

**RAVENCREST CONDOMINIUMS ASSOCIATION
DISCOVERY AT RAVENCREST
COLLECTION POLICY**

Effective Date: October 28, 2013

In Compliance with the Colorado Common Interest Ownership Act and the Declaration of the Covenants, Conditions and Restrictions of Ravencrest Condominiums – aka Discovery at Ravencrest, the Board of Directors desires to adopt a uniform and systematic procedure regarding collection of assessment and other charges.

The association hereby adopts the following policy and procedure for collection of assessments:

1. Due Dates, Late Chares, Interest and Suspension of Rights:
 - A. Due Dates: Monthly installments of the annual assessments are due and payable on the 1st day of each month. Payments shall be deemed received and shall be posted on the date the payment is received in the Association's office or the Association's managing agent's office. Any installment not paid in full when due shall be considered past due and delinquent.
 - B. Late Charge: A late charge in the amount of \$10.00 shall be imposed for any assessment, fine or other charge not paid within 20 days of the due date without further notice to the Owner.
 - C. Interest: Interest at the rate of 18% per annum shall accrue on any delinquent assessment, fine or other charge from the due date without further notice to the Owner. Interest will be added to the Owner's account 50 days following the due date.
 - D. Suspension of Rights: An Owner's voting rights shall be automatically suspended without notice is an assessment or other charge is not paid within 30 days of the due date.

2. Return Check Charges:
 - A. If any check or other instrument payable to or for the benefit of the Association is not honored by the bank or is returned by the bank for any reason, including, but not limited to insufficient funds, the owner is liable to the association for one of the following amounts, at the option of the association:
 - (i) An amount equal to the face amount of the check, draft, or money order and a return check charge of \$25.
 - (ii) If notice has been sent as provided in C.R.S § 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the person issuing the check, draft or money order shall be liable to the Association for collection for three times the face amount of the check, not less than \$100.
 - B. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment or any other charge is delinquent.
 - C. If two or more of an 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 certified check or money order.

3. Attorney Fees: 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 pursuant to the terms of the Declaration and Colorado Law. Attorney fees incurred by the Association shall be considered part of the assessments and shall be due and payable immediately when incurred, upon demand.

4. Application of Payments: All payments received on account of any Owner or Owner's property, may be applied first to post-judgment attorney's fees, costs and expense; then to costs and attorneys fees not reduced to a judgment, then to interest, then to late charges, then to return check charges, then to fines and other amounts levied pursuant to the Declaration; then to delinquent assessments; then to current assessments not reduced to judgment; and finally to amounts reduced to judgment.

5. Delegation of Authority to Sign Notice of Lien: The Board of Directors delegates authority to the Association's attorney and or collection agency to sign and acknowledges the notice of assessment lien. This delegation may be withdrawn at any time. In the event the delegation is withdrawn, the Board will send written notice to the Association's attorney and or collection agency of the withdrawal.

6. Time Frames: The following time frame shall be followed in the collection of monthly installments of the annual assessment and for collection of other charges.

Due Date 1st day of the month for monthly installment of the annual assessment or upon notice of assessment or charge for all other assessments, fines and charges.

Late Fee Date 21 Days after the due date

Interest date 50 Days after the due date

First Notice from Association 21-30 days after the due date

Second Notice from Association 30-60 days after due date

Third Notice from Association 60-90 days after due date

Fourth Notice from Association 90-120 days after due date

This notice will advise owner that the account will be forwarded to the associations legal counsel or to the Associations collection agency.

Delinquent account turned over to 120-150 days after due date

Association's attorney or collections agency;
a demand letter sent to owner from attorney
or collection agency (no notice is sent by association.)
Lien filed against the property

Notwithstanding the time frames set forth above, if a lien holder with priority over the Association's lien (i.e. first mortgagee) takes title to a Unit through foreclosure or deed in lieu of foreclosure, the Association may file a lien on the unit for any delinquent payments.

Once accounts are turned over to the Association's attorney or collection agency, Owners shall make payment to the Association at the address of where the account is held. The Association's attorney and or collection agency shall consult with the Association regarding collection procedures and payment arrangements.

