

## **TWO RIVERS HOMEOWNERS ASSOCIATION**

### **GOVERNANCE POLICY FOR COLLECTIONS**

In Accordance with Master Documents of the Two Rivers Homeowners Association, the Board of Directors is committed to ensuring that all assessments are paid to the Association and that failure to pay in a timely fashion results in significant penalties. The annual assessment is paid in monthly installments, which are due on the first day of each month. If the payment arrives at the designated address for payment after the twentieth (20<sup>th</sup>) day of the month, interest, from the original due date, at the rate of 1.75% per month (21% per annum) and a late fee of \$20.00 per month will be charged.

Failure to pay assessments in a timely fashion will result in the following actions being taken:

1. If the payment is not received by the twentieth (20th) day of the first month, a "Late Notice" will be sent to the homeowner, notifying him/her that the payment is late and that a late charge of \$20.00 and interest charges of 1.75% on the total balance due have been imposed.
2. If the assessment is not paid by the twentieth (20th) day of the second month, a "Demand Letter" will be sent to the homeowner by certified mail, demanding payment in full on the total outstanding balance due and notifying him/her that the payment continues to be late and that an additional late charge of \$20.00 and interest charges of 1.75% on the total balance due have been imposed.
3. If the assessment is not paid by the twentieth (20th) day of the following month, a second "Demand Letter" will be sent to the homeowner by certified mail, demanding payment in full on the total outstanding balance due as well as notifying him/her that the payment continues to be late and that an additional late charge of \$20.00 and interest charges of 1.75% on the total balance due have been imposed. This Demand Letter shall include: (i) total amount due, with an accounting of how the total was determined; (ii) whether the opportunity to enter into a payment plan exists pursuant to C.R.S § 38-33.3-316.3 and instructions for contacting the entity to enter into such a payment plan; (iii) the name and contact information for person representing the Association that the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt; (iv) that action is required to cure the delinquency and that failure to do so within thirty days may result in the unit owner's 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 unit owner's property, or other remedies available under Colorado law.
4. If the assessment is not paid by the thirtieth (30th) day of the following month, the account will be forwarded to the Association's attorney or a collection agency for collection. Furthermore, the Association may exercise its rights to file a lawsuit against the owner, to file for and foreclose upon its lien against the Owner's Lot or Unit, and any other rights or remedies available to the Association under Colorado law. All costs associated with the legal pursuit of the collection will be assessed to the Owner.

5. In addition to the aforementioned late charges and interest, a charge of \$50.00 will be added to the total balance due each time the Association is not paid amounts due as the result of insufficient funds in an Owner's account that has been designated for payment either by check or ACH withdrawal.

If the Board considers that the Owner is making a "good faith" effort to pay and catch up with any arrearage, referral to the Association's attorney may be delayed or, in accordance with C.R.S § 38-33.3-316.3 make good faith efforts to establish payment plan in accordance therewith.

Notwithstanding anything herein to the contrary and in addition the rights and remedies provided for above, the Board may impose special requirements for Owners with a history of delinquent payments.

APPLICATION OF PAYMENTS: Any payments received from an owner, either to the attorney or the management company, will be applied in the following order: attorney fees and legal costs, Association costs and expenses including but not limited to: late charges, interest, insufficient funds fees, utilities, fines, and assessments.

**This policy was adopted on by resolution of the Board of Two Rivers Homeowners Association on April 23, 2015, is effective of even date therewith, and complies with the Colorado Common Interest Ownership Act as of that date. If the policy contained herein becomes in conflict with the laws of the State of Colorado shall be rendered void. The governance policy set forth herein is not intended to enlarge or create any fiduciary duties. Except for acts of fraud or bad faith, no director shall incur any liability under this policy.**

TWO RIVERS HOMEOWNERS ASSOCIATION,  
a Colorado nonprofit corporation

By: 

Its: President

ATTEST:

By: 

Its: Secretary