

LOCKE MOUNTAIN RANCH PROPERTY OWNERS ASSOCIATION

COLLECTION POLICY AND PROCEDURE

Adopted April 5, 2001
Revised February 13, 2005
Revised November 20, 2013

The following resolution has been adopted by the Locke Mountain Ranch Property Owners Association (“Association”) pursuant to Colorado Law, at a regular meeting of the Board of Directors.

RECITALS

1. The Association is charged with certain responsibilities regarding providing upkeep and improvements to all non-county roads in the Locke Mountain Ranch Community.
2. The Association must have the financial ability to discharge its responsibilities.
3. The Board of Directors of the Association (“Board”) is required to pursue collection of assessments and other charges from owners.
4. The Board desires to adopt a uniform and systematic procedure to collect assessments and other charges of the Association.

NOW, THEREFORE, BE IT RESOLVED that in accordance with HB 1276 the Board does hereby adopt the following procedures and policies for the collection of assessments and other charges of the Association:

1. Due Date. The annual assessment as determined by the Board and as allowed for in the Declaration, Articles of Incorporation and Bylaws shall be due and payable on the last day of January. Assessments or other charges not paid to the Association by the last day of February shall be considered past due and delinquent.
2. Payment Plan. Any request submitted to the President or Treasurer prior to the due date of January 31 for a payment plan will not be unreasonably denied. Upon approval, a six (6) month plan with six (6) equal payments commencing March 1 with the final payment on August 1 will be granted. In the event that a payment is missed, all amounts are due and payable immediately and any other means to collect the debt as described below will be utilized. Payment plans will be offered as a one time option to individual property owners.
3. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, or this resolution, a twenty five dollar (\$25.00) fee or the amount imposed by the bank shall be assessed against an owner in the event any check or other instrument attributable to or payable for the benefit of such owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. 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 owner(s) of the property 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, Bylaws, Rules and Regulations or this Resolution after April 5, 2001.
4. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration, Articles and Bylaws, the Association shall be 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 shall be due and payable immediately when incurred, upon demand.

5. Application for Payments made to the Association. The Association reserves the right to apply all payments received on account of any owner or the owner's parcel to payment of any and all legal fees and costs (including attorney fees), expenses of enforcement and collection, interest, returned check charges, lien fees, and other costs owing or incurred with respect to such owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Resolution, prior to application of the payment to the special enforcement or assessments due or to become due with respect to each owner.

6. Collection Letters. After an annual assessment, or other charge due the Association, become delinquent, the Board will be required to send a "late notice" to the property owner who is delinquent in payment. The late notice will offer a payment plan of 6 months, and which payment plan would require that owners stay current in regular occurring assessments. The collection letter will contain the following information: 1) a statement of account indicating the total delinquency along with the manner in which the debt was calculated; 2) a name and phone number of a person the owner can contact to either contest the debt or enter into a payment plan; 3) a list of all Association remedies that the Association may use to collect the debt; 4) a statement as to whether or not the owner may enter into a payment plan and the terms of such plan; and 5) a statement indicating that the owner has a period of 30 days in which to address the situation prior to the Association turning the account over to an attorney or collection agency. Payment plans will be offered as a one time option to individual property owners.

The Association may charge delinquent accounts with a late fee in the amount of at least \$25, interest at a rate of 8% per annum, may collect any returned check fees as imposed by the bank and any attorney or collection agency fees as imposed on the Association.

7. Use of Certified Mail/Regular Mail. In the event the Board shall cause a collection or demand letter or notices to be sent to a delinquent owner by regular mail, the Board may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

8. Liens. The Board or duly appointed representative may file a Notice of Lien against the property of any delinquent owner in accordance with the terms and provisions of the Declaration, Articles of Incorporation and Bylaws. A copy of the recorded Notice of Lien may be mailed to the owner and to the mortgage lender.

9. Referral of Delinquent Accounts to Attorneys or Collection Agencies. The Board may, but shall not be required to refer delinquent accounts to its attorneys or a collection agency for collection. Upon referral to the attorneys or collection agency, the attorneys or collection agency shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney or collection agency, the account shall remain with the attorney or collection agency until the account is settled. All payments involving accounts referred to an attorney or collection agency for collection shall be set up and monitored through the attorney or collection agency. Prior to referring a delinquent account to an attorney or collection agency, the Board will send the owner notice of said referral.

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

Due date (date payment due)	31 st day of January
"Late Notice(s)" reminder mailed	By February 10 th
Assessments considered delinquent Notice of delinquency and payment plan sent to owner	Last day of February

11. Appointment of a Receiver. The Board may seek the appointment of a receiver if an owner becomes delinquent in the payment of assessments. 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.

12. Judicial Foreclosure. The Board may choose to foreclose on the Association's lien in lieu of or in addition to suing an owner in county court 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 may not foreclose on any association lien prior to the delinquency becoming the equivalent of 6 months common expense assessments past due. Also, the board of directors must individually consider and vote the foreclosure with each board member's vote being recorded.

13. Waivers. The Board may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Association granting the relief and the conditions of the relief. In addition, the Board is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Board shall determine appropriate under the circumstances.

14. Notification to Owners. The Board shall cause all owners who become delinquent in the payment of assessments by thirty days to be notified of this Resolution and the late charges, returned check charge, interest and attorney fees to be imposed after the effective date of those provisions of this resolution. All other policies and procedures set forth in this resolution shall be effective immediately.

15. Ongoing Evaluation. Nothing in this Resolution shall require the Board to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Board has the option and right to continue to evaluate each delinquency on a case by case basis.

IN WITNESS WHEREOF, the undersigned have executed this Revised Resolution of the Collection Policy and Procedure this 20th day of November, 2013.

Locke Mountain Ranch Property Owners Association,
A Colorado non profit corporation

By: _____
Director

By: _____
Director