

Brookstone Townhomes Owners Association

The Board of Directors (“Board”) of the Brookstone Townhomes Owners Association (“Association”) resolves as follows:

Resolution 2017-3 Collection Of Unpaid Assessments, Default Assessments, Fees And Fines.

- 1. Delinquent Payments.** Assessments, fines and other charges not received by the Association when due, or within any grace period established by the Board, shall be considered past due and delinquent.
- 2. Late Charge.** A late charge of 5% shall be due for any monthly Common Expense installment payment not received by the Association by the 28th day of the month when due. The Board may also assess interest on amounts over 60 days past due. Interest shall be computed at the rate of 1.5 percent per month (18 percent per year) (or other amount deemed appropriate by the Board) on the unpaid balance on the account.
- 3. Returned Check Charges.** In addition to any and all charges imposed under the Declaration, the Bylaws, the Rules and Regulations or the Articles of Incorporation (collectively, the “Governing Documents”) or pursuant to Colorado statutes, or this Policy, an Owner shall be charged with the cost necessary to reimburse the Association for all returned check charges and costs incurred by the Association as a result of the dishonor of checks paid to the Association by or on behalf of such Owner’s Unit. Returned check charges shall be due and payable immediately upon demand. The Association shall also be entitled to all additional remedies against the maker of the check as may be provided by applicable law.
- 4. Attorney Fees on Delinquent Accounts.** As an additional expense permitted (collectible as a Common Expense Assessment) under the Declaration and Colorado statutes, 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. Attorney fees incurred by the Association shall be due and payable immediately upon demand.
- 5. Application of Payments made to the Association.** Regardless of inscriptions or notations on the front of the check, all payments received on the account of any owner shall be applied in the following order: a) any and all attorney fees, legal fees and costs incurred for collection of assessments or for owner’s failure to comply with provisions of the Association’s Governing Documents, including lien fees; b) fines, late charges and interest; c) returned check charges, and other costs owing or incurred with respect to such owner pursuant to the Declaration, Colorado statutes, Rules and Regulations, or this Policy; d) Past-due Special Assessments (if any); e) Currently due Special Assessments (if any); f) Past-due Annual Assessments; g) Current Annual

Assessments. Payments accompanied by restrictive endorsements or release language will be returned to the owner and the amount tendered shall be considered unpaid.

6. Collection Procedures.

a) The Association is authorized to report all unpaid assessments, fees, late charges, attorney fees, fines and interest to title insurance companies involved in proposed or pending transactions affecting the Unit.

b) All accounts with outstanding balances may be subject to placement of a lien upon the Unit.

c) The Board may in its sole and absolute discretion offer an owner delinquent in assessments an opportunity to enter into an extended payment plan. The total amount due at the time a payment plan is established will be determined by the Association and will include any amounts owed including assessments, fees, late charges, attorney fees, fines and interest. The Association may pursue legal action against an owner if the owner fails to comply with the terms of the payment plan. An owner's failure to pay installments when due, or to remain current with regular assessments as they become due during the payment plan period, constitutes a failure to comply with the terms of the payment plan.

d) Before the Association turns over a delinquent account to a collection agency or refers it to an attorney for legal action, the Association will send the owner a notice of delinquency specifying: i) the total amount due, with an accounting showing how the total was determined; ii) instructions for entering into a payment plan pursuant to Sec. 38-33.3-316.3 of the Colorado Common Interest Ownership Act and instructions for contacting the Association to enter into such a payment plan; iii) the name and contact information for the individual the 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 30 days may result in the owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the owner's property, or other remedies available under Colorado law; v) the method by which payments are applied on the delinquent account of the owner; vi) the legal remedies available to the association to collect on an owner's delinquent account pursuant to the governing documents of the Association and Colorado law.

7. Filing of Liens. If, after written Notice of Default, and allowing a reasonable period for collection the account remains delinquent, a Notice of Assessment Lien against the owner's unit shall be recorded. Such lien shall not be removed until the account has been paid in full.

8. **Judicial Foreclosure.** The Board may choose to foreclose on the Association's lien in lieu of or in addition to suing an owner in court for a money judgment.

9. **Ongoing Evaluation.** Nothing in this policy shall require the Board to take specific actions at a specific time but the Board shall not take any action in less than the time stated herein for a particular action. The Board has the option and right to continue to evaluate each delinquency on a case by case basis.

SECRETARY'S CERTIFICATION:

The undersigned, being the Secretary of Brookstone Townhomes Owners Association, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on December 1, 2017, and in witness thereof, the undersigned has subscribed his/her name.

Brookstone Townhomes Owners Association, a Colorado non-profit corporation


By: _____ Secretary