

RESOLUTION OF EXECUTIVE BOARD
of
COPPERLEAF HOMEOWNERS ASSOCIATION, INC.

Rules & Regulations: Collection Policy

The following resolution has been adopted by the Copperleaf Homeowners Association, Inc. (the "Association") pursuant to Colorado law, at a regular meeting of the Executive Board.

RECITALS

- A. The Association is charged with certain responsibilities regarding the care, maintenance and service of certain portions of the common elements.
- B. The Association must have the financial means to discharge its responsibilities.
- C. The Executive Board has a responsibility to pursue collection of assessments and other charges from Owners pursuant to the Copperleaf Homeowners Association's Declaration of Covenants, Conditions and Restrictions ("Declaration") and the Bylaws of the Association.
- D. The Executive Board of the Association desires to adopt a uniform and systematic procedure to collect assessments and other charges of the Association.
- E. The Executive Board believes that it is in the best interest of the Association to refer delinquent accounts promptly to an attorney for collection so as to minimize the Association's loss of assessment revenue. The Executive Board has retained an attorney with experience in representing homeowner associations in collections and other matters.

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 installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due on the first day of the month and payable no later than the fifteenth (15th) day of the month. Assessments or other charges not paid in full to the Association within thirty (30) days of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association by the fifteenth of each month shall incur late fees and interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged any costs incurred by the Association in giving notice of such acceleration.

2. Late Charges on Delinquent Installments. The Association shall impose on a monthly basis a \$10.00 late charge for each Owner who fails to timely pay his/her installment of the annual assessment within thirty (30) days of the due date. This late charge shall be a "common expense" for each delinquent Owner. The Association shall impose interest from the date due at the rate of eighteen (18) percent per annum on the amount owed for each Owner who fails to timely pay their monthly installment of the annual assessment within thirty (30) days of the due date.

3. 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 of this Resolution, a \$30.00 fee or other amount deemed appropriate by the Executive Board 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. 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 thirty (30) days of the due date.

4. 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.

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

6. Collection Process.

(a) After an installment of an annual assessment or other charges due to the Association becomes more than thirty (30) days delinquent, the manager is directed to send a written notice of non-payment and request for immediate payment.

(b) After an installment of an annual assessment or other charges due to the Association becomes more than sixty (60) days delinquent, the manager is directed to send a second written notice of non-payment, amount past due, including notice that interest and late fees have accrued, and request for immediate payment.

(c) After an installment of an annual assessment or other charges due to the Association becomes more than ninety (90) days delinquent, the manager is directed to send a third written notice of non-payment, amount past due, including notice that interest and late fees have accrued, notice of intent to file a lien, and request for immediate payment.

(d) After an installment of an annual assessment or other charges due to the Association becomes more than one hundred twenty (120) days delinquent, the Manager is directed to turn the account over to the Association's attorneys for filing of lien and collection. Upon receiving the delinquent account, the Association's attorneys shall send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorneys may file a summons and complaint with the court of jurisdiction. 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.

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

(f) If the manager deems that circumstances necessitate a write-off of an account, the manager may write-off a portion of a delinquent account in an amount not to exceed \$25.00. Any write-off greater than \$25.00 shall require consultation with and authorization of the President of the Executive Board.

7. Acceleration 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.

8. 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)	1st day of the month due
Past due date (date payment is late if not received on or before that date)	15 days after due date
First reminder notice	30 days after due date
Second notice (notice that late charges and interest have accrued)	60 days after due date
Third notice (notice that late charges and interest have accrued, notice of intent to file lien)	90 days after due date
Delinquent account turned over to Association's attorney; Lien filed; Demand letter sent to Owner.	120 days after due date

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 \$10.00 fee. However, if the account has been turned over to the Association's attorney, such request shall be handled through the attorney.

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 advise the Association's attorney of the same and turn the account over to the Association's attorney.

11. 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 may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

12. Referral of Delinquent Accounts to Attorneys. 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. The attorney is authorized to take whatever action is necessary, in consultation with the President of the Executive Board, believed to be in the best interest 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. Filing a court action seeking appointment of a receiver.

13. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner in county court for a money judgment.

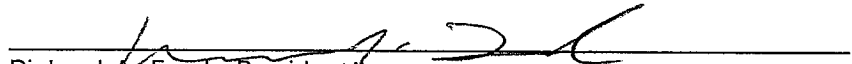
14. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

15. Notification and Communication with Owners. The Association shall, upon written request, provide an Owner with a copy of this Resolution which shall become effective upon its adoption. All communication with a delinquent Owner(s) 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 Executive Board 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 Collection Policy shall not be deemed a defence to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Collection Policy.

17. Amendment. This Collection Policy may be amended from time to time by the Executive Board.

The undersigned, President and Secretary, respectively, of Copperleaf Homeowners Association, Inc., a Colorado corporation, do hereby certify that this Resolution was adopted by the Executive Board on the 11th day of November, 2005.



Richard A. Frank, President



Stephen A. Prokopiak, Secretary