

Village Nine Filing 3 and 4 Homeowners Association, Inc.
Policy Regarding Collection of Unpaid Assessments and Covenant Enforcement

BE IT RESOLVED, the Association, acting by and through its Board of Directors, hereby adopts the following policy and procedures to be followed with respect to the enforcement by the Association of the Declaration of Covenants, Conditions, and Restrictions for Village 9 Filing 3 and 4 Homeowners Association, Inc. ("Covenants") and the duly adopted Association policies, rules, and procedures ("Policies"), and other governing documents for the Association, including without limitation the Bylaws of the Association ("Bylaws") (collectively, the "Governing Documents").

EFFECTIVE DATE: August 29th, 2025.

1. **Purpose.** The Governing Documents and the Colorado Common Interest Ownership Act ("CCIOA") authorize the Association to take action to enforce the provisions of the Covenants, the Bylaws, the Policies, and certain provisions of CCIOA, and to collect assessments, dues, fines, fees, interest, penalties, charges, attorneys fees and other costs of enforcement and collection incurred by the Association (collectively, "Assessments") imposed upon or charged by the Association to Owners of Lots ("Owner" or "Owners") or assessed against a Lot ("Lot") within the Village 9 HOA common interest community ("Village 9 Subdivision" or the "Community"). The purpose of this Policy is to establish a process for such actions by the Association. As used in this Policy, "Assessments" shall mean and include any and all charges the Association is entitled to charge or recover pursuant to the Covenants, Bylaws, CCIOA or other applicable law, and duly adopted Association policies and procedures. This Policy does not limit the right of any Member to take any action authorized by the Covenants, CCIOA, or other applicable law against any other Member to enforce a covenant or to abate or enjoin a nuisance or violation of a covenant or other use of real property within the Community.

2. **Covenant and Liability For Assessments.** The obligation to pay Assessments is an independent covenant running with each Lot in Village 9 Subdivision. Each Owner, by acceptance of a deed for a Lot in the Village 9 Subdivision, is deemed to covenant and agree to pay the Association for all Assessments levied by the Association against a Lot and the Owners thereof in accordance with the provisions of the Declaration, Bylaws, policies and rules and regulations of the Association and under Colorado law, and to agree to comply with each and every provision of the Covenants. Assessments are both a charge against the Lot for which they are assessed and a personal obligation of the Owner(s) of such Lot. All Owners are jointly and severally liable for all Assessments incurred during such Owner's ownership of said Lot which shall include any reasonable attorney's fees incurred by the Association in enforcing the covenants or collecting any Assessments, including but not limited to any fees incurred before a lien is placed on the Lot or a suit is filed. No Owner may waive or escape liability for Assessments by the nonuse of the common areas or abandonment of his or her Lot or asserting that services, duties, or obligations of the Association have not been performed.

3. **Enforcement Authority.** The Association, acting by and through its Board of Directors or its duly appointed agent may directly request or demand that a Lot Owner or occupant take action to comply with any provision of the Covenants, CCIOA, the Bylaws, or Association Policies or to abate or correct any violation of such provision(s) ("Violation"), and may take legal action to gain such compliance or to correct, enjoin or abate such Violation. The Association may do so of its own accord or may do so in response to a request or complaint by a Member. If the Violation is also a violation of federal, state, or local laws or regulation, the Board may, in lieu of or in addition to acting directly to enforce such provisions, may request that a complaining Member contact the appropriate government entity to report the alleged Violation.

4. **Monthly Statement.** The Association shall provide each Owner who has any outstanding balance an itemized monthly statement of all Assessments, fines, fees, charges, and other sums due. Such statement shall be provided without charge to the Owner.

