

The two Resolutions of the Bel-Aire Estates Owners Association regarding The Policy and Procedures for the Collection of Unpaid Assessments and Other Charges, and regarding the Policy and Procedures for Covenant and Rule Enforcement, effective July 16, 2013, are superseded by the following Policies:

**Policy 1. Assessment Collection**

- 1.1 The Common Assessments (sometimes called dues) described in the recorded Declaration of Covenants and Restrictions for Bel-Aire Estates ("Declaration") are due and payable on or before January 1 of each year (the "due date"), are delinquent if not paid by the due date, and incur a late charge and bear interest from the due date if not paid on or before 30 days after the due date.
- 1.2 Special assessments, Supplemental Common Assessments, and Special Assessments described in Article 9 of the Declaration are due on the date(s) specified in the described Assessments.
- 1.3 The owner shall pay a late charge of \$25.00 on each late assessment payment.
- 1.4 In addition, the owner shall pay interest on each late assessment after the due date of that assessment at the rate of 18 percent per annum.
- 1.5 The Association will charge the owner the Association's direct costs as a result of a returned or rejected check or other instrument, plus the Association's \$20.00 returned check charge.
- 1.6 After the assessment payment is delinquent, the Association or the Manager may send one or more statements, notices, or reminders to the owner (at the address of the unit/lot unless owner has provided written notice to the Association of a different owner address) showing the status of the delinquent payment(s).
- 1.7 The Association or the Manager will send a **Notice of Delinquency** to the owner address described above **in the form attached as Exhibit A** or form substantially similar to the attached.
- 1.8 If an owner offers to satisfy the owner's entire debt to the Association by restrictive endorsement on a check or money order for an amount less than the full balance then due on the owner's account, that check or money order must be delivered to the Association or its managing agent personally or by prepaid certified mail, return receipt requested. The Association may reject or accept the offer.

- 1.9 An owner's payment of less than the full amount owed to the Association at any time shall be applied to pay the following (if applicable) in the order listed, from the oldest to most recent in each category:
- (a) Attorney fees and legal costs
  - (b) Association costs and expenses
  - (c) Late charges
  - (d) Interest
  - (e) Fines
  - (f) Assessments

The Association, through its designated agent, shall have the discretion to return any partial payment that directs payment other than in the above priority.

[Attached Exhibit A, Notice of Delinquency, is an integral part of this Policy]

Effective January 7, 2015

Exhibit A to Assessment Collection Policy

**Notice of Delinquency**

Bel-Aire Estates Owners Association

Date: \_\_\_\_\_, 20\_\_\_\_

Regarding: Lot/address \_\_\_\_\_ in the above Association

Dear Owner:

This is notice that you are delinquent in payment of your assessments as shown in the **accounting on the attached ledger.**

**Three Options:**

(1) CURE DATE. **The delinquency must be cured on or before 30 days after the date on this Notice of Delinquency**

OR

(2) PAYMENT PLAN. **Owner must enter into a written payment plan acceptable to the Association.** The payment plan must permit the owner to pay off the deficiency, including a reasonable administrative fee, in equal installments over a period of at least six months, in addition to paying the regular assessments due over the period of the payment plan.

*The Association is not obligated to negotiate a payment plan if the owner has previously entered into a payment plan and has failed to comply with the payment plan, if the owner does not occupy the unit, or if the owner acquired the unit as a result of a default of a security interest encumbering the unit or foreclosure of the Association's lien on the unit.*

To enter into a **payment plan**, please contact:

At contact information : Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Regular mail: \_\_\_\_\_

OR

\_\_\_\_\_

- (3) **COLLECTION ACTION.** If you do not pay the total amount due or enter into a payment plan acceptable to the Association on or before the Cure Date described above, or, after having entered into a payment plan, you fail to pay an installment under the payment plan or to remain current with regular assessments as they come due within the period of the payment plan, the Association will turn over your account to a law firm or collection agency for collection. The Association may file a lawsuit against you, the Association may sue to have the court appoint a receiver for your property, the Association may foreclose on its lien against your property if the assessments and charges equal or exceed six months of common expense assessments and the Board has voted by recorded vote to file the foreclosure action, and the Association may pursue other remedies available to it under Colorado law.

