

AFTER RECORDING, RETURN TO:

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**Responsible Governance Policies
The Palmyra Condominium Association, Inc.**

These policies were adopted by the Board of Directors of The Palmyra Condominium Association, Inc. ("Association"), pursuant to C.R.S. 38-33.3-209.5, and are made effective as of April 24, 2007. These policies shall replace and supersede all previous policies adopted by the Association or Board of Directors that address the specific subjects referenced herein.

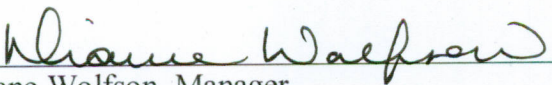
1. **Invoicing and Collection of Unpaid Assessments**

- a. **Invoices; Due Date.** The Association shall send out invoices by mail or email. Payments for regular assessments are due in advance on the first of the month. All other assessments shall be due as determined by the Board of Directors, but in no event less than ten (10) business days from the date invoiced.
- b. **Collection of Less Than \$1,000..** For outstanding balances less than \$1,000 that are 30 days or more past due, the Association may send the delinquent owner one letter advising that the amount is thirty (30) days past due, that interest is accruing on the balance, and requesting payment. The letter shall also advise that, if not paid, the amount past due will be added to the delinquent owner's next statement with accrued interest. The Association will not charge the delinquent owner for this letter. The amount past due shall be added to the delinquent owner's next statement with accrued interest.
- c. **Collection of \$1,000 or More.** For outstanding balances of \$1,000 or more, the Association has adopted the following collection policy.
 - i. For balances that are thirty (30) days past due, the Association may send a collection letter to the delinquent owner advising that the amount is thirty (30) days past due, that interest is accruing on the balance, and requesting payment. There is no charge for this letter.
 - ii. For balances that are sixty (60) days past due, the Association may send a collection letter to the delinquent owner advising that the amount is sixty (60) days past due, that the Association intends to record a lien against that owner's unit, that there is an administrative charge for the letter and that there will be an administrative charge for recording the lien. The association will charge the administrative charge for the letter to the delinquent owner.

- iii. For balances that are more than ninety (90) days past due, the Association may record a lien against the delinquent owner's unit. If the association records a lien, then the association will send a copy of the lien to the delinquent owner via certified mail. The association will charge the administrative charge for recording the lien to the delinquent owner.
 - iv. For balances that are more than one hundred twenty (120) days past due, after notice to the delinquent owner and an opportunity to be heard by the board, the board may elect to cause the total amount of such delinquent owner's common expense assessments for the remainder of that fiscal year to become immediately due and payable in accordance with Section 5.5 of the Declaration of The Palmyra at Telluride Mountain Village recorded on October 10, 1995, in Book 551 at page 609, and/or, the board may proceed with a foreclosure action against the delinquent owner's unit.
 - v. After notice and hearing,
 - d. **Returned Checks.** There is a \$25 charge for returned checks.
 - e. **Interest.** All amounts past due to the Association shall bear at the rate of eighteen percent (18%) *per annum* from the date the payment was due.
 - f. **Attorneys Fees and Costs of Collection.** Delinquent Owners are responsible for payment to the Association of all costs of collection, including the costs of collection letters, charges by the Association's manager, reasonable attorneys fees and collection agency fees.
 - g. **Application of Payments.** The Association will apply Owner payments of outstanding balances first to collection costs, then to interest, then to the most recent invoices for assessments, and finally to the oldest balance.
2. **Resolution of Disputes between Owners and the Association** If there is a dispute of any kind between an Owner and the Association, then the claiming party shall give the other party written notice of the dispute. Within thirty (30) days of written notice of a dispute, all parties to the dispute shall engage in nonbinding mediation in person in San Miguel County, CO, before a mutually agreed mediator. The costs of mediation shall be shared equally among the parties. Mediation is not a precondition to filing suit.
 3. **Handling of Conflicts of Interest Involving Board Members** Conflicts of interest shall be subject to C.R.S. § 7-128-501 (Colorado Nonprofit Corporation Act), as same may be amended.

4. **Conduct of Meetings** Meetings shall be conducted in accordance with all applicable provisions of the Colorado Nonprofit Corporation Act (C.R.S. § 7-135-100 *et. seq.*) and the Colorado Common Interest Ownership Act (C.R.S. § 38-33.3-101 *et. seq.*), and in accordance with Roberts Rules of Order as such rules are applied to small Associations that do not need full parliamentary procedure.
5. **Enforcement of the Governing Documents** Monetary enforcement of the governing documents is subject to the Association's collection policies, above. The Association will enforce nonmonetary violations of the governing documents by first giving written notice of violation to the owner and/or tenant in violation. If the Association seeks to impose fines, then in addition the owner and/or tenant in violation will be given an opportunity for a board hearing prior to the imposition of fines.
6. **Inspection and Copying of Association Records by Unit Owners** Owners may submit a request to the manager to copy Association records. The owner will pay the Association's actual costs for research and copying in connection with such records requests.
7. **Investment of Reserve Funds** Reserve funds may be held either in a savings deposit account or certificate of deposit at the discretion of the Association's manager.
8. **Procedures for the Adoption and Amendment of Policies, Procedures, and Rules** In the absence of a contrary provision in the declaration or articles of the Association, these policies may be amended and supplemented by a vote of the majority of the Board of Directors.

The undersigned manager certifies that the foregoing Rules and Regulations were adopted by the Board of Directors at its meeting held May 24, 2007.


Diane Wolfson, Manager

Date: May 24, 2007