

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE COLONIA VERDE HOMEOWNERS' ASSOCIATION
COLLECTION POLICY AND PROCEDURES**

The following resolution was adopted by the Board of Directors of the Colonia Verde Homeowners' Association, (the "Association"), at a regular meeting on June 15, 2011, and was amended by the Board on June 11, 2012.

RECITALS:

- A. The Association is charged with certain responsibilities regarding care, maintenance and service of the common areas of Colonia Verde.
- B. The Association must have the financial ability to discharge its responsibilities.
- C. The Board of Directors ("Board") is required by the Governing Documents to pursue collection of the annual assessment and other charges from delinquent owners.
- D. The Board desires to adopt a uniform and systematic procedure to collect the annual assessment and other charges of the Association.
- E. The Owner is defined by Article 1.16 of the Declaration.

NOW, THEREFORE, BE IT RESOLVED, that the Board for the Association does hereby adopt the following procedures for the collection of the annual assessment and other charges of the Association.

1. **Due Dates:** The annual assessment, as determined by the Board in accordance with Article VI of the CC&R's, shall be payable in twelve (12) installments due on the 1st day of each month. Each installment of annual assessments or other Association charges due from an Owner and not paid to the Association by the 15th day of the month in which they are due, shall be considered past due and delinquent.
2. **Billing Statement:** The Association may, but shall not be required, to provide a billing statement to an Owner. If the Association provides an Owner with a billing statement for the monthly installment, the statement will be mailed or sent to the Owner between the 20th and 28th of the month preceding each due date. Non-receipt of a billing statement shall in no way relieve an Owner of the obligation to pay the installment by its due date.

- 3. Initial Contact.** The CVHOA office staff will notify the Treasurer of any Owners who have not paid their installment and any other charges that may be due, by the 15th of the month. The Treasurer, or his/her designee, will initiate contact with delinquent Owners either by phone, letter or email, informing them of their delinquency and reminding them of the remedies available to the Association regarding their non-payment of the installment and any other amounts due, as stated in this Policy.
- 4. Late Charges.** A late fee of \$15.00 is charged if an installment of annual assessment is not received by the Association on or before the 15th of the month. An additional late fee of \$15.00 will be assessed against the Owner for each installment that is due and is unpaid by the 15th of the month. Late fees are added to the principal amount due on an account.
- 5. Acceleration of Installments.** Even though the annual assessment is payable in installments, the full amount of the annual assessment is a lien on the Owner's lot from the time the first installment of the assessment becomes due.
- 6. Late Notices.**

 - A. After a monthly installment or other charge due the Association becomes thirty (30) days past due, the Association may send a "Late Notice" to the Owner who is delinquent in payment.
 - B. After a monthly installment or other charge due to the Association becomes sixty (60) days past due the Association may send a "Second Notice" to the Owner who is delinquent in payment.
 - C. If payment in full is not received within ninety (90) days, the Association may, send a notice of intention to refer the account to an attorney.
- 7. Liens.** The Association may file a Notice of Lien against the lot of any delinquent Owner in accordance with the terms and provisions of the CC&R's. However, the Association's lien arises in the CC&R's and no notice is required to be filed for the lien to be in force.

8. **Return Check Charges.** In addition to any and all charges imposed under the Governing Documents of the Association or this Resolution, a twenty-five dollar (\$25.00) fee, or other amount as deemed appropriate by the Board 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 Owner's bank for any reason whatsoever, including but not limited to, insufficient funds. This returned check charge shall be a common expense for each Owner who tenders payment by check or other instrument that is not honored by the bank upon which it is drawn. Such return check charges shall be due and payable immediately upon demand. Notwithstanding this provision, the Association shall be entitled to additional remedies as may be provided by applicable law. Return check charges shall be an obligation of the Owner of the lot for which payment was tendered to the Association. Return check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Governing Documents for the Association.
9. **Required Payment by Certified Funds.** If an Owner causes two or more checks to be returned unpaid by his/her bank within any fiscal year, the Association may require that all of the Owner's future payments for a period of one year be made by certified check or money order.
10. **Lien for Assessments.** If any installment of the annual assessment is not paid when due, the Association will advise the Owner that the account must be brought current within fifteen (15) days thereafter. If that installment is not paid within that time frame, the Association automatically has a lien against the lot and the account may be forwarded to the Association's attorney to record a Notice of Lien against the lot and collect the delinquency. Attorney fees incurred by the Association for legal services will be added to the amount due from the Owner and will also be a lien against the lot.
11. **Owner Personally Liable.** Per paragraph 6.1 of the Association's CC&R's: "Delinquent Assessments, together with interest, late fees, costs and reasonable attorney's fees, also shall be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment was levied, and shall bind his/her heirs, devisees, personal representatives and assigns." In addition to pursuing its options to collect delinquent assessments via a lien on the property, the Association may proceed with a suit in court for a judgment against the Owner directly.

12. Owner Contact Information. It is the Owner's responsibility to provide current address, email address (optional) and phone number to the Association. The Association's obligation to provide notice is limited to using the information provided by the Owner.

A copy of this policy will be included as part of the Governing Documents provided to all new Owners.

A copy of this policy may be included with any communication with an Owner regarding delinquent payments.

A copy of this policy will be posted on the CVHOA website.

ADOPTED AS AMENDED BY THE BOARD OF DIRECTORS OF COLONIA VERDE HOMEOWNERS' ASSOCIATION ON JUNE 11, 2012.

By: _____
Linda Pollock, President

Attest: _____
Nancy Geiger, Secretary