

**RESOLUTION
OF
THE ANCHORAGE CONDOMINIUM ASSOCIATION
COLLECTION OF UNPAID ASSESSMENTS**

SUBJECT: Adoption of a policy and procedure for Anchorage Condominium Association (the "Association") regarding the collection of unpaid Assessments.

PURPOSE: The purpose of this policy is to provide notice of the Board of Managers' (the "Board") adoption of a uniform and systematic procedure to collect Assessments and other charges of the Association that complies with statutory requirements.

AUTHORITY: The Colorado Common Interest Ownership Act ("CCIOA"), the Nonprofit Corporation Act, the Condominium Declaration for The Anchorage recorded with the Summit County, Colorado, Clerk and Recorder on February 13, 1970 at Reception No. 115201 in the Summit County records, as amended (the "Declaration"), the Bylaws of the Anchorage Condominium Association, which together with the Articles of Incorporation, Policies, Rules and Regulations are referenced as the "Governing Documents".

EFFECTIVE: Upon Approval

RESOLUTION: The Board hereby adopts the following policy and procedure subject to:

- Definitions: Unless otherwise defined, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
- Compliance with Law. The provisions of this Resolution comply with the provisions of the Declaration and the law of the State of Colorado governing the Association.
- Deviations. The Board may deviate from any provision of this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
- Amendment. The Board may amend the following policies from time to time.

COLLECTION OF UNPAID ASSESSMENTS

1. Purpose of the Collection Policy. One of the many advantages of living in a community association is sharing with other members the costs of certain maintenance, repairs, and amenities that are often too expensive for a single Owner. All Owners are legally bound to share those costs. It is imperative for the proper maintenance of the Association's Common Elements that all Assessments, whether regular or special, be paid in full and on time. Delinquencies throw the Association's entire budget off course and negatively affect all Owners' property values and lifestyles. To maintain our community adequately, state statutes and our Governing Documents give the Board the authority to impose and collect Assessments and other allowable charges from Owners. In fact, the Board owes a duty to all Owners to make sure everyone pays. The Board has adopted the following policy to fulfill its duty in a fair, systematic, and impartial manner.

2. Common Expenses. "Common Expenses" are the expenses and liabilities of the Association including allocations for reserves. Common Expenses include expenses of administration and management, maintenance, repair or replacement of the Common Elements; expenses declared Common Expenses by the Governing Documents; and expenses agreed upon as Common Expenses by the Owners. Common Expenses are funded by Assessments against the Units as provided in the Declaration including default Assessments for rules violation fines, late fees, common area repairs, insurance deductibles, attorney fees, interest, or other charges imposed under the Governing Documents.

3. When Assessments Are Due. Assessments are due on the first day of each month, or in such other installments as the Board may determine from time to time. Payments for other Assessments are due thirty (30) days after the mailing of notice of Owners' obligation to pay, unless otherwise stated. If an Owner does not pay in full any Assessment by its due date the Owner's account is delinquent.

4. Where to Send Payment. Owners shall deliver all payments to the Association as follows:

Anchorage Condominium Association
P.O. Box 2590
Dillon, CO 80435-2590

5. Notice of Delinquency.

a. *First Notice.* After an Assessment is delinquent for thirty (30) days the Association Managing Agent will send to the Owner a written notice of delinquency ("First Notice"). The First Notice will state:

- i. The total amount due with an accounting of how the total was determined;
- ii. Who the delinquent Owner may contact to verify the amount past due;
- iii. The Owner must cure the delinquency by payment of the amount owed either in a lump sum or under a payment plan pursuant to Section 7, and who the Owner may contact regarding a lump sum payment or a payment plan;
- iv. How payments will be applied to the delinquency;
- v. If the Owner fails to cure the delinquency within 30 days the delinquent account may be turned over to the Association's attorney for collection, filing a lien and other remedies available to the Association pursuant to the Governing Documents and Colorado law.

