

**IRONBRIDGE PROPERTY OWNERS ASSOCIATION**  
995 COWEN DRIVE, SUITE 201  
CARBONDALE, CO 81623

**POLICY – COLLECTION OF UNPAID ASSESSMENTS**

Effective January 1, 2014

**Purpose:** This policy is intended to comply with C.R.S. § 38-33.3-209.5(1)(b)(I) and House Bill 1276 regarding collection of unpaid assessments

**Policy:**

Prompt payment of assessments by all owners is critical to the financial health of the Association. It is in the best interest of the Association to refer delinquent accounts promptly to its attorney for collection so as to minimize the Association's loss of assessment revenue. The Board of Directors (the "Board") has retained an attorney with experience in representing homeowner associations in collections and other matters. The Association adopts the following policies and procedures for the collection of assessments and other charges of the Association:

1. **Due Dates.** The monthly installments of the annual assessments as determined by the Association and as allowed for in the Declaration shall be due and payable on the 1<sup>st</sup> day of each month. A courtesy billing statement shall be sent to the billing address on record with the Association; however, this notice is not required and it shall be the Owner's responsibility to pay each assessment each month when due. All other assessments, including special assessments, shall be due when stated on the on any notice of assessment. Assessments or other charges not paid in full to the Association when due shall be considered past due and delinquent. Assessments or other charges not paid in full to the Association within thirty (30) days of the due date shall incur late fees and interest as provided below. In the event notice of acceleration is given to delinquent Owner(s), the Owner(s) of the unit shall also be charged any costs incurred by the Association in giving notice of such acceleration.

2. **Receipt Date.** The Association shall post payments on the day that the payment is received by the Association.

3. **Late Charges on Delinquent Installments.** The Association shall impose on a monthly basis a \$25.00 late charge for each Owner who fails to timely pay his/her monthly installment of the annual assessment or special assessment within thirty (30) days after the due date. This late charge shall be a "common expense" for each delinquent Owner. The Association shall impose interest from the date due at the rate of 18% per annum on the amount owed for each Owner who fails to timely pay monthly installments of the annual assessment within thirty (30) days.

4. Personal Obligation for Late Charges. The late charge shall be the personal obligation of the Owner(s) of the unit for which such assessment or installment is unpaid. All late charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as set forth herein) for payment of assessments.

5. Return Check Charges. In addition to any and all charges imposed under the Declaration, Articles of Incorporation and Bylaws, the Rules and Regulations of the Association or this Policy, a return check fee, not to exceed \$25.00, shall be assessed against an Owner in the event any check or other instrument attributable to or payable for the benefit of such Owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. This returned check charge shall be a "common expense" for each Owner who tenders payment by check or other instrument which is not honored by the bank upon which it is drawn. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the Owner(s) of the unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Declaration, Articles, Bylaws, Rules and Regulations or this Policy. If two or more of an Owner's checks are returned unpaid by the bank within any fiscal year, the Association may require that all of the Owner's future payments, for a period of one (1) year, be made by certified check or money order. This return check charge shall be in addition to any late fees incurred by an Owner. Any returned check shall cause an account to be past due if full payment of the monthly installment of the annual assessment is not timely made within thirty (30) days of the due date.

6. Service Fees. In the event the Association incurs any type of service fee, regardless of what it is called, for the handling and processing of delinquent accounts on a per account basis, such fees will be the responsibility of the Owner as such fee would not be incurred but for the delinquency of the Owner.

7. Payment Plan.

(a) Any Owner who becomes delinquent in payment of assessments after January 1, 2014 and whose account is not currently with the Association's attorney or a collection agency for collection action on January 1, 2014, may enter into a payment plan with the Association, if qualified.

(b) Each Owner is qualified to enter a payment plan, unless:

(i) The Owner does not occupy the property and acquired title to the property by foreclosure of a security interest encumbering the property or foreclosure of the Association's lien.

(ii) The Owner has previously entered into a payment plan.

(c) When required, a payment plan shall be offered to each Owner prior to the Association referring any account to an attorney or collection agency for collection action.

