

**RESOLUTION
OF RICHARDSON SQUARE CONDOMINIUMS ASSOCIATION, INC.
REGARDING COLLECTION OF UNPAID ASSESSMENTS**

SUBJECT: Adoption of a procedure for collection of unpaid assessments pursuant to C.R.S. §§ 38-33.3-209.5, 38-33.3-316 & 38-33.3-316.3.

PURPOSE: To adopt a standard procedure to be followed so that collection actions are applied in accordance with Colorado law.

EFFECTIVE DATE: April 28, 2016.

RESOLUTION: RICHARDSON SQUARE CONDOMINIUMS ASSOCIATION, INC. (the "Association") hereby adopts the following collection policy:

1. Assessments. For purposes of this Collection Policy, "assessments" or "regular assessments" include regular and special assessments and any associated fees, charges, late charges, attorney's fees, fines and interest. Assessments shall be paid in equal monthly, quarterly, bi-annual or annual installments, as determined by the 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, Fines & Interest. If the full amount of any assessment is not received by the Association's managing agent by the 10th day of the month in which the assessment is due, the assessment shall be considered delinquent. Delinquent assessments shall bear interest at the rate of eighteen percent (18%) per annum from the date of delinquency until paid in full. The Association may also impose a \$25.00 late fee to any unpaid assessment and charge a \$25.00 fee for any bounced or returned check.

3. Prior to Referral to Legal Counsel. Prior to referring a delinquent account to the Association's attorney 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, a notice of the delinquency that specifies:

- 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 Section 4 below and instructions for contacting the Association to enter into a payment plan;
- c. 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
- d. That action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the following:
 - i. The unit owner's delinquent account being turned over to the Association's attorney or a collection agency;
 - ii. A lawsuit being filed against the owner;

- iii. The filing and foreclosure of a lien against the unit owner's property;
- iv. The Association applying for a court-ordered receivership over the property; and/or
- v. Any other remedies available under Colorado law.

4. Payment Plans.

a. *Eligibility.* A unit owner is entitled to enter into a payment plan with the Association so long as the unit owner has not already 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, it is at the discretion of the Board whether to permit such unit owner to enter into another payment plan, or whether to pursue the legal remedies permitted under Colorado law for collection of delinquent Association accounts.

b. *Terms.* Any payment plan entered into between the Association and a delinquent unit owner shall permit the unit owner to pay-off the delinquency in equal installments over a period of at least six (6) months. 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 (see Section 6 below).

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

- a. Attorney's fees and legal costs and expenses;
- b. Fines, late charges and interest;
- c. Returned check charges and other costs owing or incurred with respect to such owner; and
- d. Assessments due or to become due with application of the payment 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 legal remedies available to the Association to collect a unit owner's delinquent account are as follows:

- a. A lawsuit by the Association against the delinquent owner;
- b. The filing and foreclosure of a lien against the unit owner's property, but only if:
 - i. 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; and

ii. The 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 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. Referral of the delinquent account to the Association's attorney or a collection agency;

d. The Association may apply to be a court-appointed receiver of the subject unit; and/or

e. Any other remedies available under Colorado law.

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:

a. A default of a security interest encumbering the unit; or

b. 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, being the president of RICHARDSON SQUARE CONDOMINIUMS ASSOCIATION, INC., certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on April 28, 2016.

In witness whereof, the undersigned has subscribed her name.

RICHARDSON SQUARE CONDOMINIUMS ASSOCIATION, INC.

By: Donna Janks
Donna Janks, President