

**PERSIMMON WOODS TOWNHOMES ASSOCIATION, INC.**

**BOARD OF MANAGERS' RESOLUTION**

**COLLECTION OF UNPAID ASSESSMENTS**

The Board of Managers ("Board") of Persimmon Woods Townhomes Association, Inc., a Colorado nonprofit corporation (the "Association"), hereby rescinds any previous policy(ies) concerning the collection of unpaid assessments and 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. 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 fee of \$10.00 for any assessment payment not paid within 15 days after it is due. The Association shall impose interest from the date due at the rate of 24% per annum on the amount owed for each Owner who fails to timely pay their installment of the annual assessment within 15 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 to the Association by its bank, or under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Resolution, a reasonable fee, not to exceed \$30.00, 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.

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 60 days delinquent, the manager shall send a written notice ("First Notice") of non-payment, amount past due, notice that interest has accrued and request for immediate payment or immediate communication to set up a payment plan to permit the Owner to pay off the deficiency under terms at a minimum of payments in equal installments over a period of at least six months, including terms for the Owner to remain current with regular assessments as they come due during the payment plan period, which if not done will constitute a default of such payment plan. For purposes of this section, "assessments" includes regular and special assessments and any associated fees, charges, late charges, attorney fees, fines, and interest charged. Additionally for purposes of this section, "Owner" shall exclude any Owner that does not occupy his/her/its Unit, or who acquired the Unit as a result of a default of a security interest encumbering the Unit; or Foreclosure of the association's lien; and no payment plan will be offered to any Owner who has previously entered into a payment plan under this section.

b. After an installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the manager shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest has accrued, and request for immediate payment, but prior to referring an account to either a collection agency or attorney, the Manager shall send the unit owner a notice of delinquency specifying: (i) The total amount due, with an accounting of how the total was determined; (ii) Whether the opportunity to enter into a payment plan exists pursuant to section 38-33.3-316.3 and instructions for contacting the entity to enter into such a payment plan; (iii) The name and contact information for the individual the unit owner may contact to request a copy of the unit owner's ledger in order to verify the amount of the debt; and (iv) That action is required to cure the delinquency and that failure to do so within thirty days may result in the unit owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the unit owner's property, or other remedies available under Colorado law.

c. At any time after installment of an annual assessment or other charges due to the Association becomes more than 90 days delinquent, the manager shall turn the account 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, to the Association's agent, 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 manager shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

11. 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 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, initially capitalized or terms 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 Persimmon Woods Townhomes.

16. 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.

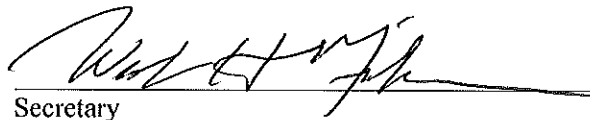
**CERTIFICATION**

I, the undersigned, do hereby certify:

That I am a duly elected and acting Secretary of Persimmon Woods Townhomes Association, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Board of the Association at its meeting held on February 13<sup>th</sup> 2004 at which a quorum was present.

Dated: 2/18/2004, 2004.

  
Secretary

Printed Name: William H. Mickens