

EXHIBIT A
ASSESSMENT COLLECTION

1. Owner Responsibility.

- (a) Assessments are vital to fund the operations of the Association. The Association has adopted this rule (the “Rule”) to promote and protect its financial strength for the benefit of all Owners. Owners are responsible for paying Assessments as provided in the Association Documents which include the Association’s recorded Declaration, its Articles, its By-Laws and its Rules and Regulations
- (b) Owners are responsible for contacting the Association and for making arrangements for the delivery of all payments to the Association, whether by mail or direct deposits. Owners must notify the Association in writing of any change in their mailing address or status within 15 days of such change. The Association shall not be liable for any errors or omissions in any billing address or payment statement to the Owner.
- (c) Checks containing a restrictive endorsement on the back may, at the option of the Association, either be:
 - (i) returned to the Owner and the amount tendered shall be considered unpaid; or
 - (ii) deposited without waiving any of the rights and remedies of the Association to unpaid sums, whether or not the restrictive endorsement is crossed out.

2. Due Date, Interest and Late Charges.

- (a) The Association's Annual Common Expense Assessment shall be due and payable annually, as provided in the Association Documents and, unless otherwise provided, payable in advance, no later than February 1st of each year. Special Assessments, fines, fees and other charges shall be due on the date specified in any notice thereof.
- (b) Any payment not paid when due, shall be considered past due. Any payment not received within ten (10) days after the due date shall bear interest at the rate of 21 % per annum. Interest shall continue to accrue on any unpaid balance until paid in full.
- (c) In addition to interest, the Association shall be entitled to recover any and all costs of collection, including reasonable attorney’s fees and other appropriate charges.

3. Returned Checks.

- (a) The Association will impose an administrative fee (currently \$ 20.00) for all returned checks.
- (b) If notice of a returned check, draft or money order is sent as provided in C.R.S. 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the Owner who provided the returned check shall be liable to the Association for collection for three times the face amount of the check, but not less than \$100.00, and any expenses of collecting such sums.
- (c) 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 year, be made by certified check or money order.

4. Payment Plan.

- (a) The Association is not a lender, and failure to pay Assessments imposes financial burdens on the other Owners. A payment plan will be considered for circumstances required by law or statute, or hardship conditions that justify some sort of temporary accommodation.
- (b) Any request for a payment plan must be made by an Owner in writing and delivered to the Association's Registered Agent. The name of the Registered Agent and the Registered Address may be found at the website for the Colorado Secretary of State.
- (c) Any payment plan must be in writing and address payment of all delinquent sums, including interest, attorney fees and other costs. The payment plan must require that the Owner keep all annual payments current and pay off the entire delinquent amount in six equal monthly installments, unless a longer time period is agreed to by the Board, in writing, for extraordinary circumstances.
- (d) Nothing in this Rule prohibits the Association, or a holder or assignee of the Association's debt from pursuing legal action against an Owner if the Owner fails to comply with the terms of his or her payment plan. 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 repayment period, constitutes a failure to comply with the terms of his or her payment plan.

5. Notice of Delinquent Assessments.

- (a) The Association may send the Owner a notice of delinquency and may charge for any notices sent to the Owners in connection with such delinquent Assessments, but the Owners are responsible for ensuring that their payments are timely and fully made, regardless of whether notice is sent.

- (b) 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 may, to the extent required by statute or law, send the Owner a notice of delinquency.

6. Payment Priority.

Regardless of inscriptions or notations on the front or back of the check, all payments shall be applied to outstanding balances in the following order of priority:

- (i) late charges, if applicable;
- (ii) interest;
- (iii) attorney fees and costs;
- (iv) returned check charges;
- (v) past-due Special Assessments, past-due fines, or other charges, if any;
- (vi) currently due Special Assessments, or currently due fines, or other charges if any; and
- (vii) unpaid Assessments beginning with the oldest unpaid assessment.

7. Remedies for Collection of Delinquent Assessments.

- (a) The Association may exercise any and all rights and remedies available under the Association Documents, or under Colorado law, including without limitation, the Owner's delinquent account being turned over to a collections agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's lot, or other remedies available under Colorado law. In addition, the Association shall have the right to have a receiver appointed for the Owner's Lot to collect all sums alleged to be due from the Owner prior to and/or during the pendency of any action brought by the Association (or counterclaim or cross-claim brought by the Association) to collect Assessments or to foreclose a lien for unpaid Assessments. The receiver shall have the right to collect any rents paid in connection with the use of such Owner's Lot. The Court may order the receiver to pay any sums held by the receiver to the Association during the pendency of the action.
- (b) To the fullest extent permitted by the Association Documents and/or Colorado law, the Association may also deny rights to use Association facilities, voting rights, or other rights in the Association (including but not limited to inspection of records) until all Assessments and other sums are paid in full. In order to be an "Owner in good standing" for purposes of this Rule, and to obtain a release of liens, restoration of voting or other rights, or to terminate litigation, the delinquent Owner must make payment in full of all Assessments and other sums, including sums which arise after the collection process or after the Owner delivers a payment to the Association.
- (c) To the fullest extent permitted by the Association Documents and/or Colorado law, the Association may (but shall not be required) proceed by filing litigation

against any Owner who has not paid his assessment and, without affecting that remedy, may also file a lien against the delinquent Unit, which may be foreclosed as provided in Section 9 below.

