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**RESOLUTION OF
MACARTHUR PARK HOMEOWNERS ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURE FOR COLLECTION OF
UNPAID ASSESSMENTS AND OTHER ASSOCIATION CHARGES**

- SUBJECT:** Adoption of policies and procedures regarding the collection of unpaid assessments and other charges in compliance with Colorado law.
- PURPOSE:** To amend and restate the Association's policies and procedures for the collection of unpaid assessments and other charges.
- AUTHORITY:** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** January 1, 2014
- RESOLUTION:** The Association hereby adopts the following policies and procedures, contained herein.
- PRESIDENT'S CERTIFICATION:** The undersigned, being the President of MacArthur Park Homeowners Association, a Colorado nonprofit corporation, certifies that the following Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on 12/5/13, 201__ and in witness thereof, the undersigned has subscribed his/her name.

MacARTHUR PARK HOMEOWNERS ASSOCIATION, INC.
a Colorado nonprofit corporation

By: _____

President

Collection of Unpaid Assessments Policies and Procedures

1. Due Dates. Monthly installments of the annual assessment are due and payable on the 1st day of each month. Payments will be deemed received and will be posted on the date the payment is received in the Association's office or the Association's payment processor's office. Any installment not paid in full when due is considered past due and delinquent.
2. Late Charge. A late charge in the amount of \$5.00 will be imposed for any assessment, fine or other charge not paid within 30 days of the due date; \$25.00 if not paid within 60 days of the due date and \$50.00 if not paid within 90 days of the due date without further notice to the Owner. Such late charge is a personal obligation of the Owner and a lien on the Lot.
3. Interest Charges. Interest at the rate of 21 % per annum will accrue on any delinquent assessment, fine or other charge from the due date without further notice to the Owner. Interest will be added to the Owner's account if not paid within 30 days of the due date. Such interest is a personal obligation of the Owner and a lien on the Lot.
4. Return Check Charges.
 - a. If any check or other instrument payable to or for the benefit of the Association is not honored by the bank or returned by the bank for any reason, including, but not limited to insufficient funds, the Owner is liable to the Association for one of the following amounts, at the option of the Association:
 - i. An amount equal to the face amount of the check, draft, or money order and a return check charge of \$20.00; or
 - ii. If notice has been sent as provided in C.R.S. § 13-21-109 and the total amount due as set forth in the notice is not paid within 15 days after such notice is given, the person issuing the check, draft or money order will be liable to the Association for collection for three times the face amount of the check, but not less than \$100.00.
 - b. Any returned check will cause an account to be past due if full payment of the monthly installment of the annual assessment or of any other charge is delinquent.
 - c. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, 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.
5. Other Charges and Fees. Other charges, including, but not limited to charges levied by the Association's managing agent for tracking delinquent accounts, sending delinquency letters and filing liens may be levied against the delinquent Owner. Such charges include, but are not limited to:
 - a. Account receivable service or tracking fees of its managing agent

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- b. Demand letter fees of its managing agent
- c. Notice of lien fees of its managing agent

6. Notice to Owner Before Referral for Collection. Before the Association turns over a delinquent account of a Lot owner to a collection agency or refers it to an attorney for legal action, the Association must send a notice to the Owner. The notice must inform the Owner:

- a. of the total amount due, with an accounting of how that total was determined
- b. that a notice of assessment lien (in addition to the lien established by the Declaration and recognized by state statutes) may be recorded against the property of the Owner
- c. whether the opportunity to enter into a payment plan exists (if a payment plan is available) and instructions for contacting the Association to enter into such a payment plan
- d. of the name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt
- e. that a lien is in place on the Owner's property, as provided under the Declaration and state law
- f. that payment is required to cure the delinquency
- g. that failure to pay within 30 days may result in the Owner's delinquent account being turned over to the attorneys for the Association or a collection agency
- h. that a lawsuit on the Owner's promise to pay, a foreclosure of the Association's lien or both may be filed against the Owner
- i. that other remedies available under Colorado law may be sought by the Association

7. Payment Plans. The Association, through its managing agent, will make a good faith effort to coordinate with the Owner to set up a payment plan. An Owner may enter into a payment plan to pay off a deficiency in equal installments over a minimum period of six months or such longer period as authorized by the Board of Directors. Such period may begin at the Association's sole discretion. If the Owner fails to comply with the terms of the payment plan (fails to remit payment of an agreed-upon installment or fails 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 an Owner who has previously entered into a payment plan. Further, the Association is not obligated to enter a payment plan if the Owner does not occupy the property 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.

