

**Ironbridge Property Owners Association
POLICY AND PROCEDURE
COLLECTION POLICY**

Adopted September 14, 2022

The following policy and procedure has been adopted by the Executive Board ("Board") of Ironbridge Property Owners Association ("Association") pursuant to Colorado statutes, for the collection of unpaid assessments.

Collection of Unpaid Assessments

- A. When Assessments are Due. All assessments, fees and deposits charged pursuant to the authority of the Association, and other charges levied by the Association against a Unit (collectively, "Assessment" or "Assessments"), as determined by the Association and as allowed for under the Governing Documents, shall be due and payable in full on or before the first day of each month, calendar quarter or year as determined by the Board. Assessment of other charges not paid in full to the Association within thirty (30) days after its due date shall be considered past due and delinquent.
- B. Receipt Date. The Association shall post payments effective the day that the payment is actually received by the Association.
- C. Owner Contact Information. All correspondence or notices required to be sent to an Owner shall comply with the following:
 - 1. If an Owner has notified the Association in writing that the Owner has designated contact, all correspondence or notices shall be delivered both to Owner and the designated contact.
 - 2. If an Owner has notified the Association that the Owner prefers correspondence and notices in English, then the Association shall send such correspondence and notices in such language designated by the Owner. If a preference is not indicated, the association shall send correspondence and notices in English.
 - 3. The Owner and the Owner's designated contact will receive the same correspondence and notices anytime communications are sent; except that the Owner will receive the correspondence and notices in the language for which the Owner has indicated a preference, if any.
- D. Owner Contact Requirements.
 - 1. Prior to any action taken by the Association regarding an Owner delinquency, the Association must (i) first contact to the Owner to alert the Owner of the delinquency; and (ii) maintain a record of any contacts, including information regarding the type of communication used to contact the Owner and the date and time that the contact was made.

2. Any contacts that a community association manager or a property management company (“**Manager**”) makes on behalf of the Association pursuant to policy is a contact made by the Association and not by a debt collector.

E. Collection Notices. The Association shall provide delinquent Owners statements that itemize the total amount of the assessments, fines, fees, charges, and costs that are owed. All notices that the Association sends to any Owner pursuant to this Policy shall be delivered to the Owner and the “**Designated Contact**” that the Owner may identify pursuant to C.R.S. § 38-33.3-209(1.7(a)(I) by written notice to the Association.

- a. Courtesy Notice. After an Assessment is delinquent for fifteen (15) days, the Board or the Manager shall send to the Owner a written courtesy notice (the “**Courtesy Notice**”). The Courtesy Notice shall be sent via first-class mail and e-mail to the Owner and their Designated Contact, if any. The Courtesy Notice shall state the total amount due to the Association with an itemization of all assessments, fines, fees, and charges owed.
- b. Notice of Delinquency. After an Assessment is delinquent for 30 days, the Board or the Manager shall send the delinquent Owner and their Designated Contact, if any, a written notice of delinquency (the “**Notice of Delinquency**”). The Notice of Delinquency shall be sent by certified mail, return receipt requested and physical posting on the Owner’s property. In addition, the Association shall contact the Owner to alert the Owner of the delinquency by either first-class mail, text message, or e-mail. The Notice of Delinquency shall state:
 - i. The total amount due with an itemization of all assessments, fines, fees, and charges owed;
 - ii. Whether the delinquency concerns unpaid assessments; unpaid fines, fees, or charges; or both unpaid assessments and unpaid fines, fees, or charges, and if the delinquency concerns unpaid assessments, then the Notice must state that unpaid assessment may lead to foreclosure;
 - iii. The name, mailing address, e-mail address and phone number of the person that the delinquent Owner may contact to verify the amount past due;
 - iv. The Owner must cure the delinquency by payment of the amount owed either in a lump sum or under a payment plan agreement pursuant to this Policy, the details of said agreement, the name, mailing address, e-mail address and phone number of the person that the delinquent Owner may contact regarding a lump sum payment or a payment plan, and that interest, late fees or other costs may continue to accrue until the delinquency is paid in full;
 - v. How payments will be applied to the delinquency;
 - vi. If the Owner fails to cure the delinquency within 30 days the delinquent account may be turned over to a collection agency or the Association’s attorney for collection;
 - vii. A description of the procedure that the Association must comply with before it may take legal action against the Owner; and

- viii. A description of the legal remedies available to the Association pursuant to the Governing Documents and Colorado law including, without limitation, matters that the Association or Owner may take to small claims court, and injunctive matters for which the Association seeks an order requiring the Owner to comply with the Governing Documents.

