

**THE ENCLAVE ASSOCIATION**  
**AMENDED AND RESTATED POLICIES AND PROCEDURES AND**  
**RULES AND REGULATIONS**  
**REGARDING COLLECTION OF UNPAID ASSESSMENTS**  
**(C.R.S. §38-33.3-209.5(1)(b)(I))**

The Board of Directors (the “Board”) of The Enclave Association, Inc., a Colorado nonprofit corporation (the “Association”) is charged with the responsibility of collecting assessments for common expenses from Owners pursuant to Articles V and VI of the Declaration for The Enclave Condominiums, recorded in the Pitkin County real property records (as further amended and supplemented from time to time, the “Declaration”) (collectively herein, all Regular, Special, and Supplementary Assessments, together with any other amounts due from Owners under the Declaration, “Assessments”).

The Board previously adopted a Collections Policy for Unpaid Assessments (the “Collections Policy”), and now desires to update and amend the existing Collections Policy to conform to C.R.S. §§ 38-33.3-209.5, 38-33.3-316 and 38-33.3-316.3. The following policy (the “Amended Collections Policy”) shall apply to the collection of unpaid Assessments:

A. Due Date. Annual Regular Assessments, as determined by the Board and as allowed for in the Declaration, shall be due and payable, as follows: twenty-five percent (25%) October 1, twenty-five percent (25%) January 1, twenty-five percent (25%) April 1, and twenty-five percent (25%) July 1 of each year. Assessments not paid to the Association within thirty (30) days of the Due Date shall be considered past due and delinquent. Due Dates for any Special Assessment, or installments thereof, are determined and noted within the minutes of the Board Meeting at which that Special Assessment is approved.

B. Late Fees and Interest. Any delinquent Assessment (“Delinquency”), or installment thereof, shall bear interest from thirty-one (31) days (“Period”) after the Due Date, until paid, at the rate of Eighteen Percent (18%). Interest charges will be levied upon each delinquent statement balance every thirty-one (31) days after the Due Date, at a Period rate of one and one-half percent (1.5%), which is equal to Eighteen Percent (18%) divided by Twelve Periods (18/12), and will compound monthly.

C. Return Check Charges. A fee of \$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. Such return check charge shall be considered an Assessment due and payable immediately, upon demand.

D. Notice of Delinquency. For any Delinquency, the Board or Managing Agent shall issue a Notice of Delinquency (“Notice”) within the first ten (10) business days of each month, which will serve as a reminder to such Owner that the Due Date has passed, and interest charges have been levied, as noted above, which the Board is authorized and directed to charge to and

collect from any delinquent Owner on behalf of the Association. The Notice sent by the Board or Managing Agent to the delinquent Owner shall also state:

1. The total amount due, with an accounting of how the total was determined;
2. Whether the opportunity to enter into a payment plan exists pursuant to C.R.S. § 38-33.3-316.3 and instructions for contacting the Board or Managing Agent to enter into such a payment plan;
3. The name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; and
4. 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 the Association's attorneys, 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.

The Notice includes a copy of this policy and the statement of outstanding Assessments.

E. Circumstances and Terms of Payment Plan. Unless the Owner does not occupy the Unit and has acquired the Unit as a result of (a) a default of a security interest encumbering the Unit or (b) foreclosure of the Association's Lien, the Association shall make a good-faith effort to coordinate with the Owner to set up a payment plan. However, in the event the Association and the Owner have previously entered into a payment plan, the Association is under no obligation to negotiate another payment plan. Any payment plan must permit the Owner to pay off the deficiency in equal installments over a period of at least six (6) months. The Owner shall sign a document describing the payment plan and the effective date of the first payment. In the event an Owner fails to comply with the terms of his or her payment plan, the Association may immediately begin pursuing legal action against such Owner. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with the regular Assessments as they come due during the six-month period, constitutes a failure to comply with the terms of his or her payment plan.

F. Lien for Assessments. The Association may record a Notice of Delinquent Assessment or Charge against the property of any delinquent Owner in accordance with the terms and provisions of the Declarations, Articles and/or Bylaws. The Association may foreclose on its lien if the balance of Assessments secured by its lien equals or exceeds six months of common expense assessments based on the Association's budget and the Association's board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific Unit on an individual basis.

G. Legal Remedies. If, after the expiration of the period specified in the Notice of Delinquency, an account remains delinquent and without a payment plan embodied in a signed agreement, or in the event of a default under the terms of such agreement, Association counsel is

authorized to take such further action as counsel, in consultation with the Board, believes to be in the best interest of the Association, including but not limited to any one or more of the following:

1. Filing suit against the delinquent Owner for money due pursuant to the Declaration and Colorado law;
2. Instituting a judicial action for foreclosure of the Association's lien pursuant to the Declaration and Colorado law;
3. Filing a proof of claim in bankruptcy; and/or
4. Filing a court action seeking appointment of a receiver.

H. Application of Payments. Any payments received on account of a delinquent Owner shall be applied to payment of any and all attorneys' fees and costs, expenses of enforcement and collection, interest charges, return check charges, lien fees and other costs owing or incurred with respect to such Owner pursuant to the Declaration, prior to application of the payment to any Assessment due or to become due with respect to such Owner.

I. Voting Rights. In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

This Amended Collections Policy was adopted to be made effective the 1<sup>st</sup> day of January, 2014 by resolution of the Board of Directors of The Enclave Association, Inc., a Colorado nonprofit corporation.

THE ENCLAVE ASSOCIATION, INC.,  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
\_\_\_\_\_, President

ATTESTED:

By: \_\_\_\_\_  
\_\_\_\_\_, Secretary