welfare of the Association and its Members. The Association is entitled to levy assessments to meet the expected fiscal needs of the Association in order to act in a financially sound manner and pursuant to the provisions of the Association's governing documents. Assessments are assessed and payable per the Association governing documents and as determined by the Board in compliance therewith which shall be inclusive of this Policy. This Amended and Restated Policy replaces in total the Association's prior Policy for Collection of Assessments. Capitalized Terms, if not defined herein, shall have the meaning assigned to them in the Association governing Documents or the Colorado Common Interest Ownership Act codified at C.R.S. 38-33.3-101 et seq.

2. Due Date. The rate of assessment shall be fixed, and from time to time amended, in a manner sufficient to meet the expected needs of the Association, as determined by the Board of Directors ("Board") in order to act in a fiscally sound manner. Assessments shall be assessed and paid per the Association governing documents and as determined by the Board in compliance therewith. Assessments are delinquent if not paid in full within Thirty (30) days of the Due Date. Currently General Common Assessment Due Dates are: November 1, February 1, May 1 and August 1; Westview Common Assessment Due Dates are: November 1, February 1, May 1 and August 1; and Fourplex Common Assessment Due Dates are: November 1, February 1, May 1 and August 1.

3. Late Charges. At the Board's discretion a late fee can be imposed on any assessment installment, whether pertaining to annual, special, or default assessments if not paid in full within thirty (30) days of the Due Date. The amount of the late fee is discretionary to the Board but presently is \$100.00 in addition to accruing interest. Each Assessment that becomes overdue can be assessed a Late Fee.

4. Interest Rate. Interest accrues at the Interest Rate of 12% per annum on any assessment installment or portion thereof including late fees, whether pertaining to annual, special, or default assessments, if not paid in full within thirty (30) days of the Due Date. Interest shall continue to accrue on unpaid balance until paid in full.

5. Returned Check Charges. The Association shall charge a fee of \$50.00 for any returned check in addition to any fees and charges assessed against the Association by its banking institution.

6. Suspension of Voting Rights. No Owner who has an assessment delinquency shall be entitled to vote on any Association matter.

7. Method of Application of Payments. All payments received by an Owner shall be applied first to interest, late fees and penalties, if any, and then to the oldest outstanding assessment or portion thereof.

8. Collection of Assessments.

(a) *Notice to Owner of Delinquency.* Prior to the Association turning over any delinquent Owner account for collection by a third party, including a collection agency or attorney for legal action, the Association shall provide a Notice of Delinquency to the delinquent Owner that provides for the following:

- i. The total amount due, with an accounting of how the total was determined;
- ii. Whether the Association will provide an opportunity to enter into a payment plan pursuant to Section 8(c) below including instructions for contacting the Association to enter into such a payment plan;
- iii. The name and contact information for the person that the delinquent Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt;
- iv. That action is required to cure the delinquency and that failure to do so within thirty (30) days of the date of the Notice of Delinquency may result in the Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owners' Unit, or other remedies available under Colorado law.

(b) *Lien Foreclosure.*

i. *Foreclosure.* The Association has a statutory lien for any assessment delinquency, whether pertaining to monthly, special, or default assessments. The Association's lien may be foreclosed upon in like manner as a mortgage on real estate if:

a. The balance of the assessments and charges secured by the Association's lien equals or exceeds six months of Association common expense assessments based on a periodic budget adopted by the Association; and

b. The Executive Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific unit that is delinquent on an individual basis. The Board will not delegate its duty in this regard to any attorney, insurer, manager, or other person.

(c) *Payment Plan.* The Association shall also make a good-faith effort to coordinate with any delinquent Owner to set up a payment plan the terms of which are negotiable by the Association

but which at a minimum will permit the delinquent Owner to pay off the deficiency in equal installments over a period of at least six months ("Payment Plan"). The Association may pursue legal action against a delinquent Owner if the Owner fails to comply with the terms of the payment plan. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the pendency of a Payment Plan, shall constitute a failure to comply with the terms of the Payment Plan. The Association does not have to offer a Payment Plan of any nature or kind to an Owner who the Association has previously entered into a Payment Plan with. Additionally, this Section 8(c) does not apply if the Owner does not occupy the Unit and has acquired the property as a result of:

