

**Fox Creek Farm Master Association, Inc.
Board Policy and Procedures Statement**

Collection of Unpaid Assessments

This statement of board policy is established pursuant to
§38-33.3-209.5(1)(b)(I), Colorado Revised Statutes.

1. **Collection by Management Company.** Collection of unpaid routine and special assessments, and all other costs and expenses assessed to a member of the association as an owner of property in the common interest community shall be undertaken by the management company for the association, and by any legal counsel selected by such management company.

2. **Actions by Management Company.** The management company for the association shall take all reasonable actions necessary or convenient to attempt to collect delinquent assessments owing by members of the association. Such actions shall include direct contacts to members, postal mailing of monthly reminders of delinquent and current assessments owed, assessment of a late fee for late payment of assessments, and assessment of reasonable collection costs.

3. **Late Fees.** For each late payment of a regular or special assessment, the association by and through its management company shall assess on the account of the late paying member a one time late fee. Such fee may be assessed if the management company does not receive payment of an assessment within thirty (30) days of the due date of the delinquent assessment. The late fee shall be assessed by adding the late fee to the account of the delinquent member. The amount of the late fee will be determined by the executive board, and shall not be in excess of the amount, if any, allowed by the Declaration of the common interest community.

4. **Interest.** Due to the time necessary to calculate interest upon delinquent assessments, and the generally small return from such interest, interest will not be routinely charged or assessed upon delinquent assessments or member's accounts, provided however, that the association, through its management company and legal counsel, reserves the right to assess interest upon delinquent assessments and accounts up to the maximum allowed by the Declaration of the common interest community, and Colorado law.

5. **Referral to Legal Counsel for Collection.** Following a consistent approach, but considering any circumstances known about a delinquent member, the management company shall refer delinquent accounts to legal counsel of its choice for collection action. Such collection action by legal counsel shall generally involve the following:
 - Mailing of two consecutive letters by postal mail seeking payment of the delinquent account.

- Following no satisfactory response to the two letters, execution and recording of a notice of assessment lien upon the unit (land) for which the delinquent assessments are owed.
- Following no satisfactory response to the recorded notice of lien, consideration of alternative collection actions, such as civil lawsuit or foreclosure of the lien.

6. **General Actions.** In all cases of delinquent assessments, the management company and legal counsel, with notice to and input by the executive board, shall act as necessary to protect the interests of the association, and in doing so, may deviate from the general procedures stated herein.

7. **Collection Costs and Attorney Fees.** As provided in Colorado Revised Statutes §38-33.3-123(1)(a) and §38-33.3-302(1)(k), the association will seek reimbursement and recovery of collection costs and reasonable attorney fees incurred as a result of a failure to timely pay assessments and money due to the association. Such collection costs and reasonable attorney fees shall be assessed to a member and the unit (land) in the common interest community by adding the amount of such costs or fees to the member's account.

Adopted by the Board of Directors on _____

Secretary