- (d) To the fullest extent permitted by the Association Documents and/or Colorado law, the tenant in any rental Unit in the Association may be required to pay any delinquent annual or special assessment owed by the Owner of the rental Unit to the Association.
- (e) To the fullest extent permitted by the Association Documents and/or Colorado law, the Association may also assign its assessment lien against the delinquent lot to a third-party assignee, without recourse or warranty of any kind. The assignee shall assume all responsibility for the enforcement of the assigned lien, and the Association shall not be liable for any actions of said assignee. Assignments shall apply only to Assessments that are owed to the Association prior to the assignment, and shall not assign, release or supersede any claims or lien the Association may have for Assessments accruing after said date. If an assignee does not pay any Assessments levied after the assignment, the assigned assessment lien shall be subordinate to any future assessment by the Association, and the assignee may not take any actions that would hinder the Association's right or ability to collect those unpaid future Assessments.

8. Association's Collection Action through its Attorneys.

- (a) After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Owner shall be handled through the Association's attorney. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.
- (b) Once accounts are turned over to the Association's attorney, Owners shall make payment to the Association at the address of the Association's attorney, and the Association shall be entitled to collect interest at the rate set forth in this Rule, from the due date of such payments, as well as reasonable attorney fees, court costs, and all other expenses of collection on said delinquent payment. The reasonable attorney fees incurred by the Association shall be due and payable from the delinquent Owner on the date(s) when such expense(s) are incurred by the Association.

9. Foreclosure of Liens.

The Association, or its assign, may exercise its rights and remedies under the Association Documents in accordance with Colorado law, including the filing and foreclosure of liens.

10. Bankruptcy of Owner.

- (a) The filing of a bankruptcy action does not terminate the Association's right to collect Assessments, because:

- (i) the Association has an Assessment lien claim against the Unit for all past Assessments; and
 - (ii) the Owner will remain personally liable for all post-bankruptcy filing Assessments, so long as they retain title to the Unit.
- (b) Based on the above, when the Association learns that a bankruptcy action has been filed, the accounting for that Unit shall thereafter be based upon the filing date of that bankruptcy action (the “Petition Date”), and the Association should create two separate ledgers for the Unit showing Assessments owed prior to the Petition Date and after the Petition Date.

11. Proof of Payments.

- (a) Since the records of the Association are kept in the ordinary course of business and the Association relies upon same for the behalf of all Owners, there is a presumption that those records are correct and that the Assessment is valid if there is no written dispute received by the Association within thirty (30) days after the mailing of a billing statement.
- (b) An Owner who wishes to dispute the amount or the validity of any Assessment charged to his/her Lot must submit a statement within thirty (30) days after the mailing of a billing statement that describes all disputed monthly payments and can request information from (or request a hearing before) the Board, but must put that request in writing in accordance with this Rule.
- (c) The Board may require that the Owner deliver documentation, such as cancelled checks or bank statements, to support the Owner’s claims.
- (d) All payments made to settle a dispute and ALL correspondence regarding payment disputes must be sent by certified mail to the Association’s Registered Agent at the Registered Address. If payment or correspondence is delivered by any other method, the Owner using that non-authorized method assumes the risk that the payment and any communication sent by that method will not be received by the Association.

12. General.

- (a) Nothing in this Rule requires the Board to take specific actions at a specific time. The Board has the option and right to continue to evaluate each delinquency on a case-by-case basis. The Board may modify the procedures contained herein as the Board shall determine appropriate under the particular circumstances.
- (b) Failure of the Association to strictly comply with any provision of this Rule shall not be deemed a waiver of the Association’s right to require strict compliance by the Owner and shall not be deemed a defense to payment of

Assessments fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Rule nor be asserted as a claim against the Association.

- (c) This Rule shall be effective as provided below, at which time it shall replace and supersede any prior rule or policy regarding Assessments, collections, liens and legal remedies.
- (d) If any portion or provision of this Rule is found to be invalid, the remaining provisions shall continue in full force and effect.

Adopted by the Board, this 3rd day of February, 2015, effective immediately.

Pinon Ranch Homeowners Association Board of Directors