

Grand View HOA Inc.

POLICY 1 – COLLECTION OF UNPAID ASSESSMENTS, CHARGES AND FEES

BE IT RESOLVED that the Association does hereby adopt the following Policy governing the collection of Assessments and other charges of Grand View HOA Inc.

PURPOSE: Each Owner, by acceptance of a deed for Property in the Subdivision is deemed to covenant and agree to pay the Association Regular and Special Assessments, charges or fines levied by the Association in accordance with the provisions of the Declaration, By-Laws, policies and rules of the Association. All Owners are obligated by the Declaration to pay all dues and Assessments in a timely manner, and failure to do so jeopardizes the Associations' ability to meet its financial obligations. Failure of Owners to pay Assessments in a timely manner is also costly to the Association and unfair to other Owners. Accordingly, the Association, acting through the Board must take steps to ensure timely payments of Assessments so that it may operate in a fiscally responsible manner. The purpose of this Policy is to establish a uniform and systematic procedure for collecting Assessments and other charges of the Association, thus ensuring the financial well being of the Association and to adopt a zero tolerance waiver policy with regard to the application of applicable late fees and interest.

1. Due Dates

- (a) **Annual HOA Assessment.** The annual Homeowner Association (HOA) Assessment as determined by the Association, shall be due and payable in full annually on February 15. Assessments not received by the Association by March 15th shall be considered delinquent.
- (b) **Other Amounts Due to the Association.** Other Assessments, charges and payments due to the Association shall be due and payable 10 days after notice is sent and shall be considered delinquent 10 days following the due date.

2. **Late Charges and Interest Charges.** Late Charges and Interest Charges. An assessments, charges or fines which are not paid by 30 days after the due date shall be delinquent and shall bear interest at the rate of eight percent (8%) from the due date. Any assessment not received by 60 days after due date shall be assessed a late fee in the amount of \$250.00 and shall bear interest at the rate of eight percent (8%) from the due date.

3. **Return Check Charges.** A twenty-five (\$25.00) fee shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner 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. If two or more of an Owner's checks are returned unpaid by the bank within any twelve month period, the Association may require that all of the Owner's future payments, for a period of one year, be made by certified check or money order.

4. **Attorney Fees on Delinquent Accounts.** The Association shall be entitled to recover its collection costs and reasonable attorney fees and costs incurred in the collection of Assessments or other charges due the Association from a delinquent Owner, without the necessity of commencing a legal proceeding.

5. **Application of Payments made to the Association.** The Association will apply any payment received first to assessments owed and then to fines, fees or other charges owed. An association may not foreclose an assessment lien if the lien consists only of fines, collection costs or attorney fees.

6. Collection Procedure.

- (a) First Notice. The original written communication to the Owner regarding the annual HOA Assessment or any other Assessment, charge or payment owed to the Association, shall be mailed and an email will be sent. This shall accomplish the first notice to the Owner of an amount due to the Association.
- (b) Notice of Delinquency. After the annual HOA Assessment or any other Assessment, charge or payment owed to the Association becomes thirty (30) days past due, the Association shall cause a notice of delinquency to be sent to the Owner who is delinquent in payment. The notice of delinquency is the second notice to the Owner of the amount due to the Association, shall include any applicable fees, late charges, and interest and will offer an eighteen (18) month payment plan and/or an opportunity for the Owner to meet with the Board of Directors of the Association. Failure of the Owner to respond within thirty (30) days is ground for the Association to pursue remedies at law. If sixty (60) days delinquent, a fine of \$250.00 will be assessed. Delinquency letter shall be sent and emailed and a phone call will be made to the homeowner.
- (c) Associations will contact owners to alert them of the delinquency prior to sending a formal notice of delinquency.
- (d) All notices sent to the owner will be translated to the language of the owners preference, provided the owner alerts the association of that preference, and the translation must be sufficient to state what is required under Colorado Law.
- (e) All notices to the owner will be made by certified mail, posted on the unit and also via one additional method, like first class mail, text message or email. The association will maintain records verifying how all required notes were given to owners.
- (f) Notices of delinquency and pre-foreclosure notices will contain a provision that the owner has the opportunity to enter into a payment plan allowing the owner to pay off any deficiency in equal installments over a period of at least 18 months. Should an owner enter into a payment plan, the association cannot proceed with legal action until the owner has defaulted at least three 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.
- (g) Notices of delinquency will also contain detailed information regarding what the delinquency concerns (unpaid assessments, fines, etc.) and notify the owner that unpaid assessments may lead to foreclosure. A description of the steps the association will take before legal action is commenced will also be included in the notice.
- (h) The association will wait 30 days from the date of its pre-foreclosure notice of default before turning over to an attorney to initiate a foreclosure proceeding.
- (i) **Statutory Lien.** The association has a statutory lien on a Lot for any Assessments charges or fines levied against that Lot imposed against its Owner from the time each Assessment, charge or fine becomes due. Such annual or Special Assessments, charges or fines together with any interest, late charges, costs and reasonable attorney's fees shall be a charge on the land and shall be a continuing lien against which such assessment or charge is being made.


