



**NORTHMOOR ACRES HOME OWNERS ASSOCIATION  
COLLECTION OF UNPAID ASSESSMENTS POLICY AND PROCEDURE**

- SUBJECT:** Adoption of a Policy and Procedure regarding the collection of unpaid assessments.
- PURPOSE:** To provide notice of the Association's adoption of a uniform and systematic procedure to collect assessments and other charges of the Association.
- AUTHORITY:** The Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation and Bylaws of the Association and Colorado law.
- EFFECTIVE DATE:** May 19, 2022
- RESOLUTION:** The Association hereby gives notice of its adoption of the following Policy and Procedure for the collection of assessments and other charges of the Association:

1. **Due Dates.** Installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the 1<sup>st</sup> day of July and if not paid in full to the Association within 30 days of the due date shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within 30 days of the due date shall incur late fees as provided below.
2. **Receipt Date.** The Association shall post payments on the day that the payment is retrieved from the Association's P.O. Box.
3. **Late Charges on Delinquent Installments.** The Association shall impose on a monthly basis a late charge calculated as 1/10 of the annual assessment for each Member who fails to timely pay his/her annual assessment or other charge (including fines) within 30 days of the due date. This late charge shall be a "common expense" for each delinquent Member.
4. **Personal Obligation for Late Charges.** The late charge shall be the personal obligation of the Member(s) of the Lot for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.
5. **Return Check Charges.** In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Policy and Procedure, a return check fee, not to exceed \$20.00, shall be assessed against a Member in the event any check or other instrument attributable to or payable for the benefit of such Member 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 shall be a "common expense" for each Member who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law.



Returned check charges shall be the obligation of the Member(s) of the Lot for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations or this Policy and Procedure after the date adopted as shown above. If two or more of a Member's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Member's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees incurred by a Member. Any returned check shall cause an account to be past due if full payment of the annual assessment is not timely made within 30 days of the due date.

6. **Service Fees.** In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Member as such fee would not be incurred but for the delinquency of the Member.
7. **Payment Plan.** Any Member who becomes delinquent in payment of assessments may enter into a payment plan with the Association, which plan shall be for a minimum term of 6 months or such other term as may be approved by the Board of Directors. Such payment plan shall be offered to each Member prior to the Association referring any account to an attorney or collection agency for collection action. In the event the Member defaults or otherwise does not comply with the terms and conditions of the payment plan, including the payment of ongoing assessments of the association, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.
8. **Attorney Fees on Delinquent Accounts.** As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges (including fines) due the Association from a delinquent Member. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.
9. **Application of Payments.** Once an account is referred to the Association's attorney, all sums collected on a delinquent account shall be remitted to the Association's attorney until the account is brought current. All payments received on account of any Member or the Member's property (hereinafter collectively "Member"), shall be applied in the following manner: first to the payment of any and all legal fees and costs (including attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Member pursuant to the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, or this Policy, prior to application of the payment to any special or regular assessments due or to become due with respect to such Member.
10. **Collection Process.**
  - a. After an installment of an annual assessment or other charges due to the Association becomes more than 30 days delinquent, the Board of Directors shall send a written notice ("First Notice") of non-payment, amount past due, notice that late fees have accrued and request for immediate payment. The Association's notice, at a minimum shall include the following:



- i. The total amount due to the Association along with an accounting of how the total amount was determined.
  - ii. Whether the Member may enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.
  - iii. A name and contact information for an individual the Member may contact to request a copy of the Member's ledger in order to verify the amount of the debt.
  - iv. A statement indicating that action is required to cure the delinquency and that failure to do so within thirty days may result in the Member's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Member, appointment of a receiver, the filing and foreclosure of a lien against the Member's property, or other remedies available under Colorado Law including revoking the Members right to vote if permitted in the Bylaws or Declaration.
- b. After an installment of an annual assessment or other charges due to the Association becomes more than 60 days delinquent, the Board of Directors shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that late fees have accrued, notice of intent to file a lien and request for immediate payment.
  - c. After an installment of an annual assessment or other charges (including fines) due to the Association becomes more than 90 days delinquent, the Board of Directors may turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorneys may file a lien and send a letter to the delinquent Member demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorney may file a lawsuit. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any applicable late fees.
  - d. In addition to the steps outlined above, for any Member whose account is past due, the Association may elect to suspend the Member's voting rights and access to common area facilities.



11. **Collection Procedures/Time Frames.** The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

<b>Due Date</b> (date payment due)	July 1 <sup>st</sup> for the annual assessment; on the date established by the Board for any other charge
<b>Past Due Date</b> (date payment is late if not received on or before that date)	30 days after due date
<b>First Notice</b> (notice that late charges have accrued, required disclosures of the Association and the availability of a payment plan if applicable)	Any time after 30 days after due date
<b>Second Notice</b> (notice that late charges have accrued, notice of intent to file lien)	Any time after 60 days after due date
Delinquent accounts may be turned over to the Association's attorney; Lien filed; Demand letter sent to Member.	Any time after 90 days after due date

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

12. **Certificate of Status of Assessment.** The Association shall furnish to an Member or such Member's designee upon the Member or designee's written request to the Association, made via first class postage prepaid, return receipt requested mail, a written statement from the Association, setting forth the amount of unpaid assessments currently levied against such Member's property for a fee of \$20.00 and delivered personally or by certified mail, first class-postage prepaid, return receipt requested. However, if the account has been turned over to the Association's attorney, such request may be handled through the attorney.

