

# Sand Creek Villas Homeowners Association, Inc.

October 25, 2016

## Re: Special Assessment for Storm Damage

Dear Homeowner,

The Board of Directors (the "Board") of Sand Creek Villas Community Association, Inc. (the "Association") hereby advises you that a special assessment was made at the special meeting on October 14, 2016, for the repair of the major damage from the hail storm on July 28, 2016, including replacement of the roofs, pursuant to Article IV, Section 6 of the Covenants recorded at Reception No. 205122895 of the records of El Paso County, Colorado.

The total cost not covered by insurance is \$1,121,073.00, and so after applying the insurance proceeds and the reserves, the special assessment is \$8,863.49 to be paid by each Lot. As shown by the enclosed invoice, this special assessment is due and payable **December 1, 2016**. **You must make that payment by that date to avoid late charges**, even if your own insurance company will be reimbursing you for this special assessment.

**We strongly recommend that you contact your personal homeowner's insurance agent and/or carrier to determine whether you have protection for this loss assessment.** Please refer your insurer to Section 12 of the Rules and Regulations of the Association that are posted on the Association's website, which have been effective since July, 2006; and to the insurance company notices that have periodically been sent to every owner, all reminding the owners of the need to have individual insurance policies with an HO-6 loss assessment endorsement.

If you do not have an HO-6 endorsement, and cannot pay the full amount by the December 1<sup>st</sup> deadline for any reason, the Association will accept a six-month payment plan. However, in that case this debt could accrue late charges (\$20.00 per month) and interest at the rate of twenty-one percent (21%) per annum; and the entire amount must be paid in six equal monthly installments (\$1477.25) with the first monthly payment due by no later than December 1, 2016. Please contact Balanced Bookkeeping to inform them, if you are going to do a six-month payment plan.

**If you need a longer payment plan, you must submit a written request to the Board as soon as possible, because it must be approved before December 1, 2016.** Contact Kristie at the information below, if you have any questions.

Sincerely,

*Sand Creek Board of Directors*

# Sand Creek Villas Homeowners Association, Inc

If you cannot afford the \$1477.25 payment plan, you may submit a written proposal to make payments for a longer period. The Board may be willing to consider that schedule and/or those terms, if the proposal is made as close as possible to the requirements outlined below. However, you must:

(1) send that payment proposal in writing, so there is no mistake about your offer, **by the same December 1st deadline**; and

(2) if you want to show that you are serious about your proposal (and increase the chance that the Board will accept your offer), you also need to consider the following:

- (a) the Association is usually very reluctant to act as a long-term lender;
- (b) the Association needs most of the payment plans to be completed by no later than August 1, 2017; however, they could consider longer for hardship cases;
- (c) there must be sufficient monthly amounts to pay both the current assessments and the special assessment payment;
- (d) there must be a clear deadline for full payment of the agreed amount;
- (e) if you propose a payment schedule, you must honor that schedule;
- (f) the Board may consider reducing late charges or interest; and
- (g) you should send your first payment with your written plan, you may also want to consider making your monthly payments by way of Automated Clearing House (hereinafter "ACH").<sup>1</sup>

**Interest and late fees could accrue for payment plans longer than August 1, 2017.** If you submit a plan, please remember that the Board has final discretion to decide the parameters of an acceptable payment plan. You may discuss resolution with any director, but you need to remember that verbal settlement or payment arrangements will not be binding upon the Association until it is appropriately documented as described herein. No individual director has authority to bind the Board, so any agreement with the Board must be in writing, signed by the designated director.

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<sup>1</sup> If you fail to make any monthly payment, or there are any ACH non-sufficient funds payments, or the account with the financial institution used for the ACH is closed, that will be a default (or breach) of this agreement, unless you make advance arrangements to reestablish the ACH through the property manager.