

CORDILLERA VALLEY CLUB PROPERTY OWNERS ASSOCIATION
EXECUTIVE BOARD
RESOLUTION

AMENDED AND RESATED POLICY FOR COLLECTION OF UNPAID ASSESSMENTS

MARCH 11, 2014

The Executive Board of Cordillera Valley Club Property Owners Association, a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association related to Collection of Unpaid Assessments is hereby adopted and ratified and replaces in its entirety that Association resolution governing the Collection of Unpaid Assessments dated on or about November 9, 2006:

1. **Due Dates.** The annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the first day of each month, calendar quarter or year, as determined by the Executive Board and any special assessment or default assessment as determined by the Association and as allowed for in the Declaration shall be due and payable in full thirty (30) days after invoice to the Owners by the Association. Assessments or other charges not paid in full to the Association within thirty (30) days after the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association when due shall incur interest as provided below.

2. **Receipt Date.** The Association shall post payments on the day that the payment is received by the Association.

3. **Interest; Late Fee; Returned Check Charge.** The Association is entitled to impose and shall impose interest from the date of delinquency at the rate of 21% per annum, or as otherwise provided in the Declaration, on the amount owed for each Owner who fails to timely pay their installment of any assessment within 30 days after the due date. In addition, if any assessment remains unpaid 30 days after the due date, the Association is entitled to impose and may impose a late fee in an amount equal to \$50.00, with such late fee to be imposed on the first day of each calendar month thereafter so long as the assessment remains unpaid. In addition, the Association shall be entitled to impose and shall collect a fee of \$20.00 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. All interest and fees described in this paragraph are collectively referred to in this Policy as "Late Charges".

4. **Personal Obligation for Late Charges.** Any Late Charges 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. **Payment Plans.** Except as otherwise provided in this section, in the event that an Owner owes past due assessments or other delinquent payments, including associated fees, Late Charges, other charges, attorney fees, or fines, the Association shall make a good faith effort to coordinate with the Owner to set up a payment plan that will govern the Owner's payment of the deficiency. Any such payment plan will permit the Owner to pay off the deficiency in equal installments over a period of at

least six months. In the event the Owner fails to comply with the terms of the payment plan, including by failing to timely remit payment of an agreed-upon installment or by failing to remain current with regular assessments as they come due during the six-month period, the Association may pursue legal action against the Owner. An Owner shall have no right to enter into a payment plan with the Association if such Owner does not occupy the unit and has acquired the unit as a result of: (1) a default of a security interest; or (2) foreclosure of the Association's lien. In addition, an Owner shall have no right to enter into a payment plan with the Association, and the Association shall have no obligation to negotiate a payment plan with an Owner, if such Owner has previously entered into a payment plan with the Association for payment of a deficiency.

6. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, in the event the Association refers a delinquent account to an attorney for legal action as provided under 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.

7. Application of Payments. All payments received on account of any Owner, shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, Late 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.

8. Association's Legal Remedies. In the event an Owner fails to timely pay assessments, Late Charges, or any other charges or fees related to the assessments, the following legal remedies shall be available to the Association to collect on the Owner's delinquent account: use of collections agency, lawsuit against the Owner, filing of a lien statement and foreclosure of the Association's lien on the Owner's unit, suspension of Owner's voting rights, acceleration of all remaining assessment installments for the remainder of the fiscal year, and any and all other remedies available under Colorado law and/or the Association's governing documents. 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.

9. Collection Process. In the event an Owner fails to timely pay assessments, Late Charges, or other charges as provided herein, the Owner's delinquent account may ultimately be turned over to a collection agency or an attorney for legal action. But, before the Association turns over any delinquent account to a collection agency or attorney for legal action, the Association will send the Owner a written Notice of Delinquency (defined below) in accordance with Colorado law. The collection process will proceed as follows:

(a) Prior to commencement of the formal collection process contained in this Section 9, the Association, by or through its manager if applicable, may send such reminders, notices, re-billing statements or other communications to an Owner regarding the status of the Owner's account as the Association shall determine.

(b) After an installment of an annual assessment or other charges due to the Association becomes more than 30 days past due, before turning the delinquent account over to a collection agency or referring the delinquent account to an attorney for legal action, the Association, by or through its manager if applicable, shall send the Owner a written notice of delinquency ("Notice of Delinquency") setting forth the total amount due with an accounting

therefor, whether an opportunity to enter into a payment plan exists and instructions therefor, the name and contact information of the individual who can provide a copy of the Owner's ledger for verification of the debt amount, and that action is required to cure the delinquency and failure to do so within 30 days may result in the account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing of a lien statement and foreclosure of a lien against the Owner's unit, or other remedies under Colorado law.

(c) Thirty days after the mailing of the Notice of Delinquency, if a valid payment plan has not been agreed with the delinquent Owner, the Association may turn over the delinquent account to a collections agency and may record a statement of assessment lien in the real property records of Eagle County, Colorado. In addition, at such time as the balance of the assessments and Late Charges owing to the Association by an Owner equals or exceeds six months of common expense assessments based on the Association's periodic budget, the Board may, by a vote in accordance with the Bylaws, authorize the filing of a legal action against the Owner or the Owner's unit. If the Board votes to authorize such action, then the Association may refer the Owner's delinquent account to the Association's attorney for communication with the delinquent Owner and legal action. 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.

(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.

10. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee, upon written request, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a fee to be determined by the Association from time to time.

11. 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 Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

12. 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 Executive Board shall determine appropriate under the circumstances.

13. Defenses. Except as expressly provided by applicable law, 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.

14. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration and Bylaws shall have the same meaning herein.

15. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration, Bylaws, and the law of the State of Colorado governing the Association.

16. 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.


CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Cordillera Valley Club Property Owners Association, a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on Feb 25, 2014, at which a quorum was present.

Dated: MARCH 11, 2014.



Thomas MARCIN, Secretary