

THE NOBLE PARK HOMEOWNERS ASSOCIATION
COLLECTION POLICY Effective Date: November1, 2023

The following policy has been adopted by The Noble Park Homeowner Association ("Association") pursuant to the 2022 Colorado Common Interest Ownership Act ("CCIOA"), at a regular meeting of the Board of Directors.

Purpose: To establish a uniform and consistent procedure for collecting assessments and other charges of the Association.

1. Due Dates, Late Charges, Interest, Suspension of Voting Rights and Acceleration of Assessments.

- A. Due Dates. The annual common expense assessments shall be due and payable annually on the 31st of January each Calendar Year. All other assessments, fines and reimbursement assessments are due and payable as set forth in the Association's Notice of the assessment. Payments will be deemed past due if the USPS postmark shows a date past the due date as prescribed above. Payments without a postmark, including those placed by hand in the HOA mailbox will be past due the day immediately following the due date as prescribed above. It is the Owner's responsibility to ensure that bank draft payments are initiated with the bank early enough to ensure delivery to the Association by the due date.

If the Owner's name or the address of the Noble Park physical Lot for which payment is made is not identified on or with the payment, payment will not be deemed received until such time as the Owner and Noble Park physical Lot address to which payment should be credited are determined. All assessments or other charges not paid to the Association when due shall be considered past due and delinquent.

- B. Late Fees or Charge: A late fee in the amount of \$25.00 shall be imposed for any Annual Assessment of Common Expenses not paid within 30 days of the due date. An additional fee of \$5.00 shall be applied every month thereafter until payment of original assessment and all late fees is received. The late charge(s) is a personal obligation of the Owner.
- C. Interest. For Annual Assessments for Common Expenses not paid by the due date no interest charges will be applied. Interest at the rate of 8% per annum shall accrue from the due date for all other assessments, fines and reimbursement assessments or any other delinquent assessments not paid within thirty (30) days after the due date. The interest charge(s) is a personal obligation of the Owner.
- D. Lien. Under Colorado law and the terms of the Declaration, there is a lien for any unpaid assessment. A standard written lien shall be filed with the Boulder County Clerk and Recorder when (a) the total delinquency amount of Annual Assessment for Common Expenses, Individual Assessments, Fines, late fees, interest or other charges has reached \$500.00; or (b) when a homeowner with a delinquent account has made no payment(s) for longer than six months after the first notice of nonpayment. For each individual action to record the standard written lien, a majority of the Board must vote in an executive session to record the lien with the Boulder County Clerk and Recorder, and the vote must be recorded in the meeting minutes.

Special assessments with a balance of greater than \$500.00 will not cause filing of a standard written lien with Boulder County; however, if a homeowner is delinquent, in whole or for individual installment payments agreed to in a Payment Plan, for longer than six months after the first notice of nonpayment, a standard written lien will be filed with the Boulder County Clerk and Recorder. For each individual action to record the standard written lien, a majority of the Board must vote in an executive session to record the lien with the Boulder County Clerk and Recorder, and the vote must be recorded in the meeting minutes.

- E. Administrative Expenses. Collection costs imposed by the Association or its managing agent for delinquent accounts shall be the obligation of the Owner and shall be posted to the Owner's account. Examples include, but are not limited to, certified mailings and costs to physically post a notice or translate a notice to a language other than English
- F. Suspension of Voting Rights. Pursuant to Section 7.1 of the Association's Bylaws, the Association may suspend the voting rights of an Owner for any period during which any assessment against such Owner's Lot remains unpaid.
- G. Acceleration. Failure to make payment within sixty (60) days of the due date, and following written notice to the Owner, the Board may accelerate and declare immediately due all of that Owner's unpaid installments of the annual assessment. Upon acceleration, that Owner loses the privilege of paying any and all assessments and charges in installments for the remainder of the fiscal year, unless privilege is otherwise reinstated in the Board's sole discretion.

2. Attorney's Fees and Collection Costs. The Association shall be entitled to recover its reasonable attorneys' fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner, whether or not a lawsuit has been initiated against the Owner. The Association shall be entitled to recover its post-judgment and appellate attorneys' fees and costs incurred from an Owner.

3. Application of Payments. If an Owner who has both unpaid common assessments and unpaid fines, fees, interest or other charges makes a payment to the Association, the Association will apply the payment first to the Assessments and any remaining amount of the payment to the fines, fees, interest or other charges owed. The Association has the discretion to return any payment containing a restrictive endorsement or directing application of payments contrary to this provision.

4. No Offsets. No Owner may be exempt from liability for payment of any assessment or other charge for any reason, including but not limited to, the abandonment of the unit against which the assessment or charge is made. All assessments shall be payable in the amounts specified and no offsets or reduction shall be permitted for any reason including, without limitation, any claim that the Association or Board of Directors is not properly exercising its duties and powers under the Declaration.