- i. A default of a security interest encumbering the unit; or
- ii. Foreclosure of the Association's lien;

9. Non-binding on Association. The provisions of this Policy are to establish a framework for prompt and uniform collection of overdue assessments. The Association shall not be required to take each or any of the steps set forth herein except to the extent that any such steps are mandated by the Colorado Common Interest Ownership Act codified at C.R.S. 38-33.3-101 et seq., The Association's failure to take any of these steps not mandated by Colorado law, and/or to follow each step as prescribed herein, shall not be deemed a violation that would alleviate an Owner's obligations under the Association documents or the Colorado Common Interest Ownership Act ("CCIOA") or be a waiver by the Association of any of its rights pursuant to the Association documents or CCIOA.

10. Non-exclusive Remedies. All remedies set forth herein are cumulative and non-exclusive.

11. No Waiver. Failure of the Executive Board, the Manager, or designated agent to enforce the Association documents and/or these policies and procedures, shall not be deemed a waiver of the right to do so with regard to said violation, any subsequent violations, or the right to enforce any other part of the Association documents at any future time.


12. No Liability. No member of the Executive Board, the Manager, or any Owner shall be liable to any other Owner for the failure to enforce any of the Association documents, including this Policy.

13. Recovery of Costs. If an attorney is hired to enforce any provisions of the Association documents, including this Policy, or for the restraint of violation of the Association documents, the Association is entitled to recover its reasonable attorney fees and all costs incurred by it in such action. The sole exception would be in the event of any collection action filed without evidence of the recorded vote authorizing a lien foreclosure action per Section 8(b) above.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Sandstone 70 Condominium Association, Inc, a Colorado nonprofit corporation, certifies that the foregoing Amended and Restated Assessment Collection Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on _____, 2014 and in witness thereof, the undersigned has subscribed his/her name.

Sandstone 70 Condominium Association, Inc.
a Colorado non-profit corporation,

By:  _____
President

**SANDSTONE 70 CONDOMINIUM ASSOCIATION, INC.
NOTICE OF DELINQUENCY**

Dear Sandstone 70 Condominium Association, Inc. Member:

Please be advised that you are currently delinquent in payment of your assessments to the Sandstone 70 Condominium Association, Inc. ("Association"). The following is a Notice of Delinquency advising you of the ramifications of that delinquency pursuant to the Association's Amended and Restated Policy and Procedure Regarding Collection of Assessments ("Assessment Collection Policy"):

I. Amount Due – The total amount currently due is \$_____ ("Balance Due"). The accounting of how this total was determined is attached hereto.

Please note the following as well in regard to your account and the Balance Due:

a. Late Fee: A late fee of \$100.00 in addition to accruing interest will be levied on each delinquent Assessment as provided for in the Assessment Collection Policy;

b. Interest Rate: Interest is accruing at the Interest Rate of 12% per annum on your delinquent assessments, including late fees, until paid in full;

c. Suspension of Voting Rights: Your voting rights are suspended until the delinquency is fully cured.

d. Method of Application of Payments: All payments received shall be applied first to interest, late fees and penalties, if any, and then to the oldest outstanding assessment or portion thereof.

II. Payment Plan - You may contact the Association regarding entering into a payment plan with the Association under the Assessment Collection Policy. In order to enter into such a payment plan you need to contact the Association within 30 days of the date of this Notice of Delinquency. The contact information is as follows;

Dan McNeill
McNeill Property Management, Inc.
2077 N. Frontage Road Suite D
Vail, CO 81657
970-479-6047
Email: dan@mcneillinc.com

If you fail to pay your account in full or enter into a payment plan to cure your delinquency within thirty (30) days of the date of this Notice of Delinquency the following may occur at the discretion of the Association:

- a. Your account may be turned over to a collection agency;
- b. A lawsuit could be filed against you personally;
- c. A Lien may be recorded and legal proceedings for foreclosure of the lien commenced; and
- d. Other remedies available under Colorado law.

In the event any such action is required by the Association to collect your Delinquency all attorney fees and costs incurred by the Association shall be your responsibility.



Sandstone 70 Condominium Association, Inc.

Date: 2/14/14