

THE HOMESTEAD IN GRAND JUNCTION HOMEOWNERS ASSOCIATION

COLLECTION OF UNPAID ASSESSMENTS

Policy: This policy supersedes all Collections Policies previously adopted by The Homestead in Grand Junction Homeowners Association. It is vital to the effective administration of the Association that assessments and other charges be paid by Members in a timely manner. While a certain amount of bad debt is expected in any business, the Association must collect certain unpaid assessments in order to continue to serve the community well and efficiently. To perform these duties the Board needs to remain flexible in its approach in order to account for the unique facts and circumstances surrounding each delinquent payment.

Procedure:

Assessment Due Dates. Assessments levied pursuant to the annual budget are due as determined by the Board of Directors and those due dates will be conveyed to homeowners via a written statement of account. . Special and other types of assessments not levied pursuant to the annual budget are due as and when determined by the Board under the provisions of the Declaration.

"Past Due" Assessments. Assessments not paid within sixty (60) after that billing date will be considered past due and penalties will be assessed as below

Fees and Interest. Suspension of Voting Rights If any assessment, whether Annual or Special, becomes delinquent according the above, the association has may take any or all of the following actions:

- Assess a late fee of \$25.00 which shall be added to any Assessment not paid within sixty (60) days after the billing date; and an additional \$25 late fee will be imposed every 30 days thereafter until such time as the billing is paid in full.
- Assess interest from the date of delinquency on the delinquent amount at a rate not to exceed 21 percent per annum, the maximum rate allowable under **C.R.S. § 38-33.3-315(1)**.
- The fees charged will become due the date the assessment became due. These fees shall be added to the total delinquent amount and shall become a charge upon the land as provided in the Declaration. The Association may also assess delinquent charges and interest for the late payment of fines for violations of the CC&Rs and/or Rules & Regulations.
- The Association has the right to suspend a Member's voting rights for any period during which any Assessment against his or her Lot remains unpaid and delinquent. The Association may also suspend voting rights or the right to use recreational facilities for failure to pay fine for violation of the CC&Rs or Rules & Regulations.

Non-Sufficient Funds. If an Owner should pay the Association by check and such check is returned because of Owner's insufficient funds, the Owner shall, in addition to the amount owed and any late charges and interest, owe the Association all bank fees at the current rate to process the NSF and cure the default together with all other and further amounts due the Association under the provisions of Colorado law, including, without limitation **C.R.S. § 13-21-109.** [See **C.R.S. §13-21-109**]

Payment Plans. Except as provided here, the Association will make a good faith effort to coordinate with an Owner who has unpaid assessments to set up a payment plan with the following minimum terms: repayment of all unpaid assessments, late fees, interest, and other charges, costs, and expenses (including attorney fees) that may be included with any assessment as provided in **C.R.S. §38-33.3-316.3**, over a period of no fewer than six (6) months in equal monthly installments. During the term of any repayment plan entered into under this policy, the Owner shall also keep current on all assessments that may come due. The Association has no obligation to coordinate a payment plan with an Owner that does not occupy their unit and acquired their unit either through default in a security interest encumbering the Unit, or foreclosure of the Association's assessment liens. Additionally, the Association has no obligation to coordinate a payment plan with an Owner with whom it has previously entered into a payment plan under this policy, regardless of the outcome. [See **C.R.S. §38-33.3-316.3 and C.R.S. §38-33.3-209.5**]

Application of Payments on Delinquent Accounts. Payments made against balances owed on delinquent accounts shall be applied first to penalty fees, returned check fees, and other costs and expenses that may become a charge upon the land under the terms of the Declaration, and then to unpaid assessments beginning with the amounts left unpaid the longest and continuing in chronological order.

Available Legal Remedies. Subject to the provisions of this policy, the Association, acting through the Board, may take any or all of the following actions:

- **Acceleration.** The Association has the right to accelerate all remaining Assessment amounts for the fiscal year in question so that unpaid Assessments for the remainder of the year shall be due and payable at once.
- **Collection Agencies/Lawyers.** Once an assessment has become past due, the Association may refer the past due assessments to a collection agency or a lawyer for collection. The delinquent Owner will be liable for any fees or other expenses associated with referring the matter for collection. Such expenses will be added to all delinquent amounts and will become a charge upon the land, as provided in the Declaration. At least 30 days prior to referring the matter to a collection agency or lawyer, however, the Association shall first provide the involved Owner with a notice of delinquency, describing the amount due, indicating whether the owner is eligible for a payment plan under this policy and

providing contact information for purposes of setting up such a plan, stating the name of the person from whom the Owner may obtain a copy of the ledger or other accounting statement indicating the amount due, and providing that a failure to act in response to the notice within 30 days may result in referral of the matter to a collections agency or a lawyer for collection, foreclosure of the Association's assessment lien or the pursuit of other remedies provided by law.

- **Lien.** No action shall be brought to foreclose an Assessment lien or to proceed under the power of sale provided in Section 8.8 less than thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Unit, and a copy thereof is recorded by the Association in the office of the County Recorder in the county in which the Property is located.
- **Foreclosure.** As a last resort, the Association may foreclose its assessment lien upon the property of a delinquent Owner to satisfy the past due assessments, fees, costs, and other expenses charged against the land. Once the Owner has a balance of unpaid assessments equal to or exceeding 6 months of assessments computed under the Association's periodic budgets, and the Board, by vote on the record, determines to pursue foreclosure on an individual basis, the Association may begin foreclosure proceedings. The costs and expenses of so doing, including attorneys' fees, shall be charged against the proceeds of any foreclosure sale, along with the delinquent assessments, costs, fees, and other expenses as provided by the Amended Declaration.

Adopted on 2-15, 2016
Nancy Joanne
Signature/Title board member