5. Monthly Statements Required. On a monthly basis, the Association shall send each Owner who has any outstanding balance an itemized list of all common assessments, fines, fees, interest and other charges that the Owner owes to the Association (i.e., an account ledger). The monthly statement shall be sent by first-class mail to the Owner's registered address, and if the Association has a relevant email address, by email. If the account has been referred to a collection agency or to an attorney the statement shall also specify that the balance may not include all attorney's fees and costs that have been incurred as of the statement date but not yet invoiced and posted to the account. No fees or other charges shall be assessed for providing statements required under this Section.

6. Notice of Delinquency. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, the Association shall

- A. Send a delinquency notice (the "Notice of Delinquency") by USPS certified mail, return receipt requested and physically post a copy of this delinquency notice at the Owner's Lot; and
- B. Contact the Owner by one of the following means:
 - i. USPS first class mail;
 - ii. Text message to a cellular number that the Association has on file that the Owner provided to the Association;
 - iii. Email to an email address that the Association has on file that the Owner provided to the Association.

C. The notice shall specify:

- i. The total amount due, with an accounting of how the total was determined;
- ii. Whether the opportunity to enter into a payment plan exists.
- iii. The instructions for contacting the Association to enter into a payment plan, if available;
- iv. The name and contact information for the individual the Owner may contact to request a copy of the Owner's ledger to verify the amount of the debt;
- v. A statement that action is required to cure the delinquency, and that failure to do so within 30 days may result in the 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 Owner's property, or other remedies available under Colorado law;
- vi. Whether the delinquency concerns unpaid common assessments, unpaid fines, fees, interest or other charges; or both unpaid common assessments and unpaid fines, fees, interest or charges. If the Notice of Delinquency concerns unpaid common assessments, the Notice of Delinquency must notify the Owner that the unpaid assessments may lead to foreclosure;
- vii. The steps the Association must take before the Association may take legal action against the Owner, including a description of the Association's cure process; and
- viii. A description of what legal action the Association may take against the Owner, including a description of the types of matters that the Association or Owner may take to small claims court, including injunctive matters for which the Association seeks an order requiring the Owner to comply with the Declaration, Bylaws, ovens, or other governing documents of the Association.

7. Owner Contact.

- A. An owner may send written notice to the Association to indicate a language preference other than English. Costs associated with language translation will be added to the Owner's account ledger for payment.
- B. An Owner may send written notice to the Association identifying another person to serve as a designated contact for the Owner for notices and correspondence. The Association will send the same written communications to the designated contact that it sends to the Owner. If the Owner wishes to change or cease the designated contact, the Owner must send the Association written notice.

8. Record of Notification. The Association shall maintain a record of the contact(s) it has made with an Owner regarding a delinquency including the type of communication used to contact the Owner and the date and time the contact was made. As this record relates to a particular Lot, it shall not be deemed to be a record available to all Owners under the Colorado law.

9. Payment Plans.

- A. Before the Association turns over a delinquent account of an Owner to a collection agency or refers it to an attorney for legal action, it shall make a good faith effort to coordinate with the Owner to set up a payment plan. An Owner may enter into a payment plan to pay off a delinquency in equal installments over a period of 18 months or such other longer period as may be authorized by the HOA Board.

- B. If the Owner fails to comply with the term of the payment plan (fails to remit payment of three or more agreed-upon installments within 15 days after the installments are due or fails to remain current with regular assessments as they come due during the period of the repayment plan), the Association may pursue legal action subject to the notice requirements above.
- C. The Association is not obligated to negotiate a payment plan with:
 - i. An Owner who has previously entered into a payment plan pursuant to this policy; or
 - ii. An Owner who does not occupy the Lot and acquired the Lot because of a default of a security interest encumbering the Lot or a foreclosure of the Association's lien.
- D. Before the Association initiates a foreclosure proceeding based on the Owner's unpaid common assessments, it shall provide the Owner with a written offer to enter into a repayment plan of at least 18 months. Under the repayment plan the Owner may choose the amount to be paid each month, so long as each payment is in an amount of at least \$25.00. The Owner may elect to pay the remaining balance due under the repayment plan at any time during the duration of the repayment plan.
- E. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney in consultation with the President of the Board or other person designated by the Board.

10. Board Action to Refer Delinquent Account. Before a delinquent account is referred to a collection agency or attorney, a majority of the Board of Directors must vote to refer the matter in a recorded vote at a meeting conducted pursuant to C.R.S. § 38-33.3-308(4)(e).

11. Referral of Delinquent Accounts to Attorneys. After an account has been referred to the Association's attorney, the account shall remain with the attorney until it is settled, has a zero balance, or is otherwise resolved. Once accounts are turned over to the Association's attorney, Owners shall make payments to the Association at the attorney's address. The Association's attorney, in consultation with the Board's President or other person designated by the Board, is authorized to take whatever action is necessary and believed to be in the Association's best interest.

