

VAIL RUN COMMUNITY ASSOCIATION

AMENDED LATE FEE, INTEREST AND COLLECTION POLICY FOR DELINQUENT ASSESSMENTS

As Adopted August 8, 2014

The following Late Fee, Interest and Collection Policy for Delinquent Assessments was adopted by the Vail Run Community Association, Inc., (The "Association" aka Vail Run Resort) pursuant to Colorado Law.

1. Assessments are billed and due October 1 of each year. For owner convenience the Association sends quarterly invoices. Assessment Quarterly invoices are mailed or emailed October (October – December), due by November 15th, December, (January – March) due by February 1st, March (April-June) due by May 1st and June (July – September) due August 1st.
2. After any quarterly invoice payment is more than 10 days overdue, the Association shall impose a rebill fee of \$25.00 and shall mail a second statement of account to the delinquent Owner's last known address.
3. After 31 days any quarterly invoice payment is delinquent (past due date) a 10% late fee will be added to each delinquent account. Additionally, at such time, the unpaid balance on the account shall accrue interest at the rate of 1.5% per month from the billing date and continue thereafter until the account is paid in full.
4. After an account(s) is/are 60 days delinquent (one quarterly invoice payment), the Association, after notice is given, may suspend the Owner's rights of use of the common elements and the use of their ownership week(s) which has/have a delinquent balance. Said loss of rights shall continue during the duration of the delinquency(s) and may include, but shall not be limited to the following: Cancellation of pending reservations; suspension of voting rights in the Association; suspension of owner or guest access and use and /or trade of any of the Owner's use weeks; prohibition from accessing any and all Common Elements of the Association, including but not limited to hallways, lobby lounge, swimming pool, hot tub, sauna, game room, guest laundry, fitness room, etc. (recreational facilities) , parking, shuttle bus; and loss of any and all right to rental release of the unit use week. Additionally, the Association has the right at its sole discretion to rent the said unit use week at whatever rate the Association can rent the unit for, and will take a 50% commission from the net proceeds of the rental, and apply any remaining funds to interest, late fees, rebill fees, any Special Assessments, and delinquent assessment fees in that order.
5. At any time an account(s) is/are 150 days delinquent from the Quarterly Payment due date, the association shall send to an Owner's last known address, a notice of Delinquency with a demand to immediately rectify the delinquency, within 30 days of mailing or enter into a payment plan with the Association through its Controller to cure the delinquency within one year or other terms as agreed to by the parties in writing, (emailed communication is acceptable). Any such payment plan will include a stipulation any future quarterly assessment billings and/or special assessments will be paid in full within 60 days of billing date. Failure to make one agreed upon payment will constitute a default by account owner and the Association without any further notice to the account owner, and without resorting to the above listed procedures, the Association shall be entitled to file a notice of Lien against said property with the Eagle County Clerk and Recorder's office and may take any and all further action as the Board deems appropriate, including but not limited to the pursuit of a personal judgment against the Association's owner(s) of record and/or the foreclosure of the assessment lien. The Association reserves the right to employ a third-party collection agency to collect from any delinquent Owner whose assessment is over 150 days past due. The Association reserves its authority to collect all costs of collection,

including collection agency fees, and to pursue any and all other remedies available to the Association as set forth in the Amended Condominium Declarations for Vail Run Community signed October 7, 1976 and Amended Declaration of Protective Covenants and Timesharing Agreement for Vail Run Community section 8, Penalties, dated and signed October 7, 1976.

In addition to the policy outlined above, the Board of Directors also sets forth the following rules regarding assessments and payments.

6. All payments received from each Owner shall be applied proportionately to each unit owned by that Owner based on the amount outstanding for each unit, or as the Association directs in the best interest of the Association.
7. Payments received from each Owner shall be applied to the amount outstanding for each unit in the following order: (a) towards the oldest of any legal fees and /or collection fees accrued on the account until all legal and/or collection fees are paid; (b) toward the oldest of any interest fees outstanding until all interest fees are paid; (c) towards to oldest of any late fees and rebilling fees outstanding until all late fees and rebilling fees are paid; (d) any wire or NSF charges are paid; (e) toward any special assessment, and then toward the oldest of any Owner assessments outstanding until all Owner assessments are paid.
 - a. Any payment agreement entered into by Owner and Association Controller shall supersede the above paragraphs providing the Owner maintains and follows all clauses of said written and/or email payment agreement and does not default on said agreement.
8. In addition to any and all charges imposed under Colorado law, the Amended Declarations of The Vail Run Community, the Articles of Incorporation and/or Bylaws, the rules and policies of the Association as passed by the Board of Director's or this Policy a \$25.00 fee or other amount deemed appropriate by the Board of Director's together with all NSF or other bank charges assessed to the Association, shall be assessed to 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 charges and fees shall be due and payable immediately, upon demand and shall be added to the account of the said Owner and collectible as assessments. Notwithstanding the imposition of the above-listed fines and charges, the Association may pursue any and all rights against the makes of said instrument, including but not limited to rights pursuant to C.R.S. 13-21-109 et seq., as it may be amended.