

Fountain Greens Patio Homes Homeowners Association
Policies and Procedures
For the Collection of Unpaid Assessments
As required by C.R.S. 38-33.3-209.5

The following Procedures have been adopted by the Fountain Greens Patio Homes Homeowners Association ("the Association") pursuant to Colorado Revised Statute ("C.R.S.") 38-33.3-209.5 and HB 22-1137, at a regular meeting of The Board of Directors ("The Board"). Additional policies, procedures and rules may exist separately.

PURPOSE:

To adopt a policy setting forth procedures for the collection of unpaid assessments.

NOW, THEREFORE, IT IS RESOLVED that The Association does hereby adopt the following procedures governing the collection of unpaid assessments.

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.

- A. **Assessment Due Dates.** Assessments levied pursuant to the annual budget are due monthly on the tenth (10th) day of each month. Payments received after the twenty-fifth (25th) day of each month will be considered past due and penalties will be assessed as below. 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.
- B. **Past Due Assessments.** Monthly assessments are considered past due if received after the twenty-fifth (25th) day of each month; other assessments are "past due" if they are not paid when due.
- C. **Fees and Interest; Suspension of Voting Rights.** A late fee of 0.66% of the outstanding assessments will be charged each month (8% per annum) to accounts that are delinquent. 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. Once assessments become past due; the Association will suspend the voting rights of the delinquent owner. A majority of the Association Board must formally vote to refer any delinquent account to an attorney or collection agency and must do so during an executive session. The Association or its delegated management agency will contact owners, by phone, email, text, or first class mail, which numbers, addresses, or information is provided by the unit owner to the Association, to alert them of the delinquency prior to sending a formal notice of delinquency.
- D. **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
- E. **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 and HB 22-1137 over a period of no fewer than eighteen (18) months in equal monthly installments, each of which must equal no less than \$25.00. 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 or with an Owner with whom it has previously entered into a payment plan under

this policy, regardless of the outcome. Should an owner enter into a payment plan, the Association cannot proceed with legal action until the owner has defaulted at least three (3) times or fails to remain current with regular assessments as they become due. In addition, the owner has a 15 day grace period before payment is considered in default.

- F. **Application of Payments on Delinquent Accounts.** Payments made against balances owed on delinquent accounts shall be applied first to the assessments owed and continuing in chronological order, and then any remaining amount of the payment to the fines, fees, or other charges owed.
- G. **Available Legal Remedies:** Subject to the provisions of this policy, the Association, acting through the Board, may initiate legal or collection proceedings as per CRS 38-33.3, HB 22-1137 if two thirty-day periods to cure have elapsed. In addition to the remedies described in this policy, the Board may pursue collection of unpaid assessments by any means authorized under Colorado law, as the same may exist from time to time.
1. **Collection Agencies/Lawyers.** Once an assessment has become past due, the Association may refer the past due assessments for legal action as outlined in Colorado Revised Statutes 38-33.5-209.5 as amended by House Bill 22-1137. At least 30 days prior to referring the matter for legal action, 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. All notices to the owner must be made by certified mail, return receipt required, or otherwise pursuant to HB 22-113.
 2. **Lien.** Once an assessment has become 120 days past due, the Association may give formal notice of its lien against the delinquent Owner's property. Any costs or expenses associated with this process (fees, charges, late charges), including attorney's fees up to a maximum amount authorized pursuant to Colorado Revised Statute 38-33.3-302 and HB 22 -1137 may be subject to a statutory lien but are not subject to a foreclosure action under this Article 33.3. If an assessment is payable in installments, each installment may be subject to a statutory lien if the unit owner fails to pay the installment within fifteen days after the installment becomes due, but the Association may not pursue legal action of unpaid monthly installments until the unit owner has failed to pay at least three monthly installments.
 3. **Foreclosure.** As a last resort, the Association may foreclose its assessment lien upon the property of a delinquent Owner to satisfy past due assessments and any other documented fees, costs, and expenses charged against the property. 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 a majority of the Association 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 attorney's fees, may be subject to a statutory lien but are not subject to a foreclosure action under the Association's Declaration and Article 33.3.

CONFLICTS BETWEEN DOCUMENTS:

In case of discrepancies between this Policy and Procedure and the Declaration of Covenants, Conditions, and Restrictions (the Declaration), or the Bylaws or The Association, the Declaration shall control.

The undersigned, being members of the Board of Directors of the Association, certify that the foregoing resolution was adopted by The Board of Directors of the Association at a duly called and held meeting of The Board on the

August 26, 2022, 2022.

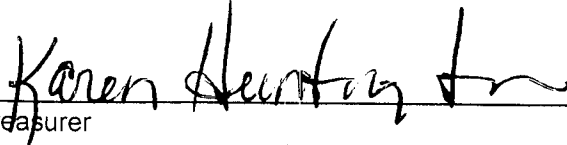
Fountain Greens Patio Homes Homeowners Association Board Members:



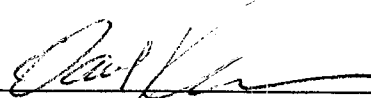
President



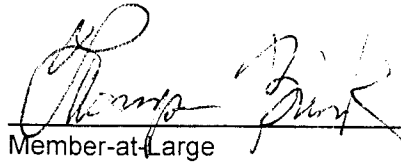
Secretary



Treasurer



Architectural Committee Chair



Member-at-Large