

**RESOLUTION
OF
ROXBOROUGH PARK FOUNDATION
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 Foundation's adoption of a uniform and systematic procedure to collect assessments and other charges of the Foundation.

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

**EFFECTIVE
DATE:**

RESOLUTION: The Foundation hereby adopts the following policy:

It is in the best interest of the Foundation to refer delinquent accounts promptly to an attorney for collection so as to minimize the Foundation'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 Foundation hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Foundation:

1. Due Dates.

a) Annual Payment Option: The total annual assessment is due on January 1 of each year. The annual assessment shall be past due and delinquent if payment in full is not received in the Foundation office by the close of business on February 1 of the year in which the assessment is due. The Foundation shall impose on a monthly basis a \$25.00 late charge for each Owner who fails to timely pay his/her annual assessment by February 1. The

Foundation shall 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 annual assessment by February 1.

(b) Quarterly ACH Payment Option: If an Owner opts to pay assessments on a quarterly basis via ACH payments, one-fourth of the annual assessment shall be withdrawn from the Owner's ACH account by the 10th day of January, April, July and October of the year of the imposition of the annual assessment. An administrative fee of \$15.00 shall be charged to the Owner for each quarterly payment. Any quarterly payment not paid on or before the withdrawal date shall incur a late charge of \$75.00. Additionally, any quarterly ACT payment that remains unpaid for more than 30 days after the withdrawal date shall incur interest at the rate of 18% per annum. Quarterly ACH payments returned for non-sufficient funds shall be paid only with a cashier's check or money order thereafter for the remainder of the year, and shall result in the imposition of the late charges and interest as provided herein. Any quarterly payment remaining unpaid for more than 30 days after the due date shall cause the entire balance of the annual assessment to become due and payable.

2. Receipt Date. The Foundation shall post payments on the day that the payment is received in the Foundation's office.

3. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit or lot 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.

4. 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 Foundation or this Resolution, a return check fee, not to exceed the maximum allowed by law, 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 Foundation 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 or lot for which payment was tendered to the Foundation. Returned check charges shall become effective on any instrument tendered to the Foundation 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 Foundation 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.

5. Service Fees. In the event the Foundation 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.

6. Payment Plan. Any Owner who becomes delinquent in payment of assessments after January 1, 2014 and whose account is not currently with the Foundation's attorney or a collection agency for collection action on January 1, 2014, may enter into a payment plan with the Foundation, which plan shall be for a minimum term of 6 months or such other term as may be approved by the Board of Directors. Such payment plan shall be offered to each owner prior to the Foundation referring any account to an attorney or collection agency for collection action. In the event the Owner defaults or otherwise does not comply with the terms and conditions of the payment plan, including the payment of ongoing assessments of the association, the Foundation may, without additional notice, 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.

7. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Foundation shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Foundation from a delinquent Owner. The reasonable attorney fees incurred by the Foundation shall be due and payable immediately when incurred, upon demand.

8. Application of Payments. All sums collected on a delinquent account shall be remitted to the Foundation'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.

9. Collection Process.

(a) After an assessment or other charges due to the Foundation becomes more than 30 days delinquent, a lien will be filed against the Owner's unit or lot by the Roxborough Park Foundation, its attorney or its Management Company and the Roxborough Park Foundation, its attorney or its Management Company 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 Foundation's notice, at a minimum shall including the following:

(i) The total amount due to the Foundation 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 Foundation 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 property, or other remedies available under Colorado Law including revoking the owners right to vote if permitted in the Bylaws or Declaration.

(b) After an assessment or other charges due to the Foundation becomes more than 180 days delinquent, the Roxborough Park Foundation, its attorney or its Management Company shall turn the account over to the Foundation's attorney for collection. Upon receiving the delinquent account, the Foundation's attorneys may send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Foundation'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.

(c) In addition to the steps outlined above, without any further action, the Foundation will 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 Foundation shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Foundation's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a reasonable fee. However, if the account has been turned over

to the Foundation's attorney, such request may be handled through the attorney.

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 or lot within the Foundation, the Roxborough Park Foundation, its attorney or its Management Company shall notify the Foundation's attorney of the same and turn the account over to the Foundation's attorney, if appropriate.

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

13. Referral of Delinquent Accounts to Attorneys. Upon referral to the Foundation'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 Roxborough Park Foundation, its attorney or its Management Company, is authorized to take whatever action is necessary and determined to be in the best interests of the Foundation, 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 Foundation's lien, upon approval by the Foundation's Board of Directors;
- (c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Foundation's interests;
- (d) Filing a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for a collection shall be set up and monitored through the attorney.

14. Appointment of a Receiver. The Foundation 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 Foundation is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.

15. Rental Interception. To the extent permitted by the Declaration, the Foundation may, without court order, notify the tenant of any unit or lot where the Owner is delinquent in the payment of assessments, pursuant to the Declaration and Colorado law, that rents shall be paid to the Foundation 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 Foundation from the tenant shall be credited to the Owner's account as set forth herein.

16. Judicial Foreclosure. The Foundation 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 Foundation 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 Foundation. 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.

17. Waivers. The Foundation is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the

procedures contained herein, as the Foundation shall determine appropriate under the circumstances.

18. Communication with Owners. All communication with a delinquent Owner shall be handled through the Foundation'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 Foundation's attorney unless the attorney is present or has consented to the contact.

19. Communication by Owners. Owners may communicate with the Foundation in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Foundation and/or its agents may communicate via the same method unless otherwise advised.

20. Ongoing Evaluation. Nothing in this Resolution shall require the Foundation to take specific actions other than to notify Owners of the adoption of these policies and procedures. Once an Owner's account is turned over to the Foundation's attorney, all communication must be made through the attorney. However, the Foundation has the option and right to continue to evaluate each delinquency on a case-by-case basis.

21. Defenses. Failure of the Foundation 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.

22. Credit Report. In the event an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law, the Foundation may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.

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

24. 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 Project.

25. Deviations. The Board may deviate from the procedures set forth in this Resolution, as and if allowed by the governing documents, if in its sole discretion such deviation is reasonable, warranted and documented under the circumstances.

26. 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 Foundation on October 10, 2013.

ROXBOROUGH PARK FOUNDATION,
a Colorado nonprofit corporation,

By:  _____

Its: President