5. **Payment Due Dates/Late Charges/Service and Other Fees.** Assessments are payable when due without setoff or deduction. Annual assessments charged to Owners are due and payable by January 31st of each year. Special assessments are due and payable on the date such assessment is imposed unless other payment arrangements acceptable to the Board are made. Any Assessment which is not paid within 30 days from the date it is due shall be considered past due and delinquent. Subject to the hearing process set forth in this Policy, a monthly late fee of \$15.00 will be charged once any Assessment is delinquent, and if any Assessment is not paid within 30 days after the amount becomes due, the Assessment shall also bear interest at the rate of eight percent (8%) per annum until paid. A charge for any returned check shall be imposed, whichever shall be the greater of (1) \$20 per check or (2) the actual charge from the financial institution returning the check. Any payments received for delinquent Assessments shall first be applied to the Assessments owed and, any remaining amount of the payment, at the Board's discretion, shall be applied to the fines, fees, interest, or other charges owed. Except as specified in Section 4 of this Policy (regarding no charge for issuing monthly statements), if the Association incurs any type of service fee or attorney fee, regardless of what the fee is called, for the collection of delinquent accounts on a per account basis, or for the enforcement of Covenants, rules, regulations or policies of the Association or other provisions of the Governing Documents, against an Owner in Violation thereof, such fees shall be charged to the Owner with the delinquent account.

6. **Lien.** Pursuant to the Covenants and CCIOA, the Association has a statutory lien on a Lot for any Assessments levied against the Lot and/or imposed against an Owner from the time each Assessment becomes due. Any such Assessment shall be a charge on the land and shall be a continuing lien against which such Assessment is made.

7. **Remedies.** The Association shall have all the remedies available to it under the Governing Documents and under CCIOA, which include formal and informal notices to the Owner to gain voluntary compliance, setting and holding hearings, referral to an attorney or collection agency for enforcement and/or collection, collection action, placing and foreclosing a lien on a Lot, and filing suit against an Owner. The Board of Directors has

determined that it is in the best interest of the Association to refer delinquent accounts promptly to a collection agency or attorney for collection so as to minimize the loss of assessment revenue. The Board of Directors may retain an attorney with experience in representing homeowner's associations in collections and other matters. The Association may, upon a majority vote of the Board of Directors, refer a delinquent account to a collection agency or attorney in a recorded vote, or may refer an enforcement action against any Owner to an attorney, and may recover from the Owner all fees incurred by the Association in relation to such referral. The Association, through the Board of Directors, may also bring an action of law against an Owner personally liable to pay for any Assessment. In the event a judgment is obtained, such judgment shall include interest on the Assessment, charge or fine and a reasonable attorney's fees to be fixed by the court, together with the costs of the action.

8. **Fines Schedule.** For enforcement of Covenants other than delinquent accounts and unpaid Assessments, the Association may from time to time adopt and publish to the Members a schedule of fines for Violations of various provisions of the Governing Documents, which fines shall not exceed the limits set forth in this Policy or CCIOA.

9. **Informal Process.** The Board of Directors or its agent shall first attempt informal resolution of any Violation prior to taking more formal action. Informal resolution may involve one or more phone call(s), email(s), letters, or visit(s) to the Owner of the Lot that is the subject of the alleged Violation to gain voluntary compliance. The Board shall maintain a record of any contact, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made.

10. **Formal Enforcement.** If compliance or resolution of the Violation cannot be attained by informal resolution, the Association may take formal enforcement action, in accordance with the following process:

(a) **Notice of Delinquency/Notice of Violation.** When an Owner is delinquent in paying Assessments ("Delinquency") or has violated a protective covenant or any other provision of the Covenants or the Association rules, policies, or procedures, the Association shall provide to the Owner a written Notice of the Delinquency or Violation as follows:

- (i) via certified mail, return receipt requested, **and**
- (ii) by two of the following means:
 - (A) Telephone call to a telephone number that the Association has on file. If the Association is unable to contact the Owner by telephone, the Association shall, if possible, leave a voice message for the Owner; **or**
 - (B) Text message to a cellular number that the Association has on file; **or**

(C) E-mail to an e-mail address that the Association has on file.

