

TrailMark Homeowners Association, Inc.
Collection Policy
(Revised)

WHEREAS, the Board of Directors of TrailMark Homeowners Association, Inc. is empowered to determine where, when, and how assessments shall be paid to the Association pursuant to Article 9 of the Declaration of Covenants, Conditions and Restrictions.

WHEREAS, the Board of Directors is committed to ensuring that all assessments are paid to the Association and developing a fair and equitable policy providing that failure to pay in a timely manner shall result in penalties.

WHEREAS, it is the intent that this policy resolution shall be applicable to all Owners for the payment of any delinquent amounts owing the Association.

NOW THEREFORE, BE IT RESOLVED THAT the following policies and procedures are established regarding the collection of assessments:

- A. The annual assessment for each lot shall be paid, following notice of the annual assessment rate, in four (4) equal quarterly installments due on the first day of each quarter. Quarters begin on the first day of January, April, July, and October of each year.
- B. Any payment not received at the designated payment address thirty (30) days after the first day of each quarter shall be considered late, and a late fee of \$25.00 shall be assessed.
- C. When payments are received, they shall be applied to the Owner's account in the following order: legal fees and costs, late charges, interest, fines, and oldest assessment due.
- D. Failure to pay assessments shall result in the following action:
 1. If payment is not received by the thirtieth (30th) day of the first month of the quarter, a late charge of \$25.00 shall be assessed and a late notice mailed, notifying the Owner of the late charges.
 2. If the balance remains delinquent after the first late notice is sent, an additional late charge of \$25.00 plus interest at the rate of eighteen percent (18%) per annum shall be assessed on the thirtieth (30th) of each subsequent month that the account remains delinquent. Subsequent notices shall also be mailed to the Owner requesting payment in full.
 3. If the homeowner carries a balance of \$500.00 or more, or does not reach a zero balance within 3 fiscal quarters of the first late fee issued, the issue will be transferred to legal counsel for resolution.
 4. Before the Association turns the delinquent account over to a collection agency or refers it to the Association's attorney for legal action, the Association shall cause a Notice of Delinquency to be sent to the delinquent Owner. The Notice of Delinquency shall include:
 - a. The amount past due with an accounting of how the total was determined;

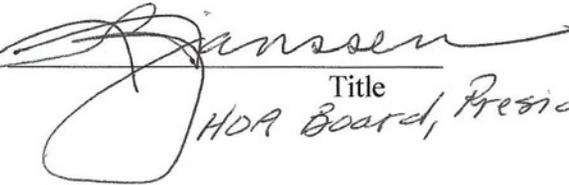
- b. Whether the opportunity to enter into a payment plan exists;
 - c. The name and contact information for the individual the Owner may contact to request a copy of the ledger to verify the amount of the debt; and
 - d. A statement that action is required to cure the delinquency and that failure to do so within thirty (30) 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, or other remedies available under Colorado law.
5. If payment is not made within the thirty (30) days stipulated by the Notice of Delinquency, the account may be forwarded to the Association's Attorney for collection action. All applicable legal fees and costs will become the responsibility of the Owner and will be charged to the Owner's account.
6. Upon receipt of the new collection account, the Attorney shall record a lien against the property and send an Attorney Letter to the Owner demanding payment within thirty (30) days.
- E. If the Board of Directors considers the Owner to be making a "good faith" effort to pay the assessments debt, referral to the Association's Attorney may be delayed.
- F. Once an account has been forwarded to the Attorney for collection, the Attorney shall handle all communications regarding the debt. The Manager or Board of Directors should not discuss the matter directly with the Owner.
- G. The Association's Attorney is hereby authorized to file a Summons and Complaint for a collections judgment against any delinquent Owner who does not either contact the attorney to resolve the delinquency or make full payment at the end of the thirty (30) days following the mailing of the Attorney Letter. The Board of Directors shall, on a case-to-case basis, and based upon the recommendation of the Association's Attorney, decide whether further legal action will be pursued.
- H. Subject to the restrictions below, the Association shall offer a payment plan to any delinquent Owner and make a good faith effort to coordinate such a plan. Such payment plan may be determined at the discretion of the Board, but the Board shall offer a payment plan that is for at least six (6) months and shall provide that the Owner must remain current with regard to future assessments. No payment plan shall be required to be offered if the Owner does not occupy the unit and has acquired the unit as a result of either a default of a security interest encumbering the unit or a foreclosure of the Association's lien. The Association shall not be required to offer or negotiate a payment plan with an Owner who has previously entered into a payment plan with the Association. An Owner's failure to comply with the remit payments according to the terms of the payment plan, or to remain current with assessments as they come due during the period of the payment plan,

constitutes a failure to comply with the payment plan. The Association may pursue legal action against the Owner if the Owner fails to comply with the payment plan.

- I. The Association may seek the appointment of a Receiver if an Owner does not reside in the unit and becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A Receiver is a disinterested person appointed by the Court who manages the rental of the property, collects the rent, and disburses the rents according to the Court's order. The purpose of a Receivership for the Association is to: obtain payment of current assessments; reduce past due assessments; correct any violations of the Declaration, Bylaws, or Rules and Regulations; and prevent the waste and deterioration of the property.
- J. The Association may choose to foreclose on its lien in lieu of, or in addition to, suing an Owner in County Court for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. The Association is unable to foreclose a lien against a delinquent Owner until the balance due equals or exceeds six (6) months of assessments. The Association's Board shall vote and formally approve the filing of a foreclosure action on any given account. The Board cannot delegate this responsibility to an attorney, insurer, manager or any other person.
- K. In addition to any and all charges imposed under the Declaration of Covenants, Conditions and Restrictions, a \$20.00 fee shall be assessed against the 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.
- L. If the Association receives information about pending bankruptcy or foreclosure against an Owner, that account shall be referred immediately to the Attorney for collection.
- M. A Certificate of Status of Assessment shall be provided to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt requested, to the Association's agent a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a \$60.00 fee. However, if the account has been turned over to the Association's attorney, such request shall be handled through the attorney and subject to the fees and costs billed by the Association's attorney.
- N. This Policy shall be the sole existing policy of the Association regarding the collection of unpaid assessments, and shall replace and supersede any previous rules and regulations of the Association addressing the collection of past due assessments.
- O. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, returned check charges, attorney fees and/or costs as described and imposed by this Policy.
- P. This Policy may be amended from time to time by the Board.

Q. In the event a Court of competent jurisdiction finds a provision of this collection policy void or otherwise unenforceable, the other provisions shall remain in full force and effect.

TrailMark Homeowners Association, Inc.

By: 
Title
HOA Board, President

Attest


Secretary

This Policy regarding Collection of Assessments was adopted by the Board of Directors on the 17th day of May, 2018, effective the 1st day of June, 2018, and is attested to by the Secretary of the TrailMark Homeowners Association, Inc.


Secretary