

Revised as of July 5, 2023

SNOWMASS MOUNTAIN CONDOMINIUM ASSOCIATION, INC.

**POLICIES AND PROCEDURES AND RULES AND REGULATIONS
REGARDING COLLECTION OF UNPAID ASSESSMENTS
(C.R.S. 38-33.3-209.5(b)(I))**

Members of the Snowmass Mountain Condominium Association, Inc. are required to pay assessments in accordance with Article X of the Amended Condominium Declaration for Snowmass Mountain recorded in the real property records of Pitkin County on April 10, 2008 as Reception No. 548249 (the "Declaration").

Pursuant to sections 38-33.3-205.5 (b)(I) Colorado Revised Statutes (C.R.S. §38-33.3-101, et seq, commonly referred to as the Colorado Common Interest Ownership Act or "CCIOA"), the Snowmass Mountain Condominium Association, Inc. hereby adopts the following written governing policies and procedures and rules and regulations regarding the collection of Assessments:

These policies and procedures and rules and regulations shall be deemed to be automatically amended to conform with any subsequent amendments of "CCIOA". Any conflict between this policy and CCIOA shall be resolved so as to comply with CCIOA requirements.

Article X of the Declaration provides as follows:

ARTICLE X. ASSESSMENTS

SECTION 10.1. AGREEMENT TO PAY ASSESSMENT. Each Owner of the Project and every part thereof, hereby covenants, and each Owner of any Condominium Unit by the acceptance of a deed therefor, whether or not it be so expressed in the deed, shall be deemed to covenant and agree with each other and with the Association to pay to the Association annual assessments made by the Association for the purposes provided in this Declaration, and special assessments for capital improvements and other matters as provided in this Declaration. Such assessments shall be fixed, established and collected from time to time in the manner provided in this Article.

SECTION 10.2. AMOUNT OF TOTAL ANNUAL ASSESSMENTS. The total annual assessments against all Condominium Units shall be based upon advance estimates of cash requirements by the Association to provide for the payment of all estimated expenses growing out of or connected with the maintenance and operation of the Common Elements or furnishing utility services to the Units, which estimates may

include, among other things, taxes and special assessments, until the Condominium Units are separately assessed as provided herein; premiums for all insurance with the Association is required or permitted to maintain pursuant hereto; common lighting, heating, and water charges; trash collection; sewer service charges; repairs and maintenance; wages for Association employees; legal and accounting fees; any deficit remaining from a previous period; the creation of a reasonable contingency reserve, surplus and/or sinking fund; and any other expenses and liabilities which may be incurred by the Association for the benefit of the Owners under or by reason of this Declaration.

SECTION 10.3 APPORTIONMENT OF ASSESSMENTS. Expenses attributable to the Common Elements and to the Project as a whole shall be apportioned among all Owners, excluding condominium units owned by the Association, in proportion to their respective undivided interests in the Common Elements. Assessments with regard to a condominium unit owned by the Association shall commence as of the date such condominium unit is conveyed by the Association to a third party.

SECTION 10.4. NOTICE OF ANNUAL ASSESSMENTS AND TIME FOR PAYMENT THEREOF. Annual assessments shall be made on a calendar year basis. The Association shall give written notice to each Owner as to the amount of the annual assessment with respect to his Condominium Unit prior to the beginning of the next calendar year. Such assessment shall be due and payable within thirty (30) days after written notice of the amount thereof shall have been given to the respective Owner of a Condominium Unit. Each assessment shall bear interest from the date it becomes due and payable if not paid within thirty (30) days after such date at the yearly rate of six (6) points above the prime rate charged by the Association's bank, or such other lawful rate determined by the Association through its Board of Directors. Failure of the Association to give timely notice of any assessment as provided herein shall not affect the liability of the Owner of the Condominium Unit for such assessment, but the date when payment shall become due in such case shall be deferred to a date thirty (30) days after such notice shall have been given.