F. Collection Remedies. The Association may take any or all of the following actions if an Owner's account is delinquent:

- a. Late Fees and Interest. If the Association does not receive payment for any Assessment in full on or before the thirty (30) days after it becomes due, the delinquent Owner must pay a late charge of \$25.00 as liquidated damages for the Association's time, inconvenience, and overhead in collecting the late payment. The delinquent account will also accrue interest at 8% per annum from the due date until the date of payment.
- b. Returned Checks. Any Owner who writes a check to the Association that the Association's bank returns for any reason must pay the following charges:
 - i. a return check charge of \$50.00 plus any related bank charges that the Association incurs because of the returned check; and
 - ii. If notice has been sent pursuant to C.R.S. § 13-21-109 and the total amount due set forth in that notice is not paid within fifteen (15) days after such notice is given, the person issuing the check, draft or money order will be liable to the Association for collection of three (3) times the face amount of the check, but not less than \$50.00.
 - iii. If Owner writes two or more checks to the Association that the Association's bank returns for any reason within one fiscal year, the Association may require that Owner to pay Assessments for one fiscal year with certified funds.
- c. Suspend Privileges. If an account is delinquent for more than thirty (30) days, or has an outstanding balance of \$500 or more, the Association may give the Owner a thirty (30) day notice of intent to suspend voting privileges and use of common amenities, if any.
- d. Vote. The Association or its Manager may refer to a collection agency or attorney only if a majority of the executive Board votes to refer the matter in a recorded vote at an executive session of meeting.
- e. Liens. The Association may file a Notice of Lien against the property of any delinquent Owner in accordance with the terms and provisions of the Declarations, Articles and Bylaws.

G. Payment Plan Agreement. In compliance with C.R.S. §§ 38-33.3-209.5(7(a) and 316.3, the Association must make a good faith effort to set up a payment plan agreement with a

delinquent Owner prior to referring the Owner's delinquent account to a debt collector or an attorney for legal action.

- a. Requirements. A payment plan negotiated between the Association and an Owner pursuant to this Section must provide for a minimum term of 18 months unless the Owner requests and agrees to a shorter term. The payment plan must permit the Owner to pay off the delinquency in equal installments over the agreed term, or in such amount that the Owner reasonably determines, but no less than \$25 per month. The plan shall require the Owner to pay all periodic and other assessments as they become due during the payment plan term. Notwithstanding the forgoing, payment plans shall permit full or partial pre-payment at any time without penalty. The unpaid principal balance of the payment plan shall accrue interest at the rate of 8% per annum until paid in full.
 - b. Default. The Association may pursue any collection remedy or legal action the Governing Documents authorize against an Owner who defaults on the terms of a payment plan entered into pursuant to this Section. An Owner will be in default of their payment plan if the Owner fails to timely pay 3 or more agreed upon installments or fails to pay all other Common Expense assessments as they become due during the payment plan term, or if the Owner otherwise defaults under the terms of the payment plan.
 - c. Exceptions. The Association is not required to set up payment plans with an Owner who does not occupy the Unit, or who acquired the property as a result of a Default of a Security Interest, or an Owner that has previously entered into a payment plan agreement with the Association.
- H. Crediting Late Payments. All delinquent accounts remain delinquent until paid in full. Acceptance of partial payments will not waive the Association's right to pursue full payment or to enforce the provisions of this policy. The Association will apply partial payments to an Owner's outstanding balance in the following order:
- a. Unpaid Assessments, with payments applied to the oldest balance first;
 - b. Attorney's fees and costs;
 - c. Amounts reduced to judgment;
 - d. Interest, Late charges, returned check charges, lien fees, and any other fines or costs owing or incurred;
- I. Acceleration and Deceleration of Assessments.
- a. Acceleration. The Board reserves the right to accelerate and call due the entire unpaid Assessment, budgeted, non-budgeted, regular or special, of any delinquent account. Such acceleration will result in the entire unpaid Assessment being due to the Association immediately. The Board also reserves the right to decelerate an accelerated Assessment.

