

- F. Board Members Shall Behave Professionally at Meetings. Board members shall conduct themselves at all meetings, including Board meetings, annual meetings of the Members, and committee meetings, in a professional and businesslike manner. Personal attacks against other Board members, Association Members, residents, officers, management, or guests are not consistent with the best interests of the Association and will not be tolerated. Language at meetings shall be kept professional. Though differences of opinion are inevitable, they must be expressed in a professional and businesslike manner.
- G. Board Members Shall Maintain Confidentiality When Appropriate. Board members shall at all times maintain the confidentiality of all legal, contractual, personnel, and management matters involving the Association. Board members shall also maintain the confidentiality of the personal lives of other Board members, Association Members, residents, and management staff.
- H. Board Members Shall Refrain From Defaming Anyone in Community. Board members shall not engage in defamation, by any means, of any other Board member, Association member, resident, or management staff member. The Association shall deem any Board member who engages in defamation to be acting outside the scope of his authority as a Board member.
- I. Board Members Shall Refrain From Harassing Association Members or Residents. Board members shall not in any way harass, threaten, or otherwise attempt to intimidate any other Board member, Association member, or resident. The Association shall deem any Board member who harasses, threatens, or otherwise attempts to intimidate other Association Members or residents to be acting outside the scope of his authority as a Board member.
- J. Board Members Shall Refrain From Interfering With Management Staff and Contractors. No Board member shall interfere with the duties of management staff or any contractor executing a contract in accordance with its terms. All communications with contractors must go through one designated Board member or management, or must otherwise be in accordance with Board policy.
- K. Violations of Code. Violations of the Code of Conduct shall be brought to the Hearing Board, which shall be comprised of designated Board members. In addition, the Board may elect, at its sole discretion, to appoint as Advisory Hearing Board members, other Board members, as well as the Association attorney, manager, and/or accountant. Any Board member who violates this Code of Conduct agrees that the Board may seek injunctive relief against him/her, following a hearing before the Hearing Board, unless circumstances necessitate the issuance of injunctive relief prior to such hearing. The Board member also agrees that the Association shall be relieved of posting bond as a condition to its injunctive remedy. Such Board member will be liable for reasonable attorneys fees incurred by the Board in any enforcement effort.

IV. COLLECTION OF UNPAID ASSESSMENTS

- A. Purpose of Cobblestone Condominium Association, Inc. Collection Policy. One of the many advantages of living in a community association is sharing with other Members the costs of certain maintenance, repairs, and amenities that are often too expensive for a single Owner. All Members are legally bound to share those costs. To properly maintain the Associations Common Elements, its imperative that all assessments, whether regular or special, be paid in full and on time. Delinquencies throw the associations entire budget off course and negatively affect all Members property values and lifestyles. To adequately maintain our community, state statutes and our Governing Documents give Associations Board of Directors the authority to impose and collect assessments and other allowable charges from Members. In fact, the Board owes a duty to all Members to make sure everyone pays. The Association has adopted the following policy to fulfill its duty in a fair, systematic, and impartial manner.
 - 1. Common Expenses. The term “common expense” refers to any amount a member must pay to Cobblestone Condominium Association, Inc. Among the charges it includes are regular

annual assessments, special assessments, rules violation fines, late fees, common area repairs, and any other fees, interest, or charges imposed under this policy.

2. Where to Send Payment. Deliver all payments to the Association as follows:

Cobblestone Condominium Association, Inc.
PO Box 1503
Frisco, CO 80443-1503

3. When Common Expenses Are Due. Assessments are due in advance on the first day of each year. For convenience, Members may pay their annual assessments in equal monthly installments on the first day of each month. Unless otherwise stated, other common expenses are due ten (10) days after of notice of Members obligation to pay. If a member does not pay in full any common expense by its due date, that payment is delinquent.

4. Collection Process.

- a. After an installment of an annual assessment or other charges due to the Association becomes more than 30 days delinquent, the Manager shall send a written notice of non-payment ("First Notice"). The First Notice shall state the amount past due; that interest and late fees have accrued and the amount thereof, and shall request immediate payment.
- b. After an installment of an annual assessment or other charge due to the Association becomes more than 60 days delinquent, the Manager shall send a second written notice of non-payment ("Second Notice"). The Second Notice shall state the amount past due, that interest and late fees have accrued and the amount thereof; shall provide notice of the Association's intent to file a lien; and shall request immediate payment. The Association shall also report to any encumbrancer who has furnished written notice to the Association of such encumbrance, the amount of the unpaid assessments.
- c. After an installment of an annual assessment or other charge due to the Association becomes more than 90 days delinquent, the Manager shall turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorney shall 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 or pursue other remedies authorized by this Resolution or the Governing Documents. A delinquent Owner must pay reasonable attorney's fees incurred by the Association together with costs, applicable interest and late fees, whether or not suit is initiated.