General Provisions.

An owner's payment of less than the full amount owed to the Association at any time shall be applied to pay the following (if applicable) in the order listed, from the oldest to most recent in each category:

- (a) Attorney fees and legal costs
- (b) Association costs and expenses
- (c) Late charges
- (d) Interest
- (e) Fines
- (f) Assessments

The Association, through its designated agent, shall have the discretion to return any partial payment that directs payment other than in the above priority.

From the time your **account is turned over to the law firm**, you must communicate only with the law firm to pay or settle the account. You must pay all late charges, interest, costs of collection, and attorney fees incurred by the Association.

## Policy 2. Enforcement of Governing Documents

- 2.1. The Association shall be diligent in the enforcement of the governing documents consisting of the Declaration, articles of incorporation, bylaws, and rules. Some formal resolutions of the Board and resolutions of the members, maintained in the minutes of the Association, may be considered governing documents. As stated in the governing documents, reasonable enforcement is intended to maintain the values of the homes in the Community Area and to make the community a desirable place to live. The objective of the Association is to be fair, firm, and consistent in its enforcement.
- 2.2. Regardless of the language of the governing documents, Colorado Revised Statutes, Section 38-33.3-101, *et seq*, the Colorado Common Interest Ownership Act ("CCIOA") states to the following effect and the governing documents are superseded by the following:
- 2.2(a) Owner(s) and occupant(s) may display on their property, in their windows, or on the balconies adjoining their units American flags of no larger than 4 feet by 6 feet and install flagpoles of no greater height than 12 feet.
- 2.2(b) Owner(s) and occupant(s) may display on the inside the unit's window or door a service flag (sometimes called blue star or gold star banner) of no more than 20 inches by 30 inches indicating the military service of a member of the owner's or occupant's immediate family during a time of war or armed conflict.
- 2.2(c) Owner(s) or occupant(s) may display one political sign on the owner's sole property or in the unit's window for each contested election and ballot issue from 45 days before through 7 days after election up to the size and number of signs allowed by the local municipal or county ordinance. If there is no such ordinance, each sign shall be no larger than 36 inches by 48 inches.
- 2.2(d) An occupant who is bona fide member of a volunteer fire department, and an occupant who is employed by a primary provider of emergency fire-fighting, law enforcement, ambulance, or emergency medical services, may park an emergency vehicle bearing an official emblem and weighing less than 10,000 pounds on the common interest community when it does not bar emergency access or other owners' reasonable use of streets, driveways, or guest parking spaces.
- 2.2(e) Owner(s) may remove trees and shrubs around the home for fire prevention purposes if the removal complies with a written defensible space plan created by a governmental entity.
- 2.2(f) The Association shall not require the use of cedar shakes or other flammable roofing materials.
- 2.2(g) The governing documents cannot prohibit or limit xeriscape or require turf grass only or primarily.

2.2(h) The Association shall not enforce covenants against the owners during a period of water restrictions when the lawns have died as a result of water restrictions if the owners are complying with the restrictions.

