

*525**
Condominium
Association

Effective January 1, 2013

Resolutions adopted by the Board
on October 22, 2013 and November 19, 2013

•Policy & Procedures for Collection of Unpaid Assessments

•Reserve Study Policy

•Alternative Dispute Resolution (ADR)

Please incorporate this Resolution into the Rules & Regulations
for Four Mile Village Recreational Association
(Keep in a safe place for future reference)

Wehner Property Management Co.
280 S. Madison Street
Denver, CO 80209
Frederick W. Ingraham, Property Manager
(303) 320-8517

**RESOLUTION
OF
525* CONDOMINIUM ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURES FOR COLLECTION OF UNPAID
ASSESSMENTS**

SUBJECT: Adoption of a policy and procedure regarding the collection of unpaid assessments.

PURPOSE: To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.

AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.

EFFECTIVE DATE: JANUARY 1, 2014

RESOLUTION: The Association hereby adopts the following policy:

It is in the best interest of the Association to refer delinquent accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue. The Board of Directors has retained an attorney with experience in representing homeowner associations in collections and other matters. The Association hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of the Association:

1. Due Dates. Installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the first day of each month. Assessments or other charges not paid in full to the Association within one day of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 20 days of the due date shall incur late fees as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged

any costs incurred by the Association in giving notice of such acceleration.

2. Receipt Date. The Association shall post payments on the day that the payment is received in the Association's office.

3. Late Charges on Delinquent Installments. The Association shall impose on a monthly basis a \$20.00 late charge for each Owner who fails to timely pay his/her monthly installment of the annual assessment within 20 days of the due date. This late charge shall be a "common expense" for each delinquent Owner.

4. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a return check fee, not to exceed \$20.00, 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. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. 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, Articles, Bylaws, Rules and Regulations or this Resolution after the date adopted as shown above. 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 (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment is not timely made within 20 days of the due date.

6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner.

7. Payment Plan. Any Owner who becomes delinquent in payment of assessments after January 1, 2014 and whose account is not currently with the Association's attorney or a collection agency for collection action on January 1, 2014, may enter into a payment plan with the Association, which plan shall be for a minimum term of 6 months or such other term as may be approved by the Board of Directors. Such payment plan shall be offered to each owner prior to the Association referring any account to an attorney or collection agency for collection action. In the event the Owner defaults or otherwise does not comply with the terms and conditions of the payment plan, including the payment of ongoing assessments of the association, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

8. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, 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. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

9. Application of Payments. All sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively

"Owner"), shall be applied in the following manner: first to the payment of any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

10. Collection Process.

(a) After an installment of an annual assessment or other charges due to the Association becomes more than 20 days delinquent, the Management Company shall send a written notice ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment

(b) After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the Management Company shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late fees have accrued, notice of intent to file a lien and request for immediate payment. . The Association's notice, at a minimum shall including the following:

(i) The total amount due to the Association along with an accounting of how the total amount was determined.

(ii) Whether the Owner may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.

(iii) A name and contact information for an individual the owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.

(iv) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law including revoking the owners right to vote if permitted in the Bylaws or Declaration.

(c) After an installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the Management Company shall turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorneys may file a lien and send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorney may file a lawsuit. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any applicable interest and late fees.

(d) In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

11. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

12. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

Due Date (date payment due)	First day of the month due
Past Due Date (date payment is late if not received on or before that date)	One day after due date
First Notice (notice that late charges and interest have accrued)	Any time after 20 days after due date
Second Notice (notice that late charges and interest have accrued, notice of intent to file lien, required disclosures of the Association and the availability of a payment plan if applicable)	Any time after 60 days after due date
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	Any time after 90 days after due date

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

13. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of

unpaid assessments currently levied against such Owner's property for a \$100.00 fee. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

14. 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 within the Association, the Management Company shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

15. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Management Company, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- (a) Filing of a suit against the delinquent Owner for a money judgment;
- (b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;
- (c) Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
- (d) Filing a court action seeking appointment of a receiver.

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

16. 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, 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 property.

17. Rental Interception. To the extent permitted by the Declaration, the Association may, without court order, notify the tenant of any unit where the Owner is delinquent in the payment of assessments, pursuant to the Declaration and Colorado law, that rents shall be paid to the Association effective immediately and continue until such time as the Owner's account is current. Such notice shall be in writing to the tenant and the Owner. All funds received by the Association from the tenant shall be credited to the Owner's account as set forth herein.

