

**RESOLUTION OF
BASELINE COMMUNITY ASSOCIATION, INC.,
REGARDING POLICY AND PROCEDURES FOR COLLECTION OF UNPAID
ASSESSMENTS**

Effective 8/30/2022, 2022, Baseline Community Association, Inc., (the “Association”) hereby adopts the following policy and procedures to be followed in the collection of assessments or other charges due to the Association, which shall replace and supersede in its entirety the policy regarding the collection of Assessments dated July 7, 2021:

1. **Due Dates.** Installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the first (1st) day of each quarter. Any annual assessments, special assessments, or other charges imposed by the Association (each an “Assessment”) not paid in full to the Association within fifteen (15) days of the due date shall be considered past due and delinquent and shall incur late fees and interest as provided below.
2. **Receipt Date.** The Association shall post payments on the day that the payment is received in the Association's office.
3. **Late Charges on Delinquent Installments.** The Association shall impose on a quarterly basis a Thirty-five (\$35.00) late charge for each Owner who fails to timely pay any Assessment or any installment thereof within fifteen (15) days of the due date. This late charge shall be a “common expense” for each delinquent Owner. The Association shall impose interest from the date due at the rate of 8% per annum on the amount owed for each Owner who fails to timely pay any Assessment or any installment thereof within fifteen (15) days of the due date.
4. **Personal Obligation for Late Charges.** The late charge shall be the personal obligation of the Owner of the Assessment Unit for which such Assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of Assessments.
5. **Return Check Charges.** In addition to any and all charges imposed under the Declaration, Articles of Incorporation, Bylaws, and/or the Rules and Regulations of the Association or this Resolution, a return check fee, not to exceed twenty (\$20.00) dollars, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a “common expense” for each Owner who tenders payment by check or

other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner of the Assessment Unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. 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. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the quarterly installment of the annual Assessment is not timely made within fifteen (15) days of the due date.

6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner. The Association will not charge an owner a service fee for providing a statement to an Owner.
7. Owner Contact. The Association shall maintain a record of any contact made with an Owner in regards to the payment of Assessments, fines, or fees, including the type of communication made and the date and time of the communication.
8. Payment Plan. Any Owner who becomes delinquent in payment of Assessments may enter into a payment plan with the Association. An Owner shall be offered two different payment plans (collectively a "Payment Plan") with a duration of a minimum of eighteen (18) months and the Owner may choose between the plans.
 - A) Payment Plan 1: The payment plan shall be for a duration of a minimum of eighteen (18) months in equal installments. Default occurs if the owner fails to make three (3) payment plan installments within fifteen (15) days after becoming due or the Owner fails to pay the regular Assessment within fifteen (15) days after becoming due.
 - B) Payment Plan 2: The payment plan shall be for a duration of a minimum of eighteen (18) months in variable installments. The Owner may choose the amount to be paid each month so long as each payment is twenty-five dollars (\$25.00) or greater. In month eighteen (18) any remaining balance becomes due. Default occurs

if the owner fails to make three (3) payment plan installments within fifteen (15) days after becoming due.

Such Payment Plan shall be offered to each Owner prior to the Association referring any account to an attorney or collection agency for collection action. A Payment Plan shall be considered declined if the Owner does not provide written acceptance of the Payment Plan within thirty (30) days of the Payment Plan offer. In the event the Owner declines the Payment Plan or defaults or otherwise does not comply with the terms and conditions of the Payment Plan, the Association may, without additional notice, refer the account to the Board of Directors for review. Upon approval by a majority of the Board of Directors in a recorded vote at a meeting the Association shall refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

9. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of Assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.
10. Application of Payments. All sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. All payments received on account of any Owner or the Owner's Assessment Unit shall be applied in the following manner: first to the payment of any special or regular Assessments due with respect to such Owner or such Owner's Assessment Unit, then to any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late fees, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner or such Owner's Assessment Unit pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution.
11. Itemized Ledger. Once per month the Association shall send an accounting, which itemizes the outstanding Assessments, fines, fees, and charges ("Itemized Ledger"), by first class United States mail and by e-mail if on file with the Association, to the Owner of any account with an outstanding balance. If the Owner has requested notices in a language other than English, the Itemized Ledger shall be sent in English or the language requested by the Owner. The Itemized Ledger shall also be sent to a designated contact if one is provided by the Owner.
12. Collection Process.

