



2192 DENTON GROVE  
COLORADO SPRINGS  
COLORADO 80919

## Arbors at Mountain Shadows Condominium Owners Association, Inc.

March 6, 2017

### RESOLUTION


WHEREAS, pursuant to the Declarations, Section 11.1 "... All Owners of a Condominium Unit shall be jointly and severally liable to the Association for the payment of all assessments, charges, fees and other sums ..."

WHEREAS, pursuant to the Declarations, 11.2 "... the Association shall be additionally entitled to recover, and the Owner to pay, interest ... at the rate of eighteen percent (18%) per [year] ... court costs and other collection costs, and reasonable attorneys' fees."

WHEREAS, pursuant to the Declarations, 11.2 "... the Association may, at its option, suspend all voting rights and the right to use any common services and facilities ..."

WHEREAS, pursuant to the Colorado Common Interest Owners Act CCIOA), 38-33.3-209.5 paragraph (5) establishes considerations regarding past due accounts.

IN WITNESS WHEREOF, the undersigned certify that the following *Policy for Collection of Assessment, Fees, and Fines* was adopted by Resolution of the Board of Directors of the Association on the 6th day of March 2017.

  
Wayne Rand, President  
on behalf of the Board of Directors

Attest:  
  
Laurie McIntyre, Secretary



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March 6, 2017

### Policy for the Collection of Assessments, Fees, and Fines

- I. Due date, delinquency and charges for delinquent accounts.
  - A. Monthly installments of the Annual Assessment are due and payable on the 1<sup>st</sup> day of each month.
    - i. Any payment of the monthly installment of the Annual Assessment shall be deemed received on the date the payment is received by the Treasurer of the Association or by its representative.
    - ii. Any payment of the monthly installment of the Annual Assessment not received by the 15<sup>th</sup> day of the month in which the payment is due shall be considered past due and delinquent.
    - iii. Any account past due and delinquent shall
      - a) Incur a late fee of \$20.00 which shall be assessed against the owner and added to the owner's account balance on the 16<sup>th</sup> day of the month in which the payment is due.
      - b) Incur interest at the rate of 12% per year, compounded monthly.
  - B. Payments that are dishonored for insufficient funds or are otherwise non-negotiable shall result in a fee of \$20.00 which shall be assessed against the owner and added to the owner's account balance and will incur interest at the rate of 12% per year, compounded monthly.
  - C. Payments received from an owner will be applied first to returned check fees, then to late fees or fines, then to interest, then to expenses incurred by the Association including legal fees and lastly to the monthly assessments.
- II. When an owner's account becomes delinquent, the owner shall be notified of the actions to collect by letters in the order as follows:
  - A. First Letter, to be sent after the fifteenth (15<sup>th</sup>) day of the month to owners with a balance due for more than fifteen (15) days. The letter shall include the following:
    - i. The amount past due.
    - ii. The amount of any late fees that have been assessed.



- iii. Notice that interest is accruing on all past due amounts at a rate of twelve percent (12%) per year compounded monthly.
  - iv. A Statement of Account reflecting how the amount past due was calculated to the owner to verify the amount past due.
  - v. A request that the delinquent account be brought current by the fifteenth (15<sup>th</sup>) day of the month proceeding the month the delinquency occurred.
  - vi. A statement encouraging the owner to contact the Board if they have extenuating circumstances that have impacted their ability to pay the amounts due.
- B. Second Letter, to be sent after the fifteenth (15<sup>th</sup>) day of the month to owners with a balance due for more than thirty (30) days. The letter shall include the following:
- i. The amount past due.
  - ii. The amount of any late fees that have been assessed.
  - iii. A request that the delinquent account be brought current within thirty (30) days of the date of the letter or to contact the Board to discuss payment plan options.
- C. Third Letter, to be sent after the fifteenth (15<sup>th</sup>) day of the month to owners with a balance due for more than sixty (60) days. The letter shall include the following:
- i. The amount due.
  - ii. A Statement of Account reflecting how the amount past due was calculated to permit the owner to verify the amount past due.
  - iii. A reminder that the owner is entitled to enter into a Payment Plan to bring the account current.
  - iv. The name and contact information for the individual the unit owner may contact to discuss the unit owner's Statement of Account.
  - v. A statement that no further reminders, notices, or letters will be sent by the Association and that the matter will be referred to the Association's legal counsel to pursue one or more of the actions listed below if the delinquency is not cured within thirty (30) days or if no payment plan is established with the Board:
    - a) Account being turned over for collection.
    - b) A lien being filed.
    - c) A lawsuit being filed.
    - d) A lien, if filed, being foreclosed.
    - e) Any other remedies available for the Association to recover the debt.
- III. An owner whose account is delinquent may request that the Board of Directors set a time and place for a hearing wherein the owner may be permitted to present any extenuating circumstances for the Board to consider.
- IV. Payment plans.
- A. Any owner experiencing financial difficulties is encouraged to contact the Board to review possible solutions.
- B. The Board has latitude in working with owners to bring the account current.
- i. The owner may request, in writing, that the Board of Directors set a time and

place for a hearing wherein the owner may be permitted to enter into a Payment Plan.

- ii. A payment plan, between the Association and the owner, must permit the unit owner to pay off the deficiency in equal installments over a period of at least six months.
- iii. If the owner fails to make any payment as outlined in the agreed Payment Plan or fails in continuing to pay the regular monthly assessment
  - a) The owner shall be in default.
  - b) The Association will be immediately entitled to pursue all legal remedies available.
- iv. A Payment Plan is not available if the unit owner does not occupy the unit and has acquired the property as a result of,
  - a) A default in a security interest on the property.
  - b) Foreclosure of the Association's lien.
- v. The Board is not required to enter into a second Payment Plan with the same owner..

V. Additional actions to collect on a delinquent account.

- A. If an owner's account becomes three (3) months delinquent, the account will be referred to the Association's Attorney.
- B. If the account becomes four (4) months delinquent, a statement of lien will be filed.
  - i. A copy of the lien statement will be sent to the owner to advise the owner of the action being taken.
  - ii. All costs and fees associated with the filing of the lien will be assessed against the owner and added to the owner's account.
- C. When the delinquency of an owner's account equals or exceeds six (6) months of assessments, the Board of Directors will vote on what further legal action shall be followed.
  - i. The Board may determine to have the Association's attorney file a personal suit against the Owner.
  - ii. The Board may determine to foreclose on the lien to have the property sold.
  - iii. The Board may determine to have a receiver appointed to generate income.
  - iv. The Board may enter into an escrow agreement with the financial institution, which holds the mortgage, to collect monthly
    - a) The amount of the monthly assessment due
    - b) The amount required to fulfill the stipulations of a payment plan.
- D. All costs and fees incurred by the Association in any collection action will be assessed against the owner and added to the account.
- E. The Board may take such other action as is authorized by the governing documents including, but not limited to, suspension of voting rights or the use of common areas.