b. *Second Notice.* After an Assessment is delinquent for sixty (60) days, the Managing Agent may send the delinquent Owner a second written notice of non-payment ("Second Notice"). The Second Notice will state the amount past due, that interest and late fees have accrued and the amount thereof, and that the Managing Agent will turn the account over to the Association's attorney for collection if they do not cure the delinquency within 30 days after the date of the Second Notice.

c. *Final Notice.* After receiving the delinquent account, the Association's attorney will file a lien and send a letter ("Final Notice") to the delinquent Owner demanding immediate payment for past due Assessments, and that the delinquent Owner has 15 days from the date of the Final Notice to cure the delinquency. Upon further review, and the Board's compliance with Section 14 below, the Association's attorney may file a lawsuit or pursue other remedies authorized under the Governing Documents and Colorado law. A delinquent Owner must pay reasonable attorney's fees the Association incurs together with costs, applicable interest and late fees, whether or not suit is initiated.

6. Collection Remedies. The Association may take any or all of the following actions if an Owner's account is delinquent:

a. *Late Fees and Interest.* If the Association does not receive payment for any Assessment in full on or before the thirty (30) days after it becomes due, the delinquent Owner must pay a late charge of **\$100.00** as liquidated damages for the

Association's time, inconvenience, and overhead in collecting the late payment. The delinquent account will also accrue interest at 12% per annum from the due date until the date of payment.

b. Returned Checks. Any Owner who writes a check to the Association that the Association's bank returns for any reason must pay the following charges:

i. a return check charge of **\$100.00** plus any related bank charges that the Association incurs because of the returned check; and

ii. If notice has been sent pursuant to C.R.S. § 13-21-109 and the total amount due set forth in that notice is not paid within fifteen (15) days after such notice is given, the person issuing the check, draft or money order will be liable to the Association for collection of three (3) times the face amount of the check, but not less than \$100.00.

iii. If Owner writes two or more checks to the Association that the Association's bank returns for any reason within one fiscal year, the Association may require that Owner to pay Assessments for one fiscal year with certified funds.

c. Reserve Deposit. The Association may require an Owner to deposit with the Association an amount equal to one quarterly Assessment to be held by the Association as an operational reserve. Payment of such amount shall not relieve an Owner of the obligation to pay the quarterly Assessments as they becomes due. Upon transfer of a Unit, the transferring Owner shall receive any portion of the reserve payment which remains unused as of the date of such transfer, on the condition that the transferee establishes a reserve in at least the credited amount upon assumption of ownership of the Unit.

d. Suspend Privileges. If an account is delinquent for more than sixty (60) days, the Association will give the Owner thirty (30) days notice of intent to suspend voting privileges and use of common elements.

e. Assignment of Rents. In the event of any delinquency, Owner assigns all rents of their Unit to the Association, who upon written notice to the Tenant will be entitled to collect all rent and other sums due under the rental agreement.

7. Payment Plan: In compliance with C.R.S. § 38-33.3-316.3, the Association will make a good faith effort to set up a payment plan with a delinquent Owner prior to turning the Owner's delinquent account over to a third party debt collector or referring the account to an attorney for legal action. An Owner should contact the Managing Agent as provided in Section 4 to request a copy of the ledger to confirm the amount of Assessments owed or to set up a payment plan.

a. Requirements. A payment plan negotiated between the Association Treasurer or Managing Agent and an Owner pursuant to this Section must permit the Owner to pay off the delinquency in equal installments over a period of at least six months. The plan will also require the Owner to pay all periodic and other Assessments as they become due during the term of the payment plan. A payment plan will contain the material terms as set forth in the template attached as Exhibit A to this Resolution, as may be amended by the Association Treasurer to address the particular circumstances of the delinquency.

b. Default. The Association may pursue any collection remedy or legal action the Governing Documents authorize against an Owner who defaults on the terms of a payment plan entered into pursuant to this Section. An Owner will be in default of their payment plan if the Owner fails to timely pay an agreed upon installment, or if the

Owner otherwise defaults under the terms of the payment plan.

c. Exceptions. The Association is not required to set up payment plans with an Owner who does not occupy the Unit and acquired the property as a result of a Default of a Security Interest, or an Owner that has previously entered into a payment plan pursuant to this Section.

