

COLLECTION POLICY FOR ANNUAL AND SPECIAL ASSESSMENTS AND FINES

Northridge Estates Homeowners Association

This policy relates to the collection of assessments charged to Owners of Lots ("Owner") within the Association. For purposes of this policy, "assessments" include fees charged against an Owner for common expenses (and any limited common elements relating to such Lot, if any), and any fees, attorneys fees and interest, and any fines, charges, late charges or penalties imposed by the Association after a determination has been made that an Owner has violated the governing documents of the Association and failed to correct such violation in accordance with the Association's policy relating to enforcement of covenants and any other fees or charges to which the Association is entitled. Assessments are payable when due without setoff or deduction.

Assessments: The obligation to pay assessments is an independent covenant. Each Owner, by acceptance of a deed for Property in the Subdivision, is deemed to covenant and agree to pay the Association for all assessments levied by the Association against a Lot and the Owners thereof in accordance with the provisions of the Declaration, Bylaws, policies and rules and regulations of the Association and under Colorado law.

A. Regular assessments charged to Owners of Lots within the Association are due and must be paid annually on June 1 of each year. Special assessments must be paid on the date such assessment is imposed unless other payment arrangements acceptable to the Board are made. Any assessment which is not paid within 30 days from the date it is due shall be considered past due and delinquent. Subject to the Association's impartial fact-finding process, a late fee of \$50 may be charged once any assessment is delinquent, and if any assessment is not paid within 30 days after the amount becomes due, the assessment may bear interest at the rate of eight percent (8%) per annum until paid. A charge for any returned check shall be imposed, which shall be the greater of \$25 per check or the actual charge from the financial institution returning the check. Any payments received for delinquent assessments shall first be applied to the assessments owed and, any remaining amount of the payment, at the Board's discretion, shall be applied to the fines, fees, interest, or other charges owed.

B. Under the Colorado Common Interest Ownership Act ("CCIOA"), the Association has a statutory lien on a Lot for any assessments levied against the Lot imposed against its Owner from the time each assessment becomes due. Any such assessment shall be a charge on the land and shall be a continuing lien against which such assessment or charge is being made. The Association shall have all the remedies available to it under the governing documents of the Association (i.e. Declaration, Articles, Bylaws, Rules & Regulations and Policies) and under CCIOA, which include placing and foreclosing a lien on a Lot and/or filing suit against an Owner.

Actions: The Association may take the following action if any Owner is in default of paying any assessment:

A. Notice: Regarding an Owner's delinquency in paying assessments, fines, or fees, ("Notice of Delinquency") the Association shall first notify the Owner via certified mail, return receipt requested. In addition, the Association shall provide the Notice of Delinquency by two of the following means: first-class mail; phone call to the number the Association has on file as provided by the Owner; text message to the number the Association has on file as provided by the Owner; or e-mail to the e-mail address the Board has on file as provided by the Owner.

The Association shall retain a record of any contacts, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made.

The Notice of Delinquency shall specify whether the delinquency concerns unpaid assessments, unpaid fines, fees, charges, or any combination thereof. If the Notice of Delinquency concerns unpaid assessments, the Association shall notify the Owner that unpaid assessments may lead to foreclosure. The Notice of Delinquency shall:

1. Specify the total amount due, with an accounting of how the total was determined;
2. Specify whether the opportunity to enter into a payment plan exists under Section 2-E, and instructions for contacting the Association to enter into such a payment plan;
3. Specify the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the delinquency;
4. Specify that failure to cure the delinquency 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;

B. Monthly Notices: The Association shall, on a monthly basis, and pursuant to this Section 1, provide each Owner who has any outstanding balance owed to the Association with an itemized list of all assessments, fines, fees, and charges that the Owner owes to the Association.

C. Designated Contact: Owners may notify the Association of another person to serve as the designated contact for the Owner, in addition to requesting that any Notice of Delinquency be made in a language other than English. If a preference is not made, the Notice of Delinquency shall be in English.

D. Collection Agency or Attorney Referral: The Association may, upon a majority vote of the Board of Directors, refer a delinquent account to a collection agency or attorney in a recorded vote.

E. Foreclosure: The Association may commence a legal action to initiate foreclosure based on an Owner's delinquency in paying assessments if the Association has complied with this Policy and provided the Owner a written offer to enter into a payment plan that authorizes the Owner to repay the debt in monthly installments over an 18-month period.

1. Payment Plan. Under a written offer to enter a payment plan, the Owner may choose the amount to be paid each month in an amount of at least \$25.00 and that will ensure the amount owed is less than \$25.00 within 18 months. An Owner who enters a payment plan may elect to pay the remaining balance owed under the payment plan at any time during the duration of the payment plan.
2. Default. Within thirty (30) days after the Association has provided the Owner with a written offer to enter into a payment plan, and the Owner has either (i) declined the payment plan; (ii) accepted the payment plan, but failed to pay at least three (3) of the monthly installments within fifteen (15) days after the monthly installments were due; or (iii) failed to remain current with regular assessments as they come due during the 18-month period, constitutes the Owner's failure to comply with the terms of the Owner's payment plan, and the Association may commence a foreclosure action.

3. Exclusions. The Association may commence a foreclosure action in lieu of a payment plan if the Owner does not occupy the unit and has acquired the property as a result of: (i) a default of security interest encumbering the unit; or (ii) foreclosure of the association's lien; and (iii) the Association or a holder or assignee of the Association's debt is not obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan under this Section 5.
4. Prohibited Foreclosure. The Association may not foreclose on an assessment lien if the debt securing the lien consists only of one or both of the following: (i) fines that the Association has assessed against the Owner; or (ii) collection costs or attorney fees that the Association has incurred and that are only associated with assessed fines.

As to any delinquent assessments, the Board has the discretion to waive any late fee, interest, fine or penalty and/or negotiate any settlement of any delinquent assessment owed to the Association by and Owner except as otherwise required herein or under Colorado law. Except as to any matter contained herein which is required or prohibited under CCIOA or Colorado law, the Board may take any other action as allowed by law.

Any amount due which is enforced by foreclosure of the defaulting Owner by the Association shall be in a like manner as a mortgage on real property. In such foreclosure, the Owner shall be required to pay the cost and expenses of such proceedings, including reasonable attorney's fees.

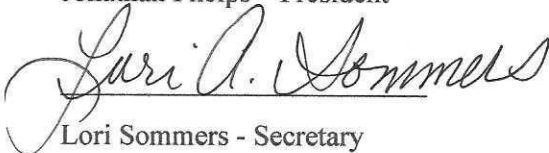
The Association, through the Board of Directors, may also bring an action of law against an Owner personally liable to pay for any assessment. In the event a judgment is obtained, such judgment shall include interest on the assessment, charge or fine and a reasonable attorney's fees to be fixed by the court, together with the costs of the action.

All Owners are jointly and severally liable for all assessments incurred during such Owner's ownership of said Lot which shall include any reasonable attorney's fees incurred by the Association in enforcing the covenants or collecting any assessments, including but not limited to any fees incurred before a lien is placed on the Lot or a suit is filed. No Owner may waive or escape liability for assessments, charges, attorney fees, fines, or penalties by the nonuse of the common areas or abandonment of his or her Lot or asserting that services, duties, or obligations of the Association have not been performed.

The undersigned certify that this Policy was adopted on September 25, 2024 by resolution of the Board of Directors.



Jonathan Phelps – President



Lori Sommers - Secretary