

2. Assessment Collection Rule

- 2.1 Monthly assessments (sometimes called dues or maintenance fees) are due and payable on the first day of the month (the due date), are delinquent if not paid on the due date, and incur a late charge and bear interest from the date of delinquency if not paid on or before 15 days after the due date.
- 2.2 Special assessments are due on the date or dates specified in the special assessment.
- 2.3 The owner shall pay a one-time late charge of \$10.00 on each late monthly payment or late special assessment payment.
- 2.4 In addition, the owner shall pay a penalty charge of 5% of the monthly assessment or late special assessment payment for each month or partial month that the assessment is more than one month late. For example: January assessment of \$400 is not paid until April 15. The late charges are \$10 (for January) plus 5% of \$400 = \$20 (for February) plus 5% of \$400 = \$20 (for March) plus 5% of \$400 = \$20 (for April), or a total of \$70 owed.
- 2.5 When delinquency exceeds 15 days, the Association or the Manager will send a **reminder** to the owner that the assessment payment is delinquent, the owner has incurred a late charge, additional penalties will be charged, and the owner must immediately pay the assessment plus late charge. The reminder will be sent by email, if available, and by postal mail to the address on file for the owner. The Association or Manger may also attempt to call the owner with a reminder.
- 2.6 When delinquency exceeds one month, the Association or the Manager will send the **first warning notice** to owner, by email and postal mail, stating the late charge(s) and penalty payments, and stating that owner must pay the account current on or before the end of the month of the date on the first warning notice, OR enter into a written payment plan acceptable to the Association, OR the Association may take further collection action.
- 2.7 When delinquency exceeds two months, the Association or the Manager will send **final warning notice** by email and postal mail. The owner must pay the account current by paying all delinquent assessments and late charges on or before the end of the month of the date of the final warning notice, OR enter into a written payment plan acceptable to the Association, OR the account will be turned over for collection.
- 2.8 If the owner's **account is turned over to for collection**, the owner must communicate only with the collection agency to pay or settle the account. The owner must pay all late charges, interest, costs of collection, and any legal fees incurred by the Association.
- 2.9 An owner's payment of less than the full amount owed to the Association at any time shall be applied to pay the following (if applicable) in the order listed, from the oldest to most recent in each category:

- 2.9(a) Collection fees and legal costs
- 2.9(b) Association costs and expenses
- 2.9(c) Late charges
- 2.9(d) Interest
- 2.9(e) Assessments

- 2.10 In the normal course of business, the Association will reject any check containing a restrictive endorsement or a request that the payment be applied other than in accordance with this rule.
- 2.11 An owner who occupies the unit and did not acquire the unit as a result of default on a security interest or foreclosure, who is assessed with a fee or fine and who is delinquent on payments may request to set up a payment plan of no less than six months prior to the Association sending the debt to collections. If the owner does not remit payment according to the payment plan or remain current on regular assessments during the payment plan period, the Association may send the debt immediately to collection or pursue other legal action against the owner.
- 2.12 The Association's remedies for collection of amounts past due include sending an account to a collection agency which will report such amounts to national credit bureaus, and placing a lien on a unit which may be foreclosed on if the balance owed, inclusive of all fees and interest, exceeds six months of regular assessments. The Board will individually assess each delinquent account prior to sending an account for legal action, but an account may be sent to collection without specific Board review.
- 2.13 Prior to sending any delinquent account for collections, the Association will send, by email and postal mail, a notice to the owner specifying:
 - a. The total amount due, including a detailed accounting of how the total is calculated.
 - b. Whether the owner has the opportunity to enter into a payment plan and how to contact the Association if a payment plan is desired.
 - c. The name and contact information for the person the owner may contact to request a copy of the owner's account ledger in order to verify the amount of the debt.
 - d. What the owner must do, and by when, to cure the delinquency and that failure to do so will result in the debt being sent to a collection agency, or a lien placed on the unit or other remedies available under Colorado law.
- 2.14 Any dispute over whether or not an amount is due or delinquent must first attempt to be settled with the Manager or person appointed by the Board in the Manager's stead. If the dispute cannot be settled between the Manager and owner, the owner may write to the board outlining the issues in dispute.

- 2.15 For the purposes of being a “member in good standing” of the Association for purposes of voting at any general or special election, an owner cannot be more than one month delinquent for any assessment, which includes regular and special assessments, any associated fees, charges, late charges, attorney fees, or fines.

Effective November 1, 2013