RESOLUTION
OF THE RINN VALLEY RANCH HOMEOWNERS ASSOCIATION
REGARDING POLICY AND PROCEDURE FOR COLLECTION OF UNPAID ASSESSMENTS

EFFECTIVE DATE: April 21 ,2015.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado Law, including but not limited to C.R.S. §38-33.3-209.5.

WHEREAS the Board of Directors of the Association is charged with the responsibility of collecting assessments for common expenses from homeowners; and

WHEREAS from time to time homeowners become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner, and further believes it to be in the best interest of the Association to refer these accounts promptly for collection so as to minimize the Association's loss of assessment revenue;

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Rinn Valley Ranch Homeowner's Association adopt the following policy and procedure, effective as of the date stated above.

1. Obligation to Pay. Each Owner is personally obligated to pay the Association, as each is defined in the Declaration, (a) Common Expense Assessments, (b) Special Assessments, (c) fines and Individual Assessments, and (d) Costs of Enforcement, which shall be a continuing lien upon the Lot against which each such Assessment is levied. The obligation for these payments by each Owner to the Association is an independent personal covenant with all amounts due, from time to time, payable in full when due without notice or demand and without setoff or deduction. All Owners of each Lot shall be jointly and severally, personally liable to the Association for the payment of all Assessments and Costs of Enforcement attributable to their Lot.

2. Due Dates.

   (a) The Common Expense Assessment shall be levied on an annual basis and shall be due and payable on or before the 31st of January.

(b) Special Assessments shall be due and payable as established by the Board and may be payable on an installment basis as determined by the Board and as stated on the notice of special assessment.

(c) Fines and Individual Assessments shall be due and payable as established by the Board and as stated on the notice of fine or Individual Assessment.

Written notice of all Assessments shall be sent to each Owner subject thereto specifying the type of Assessment, the amount and the date the Assessment is due. **Assessments or other charges not paid in full within 15 days of the due date shall be considered past due and delinquent.**

3. Late Fees. Assessments or other charges past due more than 15 days shall incur a late fee of $25.00 per month until paid in full.

4. Returned Check Charges. A fee of $50.00, shall be assessed against an Owner in the event any check, authorization for direct payment from an Owner's checking or savings account, 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. In addition to this fee, Association shall be entitled to any and all additional remedies as may be available to it by applicable law.

5. Costs of Enforcement. Costs of Enforcement, including all fees, late charges, expenses, including receiver's fee, and reasonable attorney's fee and costs incurred by the Association (a) in connection with collection of Assessments, or (b) in connection with the enforcement of the terms, conditions and obligations of the Project Documents, or as otherwise provided for by the Declaration and/or Colorado law, shall be due and payable immediately when incurred, upon demand. Costs of Enforcement are enforceable as Assessments. If an Owner fails to timely pay Assessments or any other money or sums due to the Association, the Association may require reimbursement for collection costs and reasonable attorney fees and costs incurred as a result of such failure without the necessity of commencing a legal proceeding.

6. Application of Payments. Payments shall be applied to Costs of Enforcement, late charges, returned check charges, and other costs owing or incurred with respect to such Owner prior to application of the payment to any Common Expense Assessment, Special Assessment, fine or Individual Assessment. In the event of an outstanding Judgement, the Association may, but shall not be required to, first apply payments received following entry of a judgement towards post-judgement attorney's fees and costs and/or Assessments and other charges coming due following the entry of the judgement.

7. Acceleration. If any Assessment (to include the Costs of Enforcement) is not fully paid within 15 days after the same becomes due and payable, then the Board may accelerate

and declare immediately due and payable all unpaid installments of the Assessment otherwise due in the fiscal year during which the default occurred.

8. Suspension of Voting Rights. The Board may suspend the voting rights of an Owner for any period during which any Assessment remains unpaid.

9. Payment Plan. Subject to the following restrictions, limitations, conditions and requirements, the Association shall offer a payment plan to any delinquent Owner and make a good faith effort to coordinate with the Owner to set up a payment plan:

   (a) The Association shall not be required to offer a payment plan if the Owner does not occupy the Lot and has acquired the property as a result of (1) a default of a security interest encumbering the Lot; or (2) foreclosure of the Association's lien.

   (b) The Association or a holder or assignee of the Association's debt shall not be obligated to negotiate a payment plan with an Owner who has previously entered into a payment plan.

   (c) The payment plan must permit the Owner to pay off the deficiency in equal installments over a period of at least six months.

   (d) If the Owner fails to comply with the terms of his or her payment plan, the Association may pursue legal action against an Owner.

   (e) 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 term of the payment plan, constitutes a failure to comply with the terms of his or her payment plan.

10. Notice of Delinquency. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association must send the Owner a notice of delinquency specifying:

   (a) The total amount due, with an accounting of how the total was determined;

   (b) Whether the opportunity to enter into a payment plan exists pursuant to Paragraph 8 above and instructions for contacting the Association to enter into such a payment plan;

   (c) The name and contact information for the individual the Lot Owner may contact to request a copy of the Lot Owner's ledger in order to verify the amount of the debt; and

   (d) That action is required to cure the delinquency and that failure to do so within 30 days may result in the Lot Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and

foreclosure of a lien against the Lot Owner's property, or other remedies available under Colorado Law;

(e) The method by which payments may be applied on the delinquent account of the Lot Owner; and

(f) The legal remedies available to the entity to collect on the Lot Owner's delinquent account pursuant to the governing documents of the entity and Colorado law.

The Notice of Delinquency shall be mailed to the Lot Owner at the Lot Owner's property address unless the Owner has registered a different mailing address with the Association.