18. Judicial Foreclosure. The Association may choose to foreclose on its 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. The Association shall consider individually each recommendation for a foreclosure and may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

19. Waivers. 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 shall determine appropriate under the circumstances.

20. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager 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 unless the attorney is present or has consented to the contact.

21. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.

22. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.

23. Credit Report. In the event an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law, the Owner acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.

24. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

25. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

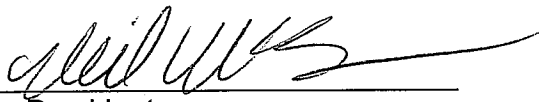
26. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

27. Amendment. This Policy may be amended from time to time by the Board of Directors.

IN WITNESS, the undersigned certifies that this Resolution was adopted by the Board of Directors of the Association on

NOVEMBER 19, 2013.

525* CONDOMINIUM ASSOCIATION, INC.,
a Colorado nonprofit corporation,

By: 
Its: President Neil Simpson
10/22/13

**RESOLUTION
OF THE
525* CONDOMINIUM ASSOCIATION, INC
REGARDING RESERVE STUDY POLICY**

SUBJECT: Adoption of a policy related to when the Association will have a reserve study prepared, whether there is a funding plan for the work recommended by the reserve study, and whether the reserve study will be based on a physical analysis and a financial analysis.

PURPOSES: To provide for the creation and review of a reserve study and for the funding of the work recommended by the reserve study.

AUTHORITY: The Declaration, Articles of Incorporation, and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

OCTOBER 22, 2013

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. Baseline Reserve Study. The Association has conducted a baseline reserve study, which includes both a physical analysis and a financial analysis as follows:

A. The physical analysis includes:

- (1) A component inventory identifying those portions of the community the Association is obligated to maintain, including the useful life of each component.
- (2) A condition assessment of each component on the component inventory by on-site inspection.
- (3) Estimates of the remaining useful life and replacement costs of each component.

B. The financial analysis includes:

- (1) An analysis of the funds currently held in the Association's reserve fund in relation to the expected needs of the Association per the reserve study.

- (2) A future funding plan to meet the requirements of the reserve study.

2. Update of the Reserve Study.

A. The Association shall cause the reserve study, including both the physical and financial analysis, to be evaluated by a reserve study specialist at least every five (5) years to determine increases in replacement costs and decreases in remaining useful lives of the components of the reserve study to adequately address changes to be made to the reserve study. In determining whether an update to the reserve study is needed more often than every five (5) years, the Association shall consider the following:

- (1) Whether the Association added or replaced any significant common elements.
- (2) Whether the common elements sustained extreme wear and tear from harsh weather or lack of maintenance.
- (3) Whether local inflation for materials and labor has substantially increased.
- (4) Whether the Association has deferred any replacements or moved up replacements from the scheduled dates of replacement.
- (5) Whether reserve income and expenses have occurred as planned.
- (6) Whether there have been any new technological changes or improved product development that might result in a component change.

B. In determining whether a site visit is required in any given year in order to update the reserve study, the Association shall take into consideration the following:

- (1) Any special or extraordinary issues facing the community (such as an increase in roof leaks or other maintenance issues).
- (2) Increased deterioration in any components beyond normal wear and tear.
- (3) Economic changes that affect the replacement cost of any component.

(4) Whether routine maintenance of the components has been kept up with.


3. Funding of the Reserve Study. The financial obligations set forth in the reserve study will be funded through regular assessments levied by the Association. Reserves shall be funded at a level such that the reserve fund shall at all times maintain a positive balance.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Association, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on OCTOBER 22, 2013 and in witness thereof, the undersigned has subscribed his/her name.

525* CONDOMINIUM ASSOCIATION, INC.

By:



President

Neil Simpson
10/22/13

RESOLUTION
OF THE
525* CONDOMINIUM ASSOCIATION, INC
REGARDING ALTERNATIVE DISPUTE RESOLUTION (ADR)

SUBJECT: Adoption of a procedure regarding alternative dispute resolution.

PURPOSE: To adopt a standard procedure to be followed for alternative dispute resolution.

AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado law.

