

**FALL RIVER ESTATES HOA  
RULES AND REGULATIONS**

July \_\_\_\_, 2016

**COLLECTION POLICY**

Pursuant to Section 8 of the Declaration, the following constitutes the Association's Policies regarding payment of common expense assessments, and the collection of unpaid assessments.

- (a) Common expense assessments are payable annually (or more frequently as determined by the Board), within thirty (30) days of invoice. Common expense assessments must be paid to the Fall River Estates Home Owners Association (FREHOA), at the address specified in the invoice.
- (b) An assessment shall become delinquent if not paid within thirty (30) days subsequent to the date of the mailing of the notice thereof. Any Owner who is delinquent in payment of common expense assessments shall be assessed a twenty five dollar (\$25.00) late fee.
- (c) In the event an Owner pays common expense assessments by check and such check is dishonored by the Owner's bank, for any reason, the Owner shall be assessed a return check charge of fifty dollars (\$50.00) to cover costs of Association bank charges, processing, handling, etc. In addition, the Owner will not be considered to have paid his or her common expense assessments until a dishonored check has been paid or replaced with good funds, and the delinquent payment late fee described in paragraph (b) shall apply.
- (d) The Association will enter into a payment plan if the Lot is Owner occupied and the Owner notifies the Association that the delinquency is a result of temporary financial hardship. Under such circumstances, the Association shall have the discretion to establish a payment plan in order to cure the delinquency. Any payment plan shall require that the Owner pay all current and ongoing common expense assessments, and that the delinquency be cured over a reasonable amount of time, not to exceed six (6) months.
- (e) The Association may turn over any delinquent common expense assessments to a collection agency or attorney, at any time when an Owner is delinquent. Prior to referring the Owner assessments to collections, the Association shall mail a notice to the Owner, at the Owner's last known address, a Notice of the Delinquency, which will include the following information:
  - \* The total amount due, with adequate explanation/accounting, to enable the Owner to determine how the total was determined.

- \* Whether the Association believes the Owner would be eligible for establishing a payment plan and if so, instructions for contacting the Association to make arrangements for a payment plan and allowing the Owner to submit a written statement of temporary financial hardship within seven (7) days of the date of the notice.
  - \* Specifying the name and contact information for the individual the Owner may contact, to request a copy of the Owner's ledger in order to verify the amount of the debt.
  - \* That the Owner is required to cure the delinquency and failure to do so within thirty (30) days may result in the delinquent account being turned over to a collection agency, a lawsuit being filed against the Owner, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law.
- (f) Owners may pay common expense assessments only by check or money order mailed to the address of the Association specified in the invoice or notice.
- (g) It is the policy of the Association to undertake all available means to collect unpaid common expense assessments. Any unpaid common expense assessments constitute a burden to other Owners, since the Association has ongoing expenses that must be paid from Association funds. The failure to pay common expense assessments reduces funds available to the Association for payment of Association expenses.
- (h) The remedies available to the Association for collection of unpaid common expense assessments include the following:
- \* Use of a collection agency.
  - \* Use of an attorney to sue an/the Owner for the amount due.
  - \* Record a lien against the Owner's property.
  - \* If a lien has been filed and payment is not received within ninety (90) days, engage the services of an attorney to foreclose the lien in like manner as a mortgage on real estate.
  - \* In order to commence foreclosure, the Owner must be at least six (6) months behind in payment of common expense assessments, and the Board must formally resolve, by a recorded vote, to authorize the filing of a legal action against the specific Owner.

**ALL OWNERS ARE REMINDED THAT COMMON EXPENSE ASSESSMENTS ARE A PERSONAL COMMON OBLIGATION OF THE OWNER, AND MAY BE COLLECTED FROM THE OWNER IRRESPECTIVE OF WHETHER A LIEN IS FILED AGAINST THE UNIT OR FORECLOSURE IS COMMENCED OR NOT. THE ASSOCIATION IS NOT REQUIRED TO FILE A LIEN, NOR IS IT REQUIRED TO FORECLOSE UPON A LIEN IN ORDER TO COLLECT ON THE PERSONAL OBLIGATION OF THE OWNER.**

