

The following procedure is in accordance with Article III, Section 3 8 of the General Declaration for Oak Meadows Ranch and the Articles of Incorporation of Oak Meadows Homeowner's Association, which grant the Association the power to adopt and enforce rules and regulations applicable within Oak Meadows Ranch, C R S 38-33 3-101 et seq known as the Colorado Common Interest Ownership Act, and other applicable law

Oak Meadows Homeowners' Association

Rule and Regulation No 2006 - 002 Collection of Unpaid Assessments

Whereas Article VI, Section 6 3 of the General Declaration for Oak Meadows Ranch ("General Declaration") grants the Board of Directors the authority to manage the affairs of Oak Meadows Homeowners' Association ("OMHA"), and Article IV, Section 4 2 of the General Declaration grants OMHA the authority to allocate assessments, including common cost assessments, special assessments and penalty assessments, to OMHA members The financial well-being of OMHA relies solely on the timely payment of assessments, therefore it is the Board's obligation to use its best efforts to collect funds owed OMHA in accordance with Article III of the Articles of Incorporation of OMHA

Let it be resolved that OMHA establishes the following rule and regulation regarding the collection of unpaid assessments due OMHA

1 Amounts payable to OMHA

- Amounts payable to OMHA include, but are not limited to
- common cost assessments, to include administrative & general maintenance costs,
 - special assessments, to include allocation of costs of functions undertaken or performed primarily for the benefit of a particular group (painting, snowplowing, trash removal, private road repairs, etc),
 - penalty assessments levied upon any OMHA member for violation of the General Declaration, protective covenants, articles of incorporation, bylaws, or rules & regulations by said OMHA member, his agents, tenants, guests or invitees
 - legal fees and other costs associated with the collection of funds on behalf of OMHA

2 Payment schedule

A detailed monthly invoice is generated and mailed to OMHA members on the first working day of each month Fees are payable thirty (30) days after notice is given by OMHA Fees not received within thirty (30) days of the notice given by OMHA will be considered past-due

3 Penalty Assessments interest charges, late fees & NSF charges

- Any balance older than 30 days will incur an interest charge of 1% per month (12% per annum) until paid in full
- A late fee of \$25 00 shall be charged monthly on all balances greater than 90 days past due
- A \$50 NSF (Non-Sufficient Funds) charge will apply to any returned check

4 Order of crediting payments

Payments received shall be applied to the payment of the oldest outstanding assessment(s) and applicable interest charges, late fees and collection expenses, if any

5 Process for Delinquency Notification

- **Past due notice** A notice of past due charges, including the total amount due, will be sent by First Class Mail to an OHMA member whose balance is sixty (60) days past due. This notice will recite OMHA's intent to assess a late fee of \$25 00 each month in which a balance remains outstanding past ninety (90) days
- **Demand for Payment** This Notice will recite an intent to turn the matter over to an attorney for collection enforcement if the full balance due is not paid within ten (10) days. Legal action may include, but not be limited to, filing a lien against the property owner, obtaining a personal judgment against the owner, and/or property foreclosure
- **Legal Action** If the Board of Directors determines that OMHA's rights to collection will be impaired by providing the past due notice and demand for payment, set forth above, the Board may proceed directly to legal action to protect OHMA's interests

6 Legal Services

If an account becomes delinquent and is referred to an attorney for collection, the OMHA member shall be charged OMHA's reasonable attorney fees and all related costs

7 Other charges

- OMHA may charge the homeowner for
- Fees charged by agents to collect funds payable to OMHA
- A fee of \$15 00 to defray the cost of preparing a statement by OMHA's bookkeeping service, setting forth the amount of any assessments, charges, fines and penalties
- Notification, filing and satisfaction of liens

- Enforcement of OMHA rules & regulations, declarations, protective covenants, articles or bylaws
- Attorney fees and costs of litigation
- Repairs to OMHA common areas that result from the acts of OMHA members, their agents, tenants, guests or invitees

Date of Adoption MARCH 15, 2006

Date Signed MARCH 15, 2006

Signature 
(President, Oak Meadows Homeowners' Association)

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Oak Meadows Homeowners' Association

Amendment to Rule & Regulation No 2006-002
Collection of Unpaid Assessments

The Rule and Regulation No 2006-002, Collection of Unpaid Assessments, of Oak Meadows Homeowners' Association, is hereby amended as follows

Section 3 **Penalty Assessments** – **interest charges, late fees & NSF charges,**
item #2 is amended to read

- A late fee of \$25 00 shall be charged monthly on all balances greater than 60 days past due

The foregoing amendment was duly adopted by unanimous vote of members entitled to be cast at the Annual Meeting of the Association's Members held April 11, 2007

Date of Adoption April 11, 2007

Date Signed April 11, 2007

Signature 
(President, Oak Meadows Homeowners' Association)