

**LAGOON TOWNHOME CONDOMINIUMS ASSOCIATION**  
**Policy & Procedures – Fines and Collections**

Adopted June 5, 2010

The following procedures have been adopted by Lagoon Townhome Condominiums Association (“Association”) pursuant to the provisions of C.R.S. 38-33.3-209.5 at a regular meeting of the Board of Directors.

**WHEREAS**, the Colorado Common Interest Ownership Act, in C.R.S. 38-33.3-209.5, mandates common interest communities adopt certain policies and procedures, and

**WHEREAS**, the Association has an obligation to timely collect Dues, Assessments, and Fines due from Owners, and


**WHEREAS**, the Association desires to clearly state how amounts due from an Owner will be applied to an Owners financial obligations to the Association,

**NOW, THEREFORE, IT IS RESOLVED** that the Association does hereby stipulate the following procedures to cover the collection and the application of sums collected from an Owner:

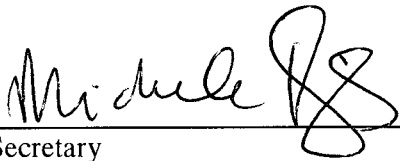
1. Application of Payments. Any payments of less than the full amount owed to the Association shall be applied to pay the following in the order listed below, from oldest to the most recent in each category:
  - A. To attorney fees and legal costs of collection
  - B. To Associations costs and other legal charges
  - C. To late fees and interest
  - D. To special assessments
  - E. To annual (or monthly) assessments
2. Return of Payment: The Association shall have the discretion to return any partial payment that directs the funds to be applied in a manner inconsistent with the Association’s policy pertaining to partial payments set forth above, or in attempt to settle an account for less than the entire balance due.
3. Possible Actions. In the event a delinquent balance is not resolved with 30 days after the delinquent date, the Board of Directors (“the Board”) may, at its discretion, seek other means of collecting on the account including but not limited to:
  - A. Referring the collection to an attorney,
  - B. Filing a lien against the property for amounts due, plus the legal costs of placing the lien,
  - C. Initiating foreclosure proceedings.

4. Voting: Using the Powers granted to the Board under the Association Bylaws, the Board can prevent any Owner who is 60 days or more past due in the payment of any Dues, Fines, or Assessments, from voting in any meeting of the Owners, or on any business item placed before the Owners.
5. Miscellaneous Provisions. If a check or other instrument is tendered to the Association and the instrument is not honored by the financial institution, the Association may impose a \$35.00 fee as a return fee and/or to pursue statutory remedies. The return fee shall be the personal responsibility of the issuer of the check as well as a lien against the real property subject to the assessment obligation.
6. Conflicting Documents. In the case of any conflict between the Articles of Incorporation, the Bylaws, or the Amended Declaration of Covenants, Rules, Regulations, and listed "Policies & Procedures", such provisions of the Articles, Bylaws, and the Declarations shall take precedence and supersede any provisions of these "Policies & Procedures".

Lagoon Townhome Condominiums  
Association

By:   
\_\_\_\_\_  
President

This Policy Regarding Dispute Resolution was adopted by the Board of Directors on the 5th day of June, 2010, to be effective the 1st day of July, 2010, and is attested to by the Secretary of Lagoon Townhome Condominiums Association.

  
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Secretary