(b) Contents of Notice – Notice of Delinquency. The Notice of Delinquency shall contain the following details:

- (i) a detailed statement of sums due including an accounting of how the total was determined;
- (ii) what each charge is for, and, in particular, whether each charge concerns unpaid annual or special assessments, unpaid fines, fees, charges, or a combination thereof;
- (iii) a statement that unpaid annual assessments and special assessments may lead to foreclosure;
- (iv) whether the Owner will be given an opportunity to enter into a payment plan and, if so, instructions for contacting the Association to enter into such a payment plan;
- (v) the name and contact information for the individual the Owner may contact to request a copy of the Association's ledger to verify the amount of the delinquency;
- (vi) the nature of any alleged Violation, including whether it relates to a covenant, rule, policy, procedure, or other provision of the Association's Governing Documents, and the action or actions required to cure such alleged violation;
- (vii) the timeline for the hearing process described in this Policy;
- (viii) the interval during which fines may be levied and the amounts of such fines;
- (ix) that failure to cure the delinquency within thirty (30) days after notice 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 and/or the Association's pursuit of other remedies available under Colorado law;
- (x) a description of what legal action the Association may take against the Owner, including a description of the types of matters the Association or Owner may take to small claims court, injunctive relief, collection action, or lien, and a description of the applicable cure process the Owner may undertake to avoid such legal action.

(c) Contents of Notice – Notice of Violation. The Notice of Violation shall contain the following information:

- (i) the nature of the alleged Violation including the specific covenant, rule, policy, or procedure that is alleged to have been violated; and
- (ii) whether the Violation constitutes a risk to health and safety; and
- (iii) the action or actions that the Owner is required to take to cure such alleged Violation; and
- (iv) the time for such cure; and
- (v) the timeline for the hearing process described in this Policy; and
- (vi) the interval upon which fines may be levied and the amounts of such fines; and
- (vii) a description of what legal action the Association may take against the Owner, including a court action, and what relief the Association may demand, including damages, payment of fines, declaratory and/or injunctive relief and a description of the cure the Owner may undertake to avoid such legal action.

(d) Fines, Cure.

- (i) *Violation of Public Safety or Health.* If the Association reasonably determines that the Violation threatens public safety or health, the Association shall provide written Notice of Violation as set forth in Section 10 of this Policy, which Notice shall inform the Owner(s) that they have 72 hours to cure the Violation, or the Association may assess a fine or fines.

If after inspection of the Lot, the Association determines that the Owner has not cured the violation within 72 hours after Notice, the Association may impose fines in the amount of \$50.00 every other day thereafter and may thereafter take legal action against the Owner for the Violation.

- (ii) *Other Violations.* For any Violation that does not threaten public safety or health, the Association shall provide written Notice of Violation as set forth in Section 10 of this Policy informing the Owner that they have 30 days to cure the Violation or the

Association, after conducting an inspection and determining there has been no cure, may fine the Owner in amount not to exceed \$500.00. The Association shall provide the Owner with a second consecutive 30-day period to cure the Violation before taking legal action against the Owner.

- (iii) *Cure.* Owners shall notify the Association when the Violation has been cured, which notice shall include written and visual (video or photographic) evidence of such cure. If the Owner fails to provide sufficient evidence, the Association shall inspect the Lot as soon as practicable to determine if the Violation has been cured.

The Violation will be deemed cured on the earlier of (1) the date of the notice of cure by the Owner, if such notice satisfactorily demonstrated such cure, or (2) the date of the inspection at which the Director(s) or their agents determined the Violation was cured.

Once a Violation is determined to be cured, the Association shall provide written notice that the Owner will not be fined further for the Violation and provide a statement of the outstanding fine balance to the Owner. Such notice shall be given in the manner described in Section 10 (a) of this Policy.

- (iv) *No Cure.* If the Association does not receive notice from the Owner that the Violation has been cured, the Association shall inspect the Lot within seven (7) days after the expiration of the 30-day cure period. If the Violation is not cured, the Association shall provide a second 30-day cure period. If the second period lapses without cure, the Association may take legal action against the Owner and/or assess more fines.

