

**Soda Springs Ranch Homeowners Association  
Collection of Unpaid Assessments Policy  
September 16, 2006**

These Responsible Governance Policies have been adopted by the Board of Directors of the Soda Springs Ranch Condominium Association, Inc. (the "Association") pursuant to and in compliance with the requirements of C.R.S. 38-33.3-209.5 and other provisions of the Colorado Common Interest Ownership Act, C.R.S. 38-33.3-101 *et seq.* ("CCIOA"). The policies and procedures set forth below are not intended to revoke, supersede or modify any provisions of the Condominium Declaration for Soda Springs Ranch Condominiums, the Articles of Incorporation and Bylaws of the Association, or any other rules and regulations adopted by the Board of Directors of the Association, as the same now exist or may hereafter be amended (herein collectively referred to as the "Governing Documents"). Rather, these Policies are intended to summarize and supplement applicable provisions of such Governing Documents in order to provide a convenient reference for Owners, Directors and other interested parties with respect to the governance and operation of the Association. In the event of any conflict or inconsistency between the provision of the Governing Documents and these Policies, the Governing Documents shall control. Any failure by the Board or any officer or agent of the Association to follow the policies and procedures set forth herein shall not give rise to any liability, forfeiture or waiver on the part of the Association or any Director, officer or agent thereof, nor shall it relieve any Owner of responsibility for payment of assessments or other charges payable by such owner, nor shall it be an excuse for any violation of the provisions of the Governing Documents by any Owner.

**Reference:** Paragraph 38-33.3-209.5 (b) (I), Responsible Governance Policies (SB100).

The following policy is outlined regarding procedures to collect unpaid assessments:

1. Prepare and mail Quarterly bills to homeowner 30 days prior to start of Quarter. Assessments are due by the 15th day of the Quarter (January 15, April 15, July 15, & Oct 15) and delinquent on the 45th day of Quarter.
2. At the end of 45 days in the billed Quarter, the Board Treasurer will send out a SSR HOA late letter. If payment is not rendered, Soda Springs Management Company will call the delinquent homeowner 15 days after late letter was sent. If negative response is received from telephone calls and no arrangement made for payment, the account will be turned over to the SSR attorney for further legal action. If a bad check is received, the account will be turned over to the SSR attorney as well. A fee of \$50 will be charged to the homeowner for a bad check.
3. Attorney will send letter to homeowner and if no payment is received from the homeowner within 30 days, foreclosure/lien action will be taken.
4. Payments received for Assessments will first be applied to collection costs, interest charges, if any, then to the oldest assessment past due.
5. Interest will be added at 1% per month, accruing from the due date of the delinquency.

6. Unit owners will be responsible for payment of all attorney fees and costs whether or not legal action is filed, and attorney fees/costs will be added to the owner's account and/or the lien amount.

7. If a delinquent unit is being rented, action may be taken to collect rents to cover the deficiency, as provided in Section 9.12 of the Declaration, before turning the account over to the SSR attorney

8. If a satisfactory written agreement and payment plan to recover delinquency can be worked out in steps 2 and 3 above, account will not be given to attorney, as long as terms of agreement are met. Payment will be applied to the delinquent period.

9. In addition to the above, action may be taken in Small Claims Court in the County in which the owner lives. The necessary forms for filing a claim in Small Claims Court can be obtained at the Courthouse (in Grand County there is a seventy five cent charge for the form). After the form is completed with supporting documents (detailed statement of the account) it can be filed with the Court with the required filing fee, signed by an officer of the SSR HOA or the SSR property manager.

A hearing date is set when the claim is filed. The debtor can be served either by certified mail (paid by claimant), delivery by the Sheriff (fee required) or personal delivery by representative of the Association. Claimant must be present at the Hearing and affirm the facts in the filing. The Small Claims Judge either rules for Claimant or the Defendant. If Claimant wins, Judgment is entered and Garnishment procedure may be started by the HOA.

10. If an Owner files for bankruptcy, all collection efforts will stop unless otherwise advised by the Association's attorney, and eventually a claim can be filed with the Bankruptcy Trustee. This claim will only cover the amount owed at the time the bankruptcy was originally filed. Any amounts paid by the Owner within 60 days of filing bankruptcy may be required by the Bankruptcy Trustee to be returned to the Trustee.

11. If there is a first mortgage on a Unit, the Association is entitled to a priority lien equal to the amount of six months of common expense assessments. Upon foreclosure of the mortgage and expiration of the Owner's 75-day redemption period (and any additional redemption period allowed for junior liens), the property is transferred to the mortgage holder or other successful purchaser in the foreclosure, at which time the priority lien is usually paid without further action and the new owner becomes responsible for current assessments. Notice of the Association's liens will normally be recorded by the Association's attorney, and he/she may advise the Association to consider redeeming as a junior lienholder to recoup or mitigate for the loss of any portion of accrued assessments not secured by the priority lien.

12. The Board shall have the authority to waive any of the requirements of this policy based upon the facts of a given case.

Approved by the SSR Board of Directors

Date: September 16, 2006