13. **Bankruptcies and Foreclosures.** Upon receipt of any notice of a bankruptcy filing by an Member, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Lot within the Association, the Board of Directors shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.



14. **Use of Certified Mail/Regular Mail.** In the event the Association shall cause a collection or demand letter or notices to be sent to a delinquent Member by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.
15. **Referral of Delinquent Accounts to Attorneys.** Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The attorney, in consultation with the Board of Directors, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:
  - a. Filing of a suit against the delinquent Member for a money judgment;
  - b. Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;
  - c. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests; and
  - d. Filing a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney.
16. **Appointment of a Receiver.** The Association may seek the appointment of a receiver if a Member becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court, who manages the rental of the property, collects the rent and disburses 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 the waste and deterioration of the property.
17. **Judicial Foreclosure.** The Association may choose to foreclose on its lien in lieu of or in addition to suing a Member for a money judgment. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. The Association shall consider individually each recommendation for a foreclosure and may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.
18. **Waivers.** The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.
19. **Communication with Members.** All communication with a delinquent Member shall be handled through the Association's attorney once a matter has been referred to the attorney. No member of the Board of Directors shall discuss the collection of the account directly with a Member after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

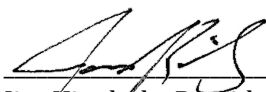


20. **Communication by Members.** Members may communicate with the Association in any manner they choose including email, text, phone, or in writing, when available. However, in doing so, the Member acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.
21. **Defenses.** Failure of the Association to comply with any provision in this Policy shall not be deemed 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.
22. **Definitions.** Unless otherwise defined in this Policy, initially capitalized or terms defined in the Declaration shall have the same meaning herein.
23. **Supplement to Law.** The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.
24. **Deviations.** The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.
25. **Amendment.** This Policy may be amended from time to time by the Board of Directors.

**PRESIDENT'S  
CERTIFICATION:**

The undersigned, being the President of Northmoor Acres Home Owners Association, a Colorado nonprofit corporation, certifies that the foregoing Policy was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on May 19, 2022 and in witness thereof, the undersigned has subscribed his name.

**Northmoor Acres Home Owners Association,**  
a Colorado nonprofit corporation

By:   
Jim Kienholz, President

[SAMPLE DELINQUENCY NOTIFICATION]

Date

Member Name  
Address  
Johnstown, CO 80534

Re: Delinquent Account, Lot Address \_\_\_\_\_

Dear (Member Name),

Your Member assessment account is delinquent in the amount of \$\_\_\_\_\_.

The calculation of the delinquency is depicted on the attached accounting.

You may enter into a payment plan to bring your account current. However your balance must be paid within six months of the date of this letter, including remaining current with ongoing assessments. If you choose to enter into a payment plan, your new monthly payments during this payment period will be \$\_\_\_ per month which includes ongoing monthly payments of \$ \_\_\_ per month until \_\_\_\_\_. Please contact: \_\_\_\_\_ at \_\_\_\_\_, if you desire to pay this debt, set up this payment plan or to verify the debt owed. If you enter into a payment plan and you fail to make any payment pursuant to the plan, the Association may proceed with legal action against you without further notice to you.

**PLEASE NOTE ACTION IS REQUIRED BY YOU TO CURE THE DELINQUENCY. FAILURE TO DO SO WITHIN 30 DAYS OF THE DATE OF THIS LETTER MAY RESULT IN YOUR DELINQUENCY BEING TURNED OVER TO A COLLECTION AGENCY, A LAWSUIT BEING FILED AGAINST YOU OR THE FILING OF A FORECLOSURE OF A LIEN AGAINST YOUR PROPERTY OR ANY OTHER REMEDIES AVAILABLE PURSUANT TO COLORADO LAW.**

Sincerely,

Board of Directors,  
Northmoor Acres Home Owners Association

**NORTHMOOR ACRES HOME OWNERS ASSOCIATION  
FORECLOSURE RESOLUTION**

WHEREAS, the Member, \_\_\_\_\_ (name), of Lot \_\_\_\_\_ (address of property), is currently delinquent in payment of assessments in the amount of \$ \_\_\_\_\_, which amount includes, late fees, penalties, interest and attorney fees; and

WHEREAS, the Association, on \_\_\_\_\_ (date) did notify such Member of the delinquent assessments and did offer the Member a payment plan of at least 6 months for the repayment of the delinquent assessments; and

WHEREAS, the Member did, on \_\_\_\_\_ (date) default in the terms and conditions of the payment plan, or conversely, failed to enter into a payment plan with the Association; and

WHEREAS, the current delinquent amount is equal to or exceeds six months of common expenses assessments allocated to the Member's Lot pursuant to the Association's annual budget; and

NOW, THEREFORE, BE IT RESOLVED, by a vote of \_\_\_\_\_ FOR and \_\_\_\_\_ AGAINST, the Board of Directors, pursuant to the Association's collection policy and in accordance with the Colorado Common Interest Ownership Act, does hereby approve the commencement of a foreclosure action on Lot \_\_\_\_\_ (address of property), Johnstown, Colorado 80534, in Northmoor Acres Home Owners Association to be commenced as soon as practical.

**PRESIDENT'S  
CERTIFICATION:**

The undersigned, being the President of Northmoor Acres Home Owners Association, a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on \_\_\_\_\_ and in witness thereof, the undersigned has subscribed his/her name.

**Northmoor Acres Home Owners Association,**  
a Colorado nonprofit corporation

By: \_\_\_\_\_  
President