

**RECORD OF ACTION OF THE BOARD OF DIRECTORS
OF
ASPEN BAY HOMEOWNERS ASSOCIATION
(Amendment No. 1 to Assessment Collections Policy)**

Date: April 15, 2011

Minnesota Statutes, Section 317A.239, Subdivision 1 provides that the directors of a non-profit corporation may act without the formality of a meeting by subscribing their names to a record of action assented to and taken by the same number of directors required to act at a meeting:

NOW, THEREFORE, the undersigned, being all of the Directors of ASPEN BAY HOMEOWNERS ASSOCIATION, record that effective the above date, they hereby adopt the following resolutions:

WHEREAS, the Board of Directors (the "Board") of the ASPEN BAY HOMEOWNERS ASSOCIATION (the "Association") is charged with the responsibility of collecting assessments for common expenses from homeowners pursuant to ARTICLE 6 SECTION 5 of the Declaration of Covenants for the Association, as amended (the "Declaration"); and

WHEREAS, from time to time homeowners become delinquent in their payments of these assessments and fail to respond to the demands from the Board to bring their accounts current; and

WHEREAS, the Board deems it to be in the best interests of the Association to adopt a uniform policy and systematic procedure for directly managing and dealing with delinquent accounts in a timely manner, and further believes it to be in the best interests of the Association to act to collect these delinquent accounts promptly upon sixty (60) days after due date so as to minimize the Association's loss of assessment revenue and annual funds budgeted to operate the Association's business; and

WHEREAS, the Board is empowered under the terms of the Declaration and the Bylaws of the Association to recover the costs of collection from a delinquent homeowner;

NOW, THEREFORE, BE IT RESOLVED that the Association's Board or its designee shall pursue all collection actions for the benefit of Association homeowners as set forth below:

Aspen Bay Homeowners Association Assessment Collection Policy
As Amended March 2011

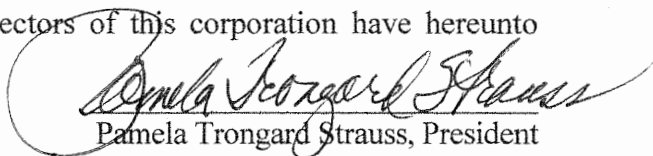
This Assessment Collection Policy, as amended March 19, 2011, has been adopted by the Board in an effort to properly steward Association revenues for the benefit of all homeowners and to ensure that all homeowners are treated equitably, and that the Association can perform its duties to the full extent of its authority granted under the Declaration of Covenants of the Aspen Bay Homeowners Association.

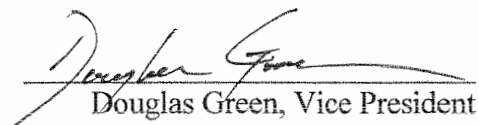
- 1) Aspen Bay Homeowner Regular and Special Homeowner Assessments, or other charges authorized by the Association's governing documents (hereinafter referred to as "Assessment") are due and payable thirty (30) days from date of receipt of Assessment invoice.
- 2) If an Assessment is delinquent by 60 days from its due date, a **First Collection Notice** will be mailed and the homeowner will be assessed an additional fee of \$15.00 to cover the cost associated with said notice.
- 3) If the Assessment remains delinquent for an additional thirty (30) days beyond the original sixty (60) day period, a **Second Collection Notice** will be sent and an additional fee of \$25.00 will be added to the entire balanced owed.
- 4) If the Assessment remains unpaid after an additional thirty (30) days, the Board may or may not, in its sole and absolute discretion, seek a judgment in the appropriate district court in the State of Minnesota. The Board will seek to recover all delinquent assessments, including reasonable attorney fees, and expenses as permitted by the Court.
- 5) If the debt is not paid within a reasonable period of time subsequent to the Court's findings, the Board will act immediately to file a lien upon the subject homeowner's property and said lien will become an encumbrance upon the property, and will be enforced by the Association to the full extent of the law.
- 6) The **First Collection Notice** sent by the Association to the delinquent homeowner shall also state that unless the homeowner disputes the validity of the debt, or any portion thereof, within thirty (30) days after receipt of the Notice, the debt will be assumed to be valid; and if the owner notifies the Association in writing within the thirty-day period that the debt, or any portion thereof, is disputed, the Association will obtain verification of the debt and a copy of such verification will be mailed to the owner by the Association.
- 7) Association membership rights, other than voting rights, of any homeowner whose Assessment is sixty (60) days past due may be suspended at any time at the discretion of the Board during the period that any Assessment, negotiated installment payment, or related charge remains unpaid, subject to the terms of the governing documents.
- 8) The **First Collection Notice** sent by the Association to the delinquent homeowner shall state that the homeowner may submit a written request for special consideration of hardship circumstances (which request shall include all reasons why the Board should consider the request) to the Board before the Assessment becomes sixty (60) days delinquent, together with a request for a hearing, or in the alternative, a request that the determination be made by the Board based on the written request, and if such requests are not so submitted within such period, then such right to make such a request shall have been deemed waived.

- 9) The Association may refer any Assessment that remains delinquent for sixty (60) days after the **First Collection Notice**, to an attorney of the Board's choosing for collection. If the Board retains an attorney or collection agency to collect the delinquent assessment, the Board shall impose a 15% fee on the delinquent balance at the time the account is placed with a collection agency and/or attorney.
- 10) Pursuant to ARTICLE 6 SECTION 6 of the Declaration, if the Association refers a delinquent Assessment to an attorney for collection the homeowner will be liable for payment of any collection expenses incurred by the Association (including but not limited to attorneys' fees and any other fees and/or costs associated with any such collection procedure as permitted by a court of competent jurisdiction).
- 11) The following policies shall apply to all delinquent Assessments that have not been paid by the sixtieth (60th) day and that are the subject of a collection action:
- a. Attorneys' minimum legal fee shall be assessed against each delinquent unit and its homeowner (including repeat offenders) when the account is referred for collection. That amount shall be credited against the fees and costs actually incurred in the collection of the homeowner's Assessment. Delinquent homeowner (debtor) is responsible for all reasonable attorneys' fees incurred in collecting the debt. This amount will be assessed against the homeowner account as soon as the expense is incurred by the Board. The Board will also seek to collect all other fees permissible in the Declaration and that may or may not be awarded as reasonable by the court.
 - b. Filing suit against the delinquent homeowner for money due pursuant to the Declaration of Covenants in a court of appropriate jurisdiction;
 - c. Instituting an action for foreclosure of the Association's lien by any legal means, including foreclosure by advertisement; or
 - d. File a proof of claim, if permissible, with the Trustee in any bankruptcy petition.
- 12) The Board, acting on behalf of the Association, shall provide notice to all member of the Association of the foregoing policies and procedures by mailing a copy of this resolution to such members at the address last shown in the records of the Association.

BE IT FURTHER RESOLVED that the foregoing policies and procedures shall be effective retroactive to Assessments levied on or after JANUARY 1, 2011.

IN WITNESS WHEREOF, the following Directors of this corporation have hereunto subscribed their names.


Pamela Trongard Strauss, President


Douglas Green, Vice President


Lon Heiden, Secretary/Treasurer