- b. Deceleration. The Board reserves the right to decelerate any unpaid annual or special assessment of any delinquent account. Such deceleration may result in a delay or postponement of the date the unpaid Assessment will become due. The Board also reserves the right to accelerate a decelerated Assessment.
- J. Certificate of Status of Assessment. The Association will furnish to an Owner or such Owner's designee within fourteen (14) days after written request to the Association's agent, a written statement setting forth the amount of unpaid Assessments currently levied against such Owner's Unit. However, if the account has been turned over to the Association's attorney, such request will be handled through the attorney.
- K. Bankruptcies and Foreclosures. Upon receipt of any notice of a bankruptcy filing by an Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Unit, the Manager will notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.
- L. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of Assessments pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court that manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current Assessments, reduce past due Assessments, and prevent the waste and deterioration of the property.
- M. Judicial Foreclosure.
 - a. The Association shall not commence a judicial foreclosure to collect delinquent assessments that only include fines and associated charges, costs and attorneys' fees.
 - b. The Association may foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment if:
 - i. the balance of the delinquent assessments and charges secured by its lien equals or exceeds 6 months of common expense assessments based on the Association's duly adopted budget,
 - ii. the Association has complied with all notice requirements
 - iii. the Association has made a written offer to enter into a payment plan agreement as provided in this Policy, and the delinquent Owner either: declines or fails to timely accept the payment plan agreement within 30 days of the Association's offer; or accepts the payment plan but subsequently fails to pay 3 of the monthly installments or any of the regular assessments that become due during the term of the payment plan.

- c. The purpose of foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or other circumstances favor such action. With respect to such action:
 - i. The Board must formally resolve, by a recorded vote, to authorize the filing of a legal action against an Owner.
 - ii. The Board may not delegate its duty under this Section to any attorney, insurer, manager, or other person.
 - iii. If a Unit has been foreclosed, a member of the executive Board, an employee of the Manager, an employee of a law firm representing the Association or an immediate family of the same shall not purchase the foreclosed Unit.

- N. Small Claims. Any party seeking to enforce its rights under the Governing Documents for disputes regarding assessments, fines or fees owed to the Association for \$7,500 or less, exclusive of interest and costs, may file a claim in small claims court.

- O. Waivers. The Board, in its discretion, may extend the time for the filing of lawsuits and liens, or to otherwise modify these procedures, as necessary.

- P. Notices. Except as otherwise provided in this Policy or as required under applicable law, the Association will deliver a collection notice to a delinquent Owner and their Designated Contact, if any, personally, or at the registered or last known address by regular mail. The Association may, but is not required to, send an additional copy of that letter or notice by e-mail or certified mail.

- Q. Communication with Owners. Only the Association's attorney shall communicate with delinquent Owners turned over for attorney collection. A Board member or Manager may not discuss the collection of the account directly with an Owner after it has been turned over to the Association's attorney unless the attorney is present or has consented to the contact.

- R. Defenses. The Association's failure to comply with any provisions in this policy is not a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees or costs as described and imposed in this policy. There is no right to offset. An Owner may not withhold assessments owed to the Association on the alleged grounds that the Owner is entitled to recover money or damages from the Association for some other obligation.

- S. Attorneys' Fees and Costs. Pursuant to the Governing Documents and applicable law, the Association is entitled to recover its reasonable attorney fees and costs incurred in the collecting delinquent assessments or other unpaid amounts due to the Association, whether or not a lawsuit is filed. However, the Association shall only be entitled to recover its reasonable attorneys' fees and costs after providing the delinquent Owner with a Notice of Delinquency in accordance with this Policy. The reasonable attorney fees and collections

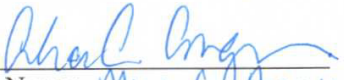
costs incurred by the Association shall be due and payable immediately when incurred, upon demand.

T. Limitations. The Association shall not:

1. Assess a fee or other charge to recover costs incurred for providing the Owner a statement of the total amount that the Owner owes.
2. Foreclose on an assessment lien if the debt securing the lien consist only of one or both of the following:
 - a. fines that the Association has assessed against the Unit Owner; or
 - b. collection costs or attorney fees that the Association has incurred and that are only associated with assessed fines.

U. Ongoing Evaluation. Nothing in this procedure shall require the Association to take specific actions other than to notify Owners of the adoption of these procedures. The Association has the option and right to continue to evaluate each delinquency on a case by case basis.

SECRETARY'S CERTIFICATION: The undersigned, being the Secretary of the Ironbridge Property Owners Association, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Executive Board of the Association on September 14, 2022, and in witness thereof, the undersigned has subscribed his/her name.

By: 
Print Name: Alice C. Angier
Title: Secretary