

**COPPERLEAF HOMEOWNERS ASSOCIATION, INC.
COLLECTION POLICY AND PROCEDURE**

Effective Date: January 1, 2019

1. Due Dates. The installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due on the first (1st) day of January and July, with each installment payable no later than the fifteenth (15th) day of those months, respectively. Assessments or other charges not paid in full to the Association within thirty (30) days of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association by the fifteenth (15th) of each month shall incur late fees and interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged any costs incurred by the Association in giving notice of such acceleration.
2. Receipt Date. The Association shall post payments on the day that the payment is received by the Association.
3. Late Charges on Delinquent Installments. The Association shall impose on a monthly basis a \$20.00 late charge for each Owner who fails to timely pay his/her installment of the annual assessment within thirty (30) days of the due date. This late charge shall be a "common expense" for each delinquent Owner. The Association shall impose interest from the date due at the rate of eighteen (18) percent per annum on the amount owed for each Owner who fails to timely pay their monthly installment of the annual assessment within thirty (30) days of the Notice of Default, as provided below.
4. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment 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.
5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a return check fee, not to exceed \$20.00, 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 who tenders 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. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. 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. If two or more of an Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. 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 of the monthly installment of the annual assessment is not timely made within 30 days of the due date.
6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called by its management company, 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.

7. Payment Plan. The Association will make a good faith effort to coordinate with the Owner to set up a payment plan. An Owner may enter into a payment plan to pay off a deficiency in equal installments over a minimum period of six months or such other period as authorized by the Board. If the Owner fails to comply with the terms of the payment plan (fails to remit payment of an agreed-upon installment or fails to remain current with regular assessments as they come due during the payment plan term), the Association may pursue legal action subject to the notice requirements in Section 11 below. The Association is not obligated to negotiate a payment plan with: (i) an Owner who has previously entered into a payment plan pursuant to this policy, or (ii) an Owner who does not occupy the unit and acquired the unit because of a default of a security interest encumbering the unit or a foreclosure of the Association's lien.

All payment plans involving accounts referred to an attorney for collection will be set up and monitored through the attorney in consultation with the President of the Board or other person designated by the Board.

8. 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.

9. Suspension of Access to Recreational Facilities. For any Owner who becomes delinquent in the payment of assessments, the Association will terminate the Owner's access to community recreational facilities, including any pool area, in accordance with the Bylaws of the Association. Such termination of access may be performed by deactivating any electronic access cards or demanding the surrender of any physical keys to recreational areas held by the Owner until such Owner's account for assessments is brought current.

10. Application of Payments. All sums collected on a delinquent account that has been turned over to the Association's attorney shall be remitted to the Association's attorney until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of any and all legal fees and costs (including attorney fees), then to the expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

11. Collection Process.

A. After an installment of an annual assessment or other charges due to the Association becomes more than thirty (30) days delinquent, the manager shall send a written notice ("Notice of Default") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment.

B. After an installment of an annual assessment or other charges due to the Association is still not paid within 30 days after the Notice of Default (i.e., after an installment of an annual assessment or other charges becomes more than 60 days delinquent), the manager shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late fees have accrued, 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 days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law including revoking the Owner's right to vote if permitted in the Bylaws or Declaration.

C. After an installment of an annual assessment or other charges due to the Association becomes more than ninety (90) days delinquent, the Management Company is directed to send a third written notice ("Intent to Lien Notice") of non-payment, amount past due, including notice that interest and late fees have accrued, notice of intent to file a lien, and request for immediate payment.

D. After an installment of an annual assessment or other charges due to the Association becomes more than one hundred twenty (120) days delinquent, the Management Company is directed to turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorneys shall file a lien and send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorneys 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 applicable interest and late fees.

E. If the manager deems that circumstances necessitate a write-off of an account, the manager may write-off a portion of a delinquent account in an amount not to exceed \$25.00. Any write-off greater than \$25.00 shall require consultation with and authorization of the President of the Executive Board.

12. Acceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

13. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges:

Due date (date payment due)	1 st day of the month due
Past due date (date payment is late if not received on or before that date)	15 days after due date
Notice of Default	Any time after 30 days after due date
Second Notice (notice that late charges have accrued, required disclosures of the Association, and offer of a payment	At least 30 days after Notice of Default

plan, if applicable)

Intent to Lien Notice (notice that late charges and interest have accrued, notice of intent to file lien)

Any time after 90 days after due date

Delinquent account turned over to Association's attorney; Lien filed; Demand Letter sent to Owner

Any time after 120 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.

14. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a \$10.00 fee. However, if the account has been turned over to the Association's attorney, such request shall be handled through the attorney.

15. 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 Management Company shall advise the Association's attorney of the same and turn the account over to the Association's attorney.

16. Use of Certified Mail/Regular 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.

17. Referral of Delinquent Accounts to Attorneys. After an account has been referred to an 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, in consultation with the Management Company, is authorized to take whatever action is necessary and determined to be in the best interest 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. Filing a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

18. 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.

19. Rental Interception. To the extent permitted by the Declaration, the Association may, without court order, notify the tenant of any unit where the Owner is delinquent in the payment of assessments, pursuant to the Declaration and Colorado law, that rents shall be paid to the Association effective immediately and continue until such time as the Owner's account is current. Such notice shall be in writing to the tenant and the Owner. All funds received by the Association from the tenant shall be credited to the Owner's account as set forth herein.

20. 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 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 the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

21. 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.

22. 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. Neither the Manager nor any member of the Board of Directors shall discuss the collection of the 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.

23. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, 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.

24. Defenses. Failure of the Association to comply with any provision in this Collection 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.

25. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

26. 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 Project.

27. 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.

28. Amendment. This Collection Policy may be amended from time to time by the Board of Directors.

[Signature on following page]

This Collection Policy and Procedure was adopted by the Board of Directors this 23
day of January, 2019.

COPPERLEAF HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By: Elizabeth Hubbard
Its: President