11. Collection Process. The following collection process will be applied to all past due and delinquent accounts.

(a) First Notice (Initial Warning). If an Assessment or other charge is not paid within 30 days of the due date, then the Association shall send a written notice of non-payment including the amount past due, the late fees, and a request for immediate payment.

(b) Second Notice (Notice of Delinquency). If an Assessment or other charge is not paid within 60 days of the due date, the Association shall send a Notice of Delinquency as set forth in Paragraph 10 above.

(c) Third Notice (Final Warning). If as Assessment or other charge is not paid within 90 days of the due date (or an alternative payment arrangement made), the Association shall send a written notice of non-payment, including the amount past due, the late fees accrued, a request for immediate payment, and notice that the past due account, if not paid, will be turned over to the Association's attorney for legal action.

12. Registration by Owner of Mailing Address. Each Owner shall register his or her mailed address with the Association, and except for monthly statements and other routine notices, which shall be personally delivered or sent by regular mail, all other notices or demands (including the First Notice, Second Notice/Notice of Delinquency, and Third Notice) intended to be served upon an Owner shall be delivered personally or sent by either registered or certified mail, postage prepaid, return receipt requested, addressed in the name of the Owner at such registered mailing address. The cost and expense incurred by the Association in preparing and mailing the First Notice, Second Notice/ Notice of Delinquency, Third Notice and any other notice or demand prepared in regard to a past due and delinquent account will be considered a Cost of Enforcement, chargeable against the past due Owner, and shall be due and payable immediately when incurred, upon demand.

13. Referral of Delinquent Account to an Attorney. Once a past due and delinquent account has been turned over to the Association's attorney, the attorney, in consultation with the Board, may pursue any or all legal remedies available to the Association, including but not limited to:

(a) recording a notice of lien against the Owner's Lot for any Assessment levied by the Board and for Costs of Enforcement levied against such Lot;

(b) filing an action at law in any court of competent jurisdiction against any Owner personally obligated to pay the same and obtain a judgment for the amounts due;

(c) foreclosing on the Association's Assessment Lien against the Lot;

(d) seeking the appointment of a receiver to collect all sums alleged to be due from the Owner prior to or during the pending of any action;

(e) exercising its lien rights to rents and profits by delivery of a notice of exercise of such right to the occupant or any payer of rents and profits and thereafter collect all such rents and profits to the extent of any delinquency;

(f) in the event of judgment, the pursuit of all enforcement/ collection procedures available to the Association under Colorado law, including but not limited to wage and asset garnishment and liens; and

(g) in the event of bankruptcy, the pursuit of all claims, actions and other remedies which may be available to the Association through the bankruptcy court or proceeding.

The Association may pursue any action or remedies to collect amounts owed in any order or contemporaneously and cumulatively.

14. Appointment of a Receiver. The Board may seek the appointment of a receiver to collect all sums alleged to be due from the Owner prior to or during the pending of any action. A receiver is a disinterested person, appointed by the court that manages the rental of the Lot, collects the rent and disburses the rents according to court 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.

15. Judicial Foreclosure. The Association's lien may be foreclosed in like manner as a mortgage on real estate; except that the Association may only foreclose on the lien if;

(a) the balance of the Assessment and other charges secured by the lien equals or exceeds six months of common expense assessment based on a periodic budget adopted by the Association; and

(b) the Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against home on an individual basis.

16. No prohibition against immediate action when necessary and/or advisable. In the event of bankruptcy, foreclosure by any other lienholder or any other situation warranting immediate action, the Association and/or the Association's attorney may take any and all steps necessary and/or advisable to protect the Association's interests, without regard to the collection process, policy or procedure set forth herein.

17. Reservation of Rights. Nothing in this policy shall require the Association to take specific action. Except as prohibited by law, the Association has and reserves the right to evaluate each delinquency on a case-by-case basis and to deviate from or modify the procedures set forth herein as may be necessary or advisable under individual circumstances. The Association further reserves to right to settle any past due and/or delinquent account for less than the full amount due or as may otherwise be advisable under the individual circumstances.

18. Deviation. The Board may deviate from the procedures set forth herein, if, in its sole discretion, such deviation is reasonable under the circumstances.

19. Defenses. Failure of the Association to comply with any provision herein provided shall not be deemed a defense to payment of any Assessment, interest fee, late fee, returned check charge, Cost of Enforcement or/any other charge described in or imposed by this policy.

20. Definitions. Capitalized and defined terms in the Declaration of Covenants, Conditions and Restrictions of Rinn Valley Ranch when used herein shall have the same meaning as in the Declaration.

21. Conflict. In the event that there is a conflict between the provisions in this collection policy and Colorado statue or law, the provisions of the statue or the law shall apply and this collection policy shall be deemed to be amended as necessary to comply with the provisions of any applicable statue or law and any late charges, interest, fines, etc. provided for herein shall automatically be reduced as required by applicable law. Notwithstanding the foregoing provisions of this Paragraph 21, and unless otherwise prohibited by law, payment of any amount claimed due pursuant to the Declaration, the Bylaws, the Articles and the Rules and Regulations of the Association, or this collection policy shall be deemed a waiver of any defense that the Owner may have had in regard to the payment thereof including any claim for reduction which may have otherwise been available.

22. Superseding Previous Policies. This policy shall replace and supersede any previous Rule or Regulation of the Association addressing the collection of unpaid assessments.

23. Amendment. The policy may be amended from time to time by the Board of Directors.

THE RINN VALLEY RANCH HOMEOWNERS ASSOCIATION INC.

By: _____
President

ATTEST: The foregoing is hereby certified to be the Policy and Procedure for Collection of Unpaid Assessments adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on April, 21, 2015.

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Secretary