



ASSOCIATION POLICY REGARDING ASSESSMENT COLLECTION

WHEREAS: The Oaks Owners Association incorporated on September 25, 2002 and recorded with the State of Colorado under 20021265502. Bound by Federal Laws, State Statutes and the Declaration of Covenants recorded in the Clerk and Recorder of Douglas County on November 13, 2002 under 2002121333.

WHEREAS: The Association has the obligation to adopt and publish any revisions to their Collection Policy in compliance with the CCIOA, the state statute governing Common Interest Communities.

WHEREAS: The Declaration of Covenants Section 3 Paragraph 7 authorizes the Board of Directors to adopt, amend or repeal Rules and Regulations affecting, concerning and governing the Lots, Common Elements and or the Community.

WHEREAS: The Association desires to improve assessment collection action with the remedies properly afforded by the governing documents to restrict access to amenities and services upon failure to pay the quarterly assessment timely.

WHEREAS: House Bill 13-1276 which amends The Colorado Common Interest Ownership Act (The Act, CCIOA) requires Homeowner Association Assessment Collection Policies are amended to include specific language and collection processes effective January 1, 2014.

WHEREAS: The following policy and procedure has been adopted by The Oaks Owners Association, Inc. ("Association") pursuant to Colorado statutes, for collection of unpaid assessments.

COMES NOW: The updated Assessment Collection and Delinquent Account Procedures Policy in accordance with the law.

Due Date: The annual assessments as determined by the Board and as allowed for in the Declaration and Colorado statutes shall be due and payable in quarterly installments due on the first day of each quarter. January 1, April 1, July 1, and October 1. Assessments or other charges not paid to the Association by the 10th day of each quarter or carrying an entire quarterly assessment balance monthly shall be considered past due and delinquent.

Late Charge and Interest Imposed. A quarterly assessment shall be past due and delinquent if not paid by the 10th day of each quarter and monthly if the balance due exceeds one full assessment installment. The Board shall assess a Late Charge of twenty-five dollars (\$25.00) for the full assessment balance and interest at 18% per annum on the outstanding or past due balance when due the Association.

Returned Check Charges: In addition to any and all charges imposed under the Declaration, Colorado Statutes, or this policy, a fifty dollar(\$50.00) fee or other amount deemed appropriate by the 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. Such returned 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 property for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association of payment of sums due under the Declaration Colorado statutes, Rule and Regulations or this policy.

Payment Plan Options Homeowners will be communicated with in writing regarding their homeowner association dues ledger. The Association will offer a one-time payment plan in good faith to cooperatively bring the homeowner account back into good standing with the Association. The homeowner will need to contact the managing agent to arrange for payments and agree on terms in writing. The manager contact information will be found in the notices regarding the delinquency sent to the homeowners. Homeowners who engage in a payment plan will be charged \$25.00 for the administrative oversight required. Late fees will accrue on the account during the course of the payment plan and, provided there is no default on the plan, will be waived once the payment plan terms are satisfied. Whether the homeowner defaults on the payment plan or not, they will not qualify for payment plans in the future. The payment plans are offered one time only.

Equal Payments Over Six Months Payment plans will permit the owner to pay off the deficiency in equal installments over a period of at least six months in addition to the regular assessments. If the owner fails to pay the agreed installment or remain current with the regular assessments during the six-month period, the owner is in default of the plan and the Association or its assignee may pursue legal action immediately and without further notice.

Acceleration of Assessments The Annual Assessment is divided into four (4) quarterly payments distributed over the budget year. In addition to any and all charges imposed, under the Colorado statutes the Board may accelerate the assessment for the balance of the budget year prior to turning the file over the Collection Attorney.

Final Notice of Delinquency The Association will send the unit owner a Final Notice of Delinquency specifying the total amount due with an accounting of how the total was determined; whether the opportunity to enter into a payment plan exists; instructions for contacting the entity to enter into such a payment plan; the name and contact information for the individual the unit owner may contact to request a copy of the unit owner's ledger in order to verify the amount of the debt; and that action is required to cure the delinquency and that failure to do so within thirty days may result in the unit owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a Lien against the unit owner's property, or other remedies under Colorado Law.

Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and Colorado statutes, 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, and shall be charged as an assessment against the owner's account.



Interruption of Waste and Recycling Service. As an additional remedy permitted under the Declaration of Covenants, the Association may interrupt the waste hauling services for the delinquent property address and is not required to re-activate the services until the annual assessment is paid in its entirety.

Application of Payments made to the Association. All payments received on the account of any owner shall be applied in the following order:

- 1) any and all attorney fees, legal fees and costs incurred for collection of assessments or for owner's failure to comply with provisions of the Association's Declaration, Bylaws, Articles of Incorporation, or Rules and Regulations, included lien fees;
- 2) fines, late charges and interest;
- 3) returned check charges, and other costs owing or incurred with respect to such owner pursuant to the Declaration, Colorado statutes, Rules and Regulations, or this policy; and
- 4) Special Assessments
- 5) Regular Assessments due or to become due with respect to each owner.

Collection letters

- A) After an assessment, or other charge due the Association, becomes 10 days past due, the Board may cause, but shall not be required to send, a **Reminder Notice** to the owner who is late in their payment.
- B) If payment in full is not received within 40-150 days of the date due, the Board may, but shall not be required to send a **Notice of Default** pursuant to this Resolution and all of its terms.
- C) If payment in full is not received within 150 days, of the date due, the Board may, but shall not be required to send a **Final Notice of Delinquency** pursuant to the section duly titled.
- D) If payment is not received within 180 days of the due date, the Board may, but shall not be required to, formally approve filing a lien against the property and formally approve opening a file with the association attorney.

Referral of Delinquent Accounts to Attorneys. The Board may, but shall not be required to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred, including recording a Notice of Assessment Lien against the property. 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.

Appointment of a Receiver The Board may seek the appointment of a receiver if an owner becomes delinquent in the payment of assessments. A receiver is a disinterested person, appointed by the court who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments and prevent the waste and deterioration of the property.



Judicial Foreclosure The Board may choose to foreclose on the Association’s lien in lieu of or in addition to suing an owner in county court for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owed in situations where either a money judgment lawsuit has been or is likely to be unsuccessful in obtaining payment, or other circumstances favor such action.

Waivers. The Board may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Board granting the relief and the conditions of the relief.

Ongoing Evaluation Nothing in this policy shall require the Board to take specific actions at a specific time but the Board shall not take any action in less than the time stated herein for a particular action. The Board has the option and right to continue to evaluate each delinquency on a case by case basis.

PRESIDENT’S
CERTIFICATION:

The undersigned, being the President of The Oaks Owners Association Inc., a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called meeting of the Board of Directors on _____, and in witness thereof, the undersigned has subscribed his/her name.

THE OAKS OWNERS ASSOCIATION, INC.,
a Colorado non-profit corporation

By: _____
President

By: _____
Secretary