11. **Record of Communications.** The Association shall retain a record of such Notice(s) and other communications to or with the Owner regarding Delinquency(ies) or Violation(s), including information regarding the type of communication used to contact the Owner and the date and time that the contact was made.

12. **Hearing Option.** An Owner who has received Notice of Delinquency or Notice of Violation shall have the opportunity to be heard by the Board of Directors by making a written request, within thirty (30) days of such notice, for an informal hearing to determine whether the alleged Delinquency or Violation actually occurred, and whether the Owner is the one who should be held responsible for the Delinquency or Violation, and whether any fines, late fees or other charges should be imposed for any Delinquency or Violation, and if so, how much. If the Owner fails to timely request such a hearing, the Owner waives the right to such a hearing. If the Owner timely requests a hearing, the Association shall, in accordance with the Association's Conflict of Interest Policy, determine if any director has a conflict of interest, and once the Association has

resolved any conflict of interest issues, the Association shall provide the Owner with at least thirty (30) days' written notice of the date, time, and place or manner (such as in person by video conference) of the hearing. If the Owner fails to timely request a hearing, the Owner waives the right to a hearing.

13. **Hearing Process.** If the accused Owner timely requests a hearing pursuant to Section 12 above, the following hearing procedures shall apply:

(a) The Board of Directors shall hear the matter, or an impartial hearing officer may be appointed if needed due to conflicts of interest.

(b) If the Board is hearing the matter, an impartial director shall be selected by the Board of Directors to conduct the proceedings. At the commencement of the hearing, that person shall explain to the Owner how the proceedings shall go.

(c) The hearing will be conducted informally, and the court rules of evidence shall not apply.

(d) The Owner may be represented by an attorney at such Owner's sole expense.

(e) The Board shall determine if any conflicts of interest apply in accordance with the Association's Conflict of Interest Policy. Any director(s) who cannot be impartial in the determination of this matter shall recuse themselves from the hearing and shall not participate in the Board discussion of the matter.

(f) If there is a complaining Member, that Member shall be given an opportunity to present testimony about the alleged Violation.

(g) The Member against whom the Violation is alleged shall be given an opportunity to be heard and may be represented at the hearing by an attorney.

(h) Other people having information bearing on the alleged Violation may also, in the discretion of the Board of Directors or hearing officer, be given an opportunity to speak about the alleged Violation. The Board or hearing officer may reasonably limit the time for such speakers to present information, may limit the subjects on which they are allowed to speak, and may require speakers to not repeat information that has already been stated.

(i) While the goal shall be a full and fair hearing, the Board or hearing officer may make such rules of decorum as they may determine necessary to ensure an orderly and safe hearing for all those in attendance.

(j) The hearing shall be open to any Member who may wish to attend, although the Board or hearing officer may limit who can speak at the hearing to those who have information that bears on the alleged Violation and to prevent unnecessary repetition.

(k) The Board or hearing officer shall have the opportunity to question any person who speaks or presents documentation at the hearing and to review any documentation provided by such speakers.

(l) The Board or hearing officer may make a decision at the close of the hearing or may take the matter under advisement and render a decision within fifteen (15) days. If the Board reconvenes to discuss the matter, the accused Member and anyone who spoke at the hearing shall be notified and shall have an opportunity to be present at such discussion.

(m) Whether the Board or hearing officer makes the determination immediately or later within the fifteen day period, a written decision shall be issued, including (1) findings of fact, (2) a determination on the alleged Violation, (3) any fine imposed and the time by which such fine must be paid, (4) any actions the Member must take to come into compliance or abate the Violation, and (5) a time period for compliance. A copy of the decision shall be provided to the accused Member and each complaining Member. A copy shall also be retained in the Association's records in accordance with the Association's Record Retention Policy.