5. Late Payments. Once a common expense is delinquent, the Board may take any or all of the following actions:

- a. Accelerate the balance for the rest of the year. In the event that any Members monthly assessment remains unpaid for more than thirty (30) days after the due date, Association may, in its discretion, and in addition to any other remedies that may exist with respect to such delinquency, declare the entire remaining balance of such Members annual assessment for that fiscal year immediately due and payable upon ten (10) days written notice to the Member to that effect.
- b. Late fees and Interest. If Cobblestone Condominium Association, Inc. does not receive payment for any common expense in full on or before fifteen (15) days after it becomes due, the delinquent member shall pay liquidated damages for the Association's time, inconvenience, and overhead in collecting the late payment, as follows:

- (1) a \$20 per month late fee; and
- (2) Interest at an 18% Annual Percentage Rate from the original due date until the date of payment.

These charges will be treated as common expenses.

- c. Returned check and electronic funds transfer fees and bank charges. In addition to any late fee that may be applicable, for each check or electronic funds transfer to Cobblestone Condominium Association, Inc. that is returned by a bank for any reason, the member who wrote the check or issues the electronic funds transfer shall pay the following charges:

- (1) liquidated damages in the amount of \$20; and
- (2) any related bank charges that Cobblestone Condominium Association, Inc. incurs because of the returned check or returned electronic funds transfer.

These charges will be treated as special assessment. .

- d. Suspend privileges and access to amenities. If an account contains delinquencies for more than sixty (60) days or has an outstanding balance of \$500 or more, the Board may give the Member thirty (30) days notice of intent to suspend any or all of the following privileges:

- (1) Voting privileges;
- (2) Use of any recreational amenities;
- (3) Parking privileges; and/or
- (4) Association-provided utilities.

Unless the Association receives full payment by the end of the notice period, the privileges or amenities listed in the notice will be suspended.

- 6. Crediting Late Payments. All delinquent accounts remain delinquent until paid in full. No partial payments will waive the Association's right to pursue full payment and/or to enforce the provisions of this policy. The Association will apply partial payments to the outstanding balance in the following order:

- a. Fines, late fees, and interest;
- b. Court costs, attorneys fees, and other costs of collection;
- c. Special assessments; and
- d. Regular assessments, with payment being applied to the oldest balance first.

- 7. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual or special assessment of any delinquent account. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

8. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owners designee within fourteen (14) days after written request to the Associations agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owners Unit for a \$5 fee. However, if the account has been turned over to the Associations attorney, such request may be handled through the attorney.
9. 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 Unit within the Association, the Manager shall notify the Associations attorney of the same and turn the account over to the Associations attorney, if appropriate.
10. Notices. The Association shall cause a collection or demand letter or notice to be hand delivered or sent to a delinquent Owner at the registered or last known address by regular mail. The Association may, but shall not be required to send, an additional copy of that letter or notice by e-mail or certified mail.
11. 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 courts 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.
12. 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.
13. 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.
14. Communication with Owners. All communications with a delinquent Owner shall be handled through the Associations attorney once a matter has been referred to the attorney. Neither the 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 Associations attorney unless the attorney is present or has consented to the contact.
15. Defenses. Failure of the Association to comply with any provisions in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

V. ADOPTION OF RULES, POLICIES, PROCEDURES OR GUIDELINES

- A. Scope. The Board may, from time to time, adopt additional rules, policies, procedures or guidelines (“Policies”) as may be necessary to facilitate the efficient operation of the Association, including the clarification of ambiguous provisions in other documents, or as may be required by law. In order to encourage Owner participation in the development of such Policies and to insure that such Policies are necessary and properly organized, the Board shall follow the following procedures with adopting any Policy.
- B. Drafting Procedure. The Board shall consider the following in drafting the Policy:
 1. Whether the Governing Documents or Colorado law grants the Board the authority to adopt such a Policy.