

SPRING VALLEY PROPERTY OWNERS & RECREATIONAL CORPORATION
Policy Number 310 - COLLECTION POLICY
Effective January 1, 2010

I. GENERAL

A. In compliance with the Colorado Common Interest Ownership Act and the Declaration of Protective Covenants for Spring Valley Property Owners & Recreational Corporation (SVPORC), hereinafter referred to as the Corporation, the Board of Directors desires to adopt a uniform and systematic procedure regarding collection of assessments and other charges.

B. The Corporation hereby adopts the following policy and procedures for collection of assessments which will be uniformly enforced:

II. DUE DATES, LATE CHARGES, INTEREST, and SUSPENSION OF RIGHTS

A. Due Dates: Annual dues and any special assessments are deemed due and payable on or before March 1st of the current calendar year. Payments shall be postmarked by due date. Any installment not paid in full when due shall be considered past due and delinquent.

B. Late Charges: A late charge in the amount of \$20.00 shall be imposed for any assessment, fine or other charge not paid within thirty (30) days after the due date without further notice to the Owner. Such late charge is a personal obligation of the Owner and a lien on any lot for which the payment is delinquent shall be levied.

C. Interest: Interest at the rate of 18% per annum shall accrue on any delinquent assessment, fine or other charge from the due date without further notice to the Owner, and shall become payable thirty (30) days after the due date (interest payments can be avoided by paying prior to this date). Such interest is a personal obligation of the Owner and a lien on any lot for which the payment is delinquent shall be levied.

D. Suspension of Rights: An Owner's voting rights shall be automatically suspended without notice if an assessment or other charge is not paid within 30 days of the due date.

III. RETURNED CHECKS

If any check or other instrument payable to or for the benefit of the Corporation is not honored by the bank or is returned by the bank for any reason, including, but not limited to insufficient funds, the Owner is liable to the Corporation for a returned check charge of \$20.00 in addition to any bank imposed charges. Any returned check may cause an account to be late or delinquent, as payment will not have been received.

IV. ATTORNEY FEES

The Corporation shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Corporation from a delinquent Owner pursuant to the terms of the Declaration and Colorado law. Attorney fees incurred by the Corporation shall be considered part of the assessments and shall be due and payable immediately when incurred, upon demand.

V. APPLICATION OF PAYMENTS

All payments received on account of any Owner or the Owner's property shall be applied first to interest, late charges, costs or fees (including attorneys fees, court costs and collection costs) and then to the assessment payments first due.

VI. TIME FRAMES

A. The following time frames shall be followed in the collection of annual assessments and for collection of other charges (dates shown are for example purposes only).

Due Date	3/01	No penalty if paid by this date
Late Account	4/1	\$20 late fee due
Delinquent Account	4/1	Interest accrues from due date, and is now payable. Voting rights are suspended.
1 st Notice	4/1	Notice of non-payment and late fee now due
2nd Notice	6/1	Notice of delinquency and interest accrual
Collection/legal action	7/1 (90 days after due date)	Lien filed against property. Attorney/collection fees may accrue

B. Notwithstanding the time frames set forth above, if a lien holder with priority over the Corporation's lien (i.e., first mortgagee) takes title (or may take title) to a property through foreclosure or deed in lieu of foreclosure, or if a property is placed for sale, the Corporation may file a lien on the property for any delinquent payment at any time.

C. Once accounts are turned over to the Corporation's attorney, Owners shall make payment to the Corporation at the address of the Corporation's attorney. The Corporation's attorney shall consult with the Corporation regarding collection procedures and payment arrangements.

VII. SALE OF LIEN

The Corporation may sell its lien at any time in order to obtain any monies due, in which case it shall post a notice regarding the sale of the lien on the Corporation's bulletin board, and publish a notice in a newspaper of general circulation prior to selling the lien. Once the lien has been sold, the lienee must deal with the holder of the lien, not the Corporation.

VIII. NOTICES

Late notices from the Corporation or manager may be sent by regular mail. Collection or demand letters or notices from the attorney shall be sent by certified mail.

IX. REFERRAL OF DELINQUENT ACCOUNTS TO ATTORNEYS

A. Any collection action involving use of an attorney shall require majority approval of the Board. Because time may be of the essence, this approval may be obtained electronically (by email or fax), and subsequently recorded in the minutes of the next Board meeting. Upon referral of a delinquent

account to the Corporation's attorneys, the attorneys shall take appropriate action to collect the accounts referred. The Corporation's attorney is authorized to take whatever action is necessary, in consultation with the President of the Executive Board of Directors or other person designated by the Board, believed to be in the best interests of the Corporation, including, but not limited to:

1. Filing a lien against the delinquent Owner's property to provide record notice of the Corporation's claim against the property, if not already filed;
2. Filing suit against the delinquent Owner for a money judgment. The purpose of obtaining a personal judgment against the Owner is to allow the Corporation to pursue remedies such as garnishment of the Owner's wages or bank account to collect judgment amounts;
3. Instituting a judicial action of foreclosure on the Corporation's lien. The Corporation 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 in other circumstances that may favor such action;
4. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Corporation's claim; and
5. Filing a court action seeking appointment of a receiver. A receiver is a disinterested person, appointed by the court, who manages rental of the Owner's property, and collects the rents according to the court's order. The purpose of a receivership for the Corporation is to obtain payment of current assessments, reduce past due assessments, and prevent waste and deterioration of the property.

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

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

X. NOTIFICATION TO AND COMMUNICATION WITH OWNERS

This Collection Policy shall be made available to all Owners by the Corporation as required by Colorado law. After a delinquent account has been referred to the Corporation's attorney, all communication with the delinquent Owner shall be handled through the Corporation's attorney. Neither the manager, if any, 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 Corporation's attorney unless the attorney is present or has consented to the contact. However, the Corporation has the option and right to continue to evaluate each delinquency on a case by case basis.

XI. CERTIFICATE OF STATUS OF ASSESSMENT/ESTOPPEL LETTER

The Corporation shall furnish to an Owner or such Owner's designee upon written request, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's property. The statement shall be delivered within fourteen (14) calendar days after receipt of the written request. The Corporation may charge a fee for such statement in an amount as established by the Board from time

to time, which fee shall become an assessment. If the Owner's account has been turned over to the Corporation's attorney, such statement shall be handled through the Corporation's attorney and shall include any attorney fees incurred in providing the statement.

XII. BANKRUPTCIES AND PUBLIC TRUSTEE 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 property within the Corporation, the Corporation may advise the Corporation's attorney of the same and turn the account over to the Corporation's attorney.

XIII. WAIVERS

The Corporation may determine the time for the filing of lawsuits and liens on a case by case basis, and may otherwise modify the procedures contained herein, as the Corporation shall determine appropriate under the particular circumstances. Any such accommodation shall be documented in the Corporation's files with the conditions of relief. Failure of the Corporation to require strict compliance with this Collection Policy shall not be deemed a waiver of the Corporation's right to require strict compliance and 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 Collection Policy.

XIV. AMENDMENT

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

FOR THE EXECUTIVE BOARD OF DIRECTORS:

Z. G. Standing Bear
Corporation President

/s/
Deb Schneider
Secretary

January 1, 2010