

**RESOLUTION
OF THE
LAKEVIEW ESTATES VENTURE HOMEOWNERS' ASSOCIATION (LEVHA)
REGARDING POLICY AND PROCEDURES FOR COLLECTION OF UNPAID
ASSESSMENTS**

SUBJECT: Adoption of a policy stating LEVHA'S procedures regarding the collection of unpaid assessments.

PURPOSE: To provide notice of LEVHA'S adoption of this uniform and systematic procedure to collect assessments and other charges of the Association.

AUTHORITY: The Declarations, Articles of Incorporation , Bylaws of the Association, and Colorado Law.

EFFECTIVE DATE: _____

RESOLUTION: The Association hereby adopts the following policy:

It is the best interest of the Association to deal with delinquent accounts promptly so as to minimize the Association's loss of assessment revenue. LEVHA hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association.

1. Due Dates Installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the 1st day of each month. Assessments or other charges not paid in full to the Association within 15 days of the due date shall incur late fees. In the event that 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 post payments on the day that the payment is received in the Association's office.
3. Late Charges on Delinquent Installments The Association shall impose on a monthly basis a \$15.00 late charge for each Owner who fails to pay his/her installment of the annual assessment within 15 days of the due date. This late charge shall be a "common Expense" for each delinquent Owner. There is also a provision in the LEVHA Covenants for interest of 8% per annum to be charged on any assessment not paid within 30 days of the due date.
4. Personal Obligation for Late Charges The late charge 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 a manner provided by the Declaration (and as set forth here) for payment of assessments

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5. Return Check Charge In the event that an Owner's check or other instrument attributable to or payable for the Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds, a return check fee of \$20.00 shall be assessed against the Owner by the Association. This return check charge shall be a "common expense" for each Owner who tenders payment by a check or any instrument that is not honored by the bank upon which it is drawn. Such check charge shall be due and payable immediately upon demand and shall be in addition to any late fees or interest incurred by an Owner. Notwithstanding this provision, the Association shall be entitled to all additional remedies provided by applicable law.

If two or more of the 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 year, be made by certified check or money order.

6. 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 have been incurred but for the delinquency of the Owner.

7. Fees on Delinquent Accounts As an additional expense permitted under the Declaration 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. These fees shall be due and payable immediately when incurred, upon demand.

8. COLLECTION PROCESS

(a) After an installment of an annual assessment or other charges due to the Association become more than 15 days delinquent, the Association shall send a written notice ("First Notice") of non-payment and a copy of the Owner's ledger (which includes amount past due, amount of interest and late fees that have accrued), and request for immediate payment. The Association Notice, at a minimum, shall include the following:

(i) The total amount due to the Association along with an accounting of how the total was determined;

(ii) The name and contact information for an individual the Owner may contact for addition assistance;

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- (iii) A statement that Owner action is required to cure the delinquency within 30 days. Failure to do so may result in the Association filing a lien against the Owner's property.

(b) After an installment of an annual assessment or other charges due the Association becomes more than 60 days delinquent, the Association shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that late fees and interest have accrued, notice of intent to file a lien and request for immediate payment.

(c) After an installment of an annual assessment or other charges due the Association becomes more than 90 days delinquent, LEVHA shall file a lien upon the delinquent property.

(d) After an installment of an annual assessment or other charges due to the Association becomes more than 120 days past due, LEVHA shall send a Collection Letter detailing the amounts owed by the delinquent Owner, and offering a Payment Plan. The plan shall be for a minimum term of 6 months or such other term as may be approved by the Board of Directors. The delinquent Owner shall have 30 days from the date of the collection letter to respond to the plan offer. Such plan shall be offered to each Owner prior to the Association 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 Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action and may take such other action as it deems appropriate in relation to the delinquency.

9. Acceleration and Deceleration of Assessments The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

10. Consultation with and Referral to Legal Counsel The Association may consult an attorney at any time during the collection process to determine what collection procedures seem most appropriate in any given set of circumstances. The Association may also refer the delinquency to said attorney, who shall, in consultation with LEVHA'S Board of Directors and Managing agent, take whatever action is determined to be in the best interests of the Association. Once an account is referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance, or is written off.

Once an account has been referred to an attorney, neither the Manager, staff nor members of the Board of Directors shall discuss the collection of the account directly with the Owner, unless the attorney is present or has consented to the contact.

11. Certificate of Status of Assessment For a reasonable fee, the Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, a written statement setting forth the amount of unpaid assessments, currently levied against such Owner's property. However, if the account has been turned over to an 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, LEVHA Management 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, the Association may also cause, but shall not be required, to send an additional copy of that letter or notice by certified mail.

14. Waivers The Association is hereby authorized to extend the time for filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

15. 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 fees, return check charges, attorney fees and/or other costs as described and imposed by this Policy.

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

17. 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.

18. 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.

19. Amendment This policy may be amended from time to time by the Board of Directors.

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PRESIDENT'S

CERTIFICATION: The undersigned, being President of Lake View Estates Venture Homeowners Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on _____ and in witness thereof, the undersigned has subscribed his/her name.

**LAKE VIEW ESTATES VENTURE
HOMEOWNERS ASSOCIATION,**
a Colorado nonprofit corporation,

By: _____
President