

**The Boulders at La Reserve Condominium Association**  
**Assessments Collection Policy**  
**Revised as of July 29, 2016**

**1. Objective and Background Information**

This Assessments Collection Policy is being adopted to provide the HOA's management company with policies and procedures for billing, collecting and administering assessments receivable. This Policy is designed to:

- Ensure consistent accounting treatment for all collection transactions, including the settlement of a disputed or uncollectible account;
- Provide assurances that assessments receivable balances are being valued and reported accurately; and
- Preserve the debtor's legal obligation for the debt.

Assessments receivable represent debts owed to The Boulders at La Reserve Condominium Association (the "HOA") for annual assessments which are collected in monthly installments due on the first day of each month, for water service charges, and for any other charges owed by the debtor to the Association pursuant to the *Declaration of Condominium and of Covenants, Conditions and Restrictions for The Boulders at La Reserve Condominium*. These debts are short term and are normally expected to be paid to the HOA by the last day of each month with no late charge or interest charge.

**2. Billing and Collection Efforts**

The management company is the community manager for Association operations and property management, and maintains the accounting records for the HOA. The management company must ensure that due diligence in collection efforts has been exercised. Due diligence is satisfied when:

- A. Assessment statements for the assessments receivable are mailed/emailed monthly prior to the assessment due date.
  - Due date is the first day of each month corresponding to the installment period.
  - Any assessments receivable which are not paid in full by the last day of the billing month shall be delinquent.
- B. For all delinquent assessment accounts:
  - At 30 days - begin charging monthly late fee and interest. Any delinquent assessment shall have added thereto a late fee of the greater of \$15.00 or 10% of the delinquent assessment installment. Additionally, any delinquent balance shall bear interest from its due date until paid at the rate determined from time to time by the Board. As of the date of this Policy, the Board has set the interest rate at 10% per annum. Use of HOA amenities are discontinued for delinquent owner's unit. Access card(s) are deactivated until delinquencies are satisfied and the account is brought current.
  - At 60 days - send notice of "intent to place lien on property in 10 days" and "account turned over to collection agency" by mail or email to owner. Owner will be held responsible for any and all fees and costs incurred during the collection process.
  - At 70 days -Assign account to the HOA's current collection agency or collection attorney, for further action. See pertinent collection services contract for collection procedures that the debt collector will perform.

C. Exceptions to this policy may be granted by the HOA Board in its sole discretion depending on the particular circumstances of a debtor's account.

This revision replaces and supersedes all previous assessment collection policies and was duly adopted by the Board of Directors of The Boulders at La Reserve Condominium Association on July 29th, 2016, and shall be effective as of July 29, 2016.