

**RESOLUTION OF STAGESTOP OWNERS ASSOCIATION,  
REGARDING POLICY AND PROCEDURES FOR COLLECTION OF UNPAID ASSESSMENT**

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

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

**AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of SOA and Colorado law.

**EFFECTIVE DATE:** November 12, 2016

**RESOLUTION:** Stagesstop board of directors hereby gives notice of its adoption of the following policies and procedures for the collection of assessments and other charges of SOA:

1. Due Dates. Annual assessment as determined by SOA and as allowed for in the Declaration, Bylaws and Rules and Regulations shall be due and payable on the 1<sup>st</sup> day of January of each year. Assessments or other charges not paid in full to SOA by January 31<sup>st</sup> shall be considered past due and delinquent. Assessments or other charges not paid in full to SOA by January 31<sup>st</sup> shall incur late fees and interest as provided below.
2. Receipt Date. Mail received by SOA **postmarked** January 31<sup>st</sup> or earlier will not be considered delinquent.
3. Late Charges on Delinquent Installments. SOA shall impose a \$25.00 late fee / lot / quarter for each Owner who fails to pay his/her annual assessment by January 31<sup>st</sup>. This late charge shall be a "common expense" for each delinquent Owner. SOA shall impose interest from the date due at the rate of 0 (zero)% per annum on the amount owed for each Owner who fails to timely pay his/her annual assessment by January 31<sup>st</sup>.
4. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the lot 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, Bylaws and Rules and Regulations (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 SOA or this Resolution, a return check fee, not to exceed \$30.00 as of November 12, 2016 and may be adjusted to reflect current bank charges / fees in the future, 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 another 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, SOA 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 SOA. Returned check charges shall become effective on any instrument tendered to SOA 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, SOA may require that all of the Owner's future payments, for a period of one 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 by January 31<sup>st</sup>.

6. Service Fees. In the event SOA 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.

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7. Payment Plan. Any Owner who becomes delinquent in payment of assessments after January 1, 2017 and whose account is not currently with SOA's attorney or a collection agency for collection action on January 1, 2017, may enter into a payment plan with SOA, 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 SOA 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 SOA, SOA 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, Articles, Bylaws, Rules and Regulations and by Colorado law, SOA shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due SOA from a delinquent Owner. The reasonable attorney fees incurred by SOA shall be due and payable immediately when incurred, upon demand.
  
9. Application of Payments. All sums collected on a delinquent account that has been referred to SOA's attorney shall be remitted to SOA'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. If an annual assessment or other charges due to SOA are not paid by January 31<sup>st</sup>, SOA shall send a written notice of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment. SOA's notice, at a minimum shall including the following:
    - i. The total amount due to SOA 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 SOA 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.
  - b. If no action is taken as required to cure the delinquency within thirty days SOA shall turn the account over to SOA's attorney for collection. Upon receiving the delinquent account, SOA'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, SOA'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.
  - c. In addition to the steps outlined above, SOA may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.
  
11. 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)	January 1 <sup>st</sup>
Past Due Date (date payment is late if not postmarked on or before that date)	January 31 <sup>st</sup>

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Notice (notice that late charges and interest have accrued, required disclosures of SOA and the availability of a payment plan if applicable)	January 31 <sup>st</sup>
Delinquent account turned over to Association's attorney; Lien filed;	Any time after 30 days of written notice

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

12. Use of Certified Mail/Regular Mail. In the event SOA shall cause a demand letter or notices to be sent to a delinquent Owner by regular mail, SOA may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.
13. Referral of Delinquent Accounts to Attorneys. Upon referral to SOA's attorney, the attorney shall take all appropriate action to collect the accounts referred. The attorney, in consultation with SOA, is authorized to take whatever action is necessary and determined to be in the best interests of SOA, 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 SOA's lien, upon approval by SOA's Board of Directors;
  - c. Filing necessary claims, documents, and motions in bankruptcy court in order to protect SOA's interests; and
  - d. Filing a court action seeking appointment of a receiver.
14. Appointment of a Receiver. SOA may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Covenants 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 SOA is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.
15. Rental Interception. To the extent permitted by the Covenants, SOA may, without court order, notify the tenant of any unit where the Owner is delinquent in the payment of assessments, pursuant to the Covenants and Colorado law, that rents shall be paid to SOA 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 SOA from the tenant shall be credited to the Owner's account as set forth herein.
16. Judicial Foreclosure. SOA 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. SOA 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 SOA. 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.
17. Waivers. SOA is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as SOA shall determine appropriate under the circumstances.
18. Communication by Owners. Owners may communicate with SOA in any manner they choose including email, text, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that SOA and/or its agents may communicate via the same method unless otherwise advised.
19. Defenses. Failure of SOA 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.

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- 20. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Covenants shall have the same meaning herein.
- 21. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Covenants and the law of the State of Colorado governing the Project.
- 22. 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 so long as notice is provided to the homeowner.
- 23. Amendment. This Policy may be amended from time to time by the Board of Directors.
- 24. One Shot. Delinquent owners have a one-shot opportunity at a payment plan to bring their delinquent account current. This one-time opportunity does not extend to lenders who take title of the property as a result of a default on the mortgage or flippers.
- 25.

By: *Lynda F Clay (electronic signature)*  
**Lynda F. Clay, Stagestop Board of Directors - President**

This policy was adopted by the Board of Directors on the 14 day of November, 2016 and is attested to by the Secretary of Stagestop Owners Association, Inc.

By: *Virginia Skeffington (electronic Signature)*  
**Virginia Skeffington, Stagestop Board of Directors - Secretary**