8. Habitual Delinquency. An Owner that is more than thirty (30) days delinquent on two or more monthly Assessment payments in any six month period will be considered habitually delinquent. The Board may require habitually delinquent Owners to arrange for future installment payments to be made to the Association by Automated Clearing House (ACH) direct debit transfers or automatic Electronic Funds Transfer (EFT). The Board may not require an Owner to make ACH transfers for a term longer than twelve (12) consecutive months, unless the Owner requests to continue paying installments of Assessments by ACH or EFT transfers.

9. Crediting Late Payments. All delinquent accounts remain delinquent until paid in full. Acceptance of partial payments will not waive the Association's right to pursue full payment and/or to enforce the provisions of this policy. The Association will apply partial payments to the outstanding balance in the following order:

- a. Post judgment attorney's fees and costs;
- b. Post judgment interest;
- c. Late charges, returned check charges, lien fees, and any other fines or costs owing or incurred;
- d. Interest accrued on any unpaid post judgment Assessments;
- e. Unpaid Assessments, with payments applied to the oldest balance first;
- f. Current Assessments; and
- g. Amounts reduced to Judgment.

10. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual or special Assessment of any delinquent account. Such acceleration will result in the entire unpaid Assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated Assessment.

11. Certificate of Status of Assessment. The Association will furnish to an Owner or such Owner's designee within fourteen (14) days after written request to the Association's agent, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner's Unit for a fee of **\$60.00**. However, if the account has been turned over to the Association's attorney, such request will 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, the Managing Agent will notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

13. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of Assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court that manages the rental of the property, collects the rent and disburses the rents according to the court's 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.

14. Judicial Foreclosure. If the balance of the delinquent Assessments and charges secured by its lien equals or exceeds six months of Common Expense Assessments based on a periodic budget adopted by the Association, the Association may foreclose on the lien in lieu of or in addition to suing an Owner for a money judgment. The purpose of foreclosing is to obtain payment of all Assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. With respect to such action:

a. The Board must formally resolve, pursuant to a recorded vote, to authorize the filing of a legal action against an Owner or a Unit.

b. The Board may not delegate its duty under this Section to any attorney, insurer, manager, or other person.

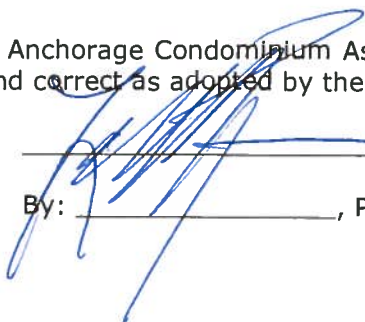
15. Waivers. The Association is authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association determines is appropriate under the circumstances.

16. Notices. The Association will cause a collection or demand letter or notice to be hand delivered or sent to a delinquent Owner at the registered or last known address by regular mail. The Association may, but is not required to send an additional copy of that letter or notice by e-mail or certified mail.

17. Communication with Owners. All communication with a delinquent Owner will initially be handled by the Managing Agent, but once a matter is referred to the attorney communication will be handled through the Association's attorney. A Board member or Managing Agent may not discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

18. Defenses. Failure of the Association to comply with any provisions in this policy will not be deemed a defense to payment of Assessment fees or other charges, interest, late charges, return check charges, attorney fees and/or costs as described and imposed in this policy.

The undersigned officer of Anchorage Condominium Association hereby certifies that the foregoing Resolution is true and correct as adopted by the Board of Managers.



