

**POLICY #3**  
**Cobble Creek Homeowners Association**  
**Policies and Procedures**  
**For the Collection of Unpaid Assessments and Fines**  
As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Cobble Creek Homeowners Association (the "**Association**") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5, at a regular meeting of The Board of Directors (the "**Board**"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy setting forth procedures for the collection of unpaid assessments.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following procedures governing the collection of unpaid assessments.

It is vital to the administration of the Association that assessments and other charges be paid by Members in a timely manner. To fulfill its obligations under the governing documents, the Association must collect unpaid assessments diligently and in compliance with the governing documents and the reasonable expectations of the Members. In making decisions regarding any delinquent Member account, the Board should consider the facts and circumstances which may have contributed to the late payment of assessments.

- A. Assessments Defined.** "Assessments" includes regular, special, and default assessments and any associated fees, charges, late charges, attorney fees, fines, and interest charged pursuant to C.R.S. § 38-33.3-315(2).
- B. Regular Assessment Due Dates.** Beginning in calendar year 2026, regular assessments levied pursuant to the annual budget shall be due and payable on a quarterly basis, meaning that one-fourth of the total regular assessment is due and payable on the first business day of January, April, July and October. Alternatively, the full amount of the annual assessment may be paid in full on or before the first business day of January of the year for which the assessment is levied, at the sole discretion of the Owner.
- C. Special Assessment Due Dates.** Special and other types of assessments not levied pursuant to the annual budget shall be billed when determined by the Board under the provisions of the Declaration.
- D. Past Due Assessments.** Regular assessments, or any installment thereof, are past due and delinquent if any payment thereof is not paid in full by the last day of the month in which the payment was due and payable.
- E. Late Fees and Interest; Suspension of Voting Rights.**

(1) A one-time late fee of \$25.00 will be charged for any past due assessment. Each past due assessment, exclusive of any late fee, shall accrue interest at the rate of  $\frac{2}{3}$  % per month (8.00% per annum). Once an assessment become past due, the Association will suspend the voting rights of the delinquent owner.

(2) The Association will not impose on a daily basis against an Owner late fees or fines assessed for violations of the Declaration, bylaws, covenants, or other governing documents of the Association.

**F. Communications with Owners Having Delinquent Balances.**

(1) Before taking action to collect an account with a delinquent balance, and except as otherwise provided in this Policy, the Association will first contact the Owner to alert the Owner of the delinquency. The Association shall maintain a record of any contact with the Owner, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made. Any contact between the Association (or its association manager) and a delinquent Owner shall comply with and accord the Owner all rights provided by applicable Colorado law, including, without limitation, those established in C.R.S. § 38-33.3-209.5(1.7).

(2) On a monthly basis and by first-class mail and, if the Association has the relevant e-mail address, by e-mail, the Association shall send to each Owner who has any outstanding balance owed the Association an itemized list of all assessments, fines, fees, and charges that the Owner owes to the Association. The Association shall send the itemized list to the Owner in English or in any language for which the Owner has indicated a preference for correspondence and notices pursuant to C.R.S. § 38-33.3-209.5(1.7)(a)(I) and to any designated contact for the Owner.

**G. Payment Plans.** Pursuant to C.R.S. § 38-33.3-209.5(5)(a)(V)(B), prior to the Association referring any account to an attorney or collection agency for collection action, the Association shall inform a delinquent Owner if he/she is qualified to enter a payment plan and, if qualified, instructions for contacting the Association to enter into such a payment plan.

(1) The Association shall make a good-faith effort to coordinate with an Owner to set up a payment plan that meets the requirements of this section, except that an Owner is not qualified to enter a payment plan and the Association is not required to offer a payment plan if:

(a) The Owner does not occupy the Unit and acquired title to the property as a result of: (A) a default of a security interest encumbering the Unit; or (B) foreclosure of the Association's lien, or

(b) The Owner has previously entered into a payment plan with the Association.

(2) A payment plan negotiated between the Association and the Owner shall permit the Owner to pay off the delinquency in equal installments over a period of at least eighteen months.

(3) Each Owner who has entered a payment plan pursuant to this Policy is required to remain current with regular assessments, plus make timely payments under the payment plan. An Owner's failure to remit payment of three or more agreed-upon installments within fifteen days after the monthly installments were due, or to remain current with regular assessments as they come due during the eighteen-month period, constitutes a failure to comply with the terms of the Owner's payment plan, in which case the Association may at any time thereafter terminate the payment plan and, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

(4) As used in this Section G, the term "Association" means the Association or a holder or assignee of the Association's debt, whether the holder or assignee of the Association's debt is an entity or a natural person.

**H. Application of Payments on Delinquent Accounts.** Payments made against balances owed on delinquent accounts shall be applied first to unpaid assessments owed and continuing in chronological order, and then to fines, fees or other charges owed to include penalty fees, returned check fees, and other costs and expenses that may become a charge upon the land under the terms of the Declaration.

