

COLLECTION OF UNPAID ASSESSMENTS AND OTHER CHARGES

One of the many advantages of living in a community association is sharing with other members the costs of certain maintenance, repairs, and amenities that are often too expensive for a single-family homeowner. All Settler's Village Subassociation Owners are legally bound to share those costs.

WE ARE IN THIS TOGETHER

To properly maintain Settler's Village Subassociation's common areas and to provide the other services that it is required to provide under its governing documents, it is imperative that all assessments, whether regular or special, be paid in full and on time. Delinquencies throw the association's entire budget off course and negatively affect all members' property values and lifestyles.

KEEPING UP OUR END OF THE BARGAIN

To adequately maintain our community, state statutes and our governing documents give Settler's Village Subassociation's Board of Directors the authority to impose and collect assessments and other allowable charges from Members. In fact, the board owes a duty to all Members to make sure everyone pays. The board has adopted the following policy to fulfill its duty in a fair, systematic, and impartial manner.

1. COMMON EXPENSES

The term "common expense" refers to any amount a Member must pay to Settler's Village Subassociation. Among the charges it includes are regular annual assessments, special assessments, rules violation fines, late fees, common area repairs, and any other fees, interest, or charges imposed under this policy.

2. WHERE TO SEND PAYMENT

Deliver all payments to the management office:

Settler's Village Subassociation
c/o Highlands Ranch Community Association
9568 S. University Blvd.
Highlands Ranch, CO 80126

3. WHEN COMMON EXPENSES ARE DUE

All payments for regular assessments are due and payable on the first of each month.

Payments for special assessments, if any, would be due and payable on a payment schedule approved by your Board of Directors with payments due on the first of one or more months.

Post-dated checks will not be accepted.

4. LATE PAYMENTS

Once a common expense is delinquent, Settler's Village Subassociation may take any or all of the following actions:

1. Any payment not received within 30 days after the payment is due and payable is considered delinquent and a late charge of \$25.00 will be assessed on all late payments, and interest will accrue on the outstanding balance from the date the payment was due at the rate of 21% per annum.

Additionally, if payment is not received by the 30th day after it became due and payable, a late notice will be sent to the owner by the Association or its Managing Agent. The late notice shall specify:

- a. The fact that the installment is delinquent;
- b. The action required to cure the default;
- c. A date, not less than 30 days from the date the notice is mailed to the Member by which such default must be cured; and
- d. That a failure to cure the default on or before the date specified in the notice may result in the acceleration of the balance of the assessments, or the installments of the assessment for the then-current calendar year, and filing and foreclosure of the lien for the assessments against the Member's unit.

2. The Association and its Managing Agent will not attempt to contact the owner by phone. If the delinquent owner has questions about the delinquency, the owner is encouraged to contact the Managing Agent either by phone or in writing.

3. If payment or suitable arrangements for payment are not received by the 30th day after the date of the late notice in paragraph 2 above, the account will be forwarded to the Association's attorney for legal action and to file a lien against the property.

4. Once an account is turned over to the Association's attorney, all communications and correspondence from an owner will be referred to the attorney.

- a. The attorney will immediately send a demand letter to the owner and will file a lien against the property.
- b. If the owner does not respond to the attorney's demand letter, a suit for personal judgment will be initiated approximately 30 days after the date of the demand letter.
- c. The owner will be responsible for reimbursing the Association for attorney fees and court costs incurred as a result of turning the account over to the attorney for collection.

5. RETURNED CHECK CHARGES

In addition to any late fee that may be applicable, for each check to Settler's Village Subassociation that is returned by a bank for any reason, the member who wrote the check shall pay any related bank charges that Settler's Village Subassociation incurs because of the returned check. These charges will be treated as common expenses.

6. CREDITING PAYMENTS

All delinquent accounts remain delinquent until paid in full. No partial payments will waive Settler's Village Subassociation's right to pursue full payment and/or to enforce the provisions of this policy. Settler's Village Subassociation will apply partial payments to the outstanding balance in the following order:

1. To collection costs incurred by the Managing Agent. When these charges are paid in full, then
2. Legal fees and court costs. When these charges are paid in full, then
3. Association approved fines, penalties and charges for repair or replacement due to failure to comply with your Association's governing documents. When these charges are paid in full, then
4. Association late charges. When these charges are paid in full, then
5. Association interest charges. When these charges are paid in full, then
6. The older and longest outstanding Association maintenance fees or assessments working forward to the current maintenance fees or assessments outstanding.

If an individual's check specifically designates a payment of a particular item, such as a monthly maintenance fee, or if a payment coupon for a particular month is enclosed, the check will be applied as requested. If no check designation is made, the funds will be applied as indicated in items 1 through 6 above.

7. NOTICES, PAYMENTS, AND CONSEQUENCES OF NONPAYMENT

Unless otherwise required by law, all notices will be sent by first-class mail, postage prepaid, to the delinquent member's address as shown in Settler's Village Subassociation's books and records on the date the notice goes out. All amounts due must be paid in full before the notice period expires. If the notice period expires without full payment, the consequences set forth in the notice and/or in this policy shall apply.

8. ADDITIONAL REMEDIES

The Association has additional rights with respect to delinquent accounts, which may include, but are not limited to, the following:

1. By statute, any and all delinquent sums are automatically a lien against the property. The Association may, but is not required to, file a written statement with the county Clerk and Recorder to evidence the lien. All costs associated with the lien proceeding are assessed against the Owner's account.
2. The Association may foreclose the lien in a similar manner as a foreclosure of a mortgage on real property. All costs with foreclosure proceedings are assessed against the Owner's account.
3. If the property is vacant or tenant occupied, the Association may request the court to appoint a receiver to take over management responsibility for the property, to collect rents for the property from the tenant, and to pay those rents over to the Association until the assessment account is brought current. All costs with receivership proceedings are assessed against the Owner's account and will be paid out of the receivership proceeds prior to payment of the assessments.
4. All other charges against the account, such as fines, late charges, interest, or other fees of any nature are due and payable 10 days after written notice has been provided and will also accrue interest charges at the rate of 21% per annum. Any unpaid amounts of any nature other than regular assessments may be turned over to an attorney, or other collection entity, regardless of status of assessments, if, in the sole discretion of the Board of Directors, such an account has remained delinquent for over 60 days and/or has reached an amount that the Board deems advisable for collection proceedings.