

FALL CREEK VILLAGE
A Colorado Common Interest Community
Located in portions of Section 13 T43N R11W, and Section 18, T43N R10W, N.M.P.M.
San Miguel County, Colorado

**FALL CREEK VILLAGE HOMEOWNERS ASSOCIATION, INC.,
A COLORADO NONPROFIT CORPORATION**

RESPONSIBLE GOVERNANCE POLICY
© 2010 Erin J. Johnson Attorney at Law LLC. All rights reserved.

POLICY #2-2010: COLLECTION OF UNPAID ASSESSMENTS

Adopted September 3, 2010. Amended 11-29, 2011.

The following policy has been adopted by the Fall Creek Village Homeowners Association, Inc., a Colorado Non-Profit Corporation ("Association") pursuant to C.R.S. §38-33.3-209.5, and in accordance with C.R.S. §38-33.3-123, §38-33.3-315, §38-33.3-316, the Governing Documents of the Association, and the Act, at a regular meeting of the Board.

Purpose: All Members are obligated by the Declaration to pay all dues and Assessments in a timely manner, and failure to do so jeopardizes the Association's ability to meet its financial obligations. Failure of Members to pay Assessments in a timely manner is also costly to the Association and unfair to other Members. Accordingly, the Association, acting through the Board must take steps to ensure timely payment of Assessments so that it may operate in a fiscally responsible manner. The purpose of this policy is to establish a uniform and systematic procedure for collecting Assessments and other charges of the Association, thus ensuring the financial well being of the Association.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following policy governing the collection of Assessments and other charges of the Association:

1. Due Dates.

a. Annual Assessment. The annual Assessment as determined by the Association shall be due and payable annually within fifteen (15) days of the due date established by the Board. The Board may allow for the payment of the annual Assessment on a monthly installment basis or other terms as the Board may deem advisable.

b. Other Amounts Due to the Association. Other Assessments, charges, and payments due to the Association shall be due and payable as determined by the Board, and shall be considered past due and delinquent on the thirty-first (31st) day after the due date.

c. Transfer of Ownership. In the event that the ownership of a Unit is transferred on a day other than the first day of the month, the annual Assessment and any other Assessments, charges and payments due and payable to the Association as of the date of the closing shall be

prorated to the date of closing. Unless otherwise allowed by the Association in writing, and if not sooner paid by the seller and/or buyer, all Assessments, charges, and payments due and payable to the Association shall be paid at closing.

2. Late Charges and Interest Charges. The Association shall be entitled to impose a late charge equal to ONE HUNDRED DOLLARS (\$100.00) on each past due and delinquent installment, plus the actual cost of recording fees for the recording of a statement of lien or amended statement of lien. If any Assessment is not paid within thirty (30) days after its due date, the amount due shall bear interest at a rate of nine percent (9%) per annum from the due date until paid. All late charges and interest charges shall be due and payable immediately, without notice, in the manner provided for payment of Assessments.

3. Return Check Charges. Any charges of a bank or other financial institution related to a returned check 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. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of an Owners checks are returned unpaid by the bank within any twelve month period, the Association may require that all of the Owners future payments, for a period of one year, be made by certified check or money order.

4. Attorney Fees on Delinquent Accounts. The Association shall be entitled to recover its collection costs and reasonable attorney fees and costs incurred in the collection of Assessments or other charges due the Association from a delinquent Owner, without the necessity of commencing a legal proceeding.

5. Application of Payments made to the Association. The Association reserves the right to apply all payments received on account of any Owner first to payment of any and all attorney fees and costs, then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner, and any remaining amounts shall be applied to the Assessments due with respect to such Owner.

6. Collection Procedure; Lien.

a. First Notice. The original written communication to the Owner regarding an annual Assessment or other Assessment, charge or payment owed to the Association, however accomplished by the Association, constitutes the first notice to the Owner of an amount due to the Association.

b. Statutory Lien. The Association has a statutory lien on a Parcel for any Assessment levied against the Unit and other fines and charges allowable under the Act as Assessments imposed against the Owner. The recorded Declaration constitutes record notice and perfection of the lien, no further recordation of any claim of lien for Assessments is required for the statutory lien. The amount of the lien includes the amount of any Assessment and all allowed charges from the time they become due. If an Assessment is payable in installments, each

installment is a lien from the time it becomes due, including the due date set by any valid acceleration of installment obligations. The Association's lien has priority over other liens as provided by the Act.

c. Notice of Delinquency and Recording of Lien. After an installment of the annual Assessment or other Assessment, charge or payment owed to the Association is due and remains unpaid, the Association may send a notice of delinquency to the Owner, including any applicable fees, late charges and interest. The Association may record a lien or amended lien in the office of the Clerk and Recorder of San Miguel County regarding any delinquent amount due to the Association.

d. Foreclosure and Other Remedies. The Association's lien may be foreclosed in a like manner as a mortgage on real estate, or as provided by the Act, and the Association has the right to pursue other available remedies, including suits to recover sums. Foreclosure actions and/or all other remedies at law or in equity may be initiated by the Association at any time that the Owner's account is in a delinquent status. The Association has the right to accept a deed in lieu of foreclosure in settlement of its claims.

e. Attorney Fees. The Association shall be entitled to costs and reasonable attorney fees incurred by the Association in a judgment or decree in any action or suit brought by the Association in accordance with the Act.

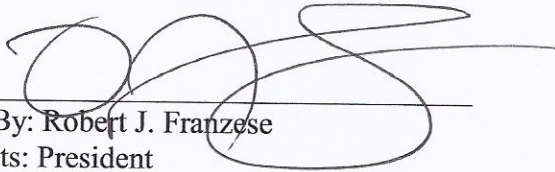
7. Referral of Delinquent Accounts to Attorneys. The Association may, but shall not be required to refer delinquent accounts to its attorney for collection. After consultation with the Board or the Association's managing agent, the attorney shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent Owners property.

8. Referral of Delinquent Accounts to Collection Agencies. The Association may, but shall not be required to assign delinquent accounts to one or more collection agencies for collection.

9. Waivers. Nothing in this Resolution shall require the Association to take specific actions other than to notify Owners of the adoption of this policy. The Association has the option and right to continue to evaluate each delinquency on a case by case basis. The Association may grant a waiver of any provision herein upon petition in writing by an Owner showing a personal hardship or other valid basis for a waiver. Such relief granted an Owner shall be appropriately documented in the records of the Association, including the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate under the circumstances.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of the Fall Creek Village Homeowners Association, Inc., a Colorado Non-Profit Corporation, certifies that the foregoing Resolution was approved and adopted by the Board, at a duly called and held meeting of the Board on (date) 9/3/2010 and in witness thereof, the undersigned has subscribed his name.

FALL CREEK VILLAGE HOMEOWNERS ASSOCIATION, INC.,
a Colorado nonprofit Corporation

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right. The signature is written over a horizontal line.

By: Robert J. Franzese
Its: President