

RESOLUTION OF
ASHTON ESTATES COMMUNITY ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURES FOR COLLECTION OF
UNPAID ASSESSMENTS

RESOLUTION: The Association hereby adopts the following policy:

1. Due Dates. The annual payment of dues and/or assessments of the Association as determined by the Board of Directors shall be due and payable on October 31.

Assessments or other charges not paid in full to the Association within 30 days of the due date shall be considered past due and delinquent. Annual dues and/or assessments or other charges not paid in full to the Association following 30 days of the due date shall incur late fees.

2. Receipt Date. The Association shall record payments on the day that the payment is received at the address indicated on the notice of payment due.

3. Late Charges on Delinquent Installments. The Association shall impose on a monthly basis a \$20.00 late charge for each Owner who fails to pay his/her annual dues and/or assessments following 30 days of the due date. This late charge shall be a "common expense" for each delinquent Owner.

4. Personal Obligation For Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such annual dues and/or assessment 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 annual dues and/or 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 \$25.00 fee or other amount deemed appropriate by the Board of Directors 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 "common expense" 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. If two or more of an Owner's checks are returned unpaid by the bank within any (fiscal) year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. 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 annual dues and/or assessments is not made following 30 days of the due date.

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 cost 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 or the Owner's property (hereinafter collectively "Owner"), shall be applied first 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 of annual dues and/or assessments to become due with respect to such Owner.

8. Collection Process.

(a) After annual dues and/or assessments or other charges due to the Association becomes more than 30 days delinquent, the designated individual shall send a written notice ("First Notice") of non-payment, amount past due, notice that late fees have accrued and request for immediate payment.

(b) After payment of annual dues and/or assessments or other charges due to the Association becomes more than 60 days delinquent, the designated individual shall send a second written notice ("Second Notice") of non-payment, amount past due and notice that late fees have accrued.

(c) After payment of annual dues and/or assessments or other

charges due to the Association becomes more than 90 days delinquent, the designated individual shall send a third written notice (“Third Notice”) of non-payment, amount past due, notice that late fees have accrued, notice of intent to file a lien and request for immediate payment.

(d) After payment of annual dues and/or assessments or other charges due to the Association becomes more than 104 days delinquent, a lien shall be filed. If the Association chooses, the account may then be turned over to an attorney. Upon receiving the delinquent account, the Association’s attorneys shall send a letter to the delinquent Owner demanding payment for past due annual dues and/or 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.

(e) In addition to the steps outlined above, the Board of Directors may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting.

9. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid assessment on any delinquent account. Such acceleration shall result in the entire unpaid assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

10. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of the assessment and other charges.

Due Date (date payment due)	October 31
Past Due Date (date payment is late and late fees accrue if not received on or before that date)	December 1
First Notice (notice that late charges have accrued)	30 days after due date
Second Notice (notice that late charges have accrued)	60 days after due date
Third Notice (notice that late charges have accrued and intent to file a lien)	90 days after due date
Lien filed	104 days after due date

11. 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, to the Association's agent, a written statement within 14 days of such request setting forth the amount of unpaid annual dues and/or assessments currently levied against such Owner's property for a reasonable fee. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

12. 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 designated individual shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

13. Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association shall also cause an additional copy of that letter or notice by certified or registered mail.

14. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Association, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- (a) Filing of a suit against delinquent Owner for a money judgment;
- (b) Instituting a judicial foreclosure of action of the Association's lien;
- (c) Filing necessary claims, documents and motions in bankruptcy court in order to protect the Association's interests;
- (d) File a court action seeking appointment of a receiver.

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

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

15. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of annual dues and/or assessments pursuant to the Declaration and Colorado Law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to: obtain payment of current dues annual and/or assessments, reduce past due, annual dues and/or assessments and prevent the waste and deterioration of the property.
16. 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 annual dues and/or assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action.
17. Waivers. The Board of Directors is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Board of Directors shall determine appropriate under the circumstances.
18. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the designated individual nor any member of the Board of Directors shall discuss collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.
19. 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.

20. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
21. 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 law of the State of Colorado governing the Project.
22. Deviations. The Board may deviate from the Procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
23. Amendment. This Procedure may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of the Ashton Estates Community Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on this 4 day of January, 2012 in witness thereof, the undersigned has subscribed his/her name.

EFFECTIVE DATE:

1/4/2012

ASHTON ESTATES COMMUNITY
ASSOCIATION, INC., a Colorado
nonprofit corporation

By:


President