(a) After Assessment, any installment thereof, or other charges due to the Association becomes more than thirty (30) days delinquent, the Association shall send a written notice by certified mail, return receipt requested, and first class United States mail (the “**First Notice**”) of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment. The First Notice shall also be physically posted on the Owner’s Assessment Unit. The Association shall maintain a record of the posting in the same manner as an Owner Contact. If the Owner has requested notices in a language other than English, the First Notice shall be sent in English and the language requested by the Owner. The First Notice shall also be sent to a designated contact if one is provided by the Owner. The First Notice, at a minimum, shall include the following:

- (1) The total amount due to the Association along with an Itemized Ledger of how the total amount was determined.
- (2) Whether the Owner may enter into a Payment Plan and instructions for contacting the Association to arrange for and enter into a plan. If an owner is eligible to enter into a Payment Plan, then a Payment Plan shall be offered in the First Notice.
- (3) A name and contact information for an individual the Owner may contact to request a copy of the Owner’s ledger in order to verify the amount of the debt.
- (4) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Owner’s delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner’s property, or other remedies available under Colorado Law including revoking the Owner’s right to vote if permitted in the Bylaws or Declaration.
- (5) A statement describing the steps the Association must take prior to legal action being taken against the Owner, including a description of the Association’s cure process.
- (6) A statement indicating that claims arising from Assessments, fines, or fees owed to the Association for which the amount does not exceed seven thousand five hundred dollars (\$7,500.00) may be filed in small claims court.

(7) A statement indicating that claims for injunctive relief brought to enforce the Declaration, Bylaws, Covenants, or other governing documents may be filed in small claims court.

(b) After an Assessment, any installment thereof, or other charges due to the Association becomes more than sixty (60) days delinquent, the Association shall send a second written notice by first class United States mail (the “**Second Notice**”) of non-payment, amount past due, notice that interest and late fees have accrued. If the Owner has requested notices in a language other than English, the Second Notice shall be sent in English and the language requested by the Owner. The Second Notice shall also be sent to a designated contact if one is provided by the Owner.

(c) After an Assessment, any installment thereof, or other charges due to the Association becomes more than ninety (90) days delinquent, the Association shall refer the account to the Board of Directors for review. Upon approval by a majority of the Board of Directors in a recorded vote at a meeting, the Association shall turn the account over to the Association’s attorney for collection. Upon receiving the delinquent account, the Association’s attorney may file a lien and send a letter to the delinquent Owner demanding immediate payment for past due Assessments or other charges due. Upon further review, the Association’s attorney may file a lawsuit. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney’s fees together with the cost of the action and any applicable interest and late fees. The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

(d) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

13. Acceleration and Deceleration of Assessments. After an installment of the annual Assessment becomes more than sixty (60) days delinquent, the Board of Directors may accelerate and call due the entire unpaid annual Assessment on such delinquent account, including any installments of the annual Assessments that may become due during the pendency of a Payment Plan as described above. Such acceleration shall result in the entire unpaid annual Assessment being due to the Association immediately. The Board of Directors also reserves the right to decelerate any accelerated Assessment.

14. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner's property for a \$150 fee at the time of the first conveyance of a Lot and \$285 at the time of any subsequent conveyance. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.
15. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Assessment Unit within the Association, the Association shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.
16. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Association's management company and/or the Board of Directors, is authorized to take whatever action is necessary and determined to be in the best interest of the Association, including, but not limited to:
 - (a) Filing of a suit against the delinquent Owner for a money judgment;
 - (b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;
 - (c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
 - (d) Filing a court action seeking appointment of a receiver.All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.
17. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of Assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current

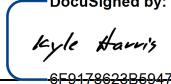
Assessments, reduce past due Assessments and prevent the waste and deterioration of the property.

18. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all Assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. The Board of Directors shall consider individually each recommendation for a foreclosure and may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses Assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.
19. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.
20. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Association's manager nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contract.
21. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.
22. Defenses. Failure of the Association to comply with any provision in this Resolution 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 Resolution.
23. Credit Report. In the event an Owner becomes delinquent in the payment of Assessments pursuant to the Declaration and Colorado law, the Owner acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid Assessments.
24. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

25. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.
26. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
27. Amendment. This Resolution may be amended from time to time by the Board of Directors.

The undersigned, being the President of the Association, certifies that this Resolution was adopted by the Board of Directors of the Association on 8/30/2022, 2022.

**BASELINE COMMUNITY
ASSOCIATION, INC.,**
a Colorado nonprofit corporation,

DocuSigned by:
By: 

Kyle Harris
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President