

River Valley Ranch Master Association Policies and Procedures for Delinquency or Non-payment of Association Assessments

The River Valley Ranch Master Association provides services for the property owners it manages. The ability to collect money from the owners is necessary to deliver the services and benefits for the community. Payment coupon booklets are distributed on an annual basis to all property owners as notice of the monthly assessment amount and payment schedule. New owners receive a coupon booklet upon closing. All payments are due in advance on the first of the month. The following is the procedure used by the Executive Director and the accounting department of RVRMA to collect delinquent assessment fees. At any time in the proscribed process, the Executive Director feels that an amendment to the procedure would be appropriate given the specific circumstances of a particular case, he or she may seek approval from the Executive Board to deviate from this procedure.

Late Fees and Interest

A \$25.00 late fee and interest at 12% per annum will apply to any assessment not received in the lockbox by the 15th of the month as evidenced by the lockbox record for that day's receipts.

Ranch House Membership Frozen / Courtesy Call at 3 Months

The property owner's access to the Ranch House is cut-off after 3-months of delinquency. A courtesy phone call notifying them of the Ranch House restriction and demanding payment to avoid legal action is made by the Association's outsourced accountant to the homeowner after the account is 3 months past due. Prior to making the phone call, the accountant will notify the Executive Director. The access to the Ranch House will be reinstated only after account is paid in full, including late fees and interest charges.

Notice of Intent to Lien at 4 Month

A notice of intent to lien the property is mailed by the outsourced accountant to the homeowner if the account is 4 months past due. Any and all legal and management fees associated with the Notice of Intent to Lien will be charged to the homeowner's accounts. The notice is sent certified mail, return receipt to assure the homeowner has received the notice. The Executive Director is sent a copy of the letter.

Property Lien at 4.5 Months

After the account is served the Notice of Intent to Lien, and no response or payment is received after 15 days, a lien against the property is filed with the Garfield County Recorder's Office by the outsourced accountant. Amount of lien will include outstanding balance as of Lien date and any other assessments, fees, or charges accruing on the account until payment is received. Any and all legal and management fees associated with the filing Lien will be charged to homeowner's account. The Executive Director is then notified of the filing of the lien.

Demand Letter at 5 Months

If the property owner fails to make sufficient payments within 30 days of the Notice of Intent to Lien, the outsourced accountant will notify the Executive Director. The Director will then notify the Executive Board of the delinquency and, if appropriate, make a recommendation that the property owner be served a Demand Letter and, if necessary, the account turned over to the approved collections agency. If the Board approves the recommendation, the demand letter will be sent via certified mail as a final request for payment to avoid turnover of the account to the approved collections agency.

Collection Agency at 5.5 to 6 Months

If the Demand Letter fails to produce a satisfactory response within 15 days, the Executive Director alerts the Executive Board of the situation, at the next scheduled Board meeting. The Executive Director asks the Board for permission to proceed with turning the account over to a collection agency. If the agency is unable to collect monies owed, foreclosure proceedings may result. See collection agency contract for collection procedures.

The delinquent Owner will be liable for all costs and attorneys fees incurred by the Master Association in connection with the foreclosure proceedings.

Payment Application

Payments received from the proceedings will be applied first to costs incurred by the Association to remedy the delinquency. After the reimbursement of costs, the remainder of the payment will be applied to LUO's account.

RVRMA, Executive Board President

Date Resolution was adopted