(n) The decision shall be made by vote of the Board or by the appointed hearing officer. Fines imposed and any payment plan therefore shall be based on the Association's published fine schedule and shall comply with the Association's Policy on Collection of Assessments. The Board or hearing officer must use reasonable discretion in levying fines in accordance with the severity of the Violation.

14. **Payment Plan.** For delinquent regular or special assessments, the Association shall, prior to referring the delinquent account to an attorney or collection agency for collection, provide the Owner an opportunity to repay the debt in in monthly installments over an 18-month period in monthly amounts of not less than \$25.00 per month. The Owner may elect to pay the full balance due at any time during the duration of the payment plan.

The foregoing of this Section 14 notwithstanding, the Association is not required to offer a payment plan in any one of the following circumstances:

(a) The Owner does not occupy the Lot and has acquired the Lot as a result of default of security interest incumbering the unit; or

(b) The Owner has acquired the Lot as a result of foreclosure of the Association's lien; or

(c) The Owner who has previously entered into a payment plan.

15. **Legal Action.** The Association may commence legal action against the Owner to collect the delinquent assessments if:

(a) After thirty (30) days from the date of the written offer to enter into a payment plan the Owner has either (i) failed to respond to the offer, or (ii) declined the payment plan; or

(b) The Owner fails to make at least three (3) of the monthly installments within fifteen (15) days after the monthly installments were due.

16. **Foreclosure.** The Association may commence a foreclosure action based on delinquent assessments if the Association has complied with this Policy. However, the Association may not foreclose on an assessment lien if the debt securing the lien consist only of the following:

(a) fines that the Association has assessed against the Owner; and/or

(b) collection costs or attorney's fees that the Association has incurred in connection with only assessed fines.

The Owner shall be required to pay the costs and expenses of foreclosure proceedings, including reasonable attorney's fees.

17. **Waiver or Compromise and Settlement.** As to any delinquent Assessments, the Board may exercise its reasonable discretion, using good business judgment, to waive any late fee, interest, fine or penalty and/or negotiate any settlement of any delinquent Assessment owed to the Association by an Owner, except as otherwise required under Colorado law.

18. **Certificate of Status.** Upon written request of an Owner, the Association shall furnish to an Owner or Owner's designee in the manner requested by such Owner or Designee, which may include mail, email, or other reasonably and normally accepted manner of delivery, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner or Owner's lot, for a reasonable fee, which fee the Association shall establish from time to time. However, if the account has been turned over to an attorney or collection agency for collection, such request may be handled through the attorney or collection agent.

19. **Owner Bankruptcy or Foreclosure.** The Association, acting by and through its Board of Directors, shall notify the Association's attorney of any notice of bankruptcy filing by an Owner or foreclosure action upon any Lot.

20. **Referral of Delinquent Accounts to Attorney or Designated Collection Agent.** Upon referral of a delinquent account or enforcement matter to an attorney or designated agent of

the Association, such attorney or agent is authorized to, in consultation with the Board of Directors, take whatever action is determined to be in the best interests of the Association and in compliance with this Policy and applicable law, including but not limited to corresponding with the Owner, filing a lawsuit, instituting a foreclosure action, filing a claim or motions in bankruptcy court or in a foreclosure action by another party, or negotiating a reasonable compromise and settlement agreement with the Owner.

21. **Member Request for Enforcement Action.** A Member may make a request in writing that the Association initiate enforcement against another Member for an alleged Violation by such other Member. The Association will consider the request and in its reasonable discretion determine whether any Formal Enforcement Action will be undertaken. While it is the policy of the Association to ensure compliance with the Governing Documents, the Association does not have any duty to any specific Member to take any action against another Member.