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8. Attorneys Fees. The Association is entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner pursuant to the terms of the Declaration and Colorado law. Attorney fees incurred by the Association will be considered part of the assessments and are due and payable immediately when incurred, upon demand.
9. Application of Payments. All payments received on account of any Owner or the Owner's property, may be applied first to post-judgment attorney's fees, costs and expenses; then to costs and attorney's fees not reduced to a judgment; then to interest; then to late charges; then to return check charges; then to fines and other amounts levied pursuant to the Declaration; then to delinquent assessments; then to current assessments not reduced to judgment; and finally to amounts reduced to judgment.
10. Delegation of Authority to Sign Notice of Lien. The Board of Directors delegates authority to the Association's attorney to sign and acknowledge the Notice of Assessment Lien. This delegation may be withdrawn at any time. In the event the delegation is withdrawn, the Board will send written notice to the Association's attorney of the withdrawal.
11. Time Frames. The following time frames serve as a guide for the collection of assessments and other charges.

Due date	1 st day of the month for monthly installments of annual assessment; 10 days after notice for all other assessments, fines and charges.
Late Fee date	30 days after due date
Interest date	30 days after due date
1 st Notice from Association or manager	Anytime after payment is at least 10 days delinquent
2nd Notice from Association or manager	30 days after the first notice
3rd Notice from Association or manager; Intent to file lien	30 days after second notice
4th Notice from Association or manager; Lien filed	30 days after third notice
Final Notice; Account referred to Association's attorney	30 days after the 4 th notice

Notwithstanding the time frames set forth above, if a lien holder with priority over the Association's lien (i.e., first mortgagee) takes title to a Lot through foreclosure or deed in lieu of foreclosure, the Association may file a lien on the Lot for any delinquent payment. Once accounts are turned over to the Association's attorney, Owners must make payment to the Association at the address of the Association's attorney. The Association's attorney

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will consult with the Association regarding collection procedures and payment arrangements.

12. Notices: Use of Certified Mail/Regular Mail. Letters or notices to delinquent Owners shall be sent by certified mail. The Association may, but shall not be obligated to send a copy by regular first class mail.
13. Foreclosure. The purpose of foreclosure is to obtain payment of all assessments owed. If the Association forecloses on its lien, the Owner will lose the Owner's property. 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 six months of common expense assessments based on the Association's periodic budget. Prior to filing a foreclosure lawsuit, the Board must resolve, by a recorded vote, to authorize the filing against a specific Lot, on an individual basis.
14. Referral of Delinquent Accounts to Attorneys. Upon referral of a delinquent account to the Association's attorney, the attorney will take appropriate action to collect the accounts referred. After an account has been referred to the Association's attorney, the account will remain with the attorney until the account is settled, has a zero balance or is written off. The Association's attorney is authorized to take whatever action is necessary, in consultation with the President of the Board of Directors or other person designated by the Board, believed to be in the best interest of the Association, including, but not limited to:
 - a. If a lien has not already been filed, filing a lien against the delinquent Owner's property to provide record notice of the Association's claim against the property.
 - b. Filing suit against the delinquent Owner for a money judgment. The purpose of obtaining a personal judgment against the Owner is to allow the Association to pursue remedies such as garnishment of the Owner's wages or bank account to collect judgment amounts.
 - c. Instituting 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 an Owner for a money judgment.
 - d. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim; and
 - e. Filing a court action seeking appointment of a receiver. A receiver is a disinterested person, appointed by the court, manages rental of the Owner's property, and collects the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments, and prevent waste and deterioration of the property. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.

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Upon referral of any matter to the Association's attorney, the Association will pay the Association's attorneys their usual and customary charges as well as any costs incurred by the attorney on the Association's behalf, promptly upon receipt of the monthly invoice from the attorney.

15. Notification to and Communication with Owners. This Collection Policy will be made available to all Owners by the Association as required by Colorado law. After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Owner will be handled through the Association's attorney. Neither the manager, if any, nor any member of the Board of Directors will discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact. However, the Association has the option and right to continue to evaluate each delinquency on a case by case basis.
16. Certificate of Status of Assessment/Estoppel Letter. The Association will furnish to an Owner or such Owner's designee upon written request, delivered personally or by certified mail, first-class postage prepaid, return receipt, to the Association's registered agent, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's Lot. The statement will be delivered within 10 calendar days after receipt of the request personally or by certified mail, first-class postage prepaid, return receipt requested for a fee in the amount of \$150.00 which will become an assessment. If the Owner's account has been turned over to the Association's attorney, such statement will be handled through the Association's attorney and will include any attorney fees incurred in providing the statement.
17. Bankruptcies and Public Trustee Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Lot within the Association, the Association will advise the Association's attorney of the same and turn the account over to the Association's attorney.
18. Waivers. The Association may alter the time for the filing of lawsuits and liens, or otherwise modify the procedures contained herein, as the Association determines appropriate under the particular circumstances. Any such accommodation will be documented in the Association's files with the conditions of relief. Failure of the Association to require strict compliance with this Collection Policy will not be deemed a waiver of the Association's right to require strict compliance and will not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorneys fees and/or costs as described and imposed by this Collection Policy.
19. Amendment. This Collection Policy may be amended from time to time by the Board of Directors.

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Effective: _____