

The following Annual Assessment Collection Policy has been adopted by the Rock Creek Master Homeowners Association pursuant to Colorado law and Section 4.4 of the Association's Bylaws, at a regular meeting of the Board of Directors, effective August, 29 2024.

ANNUAL ASSESSMENT COLLECTION POLICY

Invoicing and Due Date

The annual assessment shall be invoiced to each owner no earlier than Jan 1, but no later than February 15 of the year in which the assessment is due. Regardless of when invoiced, the annual assessment shall be due on March 1 of each year. Annual Assessments not received by March 1st shall be considered past due and delinquent.

30 Days Delinquent

The management company will send a reminder letter to all delinquent owner(s) 30 days after the Annual Assessment is due. The Association shall impose, on a monthly basis until paid in full, a \$20.00 late charge for each Owner who fails to pay the Annual Assessment within 30 days of the due date, as well as interest from the date due at the rate of 8% per annum.

60 Days Delinquent

The management company will send a second letter to all delinquent owner(s) 60 days after the Annual Assessment is due and shall assess a 8% per annum interest charge to the owner(s)' account on the assessment only. The letter shall state (1) the amount past due, including an accounting of how this amount was determined, (2) whether the amount past due includes unpaid assessments or unpaid fines, fees or charges, or both, (3) any late fees and interest that have accrued and that will continue to accrue, (4) the name and contact information for the person the owner should contact to obtain a copy of the Owner's ledger, and (6) that failure to take action and cure the delinquency within 30 days may result in the account being turned over to the Association's attorneys for collection, a lawsuit being filed against the Owner, the filing and, if the amount past due includes unpaid assessments, foreclosure of a lien against the Owner's property, or other remedies available under Colorado law. The notice shall also state that within 30 days the Owner may contact the Association to enter into a payment plan for the past due assessments and referral to an attorney must be approved by the Board of Directors. .

The letter shall be sent to the Owner via regular First Class Mail, as well as certified mail, return receipt requested.

The letter shall also include a general description of the types of matters that the Association or Owner may take to small claims court, including injunctive matters for which the Association seeks an Order requiring the Owner to comply with the Association's Declaration, Bylaws, covenants, or other governing documents.

In addition to sending the demand letter, the Association shall attempt to contact the Owner via two of the following means: (1) a telephone call to the telephone number the Association has on

file for the Owner, (2) text message to a cellular number that the Association has on file for the Owner, or (3) an E-mail to an e-mail address that the Association has on file for the Owner. If the Association attempts to contact the Owner via a telephone call but is unable to contact the Owner, the Association shall leave a voice message for the Owner.

90 Day Demand Letter

The management company will send a demand letter requesting the balance be paid in full within 10 days or the account will be turned over to the Association's attorney, or any other alternative means of collection, as determined by a simple majority vote of the Board of Directors for possible legal action and a lien will be filed on the property. 8% per annum interest will be charged to the delinquent owner(s)' account.

Follow-Up Statements.

As a follow-up to the 90 Day Demand Letter, the Association shall continue to send monthly statements to the Owner that contain an itemized list of all assessments, fines, fees, and other charges. These statements shall be sent until the account is paid in full.

No Response to Demand Letter

If the Owner has failed to respond to the demand letter and has not requested a payment plan within 10 day of the 90 Day Demand Letter, or has requested a payment plan and defaulted, the Association may turn over all delinquent account(s) to the Association's attorney, who shall immediately send a demand letter giving the owner(s) 30 days to respond. If any owner(s) fail to respond within such 30 day period, the attorney shall file a lawsuit against the owner(s), and shall file a lien against the property in the amount of any current and future outstanding balances due, including but not limited to all collection fees, late fees, interest and allowable legal fees as set forth below. The management company may also charge all delinquent owner(s) a flat fee of \$250.00, or such other charged agreed to by the Association, for turning the account over to the attorney and for all additional correspondence with the attorney.

At a regularly scheduled Board meeting, the Board of Directors will review all owner(s)' accounts who have failed to pay their annual assessment.

Payment Plan

If an Owner contacts the Association within 90 days of the after the Annual Assessment is due, he/she is entitled to enter into a payment plan for the past due assessments and other charges. The payment plan must allow the owner to pay off the delinquent assessments and other charges in no less than 18 equal monthly installments. The Owner shall have the right to choose the amount to be paid each month, so long as each payment is in the amount of at least \$25.00. An Owner who has accepted a payment plan may elect to pay off the remaining balance at any time. Interest may continue to accrue during the course of the payment plan. The Association may charge a reasonable fee to administer the payment plan. The Association may take additional action against an Owner, including refer the matter to an attorney, if the Owner fails to comply with the terms of the payment plan. An Owner's failure to remit three or more payments within 15 days of its due date or remain current with the regular assessments during the payment plan, shall constitute a failure to comply with the terms of the payment plan. Notwithstanding the above, the Association shall not be obligated to enter into a payment plan with an Owner who

has previously entered into a payment plan with the Association. The Association shall also not be obligated to enter into a payment plan with an Owner who does not occupy the property and has acquired the property through a foreclosure.