**EFFECTIVE
DATE:**

OCTOBER 22, 2013

RESOLUTION: The Association hereby adopts the following Policy and Procedures:

1. General. It is the general policy of the Association to encourage the use of Alternative Dispute Resolution to resolve disputes involving the Association and an Owner. Alternative Dispute Resolution ("ADR") is a procedure for settling a dispute by means other than litigation, such as binding arbitration, non-binding arbitration, or mediation.
2. General Policy. In the event of any dispute between the Association and an Owner, except for those Exempted Claims defined, the Association and the Owner shall agree to resolve the dispute using the procedures set forth below prior to filing suit in any court or initiating proceedings before any administrative tribunal.
3. Exempt Claims. The following claims shall be exempt from the provisions of this Policy:
 - (a) Any action by the Association against an Owner to collect assessments or other sums due to the Association, including foreclosure proceeding; and
 - (b) Any action by the Association to enforce any provisions of the Association's Declaration, Bylaws, or rules and regulations; and
 - (c) Any claim of the Association which if not pursued by the filing of a lawsuit would be deemed barred due to the applicable statute of limitations.
4. Procedure for All Other Claims. All Claims other than Exempt Claims shall be resolved using the following procedures in lieu of litigation:
 - (a) The Association or any Owner having a claim ("Claimant") against an Owner or the Association, respectively ("Respondent"), other than an Exempt Claim, shall notify each Respondent in writing of the Claim ("Notice"), stating (i) the nature of the Claim, including the date, time, location, persons involved, and Respondent's

role in the Claim, (ii) the basis of the Claim (i.e. the provisions of this Declaration, the Bylaws, the Articles, Rules or Regulations or other authority out of which the Claim arises); (iii) what Claimant wants Respondent to do or not do to resolve the Claim; and (iv) that Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.

(b) Negotiation. The parties shall make every reasonable effort to meet in person to resolve the Claim by good faith negotiation.

(c) Mediation.

(i) If the parties do not resolve the Claim through negotiation within 20 days of the date of the Notice (or within such other period as may be agreed upon by the parties) ("Termination of Negotiations"), Claimant shall have 30 additional days to submit the Claim to mediation by an independent mediation service agreed upon by the parties.

(ii) If Claimant does not submit the Claim to mediation within 30 days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of the Claim.

(iii) If the parties do not settle the Claim within 45 days after submission of the matter to the mediation process, or within such time as determined reasonable or appropriate by the mediator, the mediator shall issue a notice of termination of the mediation proceedings ("Termination of Mediation"). The Termination of Mediation notice shall set forth when and where the parties met, that the parties are at an impasse, and the date that mediation was terminated.

(iv) Within 10 days of the Termination of Mediation, the parties shall again attempt to resolve the matter informally through negotiation.

(d) Arbitration.

(i) If the parties do not resolve the Claim through negotiation, as provided for above, within 20 days of the Termination of Mediation, the Claimant shall then have 15 additional days to submit the Claim to binding arbitration in accordance with the appropriate rules of the American Arbitration Association, or the Claim shall be deemed abandoned, and Respondent shall be released and discharged from any and all liability to Claimant arising out of the Claim. However, nothing herein shall release or discharge Respondent from any liability to anyone not a party to the proceedings.


(ii) This Policy is an agreement of the Association and Owners to arbitrate all Claims except Exempt Claims and is specifically enforceable under the applicable arbitration law of the State of Colorado. If specifically agreed to by both parties to the arbitration, the arbitration shall be final and binding and judgment may be entered upon it in any court of competent jurisdiction to the fullest extent permitted under the laws of the State of Colorado.

5. Costs. If the Claims are resolved through negotiation and/or mediation as provided above, each party shall bear all of its own costs incurred in resolving the Claim, and each party shall bear its own attorney fees unless the parties otherwise agree. If the Claims are not resolved through negotiation or mediation as provided above and the Claims go to arbitration, the prevailing party shall receive as a part of its award from the opposing party all of its costs, including attorney fees, costs for other representatives in resolving such Claim, and any expenses incurred as a result of the dispute resolution procedures of this Policy. *arbitration NMS*
6. Failure to Comply with Settlement. If the parties resolve any Claim through negotiation, mediation, or arbitration as set forth above, and the other party fails to abide by the terms of such agreement or award, then the other party may file suit or initiate administrative proceedings to enforce such agreement or award without need to comply with the provisions of this Policy. In such event, the party taking action to enforce the agreement or award shall be entitled to recover from the non-complying party all costs incurred in enforcing such agreement or Award, including without limitation, attorney fees and costs.
7. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
8. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Community.
9. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
10. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the 525* Condominium Association, Inc, a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on OCTOBER 22, 2013 and in witness thereof, the undersigned has subscribed his/her name.

525* CONDOMINIUM ASSOCIATION, INC.

By: , President

Neil Simpson

12/22/13