

PRENTICE AVENUE TOWNHOMES HOMEOWNERS ASSOCIATION, INC.
ASSESSMENT COLLECTION POLICY

Adopted November 1, 2005

The following procedures have been adopted by the Prentice Avenue Townhomes Homeowners Association, Inc. ("Association"), pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

WHEREAS, the Board of Directors believes it to be in the best interest of the Association to establish a uniform and systematic procedure for collecting assessments and other charges of the Association, thus ensuring the financial well being of the Association, and

WHEREAS, all members of the Association are obligated by the Declaration for Prentice Avenue Townhomes Homeowners Association ("Declaration") to pay all dues and assessments in a timely manner. Failure of Members to pay assessments in a timely manner jeopardizes the Association's ability to pay its bills, and is unfair to the members who do. Accordingly, the Association, acting through the Board of Directors, must take steps to ensure timely payment of assessments.

NOW, THEREFORE, BE IT RESOLVED that the Association does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Association:

1. Due Dates. The annual assessment as determined by the Association shall be due and payable monthly in equal installments due on the first day of the month. Assessments or other charges not paid to the Association by the 1st day of the month in which they are due shall be considered past due and delinquent.
2. Late Charges and Interest Charge. The Association shall be entitled to impose a late charge of twenty dollars (\$20.00) on each past due and delinquent installment received by the Association after the 10th day of the month. If any assessment is not paid within ten (10) days after its due date, the amount due shall bear interest at a rate of eighteen percent (18%) per annum, from the due date until paid. All late charges and interest charges shall be due and payable immediately, without notice, in the manner provided for payment of assessments.
3. Return Check Charge. A twenty dollar (\$20.00) 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. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of an owner's checks are returned unpaid by the bank within any twelve month 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.

4. Attorney Fees on Delinquent Accounts. 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.
5. Application for payments made to the Association. The Association reserves the right to apply all payments received on account of any owner first to payment of any and all legal fees and costs (including attorney fees), then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, firm fees, and other costs owing or incurred with respect to such owner, and any remaining amounts shall be applied to the assessments due with respect to such owner.
6. Collection Letters.
 - (a) After an installment of the common assessment or other charge owed to the Association becomes 10 days past due, the Association shall cause a notice of delinquency to be sent to the unit owner who is delinquent in payment.
 - (b) If payment in full is not received within 14 days after the notice of delinquency, the Association may, but shall not be required to send a notice of default to the owner.
7. Liens. Within 30 days after an owner's failure to pay any assessment or other charge, the Association may cause to be filed a notice of lien against the property of the delinquent owner. The lien shall include fees, charges, late charges, attorney fees, fines and interest owed by the delinquent owner.
8. Referral of Delinquent Accounts to Attorneys. The Association may, but shall not be required, to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys 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. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney. After consultation with the Board of Directors or the Association's managing agent, the attorneys shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent owner's property.
9. Referral of Delinquent Accounts to Collection Agencies. The Association may, but shall not be required, to assign delinquent accounts to one or more collection agencies for collection.

10. Waivers. Nothing in this Resolution shall require the Association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each delinquency on a case by case basis. The Association may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, 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 may determine appropriate under the circumstances.

11. Delinquencies Constitute Covenant Violations. Any delinquency in the payment of assessments shall constitute a violation of the covenants contained in the Declaration, and following notice and an opportunity to be heard, the Association shall be entitled to impose sanctions on the delinquent owner consistent with the Association's Notice and Hearing, and Enforcement Policy and Procedures.

The undersigned hereby certify that the foregoing resolution was adopted and made a part of the minutes of the meeting of the Board of Directors of the Association conducted on the 1ST day of November 2005.

Prentice Avenue Townhomes Homeowners
Association, Inc.

By: KEITH STEWART
President

Attest:

This Collection Policy was adopted by the Board of Directors on the 1st day of November 2005, effective the 1st day of November 2005, and is attested to by the Secretary of the Prentice Avenue Townhomes Homeowners Association, Inc.

ELAINE STEWART
Secretary