(d) When a payment plan is required, it shall be for a minimum term of six (6) months or such other longer term as may be approved by the Board. Said payment plan must permit the Owner to pay off the deficiency in equal installments over the payment period.

(e) Each Owner who has entered a payment plan pursuant to this Policy is required to remain current with regular assessments, plus make timely payments under the payment plan. In the event the Owner defaults under the payment plan or otherwise does not comply with the terms and conditions of the payment plan, including the payment of ongoing assessments of the Association, the Association may at any time thereafter terminate the payment plan and, without additional notice, refer the delinquent account to an attorney or collection agency for collection action or may take such other action as it deems appropriate in relation to the delinquency.

(f) "Assessments" includes regular and special assessments and any associated fees, charges, late charges, attorney fees, fines, and interest charged pursuant to section 38-33.3-315(2).

8. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

9. Collection Process.

(a) After an installment of an annual assessment or other charges due to the Association becomes more than thirty (30) days delinquent, the Association shall send a written notice ("First Notice") of non-payment, amount past due, notice that interest and late fees have accrued and request for immediate payment. The Association's notice, at a minimum, shall include the following:

(i) The total amount due to the Association along with an accounting of how the total amount was determined.

(ii) Whether the Owner is qualified to enter into a payment plan and instructions for contacting the Association to arrange for and enter into a plan.

(iii) A name and contact information for an individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt.

(iv) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Owner's delinquency account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, appointment of a receiver, the filing and foreclosure of a lien against the Owner's property, or other remedies available under Colorado Law including revoking the owners right to vote..

(b) After an installment of an annual assessment or other charges due to the Association becomes more than sixty (60) days delinquent, the Association shall send a second written notice ("Second Notice") of non-payment, amount past due, notice that late fees have accrued and request for immediate payment.

(c) After an installment of an annual assessment or other charges due to the Association becomes more than ninety (90) days delinquent, the Association shall send a third written notice ("Third Notice" or "Notice of Intent to Lien") of non-payment, amount past due, notice that late fees have accrued, notice of intent to file a lien and request for immediate payment.

(d) After an installment of an annual assessment or other charges due to the Association becomes more than one-hundred twenty (120) days delinquent, the Association, through its attorney, shall file a lien and turn the account over to the Association's attorney for collection. Upon receiving the delinquent account, the Association's attorneys may send a letter to the delinquent Owner demanding immediate payment for past due assessments or other charges due. Upon further review, the Association's attorney may file a lawsuit. If a judgment or decree is obtained, including without limitation a foreclosure action, such judgment or decree shall include reasonable attorney's fees together with the cost of the action and any applicable late fees and interest.

10. Application of Payments. All sums collected on a delinquent account shall be remitted to the Association's property manager or attorney (as directed to Owner) until the account is brought current. All payments received on account of any Owner or the Owner's property (hereinafter collectively "Owner"), shall be applied in the following manner: first to the payment of any and all legal fees and costs (including

attorney fees), then to expenses of enforcement and collection, late charges, returned check charges, lien fees, and other costs owing or incurred with respect to such Owner pursuant to the Declaration, Articles, Bylaws, Rules and Regulations, or this Policy, prior to application of the payment to any special or regular assessments due or to become due with respect to such Owner.

11. Acceleration and Deceleration of Assessments. On any delinquent account that is at least thirty (30) days delinquent, the Board reserves the right to accelerate and call due the entire unpaid annual assessment on any delinquent account including such assessments that may become due during the pendency of a payment plan as described above or special assessments. Such acceleration shall result in the entire unpaid annual assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated assessment.

12. Collection Procedures/Time Frames. The following time frames shall be followed for use in the collection of monthly installments of the annual assessment and other charges.

