

## COLLECTION OF PAST DUE ASSESSMENTS

Policy: It is vital to the effective administration of the Association that assessments and other charges to be paid by Members be paid in a timely manner. The Association must collect past due 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:

"Past Due" Assessments. Assessments are "past due" if they are not paid by their due date, as provided in the Declarations or by the decision of the Board.

Collecting Past Due Assessments. The Association, through the Board of Directors, may initiate collection proceedings of any kind at any time after any assessment payment becomes past due. The following provisions lay out the structure of the Association's collection procedures used in most circumstances. However, the Board, in its sole discretion in light of the relevant facts and circumstances may choose to employ any one or more of the following means in seeking collection, with or without notice, at any time after a payment is past due.

- i. 30 days past due (and thereafter): Fees. A late fee of \$25.00 will be charged against all past due assessments on a monthly basis. The fee will become due and owing 30 days after the assessment became due and owing. A further late fee will be charged for each month thereafter that the assessment remains unpaid. These fees shall be added to the total delinquent amount and shall become a charge upon the land as provided in the Declaration.
- ii. 60 days past due: Acceleration. If any assessment payment is more than 60 days past due, all of the assessment payments due during the remainder of the current assessment year will become immediately due and owing. The entire amount so accelerated will be a charge upon the land of the delinquent Owner, as provided in the Declaration.
- iii. 90 days past due: Collection Agencies/Lawyers. Once an assessment has become 90 days past due, the Association will 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 to collections. Such expenses will be added to all delinquent amounts and will become a charge upon the land, as provided in the Declaration.

- iv. 120 days past due: Lien. All assessments are a charge upon the land. This means that the Association has and may assert its interest in the property of a delinquent Owner. This interest is called a "lien." Once an assessment has become 120 days past due, the Association will give formal legal notice of its lien against the delinquent Owner's property. Any costs or expenses associated with this process, including attorneys' fees, shall be added to the total delinquent amount and shall become a charge upon the land as provided in the Declaration.
- v. 150 days past due: Foreclosure. As a last resort, the Association will foreclose its lien upon the property of a delinquent Owner to satisfy the past due assessments, fees, costs, and other expenses charged against the land. Once a payment has become more than 150 days past due, the Association will 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 Declaration and the Colorado Common Interest Ownership Act (CCIOA).

Adopted on \_\_\_\_\_

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Secretary