

## **Assessment Collection Policy**

1. **Due Dates.** The monthly installments of the annual assessment, as determined by the Association and as allowed for in the Declaration, are due and payable on the first day of each month. Assessments or other charges not paid when due are considered past due and delinquent.
2. **Receipt Date.** The Association will post payments within a reasonable time after payment is received in the Association's office.
3. **Late Charges and Fees.** The Association will impose, on a monthly basis, a \$10.00 late charge for each Owner who fails to timely pay any assessment or other sums within 10 days of the due date. This late charge is a "common expense" for each delinquent Owner.
4. **Interest Charges.** Delinquent assessments, fines or other charges not paid in full to the Association within 30 days of the due date are to bear interest at the rate of 12% per annum.
5. **Personal Obligation for Late Charges.** The late charge is a personal obligation of the Owner(s) of the Lot for which such assessment or installment is unpaid. All late charges are due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth in this Policy) for payment of assessments.
6. **Other Charges.** 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. The Association may impose, without limitation, the following fees:
  - a. Account receivable service or tracking fee of its managing agent
  - b. Demand letter fee of its managing agent
  - c. Notice of lien fee of its managing agent

These charges may be imposed monthly, or other periodic basis as the Association and/or its managing agent may determine, once an annual assessment or other sums are past due, and is a "common expense" for each delinquent Owner. These charges are a personal obligation of the Owner and a lien on the Lot.

7. **Return Check Charges.** In addition to any and all charges imposed under the Declaration, Articles of incorporation and Bylaws, the rules, regulations, design guidelines, policies and procedures of the Association or this Policy, a \$20.00 fee, or an amount equal to the actual charges incurred by the Association levied by the party returning the check, whichever is greater, may be assessed against an Owner in the event any check or other instrument attributable or payable for the benefit of the Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge is a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge is due and payable immediately, upon demand. The Association is entitled to all additional remedies as provided by applicable law. Any returned check will cause an account to be past due if full payment of the monthly installment of the annual assessment is not timely made within 10 days of the due date.

8. Notice to Owner Before Referral for Collection. Before the Association turns over a delinquent account of an 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 account for 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 (as provided in this collection policy)
  - d. how the Owner may contact the Association to enter into a payment plan (if a payment plan is available)
  - e. 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
  - f. that a lien is in place on the Owner's property, as provided under the Declaration and state law
  - g. that payment is required to cure the delinquency
  - h. that failure to pay may result in the Owner's delinquent account being turned over to the attorneys for the Association or a collection agency
  - i. 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
  - j. that other remedies available under Colorado law may be sought by the Association
9. 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 period of six months or such longer period as authorized by the Board of Directors. If the Owner fails to comply with the terms of the payment plan by failing to remit payment of an agreed-upon installment or failing to remain current with regular assessments as they become 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 Lot 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.
10. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, 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. The reasonable attorney fees incurred by the Association are due and payable immediately when incurred, upon demand.
11. Referral for Collection. Once referred to the Association's attorneys or collection agent for collection, the entire account of that Owner is referred, including sums to accrue, until the entire account is paid in full, the account is settled and has a zero balance or is written off. All sums collected on a delinquent account that has been turned over for collection attorney are to be remitted to the Association's attorney or collection agent until the account is brought current.

12. Application of Payments. All payments received on account of any Owner or the Owner's property ("Owner") may be applied as determined by the Association's attorneys. Alternatively, payments may be applied to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to the Owner pursuant to the Declaration, Articles, Bylaws, rules, regulations, design guidelines, policies and procedures, prior to application of the payment to any special or regular assessments due or to become due with respect to the Owner. In the event an owner makes a payment in excess of all amounts due and owing, the Association will not be obligated to issue a refund prior to 14 days from the date the overpayment was received to verify the funds were credited to the Association's account.

13. Time Frames. The following time frames will be followed in the collection of installments of the annual assessment and for collection of other charges:

Due Date	1 <sup>st</sup> day of the month for monthly installment of annual assessment or 10 days after notice of assessment or charge for all other assessments, fines and charges
Late Fee Date	10 days after due date
Interest Date	30 days after due date

14. Suspension of Rights. The Association may elect to suspend the voting rights of any Owner whose account is past due at the time of such voting and may also suspend the right of any Owner to use any facility within the Common Areas until all monies owed are paid in full.

15. Certificate of Status of Assessment. The Association is to furnish to an Owner or the Owner's designee upon written request, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against the Owner's property, for a reasonable fee. However, if the account has been turned over for collection, the request may be handled through the attorneys or collection agent.

16. Bankruptcies of Owner and Foreclosures by Lenders to Owners. 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 manager may notify the Association's attorney or collection agent of the same and turn the account over for collection, if appropriate.

17. Use of Certified Mail/Regular Mail. In the event the Association may cause a collection or demand letter or notices to be sent to a delinquent Owner (other than quarterly statements and other routine notices), the letters or notices may be sent by registered or certified mail.

18. Remedies.

a. Lawsuits on Covenant to Pay Assessments. The Association may pursue a lawsuit against an Owner who has sums due the Association, based on the covenant (or promise) to pay the Association as set forth in the Declaration.

b. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to other remedies. The purpose of foreclosure by the Association 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

- c. 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 the particular Lot, on a specific basis.
- c. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law.
- d. General. The Association has all of the remedies available to it under the Declaration and Colorado law.

19.Waivers. The Association is authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained in these policies and procedures, as the Association may determine appropriate under the circumstances.

20.Communications with Owners. All communication with a delinquent Owner will be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager 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.

21.Defenses. Failure of the Association to comply with any provision in this policy is not a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this policy.

**PRESIDENT'S CERTIFICATION:** The undersigned, being the President of Woodbridge Townhome Owners 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 March 20, 2014 and in witness thereof, the undersigned has subscribed his/her name.

**WOODBRIIDGE TOWNHOME OWNERS ASSOCIATION, INC.**

A Colorado nonprofit corporation

By:

  
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President