(a) **Contents of Request.** The request shall include at a minimum the following information:

- (i) the name and address of the Member alleged to be in violation; and
- (ii) the nature, date, time, duration, and nature of the alleged Violation including the specific covenant, rule, policy, or procedure that is alleged to have been violated; and
- (iii) the names and contact information of witnesses to the alleged Violation; and
- (iv) whether the Violation constitutes a risk to health and safety; and
- (v) the effect the Violation has upon the Member requesting the Formal Enforcement Action or upon Village 9 Subdivision community; and
- (vi) whether the Violation is continuing; and
- (vii) whether the Member requesting Formal Enforcement Action has been notified of any Violation of their own and whether such Violation has been cured; and
- (viii) whether the Member requesting Formal Enforcement Action has a delinquent account with the Association; and
- (ix) what action or actions the Member with the alleged Violation should be required to take to cure such alleged Violation.

(b) **Confidentiality.** If requested by the complaining Member, the identity of the complaining Member will not be divulged to persons not on the Board of Directors or, if applicable, the ACC, prior to the commencement of a Formal Enforcement Action. Once

such action is commenced, however, the identity of the complaining Member cannot be kept confidential from the violating Member or any other Member.

(c) Notification of No Action. If, within the reasonable discretion of the Board, the request does not allege sufficient facts to justify Formal Enforcement Action, or if in the reasonable discretion of the Board such action would otherwise be inappropriate, impractical, unfair, or unreasonable, the complainant will be notified in writing that no action will be taken. The complainant may supplement its request to include more detailed information or may request a reconsideration of the prior request.

(d) Enforcement Action. If the Board, having reviewed the allegations contained in the complaining Member's request, believes a Violation has occurred and that enforcement action is otherwise appropriate, the Board will notify the accused Member of the Violation in accordance with this Policy. The Association may first pursue informal action pursuant to Section 9 above in an attempt to gain voluntary compliance.

22. Alternative Dispute Resolution. It is the policy of the Association to encourage resolution of disputes without litigation where possible. To that end, any party to a dispute arising from the interpretation or enforcement of the covenants may request mediation of the dispute. If the other party/parties agree to mediation, the dispute shall be submitted to non-binding mediation before a neutral mediator. If the parties cannot agree on a mediator, then each party to the dispute shall select a mediator, and those mediators shall select a mediator, and that mediator shall conduct the mediation. Each Party shall be responsible for an equal portion of the mediator's fees, but each party shall be responsible for its own attorney's fees and costs involved in the mediation. Nothing in this policy shall be construed to require mediation as a prerequisite to litigation.

23. Miscellaneous Provisions.

(a) Persons responsible for payment of fines and compliance action shall include the Lot Owner, whether a natural person or legal entity, and the natural person(s) who are the occupants of the Lot.

(b) Any and all money collected from such fines may be deposited in the Association's general operating fund.

(c) The Association may seek reimbursement of its attorney fees and costs in accordance with the Covenants and with this Policy.

(d) In the event the Violation is of a continuing nature or if the Violation constitutes a threat to the health, safety, or welfare of the residents of Village 9 Subdivision, the Association, acting through the Board of Directors, may at any time institute an action in a court of competent jurisdiction to enjoin the Violation and to seek other relief allowed under applicable law.

(e) Unless otherwise defined in this Policy, terms shall have the meaning specified in the Governing Documents.

(f) The provisions of this Resolution shall be in addition to the terms and provisions of the Covenants, Bylaws, and the laws of the State of Colorado governing the Association.

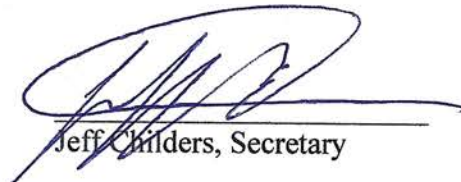
(g) The Board may deviate from the procedures set forth in this Policy if such deviation is reasonable under the circumstances and otherwise complies with the requirements of Associations pursuant to the Colorado Common Interest Ownership Act, C.R.S. §38-33.3-101 *et seq.*

CERTIFICATION: The undersigned certifies that the Board of Directors of the Association adopted the foregoing policy by majority vote.

VILLAGE NINE FILING 3 AND 4 HOMEOWNERS
ASSOCIATION INC.

ATTEST:


Matt Pinnt, President


Jeff Childers, Secretary