

# **Casolar del Norte Homeowners Association Collection Policy**

Effective Date: August 30, 2021

Pursuant to Colorado law, the Board of Directors of the Association desires to adopt a policy to address procedures for the collection of debt on behalf of the Association.

RESOLVED the following policy shall apply to the Association's collection of sums alleged to be due from the Owner and supersedes prior Collection Policies adopted by the Association.

The Association hereby adopts the following policies and procedures for the collection of debt.

## **1. Assessment Collection Policy**

- A. The annual assessment shall be due on October 1 of each year. Annual assessments not received by October 30 shall be considered past due and delinquent.
- B. Special assessments are due on the date(s) specified in the special assessment.

## **2. Notice of Delinquency**

- A. The Association will send a reminder notice to all delinquent Members 30 days after an assessment is due and assess a \$50.00 late fee, as well as a 21% per annum interest charge on the assessment only. Interest shall be computed from the original payment date to the date that payment is received by the Association.
- B. The Association will send a second notice to all delinquent Members 60 days after an assessment is due and assess a second \$50.00 late fee, as well as a 21% per annum interest charge on the assessment only. The second letter will specify:

a. the total amount due, with an accounting of how the total was determined;

b. whether the opportunity to enter into a payment plan exists as provided in this collection policy, and instructions for contacting the Association to enter into a payment plan within 30 days, if a payment plan is available;

c. the name and contact information for the individual the Member may contact to request a copy of the Member's ledger to verify the amount of the debt; and

d. that action is required to cure the delinquency and that failure to do so within 30 days may result in the Member's delinquent account being turned over to a collection agency or an attorney, a lawsuit being filed against the Member, the filing and foreclosure of a lien against the Member's property, the withholding of services to the Unit pursuant to the Association's Governing Documents, or other remedies available under Colorado law.

- C. After the annual assessment, special assessment or other charges due to the Association becomes 90 days delinquent, the Association may assess a late fee of \$50.00 per month, as of the first day of every month thereafter, as well as a 21% per annum interest charge on the assessment only. Interest shall be computed from the original payment due date to the date the Association receives payment.
- D. In addition, after the annual assessment, special assessment or other charges due to the Association become more than 90 days delinquent the Association, or authorized agent of the Association, may turn the account over to the Association's attorney for collection. Once accounts are turned over to the Association's attorney, Members shall make payment to the Association at the address of the Association's attorney. The Association's attorney shall consult with the Association regarding collection procedures and payment arrangements.
- E. All fees and charges incurred by the HOA, including fees and charges by the Association's accountants and attorneys, in collecting late assessments will be added to the amounts due by the Unit in arrears

(prorata if there is more than one Unit in arrears). Such amounts are due and payable immediately upon invoicing.

### **3. Payment Plans**

A Member may enter into a payment plan to pay off a deficiency in equal installments over a period of six months or such other period as authorized by the Board of Directors. If the Member fails to comply with the terms of the payment plan (fails to remit payment of an agreed-upon installment, or to remain current with regular assessments as they come due during the payment plan term), the Association may pursue legal action. The Association is not obligated to negotiate a payment plan with a Member who has previously entered into a payment plan after January 1, 2014. Further, the Association is not obligated to enter a payment plan if the Member does not occupy the Lot and has acquired the property as a result of a default of a security interest encumbering the Lot or foreclosure of the Association's lien. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

### **4. Judicial Foreclosure.**

The Association may institute a judicial action of foreclosure on the Association's lien. The Association may choose to foreclose on its lien in lieu of or in addition to suing a Member for a money judgment. The Association will not commence a foreclosure action unless the balance of the assessments and charges secured by its lien (which may include late fees, fines and other charges) equals or exceeds the annual dues assessment adopted with the Association's periodic budget. Prior to filing a foreclosure action, the Board will resolve by a recorded vote to authorize the filing of the foreclosure action against the particular Lot, on a specific basis.

### **5. Returned Check fees**

A \$50.00 fee shall be assessed against a Member in the event any check or instrument attributable to or payable for the benefit of such Member is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law.

### **6. Application of Payments**

Payments made for delinquent accounts shall be applied to pay the following (if applicable) in the order listed, from oldest to most recent in each category:

- (a) Attorney fees and legal costs
- (b) Accountant fees
- (c) Association costs and expenses
- (d) Late fees
- (e) Interest
- (f) Assessments

## 7. Hardship Waivers

The Association has the option and the right to evaluate each delinquency on a case by-case basis and may grant a waiver of any provision herein upon petition in writing by a Member showing personal hardship. Such relief granted a Member shall be appropriately documented in the files of the Association. Given that this is largely a community of second homes, it is expected that hardship waivers will be rarely granted.

## 8. No Right of Set-off

Generally alleging a failure of the Association to maintain the Common Area or generally alleging a failure of the Association to comply with the provisions of The Association's Governing Documents shall not constitute a defense or set-off of the lawfully imposed assessments.

IN WITNESS WHEREOF, the undersigned certify that this Collection Policy was adopted by resolution of the Board of Directors of the Association on this 30th day of August, 2021.

Casolar Del Norte Homeowners Association, by

  
\_\_\_\_\_  
President

Attest

*Seanna Mulligan*  
Secretary

---