

**RESOLUTION OF THE
RIVER PINES CONDOMINIUM ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURES
FOR COLLECTION OF UNPAID ASSESSMENTS**

SUBJECT: Adoption of a policy and procedure regarding the collection of unpaid assessments.

PURPOSE: To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: January 1, 2014

RESOLUTION: The Association hereby adopts the following policy:

It is in the best interest of the Association to refer delinquent accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue. The Board of Directors has retained an attorney with experience in representing homeowner associations in collections and other matters. The Association hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

1. Due Dates. The quarterly installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the 1st day of each quarter (January, April, July, and October). Assessments or other charges not paid in full to the Association within 15 days of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 15 days of the due date shall incur late fees as provided below. In the event a quarterly installment of the annual assessment is not paid within 15 days of the due date, the Association may impose interest from the due date until payment as provided herein. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit may also be charged any cost incurred by the Association in giving notice of such acceleration.
2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's office if it is being considered delinquent, otherwise payments shall be posted no less than a weekly basis.
3. Late Charges on Delinquent Installments. The Association shall impose on a quarterly basis a \$10.00 late charge for each Owner who fails to timely pay his/her quarterly installment of the annual assessment within 15 days of the due date. This late charge shall be a "common expense" for each delinquent Owner.

The Association may impose interest from the date due at the rate of 18% per annum on the amount owed for each Owner who fails to timely pay their quarterly installment of the annual assessment within 30 days of the due date.

4. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the 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 and Bylaws, the Rules and Regulations of the Association or this Resolution, a \$35.00 fee or other amount deemed appropriate by the Board of Directors 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(s) of the 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 (1) 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 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.*
7. Payment Plan. *Any Owner who becomes delinquent in payment of assessments after January 1, 2014 and whose account is not currently with the Association's attorney or a collection agency for collection action on January 1, 2014, may enter into a payment plan with the Association. Any payment plan must permit the Owner to pay off the deficiency in equal installments over a period of at least six (6) months. The Owner shall sign a document describing the payment plan and the effective date of the first payment. In the event an Owner fails to comply with the terms of his or her*

payment plan, the Association may immediately begin pursuing legal action against such Owner. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with the regular Assessments as they come due during the six-month period, constitutes a failure to comply with the terms of his or her payment plan.¹

8. 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.
9. Application of Payments. All sums collected on a delinquent account that has been turned over to the Association's attorney 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 property (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.
10. 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 ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment. The First Notice sent by manager to the delinquent Owner shall also state:
 - i. The total amount due to the Association along with an accounting of how the total amount was determined.
 - ii. Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.
 - iii. 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.
 - iv. A statement indicating that action is required to cure the delinquency and that failure to do so within thirty 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

¹ 2013 Addition per HB 1276, effective January 1, 2014

property, or other remedies available under Colorado Law including revoking the owners right to vote if permitted in the Bylaws or Declaration.

b) 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.

11. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such 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 (i.e., the delinquent installments plus the remaining installments due for the remainder of the fiscal year) being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

12. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of quarterly installments of the annual assessment and other charges.

Due Date (date payment due)	1st day of each quarter
Past Due Date (date payment is late if not received on or before that date)	15 days after due date
First Notice (notice that late charges and interest have accrued)	Any time after 30 days after due date

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

13. 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 \$50.00 fee. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

14. 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 management company shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

15. Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

16. Referral of Delinquent Accounts to Attorneys/Legal Remedies. If, after the expiration of the period specified in the First Notice, an account remains delinquent and without a payment plan embodied in a signed agreement, or in the event of a default under the terms of such agreement, Association counsel is authorized to take such further action as counsel, in consultation with the Board, believes to be in the best interest of the Association, including but not limited to any one or more of the following:

- i. Filing of a suit against the delinquent Owner for a money judgment;
- ii. Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors
- iii. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- iv. File 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. The account shall remain with the attorney until the account is settled, has a zero balance or is written off.

If the attorney obtains and satisfies a judgment on an account, but the account still has a remaining balance after satisfaction of the judgment, the attorney, in consultation with the Association and after approval by Board, is authorized to take whatever continued action is necessary and determined to be in the best interest of the Association to collect the remaining balance.

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. Rental Interception. *To the extent permitted by the Declaration, the Association may, without court order, notify the tenant of any unit where the Owner is delinquent in the payment of assessments, pursuant to the Declaration and Colorado law, that rents shall be paid to the Association effective immediately and continue until such time as the Owner's account is current. Such notice shall be in writing to the tenant and the Owner. All funds received by the Association from the tenant shall be credited to the Owner's account as set forth herein.*²

² 2013 Addition per HB 1276, effective January 1, 2014

19. 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 Association 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.
20. 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.
21. 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 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 contact.
22. 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.*
23. Defenses. Failure of the Association to comply with any provision 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.
24. 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.³*
25. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
26. 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

³ 2013 Addition per HB 1276, effective January 1, 2014

of Colorado governing the Project.

27. 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 and is not in violation of governing documents or Colorado law.
28. Amendment. This Policy may be amended from time to time by the Board of Directors.

IN WITNESS, the undersigned certifies that this Resolution was adopted by the Board of Directors of the Association on

December 14, 2013.

RIVER PINES CONDOMINIUM ASSOCIATION, INC.

By: William Burns
(President)