

COLLECTION OF UNPAID ASSESSMENTS

The following Policy has been adopted pursuant to C.R.S. §38-33.3-209.5, and in accordance with C.R.S. §38-33.3-123, §38-33.3-315, §38-33.3-316, the Governing Documents of the Association, and the Act, at a regular meeting of the Board.

Purpose: All Members are obligated by the Declaration to pay all dues and Assessments in a timely manner, and failure to do so jeopardizes the Association's ability to meet its financial obligations. Failure of Members to pay Assessments in a timely manner is also costly to the Association and unfair to other Members. Accordingly, the Association, acting through the Board must take steps to ensure timely payment of Assessments so that it may operate in a fiscally responsible manner. The purpose of this Policy is to establish a uniform and systematic procedure for collecting Assessments and other charges of the Association, thus ensuring the financial well-being of the Association.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Policy governing the collection of Assessments and other charges of the Association:

1. Due Dates.

a. Monthly Assessment. The annual Assessment is determined by the Association and billed on a monthly basis. Invoices will be submitted by the first of each month, and payment due by the tenth (10th) of each month. Monthly Assessments not paid to the Association by the 10th of each month shall be considered past due and delinquent.

b. Other Amounts Due to the Association. Other Assessments, charges, and payments due to the Association shall be due and payable as determined by the Board, and shall be considered past due and delinquent on the fifteenth (15th) day after the due date.

c. Transfer of Ownership. In the event that the ownership of a Unit is transferred on a day other than the first day of the month, the monthly installment of the annual Assessment and any other Assessments, charges and payments due and payable to the Association for the month of closing shall be prorated to the date of closing. Unless otherwise allowed by the Association in writing, and if not sooner paid by the seller and/or buyer, all Assessments, charges, and payments due and payable to the Association shall be paid at closing.

2. Interest Charges. The Association shall collect an interest charge of eighteen percent (18%) per annum if payment is made after a date certain stated in the notice of charges due to the Association. All interest charges shall be due and payable immediately, without notice, in the manner provided for payment of Assessments.

3. Return Check Charges. A fifty dollar (\$50.00) fee 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. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of an Owner's checks are returned unpaid by the bank within any twelve month period, 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.

4. Attorney Fees on Delinquent Accounts. The Association shall be entitled to recover its collection costs and reasonable attorney fees and costs incurred in the collection of Assessments or other charges due the Association from a delinquent Owner, without the necessity of commencing a legal proceeding.

5. Application of Payments made to the Association. The Association reserves the right to apply all payments received on account of any Owner first to payment of any and all attorney fees and costs, then to costs and expenses of enforcement and collection, interest, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner, and any remaining amounts shall be applied to the Assessments due with respect to such Owner.

6. Collection Procedure; Lien.

a. Written Notice. The original written communication to the Owner regarding an annual Assessment or other Assessment, charge or payment owed to the Association, however accomplished by the Association, constitutes the first notice to the Owner of an amount due to the Association.

b. Statutory Lien. The Association has a statutory lien on a Unit for any Assessment levied against the Unit and other fines and charges allowable under the Act as Assessments imposed against the Owner. The recorded Declaration constitutes record notice and perfection of the lien, no further recordation of any claim of lien for Assessments is required for the statutory lien. The amount of the lien includes the amount of any Assessment and all allowed charges from the time they become due. If an Assessment is payable in installments, each installment is a lien from the time it becomes due, including the due date set by any valid acceleration of installment obligations. The Association's lien has priority over other liens as provided by the Act.

c. Foreclosure and Other Remedies. The Association's lien may be foreclosed in a like manner as a mortgage on real estate, or as provided by the Act, and the Association has the right to pursue other available remedies, including suits to recover sums. The Association has the right to accept a deed in lieu of foreclosure.

d. Attorney Fees. The Association shall be entitled to costs and reasonable attorney fees incurred by the Association to pursue collection of assessments and dues, including pre-litigation fees, in accordance with the Act.

7. Referral of Delinquent Accounts to Attorneys. The Association may, but shall not be required to refer delinquent accounts to its attorney for collection. After consultation with the Board or the Association's managing agent, the attorney shall be entitled to exercise all available

remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent Owner's property.

8. Referral of Delinquent Accounts to Collection Agencies. The Association may, but shall not be required to assign delinquent accounts to one or more collection agencies for collection.

9. Waivers. Nothing in this Resolution shall require the Association to take specific actions other than to notify Owners of the adoption of this Policy. The Association has the option and right to continue to evaluate each delinquency on a case by case basis. The Association may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship or other valid basis for a waiver. Such relief granted an Owner shall be appropriately documented in the records of the Association, including the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, 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 may determine appropriate under the circumstances.

10. Delinquencies Constitute Covenant Violations. Any delinquency in the payment of Assessments shall constitute a violation of the covenants contained in the Declaration, and following notice and an opportunity to be heard, the Association shall be entitled to impose sanctions on the delinquent Owner consistent with the Association's Enforcement of Covenants and Rules: Notice and Hearing Policy.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of Recodo del Rio HOA certifies that the foregoing Resolution was approved and adopted by the Board, at a duly called and held meeting of the Board on 5-3-2012, and in witness thereof, the undersigned has subscribed his name.

TZRidmark

*My commission expires
10/22/2015*

[Signature]
Notary Public
