

The Out Run Condominiums Homeowners Association (the "Association"), for the purpose of complying with C.R.S. §38.33.3-209.5, hereby adopts the following collection policy:

Collection of Unpaid Assessments:

1. Assessments are payable monthly in advance on or before the **10th** **day of each month**. If not paid within **30** days, then such assessments shall be delinquent.
2. Interest on delinquent assessments, including recovery of attorneys' fees incurred in pursuing delinquent assessments, is **8%** per annum from the date the assessments become delinquent.
3. The Association charges a late fee of **\$ 50** but does not charge any return-check charges.
4. Before the Association turns over a delinquent account of an owner to a collection agency or refers it to an attorney for legal action the Association must send the owner a notice of delinquency by certified mail, return receipt requested, and two of the following methods:
 - Telephone, including leaving a voice message, if possible.
 - Text message.
 - Email.

The notice must specify:

- A. The total amount due, with an accounting of how the total was determined;
- B. Whether the opportunity to enter into a payment plan exists and instructions for contacting the Association to enter into such a payment plan;
- C. 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
- D. That action is required to cure the delinquency and that failure to do so within **30** days may result in the owner's delinquent 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.

5. In accordance with C.R.S. §38-33.3-316.3, a delinquent owner may be eligible to enter into a payment plan, but not where:
 - A. The owner does not occupy the owner's unit and has acquired the owner's unit as a result of a default of a security interest encumbering the unit or foreclosure of a lien by the Association; or
 - B. The owner has previously entered into a payment plan with the Association; or
 - C. The Association informs the delinquent owner of the potential for a payment plan and the delinquent owner does not agree to pay in accordance with the terms of the offered payment plan within **30** days of the Association informing the delinquent owner of the potential for a payment plan and the terms of any such payment plan. The Association is under no obligation to negotiate or provide an opportunity for a payment plan of a greater duration than **eighteen months** as provided below.
6. Any payment plan shall permit the delinquent owner to pay off the delinquency in equal installments over a period of at least **eighteen months**. The Board of Directors of the Association, in its sole discretion, may determine whether a payment plan should exceed **eighteen months** in duration, and no owner shall have any right to demand or request a payment plan for in excess of **eighteen months**. An owner's failure to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the **eighteen-month** period, constitutes a failure to comply with the terms of his or her payment plan.
7. Payments on a delinquent account of an owner are applied first to attorneys' fees and costs, then late fees, penalties and interest and then to the oldest balance due.
8. Unpaid assessments will be collected through enforcement of all rights, procedures and remedies under the covenants in accordance with the remaining governing documents and applicable law. These rights, procedures and remedies include the owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the owner, obtaining and foreclosing a judgment against the owner, the filing and foreclosure of a lien against the owner's property or other remedies available under Colorado law. Delinquent owners will be liable for all costs

of collection, including without limitation attorneys' fees and court costs. The Association is not entitled to seek attorneys' fees in excess of \$5,000.00 or 50% of the original money owed, whichever is less.

9. In determining which methods of enforcement to employ, it shall be the policy of the Association that the person or persons making such decision on behalf of the Association take into consideration to the extent legally permissible, the totality of the circumstances including without limitation any history with the owner.

CERTIFICATION: The undersigned, being the Management Company of the Association, certifies that the foregoing was adopted by the Board of Directors of the Association on the 13 day of March, 2025

Out Run Condominiums Homeowners Association

By Mountain Home Management CB LLC