

## Application of Payment Policy

**Definition of "Assessment".** Any fine, late charge or other monetary charge or penalty levied by the Association pursuant to the Declaration or these Rules and Regulations, including attorneys' fees and costs incurred by the Association and for which the Owner is liable, shall be collectable as an "Assessment".

Payments received from Owners shall be applied to the Owner's account in the following order:

1. Attorney's fees and costs incurred by the Association and for which the Owner is responsible pursuant to all governing documents and Colorado law;
2. Fines, late charges or other monetary charges or penalties;
3. Past due Special Assessments;
4. Past due installments of Regular Assessments;
5. Current Special Assessments; and
6. Current monthly payment for Assessments.