

THE KEYSTONE NEIGHBOURHOOD COMPANY, INC.
EXECUTIVE BOARD
RESOLUTION
COLLECTION OF UNPAID ASSESSMENTS

June 25, 2009

The Executive Board of The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation (the "KNC"), hereby approves and adopts the following Resolution:

RESOLVED, that the following Policy of KNC related to Collection of Unpaid Assessments is hereby adopted and ratified:

1. Due Dates. The annual assessment as determined by KNC and as allowed for in the Declaration shall be due and payable in full thirty (30) days after invoice to the Members by KNC. Assessments or other charges not paid in full to KNC on or before the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to KNC when due shall incur interest as provided below.
2. Receipt Date. KNC shall post payments on the day that the payment is received by KNC.
3. Late Charges on Delinquent Installments. KNC shall impose interest from the date due at the rate of 18% per annum on the amount owed for each Member who fails to timely pay their installment of the annual assessment within 30 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 Member(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 under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of KNC or this Resolution, a reasonable fee, not to exceed \$40.00, shall be assessed against a Member in the event any check or other instrument attributable to or payable for the benefit of such Member 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 Member who tenders payment by check or other instrument that 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, KNC shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Member(s) of the unit for which payment was tendered to KNC. Returned check charges shall become effective on any instrument tendered to KNC 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 a Member. 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, KNC shall be entitled to recover its reasonable attorney fees and

collection costs incurred in the collection of assessments or other charges due KNC from a delinquent Member. The reasonable attorney fees incurred by KNC shall be due and payable immediately when incurred, upon demand.

7. Application of Payments. All payments received on account of any Member, 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 Member 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 Member.

8. Collection Process.

(a) After an installment of an annual assessment or other charges due to KNC becomes more than 30 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.

(b) After an installment of an annual assessment or other charges due to KNC becomes more than 60 days delinquent, the manager shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that interest has accrued, notice of intent to file a lien statement and request for immediate payment.

(c) After an installment of an annual assessment or other charges due to KNC becomes more than 90 days delinquent, the manager shall file a lien and send a letter to the delinquent Member demanding immediate payment for past due assessments or other charges due.

(d) Upon further review by the board, KNC'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.

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

9. Certificate of Status of Assessment. KNC shall furnish to a Member or such Member's designee upon written request, first class postage prepaid, return receipt, to KNC's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Member's property for a \$50.00 fee.

10. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by a Member, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any unit within KNC, the manager shall notify KNC's attorney of the same and turn the account over to KNC's attorney, if appropriate.

11. Judicial Foreclosure. KNC may choose to foreclose on its lien in lieu of or in addition to suing a Member 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. KNC is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Executive Board shall determine appropriate under the circumstances.

13. Defenses. Failure of KNC 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 and Bylaws 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, Bylaws, and the law of the State of Colorado governing The Neighbourhoods at Keystone.

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 President of The Keystone Neighbourhood Company, Inc., a Colorado nonprofit corporation; and

That the foregoing Resolution was duly adopted by action of the Executive Board of The Keystone Neighbourhood Company, Inc. at its meeting held on June 25, 2009, at which a quorum was present.

Dated: July 22, 2009.



Pat Campbell, President