

DUES COLLECTION POLICY

Payments for assessments are to be mailed to the Association office at the mailing address for the Association as set forth on its website: www.arrowhead1.org.

1. Dues assessments are sent quarterly to each owner at the beginning of each quarter (January, April, July, and October).
2. All assessed amounts are due by the end of the first month of the quarter (January 31, April 30, July 31, and October 31).
3. A reminder notice is sent in the second month of the quarter (February, May, August, November).
4. Any returned checks are subject to a \$25.00 returned check charge.
5. Any unpaid amounts are included in the next billing cycle.
6. An account is considered delinquent if unpaid four months after the due date (five months from the time the first billing was mailed, i.e. unpaid 1st quarter dues are delinquent on May 31; unpaid 2nd quarter dues are delinquent on August 31; unpaid 3rd quarter dues are delinquent on November 30; unpaid 4th quarter dues are delinquent February 28) .
7. Delinquent accounts are charged a late fee of thirty-five dollars (\$35.00), plus interest at a rate of 12% (1% per month).
8. The Association's attorney, on behalf of the Association, and in accordance with C.R.S. 38-33.3-209.5, will cause a Notice of Delinquency to be mailed to each owner with a delinquent account. The Notice of Delinquency will specify the total amount due, include a copy of the ledger that accounts for how the total was determined, state whether the owner is eligible to enter into a payment plan, and provide instructions for contacting the Association to enter into such a payment plan. The notice will further inform the owner that action to cure the delinquency is required to be taken within thirty (30) days and that failure to do so may result in the 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.
9. If the owner is unwilling or unable to cure the delinquency in full within thirty (30) days, the Association's attorney, on behalf of the Association, will make a good faith effort to set up a payment plan with an owner for the payment of delinquent assessments, UNLESS the owner does not occupy the property and has acquired the property as a result of the foreclosure of a security interest encumbering the property OR the lot owner has previously entered into a payment plan for the payment of delinquent assessments, in which case the owner is not entitled to enter into a payment plan.
10. Any payment plan entered into with an owner shall permit the owner to pay off the deficiency in equal installments over a period of at least six months. The owner must remain current with regular assessments as they come due during the six-month period, or such longer period as the Board may agree. If the owner fails to comply with the terms

of the payment plan, including the failure to remit payment of an agreed upon installment or to remain current with regular assessments, the owner shall be in default and the Association may, without further notice to the owner, pursue legal action to collect the delinquent assessments.

11. Legal remedies available to the Association to collect a delinquent account pursuant to the Governing Documents and Colorado law include filing suit to recover a money judgment personally against the owner and foreclosure of the Association's statutory lien for assessments, which remedies may be pursued simultaneously. The Board of Directors shall review delinquent accounts to determine appropriate collections efforts on a case by case basis and will retain such legal counsel and collections agencies as may be appropriate in its discretion.
12. All attorney fees and costs incurred in pursuing legal remedies to collect a delinquent account, including but not limited to, negotiating and drafting payment plan agreements, preparing and recording of any notice of lien and release of lien, court filing fees, and service of process fees, shall be assessed to the owner .
13. All payments received on a delinquent account are applied in the following order: first to interest, then to late fees, court costs, and attorney fees, and then to dues assessments.

Late Fees and Interest Charged

1. A late fee of \$35 is assessed for unpaid dues four months after the due date (five months from the time the first billing was mailed).
2. Interest at 1% per month is charged beginning when the account is delinquent.
3. Additional attorney fees and costs paid by the Association are charged to the owner.