

Franklin Park West (FPW) Homeowners Community Dues and Assessment Collection Policy and Procedure

The following procedures have been adopted by the Franklin Park West (FPW) Homeowners Association pursuant to the provisions of Colorado Revised Statutes (C.R.S.) for Colorado Common Interest Owners Act (CCIOA) compliance. It has been updated 02/28/24, to comply with House Bill 22-1137 enacted by the General Assembly of the State of Colorado.

1. Scope:

To adopt a procedure and policy describing the procedures to be followed when Assessments or fines are invoiced and when accounts are past due.

2. Specifics

The Franklin Park West HOA shall levy and enforce payment of regular and special assessments. By accepting a deed to any lot, each owner agrees to pay the FPW HOA all assessments made.

Assessment Due Dates.

Assessments levied pursuant to the annual budget are due monthly on the first (1st) day of the month. 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 Amended Declaration.

"Past Due" Assessments.

Assessments of all kinds are "past due" if they are not paid within twenty (20) days from the due date. HOA management will post payments on the day that the payment is received.

Fees and Interest, Suspension of Voting Rights.

If assessments are not paid within twenty (20) days after the due date, late assessments will bear an interest rate of eight (8%) per annum and/or a \$10 late fee per month. The fees and interest charged will become due the date the assessment becomes due. The FPW HOA may bring an action at law against an owner personally who is in arrears or foreclose the line against the property. An owner's voting rights, and use of common area amenities can be suspended by the BOD for default of the payment of the due and/or assessment until such debt is paid.

Non-Sufficient Funds or Return Check Charges.

If an Owner pays the Association by check and such check is returned because of Owner's insufficient funds, the owner will, in addition to the amount owed and any late charges and interest, owe the Association all bank fees at the current rate of process for non-sufficient funds and cure the default together with \$35 penalty, late fees and interest provided under the provision of Colorado Law, including, without limitation C.R.S. 13-21-109.

Process for Collection Past Due Accounts

- HOA management will notify owner of a delinquent account after 20 days giving the total amount including interest and/or late fees.
- Prior to any debt collection efforts or formal notice, FPW HOA must contact the Owner to advise them of the delinquency.
- In an attempt to keep all accounts current, an Owner must be offered a repayment plan when the account is 60 days delinquent.
- FPW HOA must send the Owner an itemized list of all outstanding money due and continue to do so monthly (at no charge to the owner) until the debt is satisfied.
- Interest on unpaid assessments, fines, and fees cannot exceed 8% per annum.
- Notices must be posted on the unit, sent by certified mail AND one additional method (text, email, first-class letter). FPW HOA must maintain records verifying how all notices were given to the Owner.
- Notices of delinquency and pre-foreclosure must contain a provision that the Owner may enter into a repayment agreement to make equal installments of the balance due over a period of 18 months.
- Should the Owner enter into a repayment plan, the Association may not proceed with other collection until the Owner has defaulted three times or fails to remain current with regular assessments as they come due. The owner will have a 15-day grace period before the payment is considered in default.
- Notices of delinquency must contain detailed information regarding what the delinquency concerns (unpaid assessments, fines, interest, etc.) and those unpaid accounts may lead to foreclosure. FPW HOA must disclose what steps it is required to take before legal action is commenced (as per this policy) with all notices.
- FPW HOA Board of Directors must formally vote to refer any account to an attorney or collection agency and must do so during an executive session.
- FPW HOA must wait 30 days from issuing a pre-foreclosure notice of default before turning over to an attorney.

- FPW HOA must apply any payment received first to assessments owed and then to fines, fees or other charges owed. FPW HOA may not foreclose if the debt is anything except unpaid assessments.
- If the HOA incurs any type of service fee or cost, or attorney's fees for handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner.
- FPW can file a claim in small claims court if the amount at issue does not exceed \$7,500 exclusive of interest and costs.

Approved and adopted by the Franklin Park West Board of Directors and in witness thereof, the undersigned have subscribed their names.

President *Mary Ann*

Date *2/29/2024*

Vice President *William W. Wlyz*

Date *2.29.24*

Secretary *Josie Patton*

Date *2/29/2024*

Member at Large *William A. Faruolo*

Date *2/29/2024*