- (i) Foreclosure and Other Remedies. If the delinquency exceeds 6 months (failing to comply with payment plan), the Association's lien may be foreclosed in like manner as a mortgage on real estate and the Association has the right to pursue other available remedies including suits to recover sums. The association has the right to accept a deed in lieu of foreclosure.
 - (j) Attorney Fees. The Association shall be entitled to costs and reasonable attorney fees incurred by the Association in a judgment or decree in any action or suit brought by the Association.
7. Referral of Delinquent Accounts to Attorney. The Association may, but shall not be required to refer delinquent accounts to an attorney for collection. After consultation with the Board, the attorney shall be entitled to exercise all available remedies to collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent Owner's property.
8. Referral of Delinquent Accounts to Collection Agencies. The Association may, but shall not be required to assign delinquent accounts to one or more collection agencies for collection. A notice must be given to the Owner before their account is turned over for collection effort.
9. Waivers. Nothing in the Resolution shall require the Association to take specific actions other than to notify Owners of the adoption of this Policy. The Association has the option and right to continue to evaluate each delinquency on a case by case basis. Although a zero tolerance waiver policy does exist and will be applied, the Association retains the authority to grant a waiver of any provision herein upon petition in writing by the Owner, showing an extreme personal hardship or other valid basis for a waiver. Such relief granted an Owner, shall be appropriately documented in the records of the Association, including the name of the person or persons representing the Association granting the relief and the conditions of the lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association may determine appropriate under the circumstances.
10. Delinquencies Constitute Covenant Violations. Any delinquency in the payment of any Assessments shall constitute a violation of the covenants contained in the Declaration and following notice and an opportunity to be heard, the Association shall be entitled to impose sanctions on the delinquent Owner consistent with the Association's Covenant Enforcement Policy.
11. Steps to be Taken by Financial Manager, Treasurer, or Other Person Responsible for Collecting Delinquent Assessments, Charges and Fees.
- (a) For assessments, send annual HOA Assessment letter by mail to each Owner during the first two weeks of January, which shows the amount of the annual assessment, which is payable in full by February 15th. If a special assessment has been approved, this information can also be included in the letter. This letter will state that assessments not paid by March 15th will be considered delinquent and subject to interest at the rate of eight percent (8%), as well as a late fee of \$250.00 will be assessed. If not paid by sixty days.
 - (b) For other charges and fees, send a statement to the Owner upon notification from the HOA Board that a charge or fee has been assessed. The statement shall include the reason for the charge or fee not paid by 10 days after the due date are subject to interest at the rate of eight percent (8%) as well as a late fee in the amount of Fifty dollars (\$50.00)
 - (c) When the account is delinquent for 30 days, a Second notices shall include all the information as the original assessment, but also include options for a payment plan allowing the Owner to pay off any deficiency in equal installments over a period of at least 18 months and/or an opportunity to meet with the Board of Directors.

- (d) When the account is delinquent for 60 days, a third notice including the above information as well as a late fee of \$250.00, shall be sent Certified mail. Phone calls will be made to the homeowner as well as an email. If the homeowner is not reached by phone, a notice will be left on their door.
- (e) Track any responses from the Owners. If an Owner has failed to respond with 30 days, notify the Board so they can determine what legal actions to pursue.
- (f) If the Board decides to assign a delinquent account to a collection agency, a notice will be given to the Owner 30 days prior advising them the matter will be turned over to a collection agency unless full payment is received before then. The Board can also make the decision to place a lien on the property.

12. Annual Review. The Board of Directors shall review this policy on an annual basis in order to ensure that it adequately protects Grand View HOA Inc. and it's Owners. The Board may amend this policy as deemed necessary.

President's Certification: The undersigned, being the President of the Association, certifies that the Board of Directors of the Association adopted the foregoing resolution and in witness thereof, the undersigned has subscribed his/her name.

Grand View HOA, Inc.


Mike Long, President

Effective Date 10/20/2022