After a delinquent account has been referred to the Association's attorney, all communications with the delinquent Owner shall be handled through the Association's attorney. Neither the manager, if any, nor any member of the Board may discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney, unless the attorney is present or has consented to the contact. Actions by the Association's attorney may include the following:

- A. Notice of Lien. If not already recorded, a notice of lien may be recorded against the delinquent Owner's property to provide recorded notice of the Association's claim against the property.
- B. Filing Lawsuit. The Association may file a lawsuit against the delinquent Owner seeking a monetary judgment. If a personal judgment is entered against the delinquent Owner, the Association may pursue remedies such as garnishing the Owner's wages or bank account to collect judgment amounts.
- C. Judicial Foreclosure. The Association may foreclose on its lien in lieu of or in addition to suing an Owner for a monetary judgment. The purpose of foreclosing is to obtain payment of all assessments owed in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or in other circumstances that may favor such action.

The Association shall not commence a judicial foreclosure action unless the balance of the assessments and charges secured by its lien (which may include late fees, fines, interest and other charges as well as other assessments) equals or exceeds 6 months of common expense assessments based on the Association's periodic budget. Additionally, the Association shall not pursue foreclosure against an Owner

solely based on fines owed to the Association and/or collection costs or attorney's fees the Association incurred that are only associated with such fines. Prior to filing a foreclosure action, the Board shall authorize such action in accordance with Paragraph 10 above.

- D. Receivership. A receiver is a disinterested person, appointed by the court, who manages rental of the Owner's property and collects 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 waste deterioration of the property.
- E. Bankruptcy Filings. In the event a delinquent Owner is engaged in a bankruptcy proceeding, the Association's attorney may file necessary claims documents, and motions in Bankruptcy Court to protect the Association's claim.

12. Certificate of Status of Assessment/Estoppel Letter. The Association shall furnish to an Owner, or such Owner's designee, upon written request delivered personally or by certified mail, first-class postage prepaid, return receipt requested to the Association's registered agent, a written statement setting forth the number of unpaid assessments currently levied against the Owner's Lot. The statement will be delivered within 14 calendar days after receipt of the request personally or by certified mail, first-class postage prepaid, return receipt requested. If the Owner's account has been turned over to the Association's attorney, the statement will include any attorney's fees incurred in providing the statement.

13. Return Check Charges.

The Association shall notify an Owner in the event that a check, draft or money order has not been paid to the Association upon presentment. Notice shall be given in writing and sent to the Owner's registered address with the Association by certified USPS mail, return receipt requested.

- A. A fee shall be assessed against an Owner in the event any check or other instrument payable to or for the benefit of the Association is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. The Owner is liable to the Association for the face amount of the check, draft, or money order plus one of the following amounts, at the option of the Association:
 - i. A return check fee in an amount equal to (a) \$20.00; or
 - ii. (b) 20% of the face amount of the check, draft, or money order, but not less than \$20.00; or
 - iii. (c) the actual charges incurred by the Association as levied by the bank or other party returning the check, but not less than \$20.00.
- B. If notice has been sent as provided in C.R.S. § 13-21-109, and the total amount due as set forth in the notice is not paid within 14 days after such notice is given, the person issuing the check, draft or money order shall be liable to the Association for three times the face amount of the check, but not less than \$100.00.
- C. If two or more of an Owner's checks are returned unpaid by the bank within any twelve (12) month period, the Association may require that all of the Owner's future payments, for a period of one (1) year be made by certified check or money order.

14. Bankruptcies and Public Trustee Foreclosures. Upon receipt of any bankruptcy notice or a foreclosure notice by any holder of an encumbrance against any Lot within the Association, the Association may advise the Association's attorney of the same and turn the account over to the Association's attorney.

15. Waivers. The Association may modify these procedures as the Association determines appropriate under the particular circumstances. Any accommodation shall be documented in the Association's files. Failure to require strict compliance with this policy is not deemed a waiver of the Association's right to require strict compliance and

shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney's fees, and/or costs as described and imposed by this policy.

16. Superseding Previous Policies. This policy shall replace and supersede any previous rules and regulations or policies of the Association addressing the collection of assessments or charges.

17. Definitions. Capitalized terms not defined in this Policy are used as defined in the Declaration, as may be amended from time to time.

18. Severability. If any provision of this policy is or becomes illegal, invalid, or unenforceable, that shall not affect the validity or enforceability of any other provision of this policy.

This Collection Policy was adopted by the Board of Directors this day of 2023.

THE NOBLE PARK HOMEOWNERS ASSOCIATION,
a Colorado nonprofit corporation

By: _____
Its: President

This Policy Regarding the Adoption and Amendment of Policies and Rules was adopted by the Board of Directors on the _____ day of _____, 2023, effective the ____ day of _____, 2023, and is attested to by the Secretary of The Noble Park Homeowners Association.

_____ Secretary