

**RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC.,
a Colorado nonprofit corporation**

COLLECTION POLICY

The following Collection Policy was adopted on the 16th day of December, 2015, by the Executive Board of Red Mountain Ranch of Gunnison County Association, Inc., a Colorado nonprofit corporation ("Association") pursuant to §§ 38-33-3-209.5, 38-33-3-316 & 38-33-3-316.3, C.R.S., at a regular meeting of the Executive Board.

NOW, THEREFORE, BE IT RESOLVED that the Association hereby adopts its Collection Policy, which shall be effective on the 16th day of December, 2015, as follows:

1. Assessments. For purposes of this Policy, "assessments" or "regular assessments" include regular and special assessments and any associated fees, charges, late charges, attorneys' fees, fines and interest. Assessments shall be paid in equal monthly, quarterly, semi-annual or annual installments, as determined by the Executive Board, on or before the tenth day of the month when such assessment is due. If an assessment is not paid by the 10th day of the month when the assessment is due, the assessment is delinquent.

2. Late fees & Interest. If the assessments become delinquent, a late charge of \$50.00 shall be assessed to the delinquent account. Delinquent assessments shall also bear interest at the rate of eighteen percent (18%) per annum from the date of delinquency until paid in full. The Association may also charge a \$50.00 fee for any returned check.

3. Prior to Referral to Legal Counsel. Prior to referring a delinquent account to the Association's legal counsel or to a collection agency, the Association shall mail the delinquent owner, via certified mail return-receipt requested, at the mailing address on file with the Association's managing agent, a notice of the delinquency that specifies:

3.1 The total amount due with an accounting of how the total was determined;

3.2 Whether the opportunity to enter into a payment plan exists pursuant to Section 4 below, and instructions for contacting the Association to enter into a payment plan;

3.3 The name and contact information for the individual the unit owner may contact to request a copy of the unit owner's ledger in order to verify the amount of the debt; and

3.4 That action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Association:

(a) Referring the unit owner's delinquent account to the Association's attorney or a collection agency;

(b) Filing and foreclosing a lien against the unit owner's property;

(c) Filing a lawsuit against the owner;

(d) Applying for a court-ordered receivership over the property;
and/or

(e) Initiating any other remedy or remedies available under Colorado law.

A sample Association delinquency notification letter is attached to this Collection Policy as **Exhibit "A"** for reference.

4. Payment Plans.

4.1 A unit owner is entitled to enter into a payment plan with the Association so long as the unit owner has not previously entered into a payment plan pursuant to this Collection Policy. If a unit owner has previously entered into a payment plan with the Association pursuant to this Collection Policy, the Association has discretion to permit such unit owner to enter into another payment plan, or pursue the legal remedies permitted under Colorado law for collection of delinquent Association accounts.

4.2 Any payment plan shall be offered in writing by the Association to the unit owner and shall permit the unit owner to pay off the delinquency in equal installments over a period of at least six (6) months. The six (6) month timeframe shall commence as of the date when the notice letter required by Section 3 above is mailed to the unit owner. The six (6) month offer by the Association to the unit owner is deemed to be the agreement among and between the unit owner and the Association, unless otherwise agreed in writing by the both parties. The unit owner must also remain current with regular assessments as they come due during the payment plan time period. A unit owner's failure to remit payment of an agreed-upon payment plan installment, or to remain current with regular assessments as they come due during the payment plan period, constitutes a failure to comply with the terms of the payment plan. If a unit owner fails to comply with terms of a payment plan, the Association may pursue the legal remedies permitted under Colorado law for collection of delinquent Association accounts.

5. Application of Payments. Payments received by the Association shall be applied in the following order, as may be applicable:

5.1 Attorneys' fees and legal costs and expenses;

5.2 Fines, late charges and interest;

5.3 Returned check charges and other costs owing or incurred with respect to such owner; and

5.4 Assessments due or to become due with application to the most long-standing delinquent assessment first.

6. Legal Remedies. In the event a unit owner does not comply with a payment plan or is not eligible for a payment plan, the Association may, pursuant to the Association's governing documents and Colorado law:

6.1 File a lawsuit by the Association against the delinquent owner;

6.2 File and foreclose a lien against the unit owner's property, but only if:

(a) The balance of the assessments and charges secured by the lien equals or exceeds six (6) months of common expense assessments based on a periodic budget adopted by the Association related to the subject unit; and

(b) The Executive Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the specific unit on an individual basis. The Executive Board may not delegate its duty to act under this subsection to any attorney, insurer, manager, or other person, and any legal action filed without evidence of the recorded vote authorizing the action must be dismissed.

(c) Refer the delinquent account to the Association's attorney or a collection agency; and/or

(d) Apply for a court-appointed receiver of the subject property.

7. **Exceptions.** This Collection Policy does not apply if the unit owner does not occupy the unit and has acquired the unit as a result of:

- 7.1 A default of a security interest encumbering the unit; or
- 7.2 Foreclosure of an Association lien.

8. **Conflict of Laws.** In the event of a conflict between this Collection Policy and the Association's Declaration, Bylaws, or any other policy, rule or regulation of the Association, this Collection Policy shall control.

CERTIFICATION

The undersigned, as President of Red Mountain Ranch of Gunnison County Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Collection Policy was adopted by the Executive Board of the Association at a duly called and held meeting on the 16th day of December, 2015, and in witness thereof, the undersigned has subscribed his or her name.

**RED MOUNTAIN RANCH OF GUNNISON COUNTY ASSOCIATION, INC.,
a Colorado nonprofit corporation**

By: *Bill Lacy*
Bill Lacy, President

EXHIBIT A

NOTICE OF DELINQUENCY

Your assessments payable to the undersigned Association are delinquent.

A. The total amount due is \$_____, comprised of the following:

Assessments for _____	\$ _____
Late fees _____	_____
Interest _____	_____
Attorneys' fees _____	_____
Total _____	\$ _____

B. The opportunity exists to enter into a payment plan pursuant to § 38-33.3-316.3, C.R.S. To enter into a payment plan, contact Rob Harper at Toad Property Management, 318 Elk Avenue, Post Office Box 2776, Crested Butte, CO 81224; (970) 349-2773. Email: rob@toadpropertymanagement.com.

C. To obtain a copy of your ledger in order to verify the amount of the debt, contact the individual named in paragraph B., above.

D. Action is required to cure the delinquency and failure to do so within 30 days may result in your delinquent account being turned over to a collection agency, a lawsuit being filed you against you, the filing and foreclosure of a lien against your property and/or other remedies available under Colorado law.

Signed this _____ day of _____, 201__.

Red Mountain Ranch of Gunnison County
Association, Inc.

By: _____
Rob Harper, Manager