**I. Notices of Delinquency.** Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association must send the Owner a notice of delinquency, by certified mail, return receipt requested, specifying:

(1) The total amount due, with an accounting of how the total was determined;

(2) Whether the opportunity to enter into a payment plan exists pursuant to section 38-33.3-316.3 and instructions for contacting the Association to enter into such a payment plan;

(3) The name and contact information for the individual Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt which copy of the ledger must be provided to the Owner no later than seven (7) business days after receipt of the Owner's request; and the availability of, and instructions on how to access, free online information through the Colorado Division of Real Estate HOA Information And Resource Center relating to the collection of assessments by an association, including the association's ability to foreclose an association lien for unpaid assessments and force the sale of the Owner's home, and the availability of online information from the Federal Department of Housing and Urban Development concerning credit counseling before foreclosure that may be accessed through a link on the Colorado Department Of Local Affairs's website.

(4) That action is required to cure the delinquency and that failure to do so within thirty days 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 Owner's property, and the sale of the Owner's unit at auction to pay delinquent assessments, which could result in the Owner losing some or all of the Owner's equity in the unit or other remedies available under Colorado law.

Each Notice of Delinquency shall comply with all requirements of C.R.S. § 38-33.3-209.5(1.7).

**J. Board Approval Required to Refer Account for Collection.** Neither the Association nor its association manager shall refer a delinquent account to a collection agency or attorney unless a majority of the Board votes to refer the matter in a recorded vote at a meeting conducted pursuant to C.R.S. § 38-33.3-308(4)(e).

**K. Non-Sufficient Funds.** If an Owner should pay the Association by check and such check is returned because of Owner's insufficient funds, the Owner shall, in addition to the amount owed and any late charges and interest, owe the Association all bank fees at the current rate to process the NSF and cure the default together with all other and further amounts due the Association under the provisions of Colorado law, including, without limitation C.R.S. 13-21-109.

**L. Available Legal Remedies:** Subject to the provisions of this policy the Association, acting through the Board, may initiate collection proceedings of any kind at any time after any assessment payment becomes past due, as defined above. The Board, in its sole discretion in light of the relevant facts and circumstances may choose to employ any one or more of the following means in seeking collection, with or without notice, at any time after a payment is past due. In addition to the remedies described in this policy, the Board may pursue collection of unpaid assessments by any means authorized under Colorado law, as the same may exist from time to time.

(1) **Acceleration.** If any assessment payment is past due, the Association may elect to accelerate and declare immediately due and payable the remaining balance of the regular or special assessment for the current fiscal year.

(2) **Collection Agencies/Lawyers.** Once an assessment has become past due, the Association may refer the past due assessments to a collection agency or a lawyer for collection. The delinquent Owner will be liable for any fees or other expenses associated with referring the matter for collection. Such expenses will be added to all delinquent amounts and will become a charge upon the land, as provided in the Declaration. At least 30 days prior to referring the matter to a collection agency, or lawyer, however, the Association shall first provide the involved Owner with a notice of delinquency, describing the amount due, indicating whether the owner is eligible for a payment plan under this policy and providing contact information for purposes of setting up such a plan, stating the name of the person from whom the Owner may obtain a copy of the ledger or other accounting statement indicating the amount due, and providing that a failure to act in response to the notice within 30 days may result in referral of the matter to a collections agency or a lawyer for collection, foreclosure of the Association's assessment lien or the pursuit of other remedies provided by law. All notices to the owner must be made by certified mail, posted on the unit and via one additional method such as first-class mail, text message or e-mail.

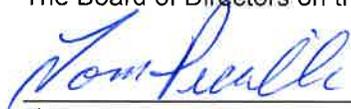
(3) **Lien.** Once an assessment has become 120 days past due, the Association may give formal legal notice of its lien against the delinquent Owner's property. Any costs or expenses associated with this process, including attorney's fees, shall be added to the total delinquent amount, and shall become a charge upon the land as provided in the Declaration.

(4) **Cost of Certified Mailings.** With respect to any notices or other documentation that the Association sends an Owner through certified mail, the Association may charge the Owner an amount not to exceed the actual cost of the certified mail.

(5) **Foreclosure.** As a last resort, the Association may foreclose its assessment lien upon the property of a delinquent Owner to satisfy the past due assessments, fees, costs, and other expenses charged against the land. Once the Owner has a balance of unpaid assessments equal to or exceeding 6 months of assessments computed under the Association's periodic budgets, and the Board, by vote on the record, determines to pursue foreclosure on an individual basis, the Association may begin foreclosure proceedings. The costs and expenses of so doing, including attorney's fees, shall be charged against the proceeds of any foreclosure sale, along with the

#### CERTIFICATION

The undersigned, being the Secretary of the Cobble Creek Homeowners Association, certifies that the foregoing resolution was adopted by the Board of Directors of the Association at a duly called and held meeting of The Board of Directors on the 11 day of February, 2026.



Name:  
Secretary