

DALLAS MEADOWS COMMUNITY ASSOCIATION
Post Office Box 853
Ridgway Co 81432

RESOLUTION: The Dallas Meadows Community Association (DMCA) hereby adopts the following policy and procedure regarding DMCA Collection of property and special assessments in accordance with Colorado Revised Statutes (“C.R.S.”) 38-33.3209.5.

Prompt payment of assessments by all owners is critical to the financial health of the Dallas Meadows Community Association and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Conditions, Reservations and Restrictions (CR&Rs). The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted majority resolution of the Board of Directors. Therefore, the following are the Association’s assessment procedures and policies:

1. Assessments, late charges, interest and collection costs, including any attorneys’ fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied.
2. Yearly assessments are due and payable on the first day of the month designated in your yearly statement. A courtesy billing statement is sent annually to the owner’s billing address on record with the Association. **However, the owner of record is responsible to pay the yearly assessment in full regardless of whether a courtesy billing statement is received.** All other assessments, including special assessments, are due and payable on the

- date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of notice of the special assessment.
3. Any payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
 4. Assessments not received within forty-five 45 days of the stated due date are delinquent and shall be subject to a late charge of twenty-five Dollars. (\$25.00).
 5. If an assessment or special assessment is payable in installments and the assessment is delinquent for more than thirty (30) days, all assessment installments will be accelerated and the entire unpaid balance of the assessment shall become immediately due and payable. The remaining balance shall be subject to an interest rate of 8% per annum. An example of a special assessment would be a violation of the CRR's. The Board will notify the property owner(s) in writing of the violation and provide thirty days or more for the property owner to correct the violation. If the violation is not corrected within 30 days the Board will determine the amount of the fine based upon the violation and assess \$100.00 dollars for a minor violation, \$500.00 dollars for a major violation and \$1,000.00 dollars for a major violation
 6. A notice of past due assessment ("late letter") will be prepared and mailed once an assessment becomes delinquent

7. If an assessment is not received within forty five days (45days) after the assessment becomes delinquent, and after the delivery of the past due assessment notice, then the Association or its designee, in the event the account is turned over to a collection agent, will send a pre-lien letter to the owner by certified and first class mail to the owner's mailing address of record, advising the owner of the delinquent status of the account, impending collection action and the owner's right to request that the Association participate in a mutually agreed upon payment arrangement plan.
8. If an owner fails to pay the amount (s) set forth in the pre-lien letter and fails to request payment arrangements within thirty (30) days of the date of the pre-lien letter, the Board shall decide, by majority vote in an open meeting, whether to authorize Dallas Meadows Community Association to record a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees, against the owner's property. If the Association authorizes the recording of a lien against the owner's property, the owner will be charged for the fees and costs associated with the preparing and recording the lien, including but not limited to any attorneys' fees. The lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure.
9. DMCA may enforce the lien thirty (30) days after recordation of the lien and the owner has not cured the total amount of the delinquency. The DMCA Board may authorize their designee to foreclose the lien by non-judicial foreclosure sale when either (a) the delinquent assessment amount totals nine hundred Dollars (\$900.00) or more, excluding accelerated assessments and specified late charges and fees or (b) the assessments are delinquent for more than twelve (12) months. A

- delinquent owner could lose ownership of their property if a foreclosure action is completed. The owner shall be responsible for all fees and costs associated with the foreclosure if a foreclosure action is commenced against the property.
10. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting. The Board of Directors shall record their votes in the minutes of the next open meeting of the Board. The Board shall maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by only the parcel number of the owner's property. Prior to initiating any foreclosure sale on a recorded lien, the Board shall offer the delinquent owner(s) the option of participating in a payment plan that would be mutually acceptable to the Board and the owner.
 11. An owner is entitled to inspect the Association's accounting books and records to verify the delinquent amounts owed.
 12. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments.
 13. An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to Dallas Meadows Community Association. All such requests shall be handled in accordance with DMCA's Dispute Resolution Policy.
 14. Any owner who is unable to pay assessments will be entitled to make a written request to establish a payment plan with Dallas Meadows Community Association to be considered by the Board of Directors. An owner may also

request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien Letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an owner's separate interest to secure payment for the owner's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.

15. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
16. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys' fees, must be paid in full to the Association.
17. There is no right of offset. An owner may not withhold assessments owed to the Association on the alleged grounds that the owner is entitled to recover money or damages from the Association for some other obligation.
18. The Association shall charge the owner a twenty-five dollar (\$25.00) fee for the first check tendered to the Association that is returned unpaid by the owner's bank and thirty-five dollars (\$35.00) for each subsequent check passed on insufficient funds. If the check cannot be

negotiated, the Association may also seek to recover damages of at least one hundred dollars (\$100.00),

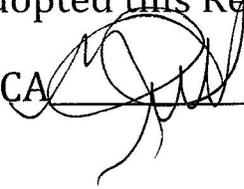
19. Owners have the right to provide a secondary address for mailing for purposes of collection to the Association. The owner's request shall be in writing and shall be mailed to the Association, return receipt requested. An owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address upon the Association's receipt of the request.
20. Until the delinquent owner has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, the Board of Directors may suspend the owner's membership rights, including voting rights in accordance with DMCA Articles of Incorporation, Article VIII Section 3. However, any suspension imposed shall not prevent the delinquent owner from the use, benefit and pleasure of the owner's lot.
21. **The mailing address for overnight payment of assessments is:**

**Dallas Meadows Community Association
Post Office Box 853
Ridgway CO 81432**

This policy/procedure may be amended from time to time by the majority vote of the Board of Directors.

IN WITNESS WHEREOF, the undersigned certify that the Board of Directors of the Dallas Meadows Community Association on February 11, 2013 adopted this Resolution.

Signed President DMCA

A handwritten signature in black ink, appearing to be 'Gordon Mull', written over a horizontal line. The signature is somewhat stylized and overlaps the line.

GORDON MULL