

**RESOLUTION OF THE
BEL-AIRE ESTATES OWNERS ASSOCIATION
REGARDING
THE POLICY AND PROCEDURES FOR
THE COLLECTION OF UNPAID ASSESSMENTS AND OTHER CHARGES**

SUBJECT: Adoption of a policy and procedures regarding the collection of unpaid Assessments and Other Charges.

PURPOSE: To adopt a policy and standard procedures to collect Assessments and Other Charges of the Association from the Owners.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: July 16, 2013

RESOLUTION: The Association hereby adopts the following policy and procedures:

1. Policy. It is the policy of the Association that unpaid assessments will be diligently pursued for collection and efforts for the collection will be consistently applied.

2. Definitions.

- (a) The term "Assessments" includes any and all charges of the Association to the Owners as specified in the Declarations and Covenants and other policies of the Association. Assessments include the common (annual dues) assessment, supplemental common assessments, special assessments, reimbursement assessments and also including "Other Charges" comprised of late charges, interest (as described below) and Fines imposed by the Association for violations of the Declaration and Covenants or Rules of the Association.
- (b) The term "Managing Agent" refers to the property manager or the individual or entity performing administrative functions on behalf of the Association.
- (c) Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

3. Due Dates.

(a) The common assessment as determined by the Association and as allowed for in the Declarations shall be due and payable on January 1st of each calendar year. Assessments other than the common assessment will have a due date as determined by the Board. Assessments not paid in full to the Association on or before the due date shall be considered past due and delinquent. Assessments not paid in full to the Association on or before the due date may incur late fees and interest as provided below.

(b) Other Charges shall be due and payable 30 days after the last day of the period for which the Other Charges were billed. Other Charges not paid in full to the Association on or before the due date shall be considered past due and delinquent. Other Charges not paid in full to the Association on or before the due date may incur late fees and interest as provided below.

4. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's office.

5. Late Charges on Delinquent Assessments and Other Charges. The Association may impose on a monthly basis a \$25.00 late charge for each Owner who fails to timely pay his/her Assessments or Fines on or before the due date. The Late Charge shall be a "common assessment" for each delinquent Owner.

6. Interest on Delinquent Assessments and Other Charges Subject to statutory limitations, the Association shall impose interest from the date due at the rate of 18% per annum on the amount owed for each Owner who fails to timely pay their Assessments or Fines on or before the due date. The Interest shall be a "common assessment" for each delinquent Owner.

7. Personal Obligation For Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

8. Return Check Charges.

(a) Subject to statutory limitations, in addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws and Rules of the Association or this Resolution, a Return Check Charge not to exceed \$20.00 or other amount deemed appropriate by the Board of Directors 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. This returned check charge shall be a "common expense" for each Owner payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand.

- (b) Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above.
- (c) This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment is not timely made within 30 days of the due date.
- (d) If two or more of a unit Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the unit Owner's future payments, for a period of one year, be made by certified check or money order.
- (e) Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law.

9. Service Fees. In the event the Association incurs any type of service fee regardless of what it is called by the Managing Agent, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner.

10. Payment Plan.

- (a) Any Owner who becomes delinquent in the payment of Assessments after January 1, 2014 may enter into a payment plan with the Association. Such payment plan shall be made available to each Owner prior to the Association referring any account to an attorney for collection action.
- (b) The Payment Plan offered by the Association shall be comprised of equal installments paid over a term of not less than six (6) months.
- (c) The Owner must provide explicit communication of the acceptance of the offer of the Payment Plan
- (d) In the event the Owner defaults or otherwise does not comply with the terms and conditions of the Payment Plan, including the

payment of ongoing Assessment payments, the Association may, without additional notice, take such other action as it deems appropriate in relation to the delinquency including the referral of the account to an attorney.

11. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, 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. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

12. Application of Payments. All sums collected on a delinquent account shall be applied in the following manner:

- (a) First to the payment of any and all legal fees and costs including attorney fees,
- (b) then to expenses of enforcement and collection including Late Charges, Interest, Returned Check Charges, fees for filing liens and release of liens, fees charged for collection, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules, or this Resolution,
- (c) then to application of any Assessments due or to become due with respect to such Owner.

13. Collection Process.

- (a) After Assessments or Other Charges due to the Association become Past Due (i.e., any date 30 days after the Due Date), the Association or a Managing Agent shall send a written notice of non-payment ("First Notice") stating the amount past due, that Late Charges and Interest may accrue, and request for immediate payment. The Association's notice, at a minimum shall include the following:
 - i. The total amount due to the Association along with an accounting of how the total amount was determined.
 - ii. Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.
 - iii. A name and contact information for an individual the owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.

