

RESOLUTION REGARDING RESERVE STUDY REGULATION

SUBJECT: Board Resolution re the preparation of a Reserve Study.
AUTHORITY: The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado Law, (the Controlling Documents).

EFFECTIVE

DATE: 60 days after the Board Resolution approving this Regulation.

RESOLUTION: The Association hereby adopts the subject Resolution.

WHEREAS Article 7.1(b) of the Amended and Restated Bylaws of Rolling Hills Ranch Townhomes Association (hereinafter "the Association") gives the Board of Directors the power to "[a]dopt and amend Rules and Regulations, including responsible governance policies, procedures and rules and regulations as required by [CCIOA], and including penalties for infraction thereof"; and

WHEREAS House Bill 09-1359 requires each homeowners association in Colorado to adopt a reserve study policy detailing (1) when the study has been or is to be prepared, (2) whether there is funding to do the recommended work, (3) whether the study is based on a physical analysis and a financial analysis, and (4) the extent to which all Board Members shall be informed of the operations of the Association;

NOW THEREFORE, it is resolved that the bylaws of the association are amended as indicated below and the following Reserve Study Policy is hereby adopted by the Board of Directors:

Reserve Study Policy

1. Timeline for Preparation of Reserve Study

The Reserve Study has been or will be prepared within the 2009 fiscal year. Additional reserve studies will be prepared for the Association in accordance with the following timeline: every three years.

2. Funding for Reserve Study

The Association has adequate funding for the Reserve Study. The Association generated such funding for the Reserve Study through the following method: Association dues.

3. Physical Analysis and Financial Analysis

The Reserve study will be based on a physical analysis and a financial analysis.

4. Information Available to All Members of the Executive Board

Notwithstanding any provision of the Declaration or Bylaws to the contrary, all members of the Executive Board shall have available to them all relevant information related to the Association's operation. This information shall include, but is not necessarily limited to, reports of detailed monthly expenditures, contracts with which the Association is a party, and copies of communications, reports, and opinions to and from officers of the Association.

5. Effective Date

This policy becomes effective on August 5, 2009.

Frankie Simmons
President, Board of Directors

6-20-14
Date



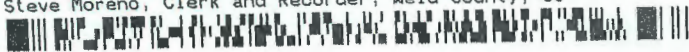
Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Homeowner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Controlling Documents, the Rules and Regulations or this Resolution after the date adopted as shown above. If two or more of a Homeowner'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 a Homeowner. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment is not made when due.

6. Attorney Fees on Delinquent Accounts: As an additional expense permitted under the Controlling Documents, 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 Homeowner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

7. Application of Payments: All sums due on a delinquent account shall be remitted until the account is brought current. All payments received on account of any Homeowner or the Homeowner's property (hereinafter collectively "Homeowner") shall be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Homeowner pursuant to the Controlling Documents and this specific Regulation, prior to application of the payment to any special or regular assessments due or to become due with respect to such Homeowner.

8. Collection Process:

- a. At any time after an installment of an annual assessment or other charges due to Association becomes more than 75 days delinquent, the Association may elect to send a written notice of "Intent to File Lien" for non-payment, specifying the amount past due, notice of incurred interest and late fees and requesting immediate payment.
- c. After an installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the Association may elect to turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorney shall file a lien and send a letter to the delinquent Homeowner demanding immediate payment for past due assessments or other past-due charges. Upon further review with the Association Board, 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 is expected to include reasonable attorney's fees together with the cost of the action and any applicable interest and late fees.

9. Certificate of Status of Assessment: For a fee of \$25 the Association shall furnish to an Homeowner or his or her designee, within 14 days of a written request, a written statement setting forth the amount of unpaid assessments and charges currently levied against such Homeowner's property. However, if the account has been turned over to the Association's attorney, such request will be handled through the attorney.

10. Bankruptcies and Foreclosures: Upon receipt of any notice of a bankruptcy filing by a Homeowner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any unit within the Association, the Association may turn the account over to the Association's attorney.

11. Use of Certified Mail/Regular Mail: The Association may cause a collection or demand letter to be sent to a delinquent Homeowner by regular mail; notices of intent to file Lien shall be sent by certified mail.

12. Referral of Delinquent Accounts to Attorneys: After an account has been referred to an attorney, the account may remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Association, may 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 Homeowner for money judgment;
- b. Instituting a judicial foreclosure action of the Association's lien;
- 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.

Upon referral of any matter to the Association's attorney, the Association shall pay the attorney's usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.

13. Appointment of a Receiver: The Association may seek the appointment of a receiver if a Homeowner becomes delinquent in the payment of assessments pursuant to the Controlling Documents. 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.

14. Judicial Foreclosure: The Association may choose to foreclose on its lien in lieu of or in addition to suing a Homeowner 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.

15. Waivers: The Association is authorized by the Controlling Documents 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.

16. Communication with Owners: All communications with a delinquent Homeowner shall be handled through the Association's attorney once a matter has been referred to the attorney. No member of the Board of Directors shall discuss the collection of the account directly with a Homeowner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

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

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

19. Supplement to the Law: The provisions of this Regulation shall be in addition to and in supplement of the terms and provisions of the Controlling Documents.

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

CERTIFICATION:

The undersigned, being the President of the Rolling Hills Ranch Townhomes Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved by the Directors of the Association, at a duly called and held meeting of the Board of Directors on

June 19-2014

ROLLING HILLS RANCH TOWNHOMES ASSOCIATION,

BY: Frankie Summers 6-20-14
President