By: _____, President
Date _____

Date

NOTICE OF DELINQUENCY

Owner Address
Sent via Certified Mail

Re: Anchorage Condominiums

Dear Owner :

This letter is to notify you that you are delinquent in paying assessments due to Anchorage Condominium Association (the "Association"). The current amount owed on the Property is as follows:

Description	Balance Due
Delinquent Assessments from _____ Through _____	\$ _____
Late Fees	\$ _____
Interest at 12%	\$ _____
Costs of Collection	\$ _____
TOTAL DELINQUENCY	\$ _____

The Association requests that you forward a certified or cashier's check, payable to the Association, in the amount of \$10,195 within 30 days of this notice. Payment may be delivered to the Association as follows:

Anchorage Condominium Association
C/O Summit Resort Group
P.O. Box 2590
Dillon, CO 80435-2590

You must cure the delinquent amount by lump sum payment or payment plan. Please contact the Association's Managing Agent, Kevin Lovett, at (970) 468-9137 to verify the amount owed or to discuss entering into a payment plan with the Association. Pursuant to the Governing Documents, payments will be applied in the following order: fines, late fees, interest, any other penalties the Association may charge, court costs, attorney fees, costs of collection, and unpaid special assessments and regular assessments, payments applying to the oldest balance first. The Association will pursue all remedies available to it under the Governing Documents and applicable law if you fail to cure the delinquency.

If the total delinquent amount is not cured within 30 days, the Association may record a lien against the Property with the Summit County Clerk and Recorder and the account may be turned over to the Association's attorney for collection. Additionally if the delinquency remains unpaid, the Association is entitled to the following remedies: acceleration of the entire annual or special assessment, suspension of privileges and access to amenities, assignment of rent, appointment of receiver, judgment and/or foreclosure. You will be responsible for continuing

late fees, interest, collection costs and attorney's fees incurred due to the Association's collection efforts.

Please contact us with any questions you may have regarding this matter.

Certain disclosures and notifications concerning your rights and duties in this matter have been placed on the 3rd page of this notice.

**FOR INFORMATION ABOUT THE COLORADO FAIR DEBT
COLLECTION PRACTICES ACT, SEE WWW.AGO.STATE.CO.US/CAB.HTM**

Sincerely,

ANCHORAGE CONDOMINIUM ASSOCIATION

By: Kevin Lovett , Managing Agent

NOTICE AND DISCLOSURE

1. The amount of debt you owe is \$ ____ through _____, plus costs of collection.
2. The name of the creditor to whom you owe the debt is Anchorage Condominium Association
3. Unless you dispute the validity of the debt or any portion thereof within 30 days after receipt of this notice, we shall assume the debt to be valid.
4. If you notify us in writing within this 30-day period that you dispute this debt or any portion thereof, we will obtain verification of the debt or judgment, if one exists, and will mail you a copy.
5. Upon your written request within the 30-day period we will provide you with the name and address of the original creditor, if different from the current creditor.
6. If you notify our office in writing within the 30 day period that the debt, or any portion thereof, is disputed, we will cease collection of the debt, or any disputed portion thereof, until we obtain verification of the debt or a copy of the judgment or the name and address of the original creditor and we will mail a copy of such verification or judgment to you.
7. Your failure to dispute the validity of the debt shall not be construed by a court as an admission of liability by the consumer.
8. If you refuse to pay the debt or you wish our agency to cease further communication and you so advise our office in writing, we shall not communicate further with you except:
 - A. To advise you we intend to invoke specified remedies permitted by law or that we may invoke specified remedies which we ordinarily invoke;
 - B. To advise you our efforts are being terminated.
9. This is an attempt to collect a debt. Any information obtained will be used for that purpose.
10. Collection agencies are licensed by the collection agency board. The board's current address is Office of the Colorado Attorney General, Collection Agency Board, 1525 Sherman Street, 5th Floor, Denver, Colorado 80202.
11. Consumers shall not send any payments to the collection agency board.

