

**RESOLUTION OF THE
SILVER SAGE VILLAGE COMMUNITY ASSOCIATION
ADOPTING POLICY AND PROCEDURE FOR
COLLECTION OF UNPAID ASSESSMENTS**

Amended August 26, 2014

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 of Incorporation and Bylaws of the Association and Colorado law.

RESOLUTION: The Steering Team, on behalf of the Association hereby adopts the following:

1. Due Dates. Common expense assessments (HOA Dues) shall be due and payable on a monthly basis on the first day of each month ("Assessment"). HOA dues include assessment for common operating expenses, loan repayments, utilities, capital reserves and other common expenses approved by the Steering Team.

Assessments or other charges not paid in full to the Association within 15 days of the due date shall incur late fees and may incur interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged any costs incurred by the Association in giving notice of such acceleration.

2. Receipt Date. The Association shall consider payments made when received by the Association and will post payments promptly after receipt.

3. Late Charges on Delinquent Installments. The Association may impose on a monthly basis a \$25.00 late fee for each Owner who fails to timely pay his/her HOA Dues within 15 days of the due date.

The \$25 late fee for a late HOA fee will be separately indicated and included in the next month's payment for that member. The Association's Treasurer or HOA manager, if any, will have the discretion to waive or assess the late fee.

Any such late fees shall be a “common expense” for each delinquent Owner. In addition, the Association may impose interest up to a rate of 10%, incurring from the due date, for each Owner who fails to timely pay his/her Assessment within 30 days of the due date.

4. Personal Obligation for Late Charges. The 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 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 reasonable fee, not to exceed the amount charged by the bank used by the Association for its checking account, 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 Assessment is not timely made within 15 days of the due date.

6. Payment Plan. The Association shall make a good-faith effort to coordinate with any owner delinquent in her/his HOA dues to establish a payment plan to pay off the deficiency and accrued penalties in equal installments of at least six months but not more than one year. Such payment plan shall be approved by the Steering Team and the owner. Additional penalties for late payments included in the payment plan shall not be assessed once a payment plan is implemented. An owner's failure to remit payment of an agreed-upon installment or to remain current with regular assessments as they come due during the payment period shall invalidate the payment plan

7. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declarations 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.

8. 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 to payment of any and all legal fees and costs (including attorney fees), 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 Association, becomes more than 30 days delinquent, the Treasurer of the Association or manager, if any, shall send a written notice ("First Notice") of non-payment, amount past due, notice that late charges have accrued and request for immediate payment.

(b) After an Assessment or other charges due to the Association, becomes more than 60 days delinquent, the Treasurer of the Association or manager, if any, shall send a

second written notice (“Second Notice”) of non-payment, amount past due, notice that late charges have accrued, notice of intent to file a lien, request for immediate payment, and offer to set up a payment plan. A copy of the notice shall be provided to the Steering Team.

(c) After an Assessment or other charges due to the Association, becomes more than 90 days delinquent and the owner has declined the offer of a payment plan, the Steering Team, by recorded vote, may 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. 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.

10. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of Assessments and other charges:

Due Date (date payment due)	First day of each month
Late Charge Date	15 days after due date
First Notice (notice that late charges have accrued)	30 days after due date
Second Notice (notice that late charges have accrued, notice of intent to file lien)	60 days after due date
Lien filed: Delinquent account turned over to Association’s attorney; Demand letter sent to Owner.	90 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.

11. 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 reasonable fee. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

12. 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 Steering Team shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

13. 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 or persona delivery, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

14. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association'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 Association, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, 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 Association's lien;
- c. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- d. Filing 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.

Upon referral of any matter to the Association's attorney, the Association shall pay the attorney's usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.

15. 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.

16. 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.

17. 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. If a unit is foreclosed by a lender, the Association may establish a ceiling on the amount of assessments to be collected from the lender on behalf of the delinquent owner.

18. 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 Treasurer of the Association or manager, if any, nor any member of the Steering Team 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.

