

ELDORADO COMMUNITY IMPROVEMENT ASSOCIATION, INC.
BOARD POLICY NUMBER: 00-02-2 Revision A
TITLE: Collection Policy for Delinquent Assessments
DATE OF POLICY: June 20, 2000

WHEREAS the Eldorado Community Improvement Association, Inc. Board is charged with the responsibility of collecting annual assessments and special assessments for common expenses from homeowners pursuant to Article V, Section 8 of the Declaration; and

WHEREAS from time to time homeowners become delinquent in their payments of these assessments and fail to bring their accounts current; and

WHEREAS the Board deems it to be in the best interest of the Association to adopt a uniform and systematic procedure for dealing with delinquent accounts in a timely manner and further believes, if necessary, it to be in the best interests of the Association to refer these accounts to an attorney for collection so as to minimize the Association's loss of assessment revenue; NOW, THEREFORE,

BE IT RESOLVED that pursuant to Article V, Section 8 of the Declaration there is hereby levied against any assessment account which is not paid in full within 30 days of the March 1 delinquency date, the assessment shall bear interest from the date of delinquency at the maximum legal rate of interest of 15% per year which the General Manager is directed to charge to and collect from any delinquent owner; and

BE IT FURTHER RESOLVED that the General Manager is directed to send on or about March 31 to any owner who is delinquent in the payment of annual or special assessments a written notice (hereinafter referred to as the "First Notice"), of the late fee and request for immediate payment; and

BE IT FURTHER RESOLVED that the First Notice sent to the delinquent owner shall state that unless the owner disputes the validity of the debt, or any portion thereof, within 30 days after mailing of the notice, the debt will be assumed to be valid; and that if the delinquent account is not paid in full on or about June 1 the Association will file a Notice of Claim of Lien against the property; and

BE IT FURTHER RESOLVED that the First and Second Notice sent to the delinquent owner shall state that any request for special consideration of hardship circumstances, including all reasons why the Board should consider the request, must be submitted to the Board in writing, together with a request for a hearing, or in the alternative, a request that the determination be made by the Board based on the written request, and if not so submitted, then such request shall have been deemed waived; and

BE IT FURTHER RESOLVED that if the delinquent account is not paid in full on or about June 1, the General Manager is directed to file a Notice of Claim of Lien and send to the delinquent owner a written notice (hereinafter referred to as the "Second Notice"), along with a copy of the lien and the statement that if the account is not paid in full immediately it may be referred to the Association's attorney for legal action; and

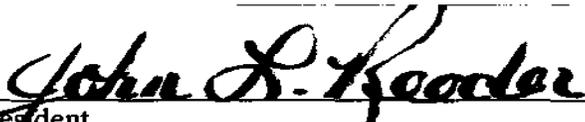
BE IT FURTHER RESOLVED that at the determination of the Board and General Manager, if the delinquent account is not paid in full on or about July 1, a written notice (hereinafter referred to as the "Third Notice"), stating that the matter has been turned over to the Association's attorney for action; and

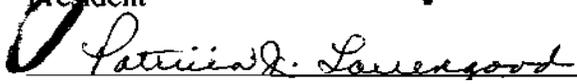
BE IT FURTHER RESOLVED that the membership rights of any owner whose account is delinquent as of March 31 will be suspended by the Board during the period that any installment, charge or assessment remains unpaid, subject to the terms of the Governing Documents; and

BE IT FURTHER RESOLVED that the following policy shall apply to all delinquent accounts turned over to the Association's attorney for collection; and

BE IT FURTHER RESOLVED that all owners with multiple year outstanding delinquent accounts be sent a written notice by March 31, 2000 (hereinafter referred to as "Final Notice"), that gives them 30 days to pay all overdue assessments. If the assessments are not paid in full within 30 days then the delinquent account will bear interest at 15% per year back to the original delinquent date and that the Board may refer the matter to the Association's attorney for action.

This policy revision was adopted by the Board on June 20, 2000 and shall be effective on June 20, 2000.



President


Date