SECTION 10.5. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS. In addition to the annual assessments authorized by this Article, the Association may levy in any assessment year a special assessment, payable over such a period as the Association may determine, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Project or any part thereof, or for any other expenses incurred or to be incurred as provided in this Declaration. This Section shall not be construed as an independent source of authority for the Association to incur expenses, but shall be construed to prescribe the manner of assessing for expenses authorized by other Sections hereof which shall make specific reference to this Article. Any amounts assessed pursuant hereto shall be assessed to Owners in proportion to their respective undivided interest in the Common Elements. Notice in writing of the amount of such special assessments and the time for payment thereof shall be given promptly to the Owners, and no payment shall be due less than

thirty days after such notice shall have been given. A special assessment shall bear interest at the same rate as is applicable in the case of general assessments.

SECTION 10.6. LIEN FOR ASSESSMENTS. All sums assessed to any Condominium Unit pursuant to this Article, together with interest thereon as provided herein, shall be secured by a lien on such Condominium Unit in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Condominium Unit, except only for: (a) valid tax and special assessment liens on the Condominium Unit in favor of any governmental assessing authority; and (b) a lien for all sums unpaid on a first Mortgage, or on any Mortgage to the Declarant, duly recorded in the Pitkin County, Colorado, Real Estate Records, including all unpaid obligatory advances to be made pursuant to such Mortgage and all amounts advanced pursuant to such Mortgage and secured by the lien thereof in accordance with the terms of such instrument. All other lienors acquiring liens on any Condominium Unit after this Declaration shall have been recorded in said records shall be deemed to consent that such liens shall be inferior to future liens for assessments, as provided herein, whether or not such consent be specifically set forth in the instruments creating such liens.

To evidence a lien for sums assessed pursuant to this Article, the Association may prepare a written notice of lien setting forth the amount of the assessment, the date due, the amount remaining unpaid, the name of the Owner of the Condominium Unit and a description of the Condominium Unit. Such a notice shall be signed by the Association and may be recorded in the office of the County Clerk and Recorder of Pitkin County, Colorado. No notice of lien shall be recorded until there is a delinquency in payment of the assessment. Such lien may be enforced by judicial foreclosure by the Association in the same manner in which mortgages on real property may be foreclosed in Colorado. In any such foreclosure, the Owner shall be required to pay the costs and expenses of such proceeding, the costs and expenses of filing the notice of lien and all reasonable attorney's fees. All such costs and expenses shall be secured by the lien being foreclosed. The Owner shall also be required to pay to the Association any assessments against the Condominium Unit which shall become due during the period of foreclosure. The Association shall have the right and power to bid at the foreclosure sale or other legal sale and to acquire, hold, convey, lease, rent, encumber, use and otherwise deal with the same as the Owner thereof.

A release of notice of lien shall be executed by the Association and recorded in the Pitkin County, Colorado, Real Estate Records, upon payment of all sums secured by a lien which has been made the subject of a recorded notice of lien.

Any encumbrancer holding a lien on a Condominium Unit may pay, but shall not be required to pay, any amounts secured by the lien created by this Section, and upon such payment such encumbrancer shall be subrogated to all rights of the Association with respect to such lien, including priority.

The Association shall report to any encumbrancer of a Condominium Unit any unpaid assessments remaining unpaid for longer than ninety (90) days after the same shall have become due; provided, however, that such encumbrancer shall first have furnished to the Association written notice of such encumbrance.

SECTION 10.7. PERSONAL OBLIGATION OF OWNER. The amount of any annual or special assessment against any Condominium Unit shall be the personal obligation of the Owner thereof to the Association. Suit to recover a money judgment for such personal obligation shall be maintainable by the Association without foreclosing or waiving the lien securing the same, in which event the Association shall be entitled to recover its costs and reasonable attorneys' fees as a part of any judgment made in any such suit. No Owner may avoid or diminish any personal obligation by waiver of the use and enjoyment of any of the Common Elements or by abandonment of his Condominium Unit.

