

RESOLUTION
OF
MEADOW LAKES MOUNTAIN ESTATES PROPERTY OWNERS 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 Articles of Incorporation and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** June 22, 2014
- RESOLUTION:** The Association hereby adopts and gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

Due Dates. The annual assessment as determined by the Association shall be due and payable on the 1st day of July of each year. The due dates of any special assessments shall be established by the Board of Directors. Assessments or other charges not paid in full to the Association within 30 calendar days of the due date shall be considered past due and delinquent.

Receipt Date. The Association shall post payments on the day that the payment is received by the Association's treasurer.

Late Charges on Delinquent Installments. The Association shall impose interest from the due date at 21% per annum for each Owner of a lot who fails to timely pay his/her annual or special assessment within 30 calendar days of the due date. This interest expense shall be a "common expense" for each delinquent Owner.

Personal Obligation for Late Charges. The interest expense shall be the personal obligation of the Owner of the lot for which such assessment or installment is unpaid. All interest expenses shall be due and payable immediately, without notice, in the same manner as payment of assessments.

Return Check Charges. In addition to any and all charges imposed under Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a return check fee, not to exceed \$20.00, 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 of the lot 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 Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above.

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.

Payment Plan. Any Owner who is or becomes delinquent in payment of any assessment may enter into a payment plan with the Association, 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 Association referring any account 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 Association may, without additional notice, refer the delinquent account for collection action or may take such other action as it deems appropriate in relation to the delinquency.

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

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

Collection Process.

- (a) If an assessment or other charge due to the Association is not paid within 30 calendar days of the due date, the Association shall send a written notice (“First Letter of Notification”) of non-payment, amount past due, notice that interest expenses have accrued and request for immediate payment. The Association’s notice, at a minimum shall including the following:
- (i) The name of the Owner of the property and a description of the property.
 - (ii) The total amount due to the Association along with an accounting of how the total amount was determined.
 - (iii) Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.
 - (iv) That the Owner has a right to an open hearing before the Board of Directors, if requested in writing within 30 calendar days of the postmark of the Letter of Notification. The time, date, and place for such hearing shall be set by the Board of Directors but shall not be sooner than 45 calendar days from the postmark of the Letter of Notification.
 - (v) 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.
 - (vi) 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.
- (b) If the Owner does not request an open hearing before the Board of Directors within 30 calendar days of the postmark of the First Letter of Notification, or after the Board of Directors has held the requested hearing and the account remains delinquent, the Association shall send a second written notice (“Second Letter of Notification”) of non-payment, amount past due, notice that interest has accrued, notice of intent to file a lien and request for immediate payment.
- (c) If an assessment or other charges due to the Association remains delinquent for 30 calendar days after the postmark of the Second Letter of Notification the Association may file a lien or take such other collection action as deemed necessary by the Board of Directors. If a lawsuit is filed and 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.

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

Due Date Annual Assessment Special Assessment	July 1 of each year As set by Board
Past Due Date	31 calendar days after Due Date
First Letter of Notification (notice that interest has accrued, required disclosures of the Association, the availability of a payment plan, availability of open hearing, etc.)	Any time after 30 Calendar days after Due Date
Open hearing (if requested)	No sooner than 45 days after First Letter of Notification
Second Letter of Notification (notice that late charges and interest have accrued, notice of intent to file lien)	Any time after 30 days after First Letter of Notification (if no hearing requested) or after open hearing. Delinquent account subject to collection action/lien.

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.

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.

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 June 22, 2014.

MEADOW LAKES MOUNTAIN ESTATES PROPERTY OWNERS ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By:  6/22/2014
Its: President