Return Check Charges.

A twenty-dollar (\$20.00) fee shall be assessed against an 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. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two (2) or more of an Owner's checks are returned unpaid by the bank within any twelve (12) month period, the Association may require that all of the Owner's future payments, for a period of one year, be made by certified check or money order.

Referral of Delinquent Accounts to Attorneys.

As set forth above, the Association may refer a delinquent account to an attorney for collection only upon a majority vote of the Board at a regular meeting of the Board or a special meeting called for that purpose. Any decision to refer an account to an attorney must be recorded and kept with the regular records of the Association.

Judicial Foreclosure.

A. The Association may choose to foreclose on its lien only if either (1) a personal judgment has already been obtained against the delinquent Owner, (2) the Association has attempted to obtain a personal judgment but was prevented by the death or incapacity of the Owner, (3) the Association has attempted to obtain a personal judgment but was unable to serve the Owner within 180 days, or (4) the Owner has filed for bankruptcy and the amounts owed to the Association are included in the bankruptcy. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been unsuccessful or other circumstances favor such action.

B. Notwithstanding the above, no foreclosure action shall be initiated unless the amount due equals or exceeds six months' worth of assessments and the Board has formally resolved to authorize the action. Further, the Association shall not initiate a foreclosure action if the amount past due only includes fines and/or collection costs and attorney fees associated with fines.

C. Prior to initiating a judicial foreclosure action, the Association must provide the owner with a written offer to enter into a repayment plan. The Association may proceed with a judicial foreclosure action if (1) the Owner has failed to accept the repayment plan within 30 days after the written offer was made or (2) the Owner has entered into a payment plan and failed to pay at least 3 monthly installments within 15 days of its due date. The Association shall not proceed with a foreclosure action if the Owner is in compliance with the terms of a payment plan.

D. At least 30 days before initiating a judicial foreclosure action, the Association must provide written and electronic notice to the Owner that the Owner has the right to engage in mediation. To initiate mediation, the Owner must respond to the Association requesting mediation within 30 days of the notice.

E. At least 30 days before initiating a judicial foreclosure the Association must also provide written and electronic notice to all lienholders (identified in recorded property records) of the pending foreclosure action. Such notice must include the amount of all outstanding assessments and/or other money owed.

E. The property being foreclosed may not be purchased by any person or entity who at any time in the 5 years prior to the sale of the foreclosed property was either a member of the Board, the Association's management company, an employee of the management company, an employee of the law firm representing the Association, an immediate family member of any of the foregoing, or a business entity owned by, or affiliated with, any of the foregoing.

Communication with Owners.

A. Any letters sent to an Owner pursuant to this Policy shall also be sent via e-mail if the Owner has provided the Association with an e-mail address.

B. An Owner may designate another person to be contacted on the Owner's behalf regarding any notices, letters or correspondence sent pursuant to this Policy. The Owner must notify the Association in writing of any designated contact. Such notification should include the designated contact's name, address and, if applicable, e-mail address. Any notices, letters or correspondence sent to a designated contact shall also be sent to the Owner.

C. An Owner may request that all correspondence and notices from the Association be made in a language other than English. If a preference is not indicated, the Association shall send all correspondence and notices in English.

D. The Association shall maintain a record of all contacts with a delinquent Owner, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made.

Miscellaneous

Payments received for delinquent accounts shall be applied in the following order:

1. Assessments (oldest to current)
2. Attorney Fees (including Lien Fees)
3. ACC Violation Fines (oldest to current)
4. Collection Fees
5. Late Fees
6. Interest
7. Non-Sufficient Fund Fees
8. Other Fees

The Association has the option and right to evaluate each delinquency on a case-by-case basis and may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship. Such relief granted an Owner shall be appropriately documented in the files of the Association, with the name of the person or persons representing the Association granting the relief and the conditions of the relief.

Nothing contained in the foregoing, however, shall in any way limit the Association's right to otherwise advance any owner through the Association's collection process and/or to send any owner to the Association's attorney, or any other alternative means of collection, as determined by a simple majority vote of the Board of Directors, for collection of any unpaid assessments and/or outstanding covenant violation fines.

Upon receipt of any request for a payment plan or waiver of fees by any owner, the management company shall refrain from advancing such owner any further through the collection process until such time as the Board has rendered a decision on such request an/or the management company is otherwise directed by the Board to proceed with collections.

The Association may charge to an Owner the actual collection or other costs incurred due to such Owners failure to pay assessments or other charges, including its reasonable attorney fees incurred as a result of the failure to pay, except that, unless otherwise Ordered by a Court, the reimbursement for attorney fees may not exceed five thousand dollars or fifty percent of the money owed, whichever is less.

PRESIDENT'S CERTIFICATION

The undersigned, being President of the Rock Creek Master Homeowners Association, Inc., certifies that the foregoing Collection of Assessments Policy was adopted by the Board of Directors of the Association at a duly called and held meeting of the Board on August 29, 2024 and in witness thereof the undersigned has subscribed his/her name.

ROCK CREEK MASTER HOMEOWNERS ASSOCIATION, INC.

By: 
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 John Eckhardt, President