SECTION 10.8. STATEMENT OF ACCOUNT. Upon payment of a reasonable fee as established by the Association and upon written request of any Owner or any Mortgagee, prospective Mortgagee or prospective purchaser of a Condominium Unit, the Association shall issue a written statement setting forth the amount of the unpaid assessments, if any, with respect to such Condominium Unit; the amount of the current yearly assessment and the date that such assessment becomes or became due; credit for advanced payment or prepaid items, including but not limited to, an Owner's share of prepaid insurance premiums; and such statement shall be conclusive upon the Association in favor of persons who rely thereon in good faith. Unless such request for a statement of account shall be complied with within twenty (20) days, all unpaid assessments which became due prior to the date of making such request shall be subordinate to the lien of a Mortgagee which acquired its interest subsequent to requesting such statement. Where a prospective purchaser makes such request, both the lien for such unpaid assessment and the personal obligations of the purchaser shall be released automatically if the statement is not furnished within the twenty-day period provided herein and thereafter an additional written request is made by such purchaser and is not complied with within ten (10) days, and the purchaser subsequently acquires the Condominium Unit.

SECTION 10.9. PERSONAL LIABILITY OF PURCHASER FOR ASSESSMENTS. Subject to the provisions of Section 10.8, a purchaser of a Condominium Unit shall be jointly and severally liable with the seller for all unpaid assessments against the Condominium Unit up to the time of the grant or conveyance, without prejudice to the purchaser's right to recover from the seller the amount paid by the purchaser for such assessments.

In the event of a delinquency, it is the practice of the Association to follow the requirements of CCIOA, as amended from time to time.

These policies and procedures and rules and regulations shall be deemed to be automatically amended to conform with any subsequent amendments of CCIOA. Any conflict between this policy and CCIOA shall be resolved so as to comply with CCIOA requirements.

A first contact shall be made to the unit owner to alert the unit owner of the delinquency before taking action in relation to the delinquency pursuant to Subsection (1.7) (a)(ii) of Section 38-33.3-209.5, C.R.S. In connection therewith, a record of any contacts shall be made, including information regarding the type of communication used to contact the unit owner and the date and time that the contact was made. A unit owner may identify another person to serve as a designated contact for the unit owner to be contacted on the unit owner's behalf. A unit owner may also notify the Association if the unit owner prefers that correspondence and notices from the Association shall be made in a language other than English. If a preference is not indicated, the correspondence and notices shall be made in English. The unit owner and the unit owner's designated contact must receive the same correspondence and notices anytime communications are sent out; except that the unit owner must receive the correspondence and notices in the language for which the unit owner has indicated a preference, if any. To identify a designated contact the unit owner is required to send a written designation signed by both the unit owner and the designated contact to be delivered to the Association management and president of the board by certified mail or fax or hand delivered to the manager of the Association, to be acknowledged by a written receipt of the management of the Association reflecting that the designation was received. In contacting the unit owner or a designated contact, the same type of notice of delinquency shall be sent pursuant to Subsection (5)(a)(v) of 38-33.3-209, C.R.S., including sending it by certified mail, return receipt requested, and physically post a copy of the notice of delinquency at the unit owner's unit. In addition, the unit owner shall be contacted by one of the following means:

- (A) First-class mail;
- (B) Text message to a cellular number on file because the unit owner has provided the cellular number to the Association; or
- (C) E-mail to an e-mail address on file because the unit owner has provided the e-mail address to the Association.

The delinquent account may be referred to a collection agency or attorney only if a majority of the board votes to refer the matter in a recorded vote at a meeting conducted pursuant to Section 38-33.3-308 (4)(e), C.R.S.

Notwithstanding any provision of the declaration, bylaws, articles, or rules and regulations to the contrary or the absence of a relevant provision in the declaration, bylaws, articles, or rules or regulations, the Association or a holder or assignee of the Association's debt, whether the holder or assignee of the Association's debt is an entity or a natural person, may not use a collection agency or take legal action to collect unpaid assessments unless the Association or a holder or assignee of the Association's debt has adopted, and follows, a written policy

governing the collection of unpaid assessments and unless the Association complies with Subsection (7) of 38-33.3-209.5, C.R.S.