PAYMENT PLAN AGREEMENT FOR DELINQUENT ASSESSMENT

This PAYMENT PLAN AGREEMENT FOR DELINQUENT ASSESSMENT (the "Agreement") is made between Anchorage Condominium Association, a Colorado non-profit corporation, through its Managing Agent, Summit Resort Group, Inc., P.O. Box 2590, Dillon, Colorado 80435-2590 (the "Association"), and _____, [insert mailing and email addresses]_____, (the "Owner").

RECITALS

A. The Association is a Colorado nonprofit corporation formed to represent the interests of the Unit Owners as provided in the Condominium Declaration for The Anchorage recorded with the Summit County, Colorado, Clerk and Recorder on February 13, 1970 at Reception No. 115201 in the Summit County records, as amended (the "Declaration"). The Owner owns Condominium Unit _____, and is subject to the Declaration.

B. The Association is owed the following Assessments, pursuant to the Declaration and the Association's Collection Policy.

Description Of Charges	Balance Due
Delinquent Assessments from DATE to DATE	\$ _____
Late Fees to DATE	\$ _____
Interest to DATE	\$ _____
Attorney Fees since _____	\$ _____
TOTAL	\$ _____

C. The Owner and Association desire to provide a payment plan for Owner to cure the Assessment delinquency upon the terms set forth in this Agreement.

IT IS THEREFORE AGREED AS FOLLOWS:

AGREEMENT

1. Payment. The Owner agrees to pay the delinquent Assessment in the amount of \$ _____ as follows:

a. Six (6) equal installment payments of \$ _____, which must reach the office of the Association's Managing Agent by the [insert day] of each month, starting _____, 20__ and ending _____, 20__.

b. All payments must be delivered to the following address:

Anchorage Condominium Association
 Attn: Kevin Lovett, Managing Agent
 Summit Resort Group, Inc.

P.O. Box 2590
Dillon, CO 80435-2590

c. The Owner further agrees to pay in full all Assessments becoming due under this Agreement, including monthly Assessments in the amount of \$_____.

d. The delinquent Assessments due under this Agreement will accrue interest at the rate of 12% per annum from the date of this Agreement until paid in full.

e. So long as the Owner is in compliance with the terms of this Agreement the Association will be not pursue any further collection remedies or incur additional costs. Upon timely receipt of all payments due under this Agreement the Association will also waive all interest accrued thereon.

2. Default/Acceleration of Assessments. If the Owner does not pay all Assessments as provided in this Agreement the Owner will be in default. In the event of default the Association may declare all Assessments due under this Agreement, plus future Assessments for the remainder of the year, accumulated interest, late fees, and attorney's fees due.

3. Enforcement/ Entry of Judgment. If the Owner defaults, without further notice the Association may file this Agreement in the Summit County Court and obtain judgment in the total amount then due and owing under this Agreement, including all Assessments, accumulated interest, late fees, attorney's fees, costs and expenses incurred by the Association, plus attorney's fees and other collection costs and expenses incurred by the Association. The Owner and the Association agree that the Association is not waiving any rights it may have under the Declaration or Collection Policy if payments are not made as provided above. Upon Owner's default this Agreement may be recorded in the Summit County Colorado Clerk & Recorder's office.

4. Review and Voluntary Agreement. By executing this document each party represents that he/she/it has had the opportunity to review this Agreement with an attorney, has fully read, understands and voluntarily accepts the terms and conditions contained herein.

5. Counterpart Execution. This Agreement may be executed by electronic signature in counterpart by the parties, which parts when taken together shall constitute a binding agreement.

6. Entire Agreement. This Agreement contains the entire agreement of the parties, and no promise, agreement, statement or representation not herein expressed has been made to or relied upon by them in entering into this Agreement.

7. No Oral Modifications. This Agreement may not be amended, modified, or extended except by a written instrument executed by both the parties.

8. Severability. In the event that a court of competent jurisdiction enters a final judgment holding invalid any material provision of this Agreement, the remainder of the Agreement shall be fully enforceable.

OWNER:

_____ Date: _____

ASSOCIATION: ANCHORAGE CONDOMINIUM ASSOCIATION

_____ Date: _____

By: _____

Its: _____