

**GRANBY RANCH RESIDENTIAL ASSOCIATION
COLLECTION POLICY AND PROCEDURES**

Revised October 31, 2013

Effective date: January 1, 2014

The Collection Policy and Procedures previously adopted by the Board of Directors ("Board") of Granby Ranch Residential Association ("Association") pursuant to Colorado statutes, is amended and restated to read as follows:

1. Due Date. As more particularly set forth in the Association's Title Company Procedures, Assessments are levied annually against real property pursuant to the Declaration. The Association's Annual Common Expense Assessment shall be due and payable, in quarterly-annual installments; payable on January 1, April 1, July 1 and October 1 of each calendar (assessment) year.
2. Return Check Charges. In addition to any and all charges imposed under the Declaration, Colorado statutes, or this policy, a fifty dollar (\$50.00) fee or other amount deemed appropriate by the Board 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. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the owner(s) of the Unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Colorado statutes, Rules and Regulations or this policy.
3. Interest on Past-due Amounts. All quarterly-annual payments to be made as described in paragraph 1 above, not paid within thirty (30) days of the date due, shall accrue interest at the rate of twelve percent (12%) per annum.
4. Attorney Fees on Delinquent Accounts. As an additional expense permitted (collectible as a Common Expense Assessment) under the Declaration and Colorado statutes, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of Annual Assessments or other charges due the Association from a delinquent owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

5. Application for Payments Made to the Association. Regardless of inscriptions or notations on the front of the check, all payments received on the account of any owner shall be applied in the following order: 1) any and all attorney fees, legal fees and costs incurred for collection of assessments or for owner's failure to comply with provisions of the Association's Governing Documents, including lien fees; 2) fines, late charges and interest; 3) returned check charges, and other costs owing or incurred with respect to such owner pursuant to the Declaration, Colorado statutes, Rules and Regulations, or this Policy; 4) Past-due Special Assessments (if any); 5) Currently due Special Assessments (if any); 6) Past-due installments of Annual Assessments; and 7) current installments of Annual Assessments. Any check with a restrictive endorsement on the back will be returned and the amount tendered considered unpaid.

6. Collection Process.

- (a) If any Assessment or other charge is not paid by the Delinquent Date, the Association shall send written notice ("First Notice") of non-payment to the Owner setting forth the amount past due, including interest and late charges, which sums shall be immediately due and payable in full to the Association.
- (b) If any Assessment or other charge remains unpaid 30 days after the Delinquent Date, the Association, either directly or through its management company or counsel, shall send written notice ("Second Notice") to the Owner setting forth the amount of past due Assessments, together with accrued interest and late charges incurred, plus any attorneys fees due, which sums shall be immediately due and payable in full to the Association. At this time, the Association, either directly or through its management company or counsel, shall also record against the Owner's property a notice of the Association's lien in the real property records of Grand County, Colorado.
- (c) If any Assessment or other charge remains unpaid 60 days after the Delinquent Date, the Association's attorney shall, upon direction from the Board of Directors, proceed with enforcing all rights of the Association to collect past due Assessments and other charges due from the Owner, which enforcement may include the filing of an action to foreclose upon the Association's lien, and the Owner shall be responsible for payment of all attorney's fees and costs of collection incurred by the Association, in addition to all past due Assessments, accrued interest, late fees and other charges incurred under the Association's documents and this Resolution.
- (d) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is delinquent at the time of such voting.

7. Payment Plan. Notwithstanding the foregoing Section 6:

- (a) In collecting Assessments that are past due and delinquent, the Association shall make a good faith effort to coordinate with the delinquent Owner to set up a payment plan that permits the Owner to pay off the deficiency in equal installments over a period of at least six months.
 - (b) Nothing in this Paragraph 7 shall prohibit the Association from pursuing legal action against an Owner if the Owner fails to comply with the terms of his or her payment plan. An Owner's failure to remit payment of an agreed-upon installment, or to remain current with regular Assessments as they come due during the six-month payment period, constitutes a failure to comply with the terms of his or her payment plan.
 - (c) The provisions of Paragraph 7(a), above, shall not apply to, and the Association is not obligated to negotiate a payment plan with, any delinquent Owner that: (i) does not occupy the delinquent Unit and has acquired the delinquent Unit as the result of a (y) default of a security interest encumbering the Unit; or (z) foreclosure of the Association's lien; or (ii) has previously entered into a payment plan under this Paragraph 7.
8. Appointment of a Receiver. The Board may seek the appointment of a receiver if an owner becomes delinquent in the payment of installment of Annual Assessments. A receiver is a disinterested person, appointed by the court who 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 Unit.
9. Judicial Foreclosure. The Board may choose to foreclose on the Association's lien in lieu of or in addition to suing an owner in county court 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 in obtaining payment, or other circumstances favor such action.
10. Waivers. The Board may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Board granting the relief and the conditions of the relief. Waivers may also be granted by the Board based upon the Directors' reasonably prudent business judgment.

11. Ongoing Evaluation. Nothing in this policy shall require the Board to take specific actions at a specific time but the Board shall not take any action in less than the time stated herein for a particular action. The Board has the option and right to continue to evaluate each delinquency on a case by case basis.

This Revised Collection Policy and Procedures was duly adopted by the Board of Directors of Granby Ranch Residential Association at its regular quarterly meeting on October 31, 2013.