

STONE CREEK MEADOWS CONDOMINIUM ASSOCIATION

BOARD OF DIRECTORS' RESOLUTION

COLLECTION OF UNPAID ASSESSMENTS

_____, 2011

The Board of Directors ("Board") of Stone Creek Meadows Condominium Association, a Colorado nonprofit corporation (the "Association"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of the Association ("Policy") related to Collection of Unpaid Assessments is hereby adopted and ratified:

1. Due Dates. The annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable in full on the first day of the month after the month in which the bill is rendered. Assessments or other charges not paid in full to the Association on or before the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association when due shall incur late charges and interest as provided below.
2. Receipt Date. The Association shall post payments on the day that the payment is received by the Association.
3. Late Charges and Interest on Delinquent Installments. The Association may charge a late **payment penalty of 1.5% of the amount due** for any assessment payment not paid within **10** days after it is due. The Association shall **also** impose interest from the date due at the rate of **18%** per annum on the amount owed for each Owner who fails to timely pay their installment of the annual assessment within **30** days of the due date.
4. Personal Obligation for Late Charges. The interest charged on a delinquent assessment shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.
5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a reasonable fee, not to exceed \$20.00, shall be assessed 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. This returned check charge shall be a default assessment for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. 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 Owner(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 Declaration, Articles, Bylaws, Rules and Regulations or this Resolution after the effective date of this Resolution. This return check charge shall be in addition to any late fees or interest incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the installment of the annual assessment is not timely made within 30 days of the due date. If two or more of an Owner's checks are returned unpaid by the financial institution within any one

year period, the Association may require that all of the Owner's future payments, for a period of one year, be made by certified check or money order.

6. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, 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 Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

7. Application of Payments. All payments received on account of any Owner, 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 Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

8. Collection Process.

a. After an installment of an annual assessment or other charges due to the Association becomes more than **30** days delinquent, a written notice ("First Notice") of non-payment, amount past due, notice that interest and late payment penalties have accrued and request for immediate payment shall be sent by the Secretary of the Board or the Association's Property Manager, as the Board shall determine.

b. After an installment of an annual assessment or other charges due to the Association becomes more than **60** days delinquent, a second written notice ("Second Notice") of non-payment, amount past due, notice that interest and late payment penalties have accrued, that the account is subject to being turned over to an attorney for collection if not paid in full within 30 days, and request for immediate payment shall be sent.

c. At any time after installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the account will be turned 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 Owner demanding immediate payment for past due assessments or other charges due. Upon further review, 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 shall include reasonable attorney's fees together with the cost of the action and any applicable interest and late fees.

d. In addition to the steps outlined above, the Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

9. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee upon written request, first class postage prepaid, return receipt requested, to the Association's Property Manager, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a \$25.00 fee. This fee may be adjusted from time to time to reflect the actual amount charged by the management company for such service.

10. Bankruptcies and 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

unit within the Association, the Association's Property Manager shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

11. Judicial Foreclosure. The Association 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 other circumstances favor such action.

12. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Executive Board shall determine appropriate under the circumstances.

13. Defenses. Failure of the Association to comply with any provision in this Policy 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 Policy.

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

15. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the laws of the State of Colorado governing Stone Creek Meadows Condominiums.

16. Deviations. The Executive Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances

17. Amendments. This policy may be amended from time to time by the Board in accordance with the Association's Policy for Adoption and Amendment of Policies, Procedures and Rules and the timeframes set forth therein.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Stone Creek Meadows Condominium Association, a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of the Association at its meeting held on March 12, 2011 at which a quorum was present.

Dated: _____, 2011.

Secretary

Printed Name: _____