**OWNERS ARE REMINDED THAT ALL COSTS OF COLLECTION, INCLUDING ATTORNEYS FEES, COLLECTION AGENCY FEES, COURT COSTS, WILL ALL BE ADDED TO THE AMOUNTS OWED BY THE OWNER. BECAUSE OF THE NATURE OF THE SHARING OF EXPENSES THROUGH A COMMON INTEREST OWNERSHIP COMMUNITY AND THE BURDEN PLACED UPON OTHER OWNERS BY NON PAYMENT OR UNDERPAYMENT, ALL COSTS OF COLLECTIONS WILL BE PASSED ON TO THE DELINQUENT OWNER.**

## **DISPUTE RESOLUTION PROCESS**

Pursuant to Section 10 of the Declaration, the following constitutes the Association's Procedures regarding dispute resolution.

Should any dispute or controversy arise, the following steps toward resolution will immediately be taken:

First: Correspondence.

(a) Any Member or the Board may initiate negotiation proceedings by sending an email or letter to the other party setting forth the particulars of the dispute, the terms of the Declaration that are involved, and a suggested resolution of the problem.

(b) The recipient of the letter must respond within ten (10) days with an explanation and response to the proposed solution.

Second: Meeting.

(a) If correspondence does not resolve the dispute, then the authors of the letters or their representatives shall meet on at least one occasion and attempt to resolve the matter. The meeting should be at a place selected by the parties involved, and should be neutral and non confrontational.

(b) Should this step not produce resolution, then the parties agree to mediation as provided in Section Third below.

Third: Mediation

(a) If the controversy is not resolved by informal negotiation within thirty (30) days or any mutually agreed extension of time from the first meeting between the Members involved, then the matter shall be referred to mediation. Mediation shall consist of an informal, nonbinding conference or conferences between the Members and the mediator jointly, then in separate caucuses in which the mediator will seek to guide the parties to a resolution of the case.

(b) The parties may select any mutually acceptable mediator available in the State of Colorado. If the parties cannot agree or have no particular choice of mediator and simply request that Judicial Arbitrator Group of Denver, Colorado assign one to the case, then a list and resumes of available mediators numbering one more than there are parties will be sent to the parties, each of whom shall strike one name leaving the remaining name as the mediator. If more than one name remains, the Judicial Arbitrator Group will choose the mediator from the remaining names.

(c) The mediation process shall continue until the case is resolved or until such time as the mediator makes a finding that there is no possibility of resolution. If there is no possibility of resolution or if the matter is not resolved within thirty (30) days of mediation, the Members or Board shall be free to pursue available remedies through litigation.

If litigation is commenced to resolve the dispute or violation, and such litigation is resolved by a judgment of the Court, the prevailing party shall be entitled to an award of reasonable attorneys fees and costs. For the purpose of any such litigation, all Owners of the properties herein described submit themselves to the venue and jurisdiction of the courts of Larimer County, Colorado.

## **ASSOCIATION INFORMATION DISCLOSURE**

Pursuant to Section 14 of the Declaration, the following constitutes the Association's Policies regarding disclosure of Association Information to the Membership.

The Association shall make the following information available to Owners upon reasonable notice. In addition, if the Association's address, designated agent, or management company changes, the Association shall make updated information available within ninety (90) days after the change:

- (a) The name of the Association;
- (b) The name of the Association's designated agent or management company, if any, together with the agent's or management company's license number if the agent or management company is subject to licensure under part 10 of article 61 of title 12, C.R.S.;
- (c) A valid physical address and telephone number for both the Association and the designated agent or management company, if any;
- (d) The name of the common interest community;
- (e) The initial date of recording of the declaration; and
- (f) The reception number or book and page for the main document that constitutes the declaration.

Within ninety (90) days after the end of each fiscal year thereafter, the Association shall make the following information available to Owners upon reasonable notice:

- (a) The date on which its fiscal year commences;
- (b) Its operating budget for the current fiscal year;
- (c) A list, by unit type, of the Association's current assessments, including both regular and special assessments;
- (d) Its annual financial statements, including any amounts held in reserve for the fiscal year immediately preceding the current annual disclosure;
- (e) The results of its most recent available financial audit or review if there has been an audit or review of the records;
- (f) A list of all Association insurance policies, including, but not limited to, property, general liability, Association director and officer professional liability, and fidelity policies.