- 2.3. In the normal course of the Association's business, the Board will supervise those acting on behalf of the Association to communicate with the owners so that owners are aware of their responsibilities and the standards of behavior in the community. The communication will reasonably use such means as the Association's website (if in existence), newsletters, correspondence, email broadcast messages, and postings in areas of the community frequented by the owners to advise owners of agenda items in regular and special Board meetings. The Association will encourage any continuing developer, real estate agents, and title insurance companies to provide full packages of applicable governing documents to all new owners in the community.
- 2.4. If an owner or occupant of the community allegedly violates any of the governing documents (other than the requirement to pay assessments), the Association will promptly give notice to the owner (and occupant, if a different person) of the apparent violation and request prompt compliance. The Association will set deadlines for compliance in accordance with its governing documents and the urgency of the situation.
- 2.5. If the owner (and occupant, if applicable) fails to comply, then the Association may enforce the governing documents by any direct Association remedy of the violation provided in the governing documents and by bringing appropriate legal or injunctive action in court against the violating parties. In such enforcement actions, the Association will seek to recover all of its costs of enforcement, including direct costs to the Association charged by agents, court costs, and costs of enforcement and collection, including attorney fees.
- 2.6. In a proper instance, the Association may consider a fine against the owner and/or occupant after a fair and impartial fact-finding process to determine whether the alleged violation actually occurred and whether the owner is the one who should be held responsible. This shall include proper notice, the opportunity to be heard, and hearing before the Board (excluding any Board member who has any direct personal or financial interest in the outcome) on each and every fine. The Association will comply with the following:
- 2.7. Fines are levied on a case-by-case basis by the Board of Directors to assist in the enforcement of the Declaration of Covenants, articles of incorporation, bylaws, rules and regulations, and other governing documents of the Association.

Fining Procedure for owner's or occupant's violation of Association governing documents:

- |               |   |
|---------------|---|
| First Notice  | Written Warning (two weeks to respond or comply from date of notice.)             |
| Second Notice | Notice of Hearing before Board. Advise that Board may levy up to a \$500.00 fine. |

In its sole discretion, the Board may cease or never enter into the fining process and take other appropriate legal or injunctive action.

The Association shall provide proper notice and the opportunity to be heard at a specific Board hearing, at a set time, date, and location specified in the notice (sample form of notice letter for violation of a section of the Declaration follows as Exhibit A and is made a part hereof by this reference). If the Board assesses a fine, the fine shall be posted to the appropriate owner's ledger as an amount payable in the same manner as Common or Special Assessments, with all the same Association remedies as provided for collection of assessments in the Association's governing documents. If the Board determines that the owner should not be held responsible for the alleged violation, the Association shall not allocate to the owner's account any of the Association's costs or attorney fees incurred in asserting or hearing the claim.

If a violation is referred to the attorney for the Association, the attorney may give notice of impending legal action or promptly file a civil action for any and all remedies under the governing documents, including collection of fines as assessments under the Declaration and the Colorado Common Interest Ownership Act.

**Effective** January 7, **2015**

EXHIBIT A TO POLICY ON ENFORCEMENT  
BEL-AIRE ESTATES OWNERS ASSOCIATION

**HEARING NOTICE FOR POSSIBLE FINES BY ASSOCIATION**

Date

Address

**Notice of Hearing and Opportunity to be Heard**

Dear Homeowner:

As a homeowner in a community subject to governing documents, you have definite responsibilities to the Association and to the other homeowners in the community. This includes compliance with covenants or agreements found in the governing documents, such as the Declaration, and certain owner obligations to maintain, repair, and/or correct the exterior of your unit, or on the Common Area.

This is notice of a hearing on your apparent violation of **Section \_\_\_\_\_**,  
**\_\_\_\_\_**, of the \_\_\_\_\_ as follows:

**The Board (or impartial members of the Board who have no direct personal or financial interest in this enforcement) will hold a hearing to determine the existence of the violation(s), whether or not you committed the violation(s), and what action the Association will take under the governing documents, including possibly levying a fine against you in the amount of \$\_\_\_\_\_. You have the opportunity to attend, to hear any allegations against you, to present your side of the story, and to be heard by the Board. Should you decide not to attend the hearing, the Board will proceed with the hearing of the matter under the violation procedures in place and take appropriate action within the Board's power.**

Board of Directors Hearing: Day of the week \_\_\_\_\_,  
Date: \_\_\_\_\_, 20\_\_\_\_  
Time: \_\_\_\_\_  
Location: \_\_\_\_\_

Board of Directors  
Bel-Aire Estates Owners Association

By \_\_\_\_\_

cc: Board of Directors