

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE HORSETOOTH LAKE
ESTATES OWNERS' ASSOCIATION, INC. (A NON-PROFIT CORPORATION)**

On January 22, 2009, the Board made the following resolution after the annual meeting. This resolution clarifies billing issues for parcels that have recently developed.

A "parcel" is defined by the Bylaws. The Board acknowledges that some parcels have been combined and made into one parcel through a County process. Also, some parcels have an improvement (such as a home, etc.) across a boundary line so that the two parcels will be sold together and will be used as one. These two examples do not limit this resolution.

The Board and the Bylaws are not changed by County processes. A "parcel" has a specific definition in the Bylaws.

RESOLVED: A "parcel" shall retain its meaning as provided in the Bylaws and the Declarations. Regardless of changes to "parcels," the billing shall remain the same. The following are examples:


Example 1: "Parcel A" with no improvement is combined by County process with "Parcel B" with a house. The billing remains the same. The owner pays one empty parcel charge (currently \$50.00) and one charge for a parcel with an improvement (currently \$200.00), for a total charge of \$250.00.

Example 2: Improvements on the boundary line of two parcels will be billed \$250.00. If an owner owns two parcels and builds an improvement on the boundary line of the two parcels, the billing remains the same. The owner pays one empty parcel charge (currently \$50.00) and one charge for a parcel with an improvement (currently \$200.00), for a total charge of \$250.00.

These examples do not limit the resolution and are for illustration purposes only.

CERTIFICATION

I hereby certify the above resolution as accurate and approved by the majority of the Board on January 22, 2009.



J. B. Hite, President

Date: June 18, 2009

**RESOLUTION
REGARDING POLICY AND PROCEDURES
FOR COLLECTION OF UNPAID ASSESSMENTS**

- SUBJECT:** Adoption of a policy and procedure regarding the collection of unpaid assessments.
- PURPOSE:** To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.
- AUTHORITY:** The Declaration, Bylaws and Articles of Incorporation of the Association and Colorado law.
- EFFECTIVE DATE:** September 1, 2007
- RESOLUTION:** The Association hereby adopts the following policy:

1. Due Dates. The yearly assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the 1st day of July. Assessments or other charges not paid in full to the Association within 31 days of the due date shall be considered past due and delinquent.
2. Late Charges on Delinquent Installments. The Association shall impose a 5% late charge for each Owner who fails to timely pay his/her monthly assessment within 31 days of the due date. A second late charge of 10% will be assessed at 31 days past the 1st notice. These late charges shall be a "common expense" for each delinquent Owner. The Association shall 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 monthly assessment within 31 days of the due date. The late charges may be waived by the Board if payment arrangement are made prior to the account being 31 days delinquent.
3. Personal Obligation for Late Charges. The late charge 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 buy the Declaration (and as set forth herein) for payment of assessments.
4. 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 fee 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.

5. 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.

6. Application of Payments. All sums collected on a delinquent account shall be remitted to the Association's attorney until the account is current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "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.

7. Collection Process.

- (a) After the yearly assessment or other charges due to the Association become delinquent on August 1st, the manager shall send a written notice ("First Notice") of non-payment, amount past due, notice that a 5% late fee has been assessed, and a warning of further late fees and interest if balance is not paid in full within 31 days.
- (b) After yearly assessment or other charges due to the Association becomes more than 62 days delinquent, the manager shall send a second written notice ("Second Notice") of non-payment, along with the second 10% fine and notice that interest has accrued, plus notice of intent to file a lien and request for payment within 10 days.
- (c) After an annual assessment or other charges due to the Association becomes more than 62 days delinquent, the Association, or authorized agent of the Association, may file a lien and turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorneys shall send a letter to the delinquent Owner demanding immediate payment for the 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.

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

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

Due Date (date payment due)	1 st day of July
Past Due Date – First Notice (notice that late charges and interest have accrued)	1 st day of August
Past Due Date - Second Notice (notice that late charges and interest have accrued, notice of intent to file lien)	1 st day of September
Delinquent account turned over to Association’s attorney; Lien filed; Demand letter sent to Owner	10 days after sending second notice.

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

10. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner’s designee upon written request, to the Association’s agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner’s property. However, if the account has been turned over to the Association’s attorney, such request may be handled through the attorney.

11. 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.

12. 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’s manager, 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 the delinquent Owner for a money judgment;
- (b) Instituting a judicial foreclosure 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.

13. 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.

14. 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 Association shall determine appropriate under the circumstances.

15. Communication with Owners. All communications with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any member of the Board of Directors shall discuss the 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.

16. 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.

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

18. 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.

19. 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.

20. Amendment. This Policy may be amended from time to time by the Board of Directors.

PRESIDENT'S

CERTIFICATION: The undersigned, being the President of Horsetooth Lake Estates Homeowners Association, 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 Sept 6 - 07
_____, and in witness thereof, the undersigned has subscribed his/her name.

By: Vella A Campbell
President