

B Lazy M Ranch Owners Association Policy Collection of Assessments

No: BLMROA-05-009
Date: July 17, 2018
Revision: 2.1

Title: Collection of Assessments

1. Status

1.1 Policy on ROA Collection of Assessments

2. Purpose

2.1 This Policy establishes the policy/rule for the collection of Assessments for the ROA.

3. Applicability

3.1 This policy applies to all future ROA Collections.

3.2 Version 2.0 updates per HB13-1276 (HOA Debt Collection).

4. Summary

4.1 The general policy of the ROA is that 30 days after a payment is due, a notice will be sent out informing the member that they are late. The member will then have another 30 days to submit their late payment. If payment has not been received within 60 days of the due date, a late fee will be assessed and interest applied based on the original due date. Additionally, a lien may be placed on the property. See below paragraphs for the specific details.

5. Policy

5.1 The ROA will send to members a billing for regular assessments (including any reserve amount) prior to January 1st for yearly regular assessments. Special assessments billing will be sent prior to the due date and include the due date. The billing shall state the amount of the assessments and will also indicate if a payment plan is available. If a payment plan is available, the billing will also describe the terms of the payment plan and consequences for delinquent payments and notices for payment. A member must

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make a request in writing prior to the past due date, if they want to select the payment plans. The payment plan request must be made to a Board member.

- 5.2 Assessments are due on or before January 1st for yearly regular assessments. Special assessment will state the due date on the billing. All assessments are past due if not paid within 60 days after the due date.
- 5.3 Members will be contacted if payment has not been received within 30 days after the due date. Members will be given an additional 30 days to make the necessary payments. The notice will contain the following:
- * The total amount due, with an accounting of how the total was determined.
 - * A description of the payment plan, if available, will be included and will describe the terms and consequences for delinquent payments and notices for payment.
 - * The name and contact information for the individual the owner may contact to request a copy of the owner's ledger.
 - * The action that is required to correct the delinquency.
- 5.4 Members not paying their assessments within 60 days shall be subject to a lien being filed against their property and the matter being turned over to the ROA counsel for collection. Assessments

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are then also subject to interest, fines and penalties as described below. Members will also be responsible for all associated expenses the ROA incurs in order to collect the late payments. This includes, but is not limited to, any cost incurred due to a check being returned due to insufficient funds, and legal and collections fees incurred. A returned check will constitute non-payment.

- 5.5 Special Circumstances and Payment arrangements. A member may request in writing prior to the past due date to enter into a payment plan for the assessments. The Board will consider on a case by case basis a member's request.
- 5.6 Interest, Fines and Penalties. The interest due on late assessments will be **10% per annum*** from the date they became due. There will also be a **\$50/lot late fee assessed**. The total due will be the original assessment, the interest, the fee, plus any additional expenses incurred due to the late payment (e.g., the bank charging the ROA for the returned check).
- 5.7 Foreclosure. The ROA board must vote on an individual basis to proceed with foreclosure on any specific lot. Owners that are delinquent will have a one-time opportunity to select the payment plan to bring their account current, and the payment plan must be for a minimum of six months. The member must make the payments under the plan as well as pay their current assessment obligations. If the member fails to make these payments, the ROA may proceed with collections.

5.8 This Policy will be considered an ROA record.

* Taken from the CC&Rs.

6.0 Responsibility

6.1 The B Lazy M ROA Board of Directors shall be responsible to take all reasonable action to insure the ROA enforces this collection policy.

6.2 The B Lazy M ROA Board shall be responsible to manage this Policy.

6.3 The B Lazy M ROA Board is responsible for sending out billing and reminders to members per this policy.