

HIGHLAND PARK CONDOMINIUM OWNERS ASSOCIATION

COLLECTION POLICY AND PROCEDURES

Pursuant to C.R.S. §38-33.3-209.5 and §38-33.3-316, the Board of Directors does hereby adopt the following policy and procedures for the collection of delinquent assessments effective January 1, 2014.

(a) Annual Assessments payable in monthly installments shall be due on the first day of each month. Any other assessments shall be paid to the Association on the due date established by the Board of Directors, or in the case of an undisputed fine the managing agent acting on behalf of the Board of Directors. Assessments shall be considered past due and delinquent ten (10) days after the due date. Assessments include annual, special, extraordinary and supplementary assessments and any associated fees, charges, late fee, attorney's fees, fines, and interest charged by the Association. (Declaration Article 7 as amended)

(b) A late fee in the amount of \$40.00 per month shall accrue on any past due and delinquent assessment and shall bear interest from the due date at the rate of 21% per annum. (Declaration Article 7 as amended)

(c) The Association shall assess the Owner's account for any bank fees actually charged for returned checks or for ACH/electronic payments reversed due to nonsufficient funds.

(d) All payments received shall be credited first to any delinquent balances, secondly to any current balances, and finally to any future balances due. These balances shall include any attorney's fees or costs, incurred by the Association. The Association, or its managing agent, has the discretion to return any Owner payment containing a restrictive endorsement or directing application of payments contrary to this provision.

(e) Before the Association refers a delinquent account to a collection agency or refers the matter to an attorney for legal action, the Association, or its managing agent, shall send the Owner a **Notice of Delinquency** utilizing the form attached hereto and incorporated by this reference. The Association shall offer the Owner, who is eligible, a one-time opportunity to pay off the deficiency in equal installments over a period of at least six months utilizing the **Installment Payment Agreement** form attached hereto and incorporated by this reference. (C.R.S. §38-33.3-316.3)

(f) Before the Association's lien may be foreclosed, the balance of the assessments and charges secured by the lien must equal or exceed six (6) months of common expense assessments based on a periodic budget adopted by the Association and the Board of Directors must formally resolve, by a recorded vote, to authorize the filing of a foreclosure action against the specific unit, utilizing the **Executive Board Resolution** form attached hereto. (C.R.S. §38-33.3-316(11))

(g) Legal Remedies Available to the Association: The Association may initiate legal action against the Owner who is personally obligated to pay the assessment, may foreclose the assessment lien against the property, and such other remedies as specifically stated in the Declaration and as provided by Colorado law. Regardless of whether a legal action is filed, the Association may recover attorney's fees, court filing fees, and service costs.

Approved by the Board of Directors on this ____ day of December, 2013.

Board Member

Board Member

Board Member