

# COMSTOCK ESTATES HOMEOWNERS ASSOCIATION

## POLICIES AND PROCEDURES

### COLLECTION OF PAST DUE ASSESSMENTS, FEES AND FINES

**POLICY:** It is vital to the effective administration of the Comstock Estates Homeowners Association (hereinafter the "Association") that assessments and other charges to members be paid in a timely manner. The Association must collect past due amounts in order to continue to serve the community well and efficiently. To perform these duties the Board will remain flexible in its approach to recognize the unique facts and circumstances surrounding each delinquent account.

**PROCEDURE:** All assessments and other charges are due and payable on the LATER of the last day of the month in which the charge is assessed OR 27 days from the date the charge is assessed. Accounts are "past due" if payment is not received by the Property Management Company by the last business day of the month in which the charge becomes due.

Collecting Past Due Charges. The Association, through the Board of Directors or any agent designated by them, may initiate legal collection proceedings at any time after any account becomes past due. The following provisions describe the structure of the Association's collection procedures.

Step 1. LATE FEE: For any month in which charges are "past due" a late fee of \$25.00 will be charged. Late fees are to partially offset the added costs to the Association of tracking delinquent accounts, repeated billings, related regular mail costs and risk of ultimate revenue loss, and partly a punitive measure to discourage delinquencies. The fees shall be added to the total delinquent amount on the last day of the month and shall become a charge and/or lien upon the land as provided in the Declarations applicable to the Association. Late fees shall continue to accrue to all delinquent accounts until appropriate payment is received.

Step 2. DIRECT COSTS: Any costs incurred by the Association in the process of collecting a delinquent account will be immediately charged to that account. This includes: registered and certified mail costs; attorney fees and charges; government fees, taxes, collections agency fees and other charges directly related to collection activity.

Step 3. BILLING PAST DUE ACCOUNTS: Following the end of ANY month in which a delinquent balance exists, the Property Management Company shall, subject to directions provided by the Board of Directors, prepare and mail a statement to the delinquent owner at their address of record, detailing activity in the account since the last non-delinquent balance. Following the end of the month in which the delinquent balance first equals or exceeds \$250.00, the Property Management Company will include with the account statement a Demand for Payment and notification that non-payment may result in the account being referred to an Attorney with the resulting attorney fees being added to the account balance. Should payment not be received by the end of the month, the Property Management Company will provide the Attorney with the appropriate information for Step 4. Nothing in this section waives the Association's right to collect assessments, including but not limited to late fees, fines and reasonable attorney fees, if the provisions are not followed.

Step 4. ATTORNEY: Upon notification by the Property Management Company, and authorization from the Board of Directors, the Attorney will prepare and send by certified mail a Demand for Payment, an offer of a Payment Plan that complies with applicable Colorado law, notification that non-payment or acceptance and non-performance of the Payment Plan may result in referring the account to Collections and/or placement of a Lien on the Property with the resulting costs being charged to the account. Responses by the account owner will be directed to the Property Management Company. Copies of the communication will be sent to the Property Management Company with the billing.



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Step 5: LIEN/COLLECTION AGENCY: Upon acceptance and non-performance of a Payment Agreement, lack of response by the Homeowner, or non-payment by the Homeowner, the Property Management Company shall add the legal and government fee costs of filing a Lien to the account balance, send notice of intent to file a Lien, file the Lien, record the Lien, refer the account to a Collection Agency and send to the Homeowner by certified mail an account statement, a copy of the Lien, contact information for the Collection Agency and directions to send future payments to the Collection Agency.

Step 6: FORCLOSURE: As a last resort, the Association Board of Directors may foreclose its lien upon the property of a delinquent homeowner to satisfy the past due assessments, fees, costs, and other expenses charged against the land. The costs and expenses of so doing, including attorneys' fees, shall be charged against the proceeds of any foreclosure sale, along with the delinquent assessments, costs, fees, and other expenses as permitted or provided by the Declarations and the Colorado Common Interest Ownership Act (CCIOA).

### RECOGNITION OF UNIQUE FACTS AND CIRCUMSTANCES:

The Association desires only to collect the Annual Assessment in a timely manner. Owner payment of significant funds for Collection Agency, Government, Attorney or even Association Fees is not desirable. The Association recognizes that economic circumstances may make difficult the full payment of Assessments and other charges and therefore will waive the Late Fee for any month in which a payment of \$25.00 is received by the Property Management Company before the last working day of the month that payment is due. This partial payment will be applied to the oldest portion of the delinquent account. This waiver shall apply ONLY to accounts which have NOT been referred to an attorney or Collections or that have a recorded Lien filed. Should even this minimal payment be impossible please contact (well before the due date) the Property Management Company with the facts of the case for consideration by the Board of Directors.

Adopted on

09/24/2016

Cynthia Reed

President