Before the Association turns over a delinquent account of a unit owner to a collection agency or refers it to an attorney for legal action, the Association must send the unit owner a notice of delinquency for unpaid assessments.

The notice of delinquency that the Association sends to a unit owner for unpaid assessments, fines, fees, or charges must:

(a) Be written in English and in any language that the unit owner has indicated a preference for correspondence and notices pursuant to Subsection (1.7)(a)(i) of Section 38-33.3-209.5, C.R.S.;

(b) Specify whether the delinquency concerns unpaid assessments; unpaid fines, fees, or charges; or both unpaid assessments and unpaid fines, fees, or charges, and, if the notice of delinquency concerns unpaid assessments, the notice of delinquency must notify the unit owner that unpaid assessments may lead to foreclosure; and

(c) Include:

(I) A description of the steps the Association must take before the Association may take legal action against the unit owner, including a description of the Association's cure process established in accordance with Subsection (1.7)(b) of Section 38-33.3-209.5; and

(II) A description of what legal action the Association may take against the unit owner, including a description of the types of matters that the Association or unit owner may take to small claims court, including injunctive matters for which the Association seeks an order requiring the unit owner to comply with the declaration, bylaws, covenants, or other governing documents of the Association.

The Association shall not commence a legal action to initiate a foreclosure proceeding based on a unit owner's delinquency in paying assessments unless:

(I) The Association has complied with each of the requirements in this policy and in Section 38-33.3-316.3, C.R.S. related to a unit owner's delinquency in paying assessments;

(II) The Association has provided the unit owner with a written offer to enter into a repayment plan pursuant to Section 38-33.3-316.3 (2), C.R.S. that authorizes the unit owner to repay the debt in monthly installments over eighteen months. Under the repayment plan, the unit owner may choose the amount to be paid each month, so long as each payment must be in an amount of at least twenty-five dollars until the balance of the amount owed is less than twenty-five dollars; and

(III) Within thirty (30) days after the Association has provided the owner with a written offer to enter into a repayment plan, the unit owner has either:

(A) Declined the repayment plan; or

(B) After accepting the repayment plan, failed to pay at least three of the monthly installments within fifteen days after the monthly installments were due.

(C) A unit owner who has entered into a repayment plan pursuant to Subsection (7)(a) of Section 38-33.3-316.3 (2), C.R.S. may elect to pay the remaining balance owed under the repayment plan at any time during the duration of the repayment plan.

The Association shall not:

(a) Charge a rate of interest on unpaid assessments, fines, or fees in an amount greater than eight (8%) percent per year;

(b) Assess a fee or other charge to recover costs incurred for providing the unit owner a statement of the total amount that the unit owner owes;

(c) Foreclose on an assessment lien if the debt securing the lien consists only of one or both of the following:

(I) Fines that the Association has assessed against the unit owner; or

(II) Collection costs or attorney fees that the Association has incurred and that are only associated with assessed fines.

"Notice of Delinquency" means a written notice that the Association sends to a unit owner to notify the unit owner of any unpaid assessments, fines, fees, or charges that the unit owner owes the Association.

It is also the practice of the Association to send a letter to the delinquent property owner. A Declaration of Delinquency will be filed in the Pitkin County real estate records if the delinquency is not corrected. Other demands may be made as directed by the Board of Directors if the delinquency remains uncorrected, including but not limited to an order to show cause as to why legal action should not be commenced.

The Association may also resort to appropriate legal action, including but not limited to the remedies for the collection of assessments set forth in the Declaration and such additional remedies afforded by CCIOA.

Adopted by the Board of Directors of the
Snowmass Mountain Condominium Association,
Inc., Snowmass Village, Colorado
on July 5, 2023

By: _____

President

Douglas Mercatoris