7. Notice: Use of Certified Mail / Regular Mail: late notice from the association manager may be considered routine and may be sent by regular mail. Collection or demand letters or notices from the attorney shall be sent certified mail. Such letters may also be sent by regular mail.

8. Payment plan for Delinquent Accounts: Delinquent owners will be offered a payment plan, up to 6 months. If the owner requests longer than a 6 month payment plan, the Board will have to approve such payment plan. All payment plans must be in writing and signed by the owner. While on the payment plan, the owner will not be charged any late fees or interest. If the owner defaults on the payment plan, all late fees and interest amounts will be added back onto the ledger and the account may be forwarded to the attorney.

9. Referral of Delinquent Accounts to Attorneys: Upon referral of a delinquent account to the Association's attorneys or collection agency, the attorney shall take appropriate action to collect the accounts referred. After an account has been referred to the Association's attorney, the account shall remain, until the account

is settled, has a zero balance or is written off. The Association's attorney and or collection agency is authorized to take whatever action is necessary, in consultation with the President of the Board of the Director or other person designated by the Board, believed to be in the best interest of the Association, including, but not limited to:

- a. Filing a lien against the delinquent Owner's property to provide record notice of the Association's claim against the property, if not already filed;
- b. Filing Suit against the delinquent Owner for a money judgment. The purpose of obtaining a personal judgment against the Owner is to allow the Association to pursue remedies such as garnishment of the Owner's wages or bank account to collect judgment amounts;
- c. Instituting a judicial action of foreclosure on the Association's lien. The Association may choose to foreclosure on its lien in lieu of or in addition to suing the 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 likely to be unsuccessful or in other circumstances that may favor such action;
- d. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim; and
- e. Filing a court action seeking appointment of a receiver. A Receiver is a disinterested person, appointed by the court, who manages the rental of the Owner's property, and collects the rents according to the courts order, to be paid to the Association. The purpose of the receivership for the Association's is to obtain payment of current assessments, reduce past due assessments and prevent waste and deterioration of the property.

All Payments plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

Upon referral of any matter to the Association's attorney, the Association shall pay the Association's attorney and or collection agency their usually and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.


10. Notification or a communication with Owners: This collection policy shall be made available to all Owners by the Association as required by Colorado Law. After a delinquent account has been referral to the Association's attorney, or collection agency, all communication with the delinquent Owner shall be handled by that entity. Neither the manager, if any, nor any member of the Board of Directors shall discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney and or collection agency unless the attorney is present or has consented to the contact. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.
11. Certification of Status of Assessment / Estoppels Letter: The association shall furnish to an Owner or such Owner's designee upon written request, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's Unit. The statement shall be delivered within 10 calendar days after receipt of the request and the fee has been paid, such fees are determined by the managing agent. If the Owner's account has been handed over to the Association's attorney, such statement shall be handled through the Association's attorney and or collection agency and shall include any attorney fees incurred in providing the statement.
12. Bankruptcies and Public Trustee 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, the Association shall advise the Association's attorney and or collection agency of the same and turn the account over to the Association's attorney.
13. Waivers: The Association may alter the time for filing of lawsuits and liens, or otherwise modify the procedures contained herein, as the Association shall determine what is appropriate under the particular circumstances. Any such accommodation shall be documented in the Association's files with the conditions of relief. Failure of the Association to require strict compliance with the collection policy shall not be deemed a waiver of the Association's right to require strict compliance and shall not be deemed a

defense for lack of payment of assessment fees or other charges, late charges, return check charges, attorney fees and / or cost as described and imposed by this collection policy.

14. Amendment: this collection policy may be amended from time to time by the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that the Amendment Procedure was adopted by resolution of the Board of Directors of the Association this 28th day of October 2013

RAVENCREST CONDOMINIUMS ASSOCIATION
DISCOVERY AT RAVENCREST, a Colorado nonprofit corporation,

By: 
Its: President

WITNESSED By: 