- iv. A statement indicating that action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Owner's delinquency 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) After Assessments or Other Charges due to the Association become more than 60 days delinquent (no sooner than 30 days after First Notice), the Association or a Managing Agent shall send a second written notice ("Second Notice") of non-payment, stating the amount past due, that Late Charges and Interest have accrued, a request for immediate payment, and notice of intent to file a lien if payment is not received within the next twenty (20) days.
- (c) After Assessments or Other Charges due to the Association become more than 60 days delinquent (anytime after the Second Notice), the Association or a Managing Agent may file a lien on the property and may send a letter to the delinquent Owner demanding immediate payment.
- (d) After Assessments or Other Charges due to the Association become more than 90 days delinquent, the Association or a Managing Agent may turn the account over to the Association's attorney for further collection efforts. Upon receiving the delinquent account, the Association's attorneys may send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorney may file additional liens or may file a lawsuit. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any other applicable charges.

14. Collection Procedures and Time Frames. The following time frames shall be followed for use in the collection of Assessments and Other Charges.

	Assessments	Other Charges
Due Date (date payment is due)	January 1 st	30 days after billing
Past Due Date (date payment is late if not received on before that date)	Anytime after 30 days after Due Date	Anytime after 30 days after Due Date
First Notice (including notice of the availability of a Payment Plan, after January 1, 2014)	Anytime after the Past Due Date	Anytime after the Past Due Date
Second Notice (notice of Late Charges and Interest incurred, notice of intent to lien)	Anytime after 60 days after Due Date	Anytime after 60 days after Due Date
Filing of lien for non-payment	Anytime after 60 days after due date	Anytime after 60 days after due date
Delinquent account may be turned over to attorney	Anytime after 90 days after due date	Anytime after 90 days after due date

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

15. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request to the Association's agent, a written statement, within 14 days of receipt of request, setting forth the amount of unpaid assessments currently levied against such Owner's property. If the account has been turned over to the Association's attorney, such request may be handled through the attorney.

16. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any unit within the Association, the Association or a Managing Agent shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

15. Use of Regular Mail and Certified Mail. In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

16. Referral of Delinquent Accounts to Attorneys. Delinquent accounts may be referred to the Association's attorney at the discretion of the

Board. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- (a) Filing of a suit against the delinquent Owner for a money judgment;
- (b) Instituting a judicial foreclosure action of the Association's lien;
- (c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests;
- (d) File a court action seeking appointment of a receiver.

Payment plans involving accounts referred to an attorney for collection may be set up and monitored through the attorney.

17. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner 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; and prevent the waste and deterioration of the property.

18. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner 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 shall consider individually, each recommendation for a foreclosure and may only approve a foreclosure action after the Owner's delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by a resolution in form and substance as is attached hereto.

19. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

20. Communication with Owners. All communication with a delinquent Owner shall be handled through the

Association's attorney once a matter has been referred to the attorney. Any member of the Board of Directors shall not discuss the collection of an account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

21. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, and phone or in writing, when available. However, in doing so, the owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.

22. Defenses. 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, return check charges, attorney fees and/or costs as described and imposed by this Policy.

23. Credit Report. In the event an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law, the Owner acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.

24. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.


25. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

26. Amendment. This policy may be amended at any time by the Board of Directors.

PRESIDENT'S CERTIFICATION:

The undersigned, being the President of the Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on July 16, 2013 and in witness thereof, the undersigned has subscribed his/her name.

BEL-AIRE ESTATES OWNERS ASSOCIATION,
a Colorado nonprofit corporation,

By: 
Ghassan Timani
President of the Board of Directors

FORM OF FORECLOSURE RESOLUTION OF THE
BEL-AIRE ESTATES OWNERS ASSOCIATION

WHEREAS, The Owner of Unit _____, (ASSOCIATION) is currently delinquent in payment of assessments in the amount of \$ _____, which amount includes, late fees, penalties, interest and attorney fees; and

WHEREAS, the Association, on _____ did notify such owner of the delinquent assessments and did offer the Owner a payment plan of at least 6 months for the repayment of the delinquent assessments; and

WHEREAS, The Owner did, on _____ default in the terms and conditions of the payment plan, or conversely, failed to enter into a payment plan with the Association; and

WHEREAS, The current delinquent amount is equal to or exceeds six months of common expenses assessments allocated to the Owner's Unit pursuant to the Association's annual budget; and

NOW, THEREFORE, BE IT RESOLVED, by a vote of _____ FOR and _____ (AGAINST) the Board of Directors, pursuant to the Association's collection policy and in accordance with the Colorado Common Interest Ownership Act, does hereby approve the commencement of a foreclosure action on unit _____, (Association) to be commenced as soon as practical.

IN WITNESS, the undersigned certifies that this Resolution was adopted by the Board of Directors of the Association dated, _____ 20____.

BEL-AIRE ESTATES OWNERS ASSOCIATION

BY: _____

Its: President