<b>Due Date</b> (date payment due)	1 <sup>st</sup> day of each month
<b>Past Due Date</b> (date payment is late if not received on or before that date)	One day after due date
<b>First Notice</b> (notice that late charges have accrued, required disclosures of the Association and the availability of a payment plan if applicable)	Any time after <b>30 days</b> after due date
<b>Second Notice</b> (notice that late charges have accrued)	Any time after <b>60 days</b> after due date
<b>Third Notice/Notice of Lien</b> (notice that late charges have accrued, notice of intent to file lien)	Any time after <b>90 days</b> after due date
<b>Delinquent account turned over to Association's attorney</b> (Lien filed; Demand letter sent to Owner)	Any time after <b>120 days</b> after due date

The attorney is to consult with the Association as necessary to determine if payment has been arranged or what collection procedures are appropriate.

13. Certificate of Status of Assessment. The Association shall furnish to an Owner or such Owner's designee *upon written request*, first class postage prepaid, return receipt, to the Association's agent, a written statement setting forth the amount of unpaid assessments currently levied against such Owner's property for a reasonable fee. Such statement shall be furnished within twenty-one (21) days after receipt of the request. If the account has been turned over to the Association's attorney, such request may be handled through the attorney.

14. Referral of Delinquent Accounts to Attorneys. Upon referral to the Association's attorney, the attorney shall take all appropriate action to collect the accounts referred. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance, is written off, or is otherwise returned to the Association. The attorney, in consultation with the Association, is authorized to take whatever action is necessary and determined to be in the best interests of the Association, including, but not limited to:

- (a) Filing of a suit against the delinquent Owner for a money judgment;
- (b) Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors;
- (c) Filing necessary claims, documents and motions in bankruptcy court in order to protect the Association's interests; and
- (d) Filing a court action seeking appointment of a receiver.

All payment plans involving accounts referred to an attorney for collection may be set up and monitored through the attorney or the Association's manager.

15. Legal Remedies. The Association may pursue any and all legal remedies available to the Association by Colorado law or the Declaration for collection on any delinquent account. Such remedies include, but are not limited to, lawsuit for money judgment, judicial foreclosure, receivership, garnishment, and attachment.

16. Suspension of Rights. Until an Owner has paid delinquent accounts in full (including assessments, late charges, interest, and costs of collection, including attorney fees), the Association may suspend the Owner's right to vote and right to use the Association's recreation facilities.

17. Judicial Foreclosure. The Association may choose to foreclose on its lien in lieu of or in addition to suing an Owner for a money judgment. 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. The Association shall consider individually each recommendation for a foreclosure and may only approve a foreclosure action after the delinquency equals or

exceeds six (6) months of common expenses assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by the via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.

18. 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, who 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.

19. 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 within the Association, the Association shall notify the Association's attorney of the same and turn the account over to the Association's attorney, if appropriate.

20. Use of Certified Mail/Regular Mail. In the event the Association shall sends a demand letter or notices to a delinquent Owner by regular mail, the Association may also send, but shall not be required to send, an additional copy of that letter or notice by certified mail.

21. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances.

22. Communication with Owners. All communication with a delinquent Owner shall be handled through the Association's attorney once a matter has been referred to the attorney. Neither the Manager nor any member of the Board shall 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.

23. Communication by Owners. Owners may communicate with the Association in any manner they choose including email, fax, phone, or in writing, when available. However, in doing so, the Owner acknowledges that the Association and/or its agents may communicate via the same method unless otherwise advised.

24. Defenses/No Right to Offset. Failure of the Association to comply with any provision in this Policy shall not be deemed a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by 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.

25. Credit Report. In the event an Owner becomes delinquent in the payment of assessments pursuant to the Declaration and Colorado law, the Owner acknowledges and agrees that the Association may cause a credit report to be pulled via an agent, in order to facilitate the collection of unpaid assessments.

26. Definitions. Unless otherwise defined in this Policy, initially capitalized terms or terms defined in the Declaration shall have the same meaning herein.

27. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

28. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

29. Amendment. This Policy may be amended from time to time by the Board of Directors.

30. Mailing Address. Payment of assessments shall be made to:

Ironbridge Property Owners Association  
c/o The Fleisher Company  
995 Cowen Drive, Suite 201  
Carbondale, CO 81623

**Certification:** The undersigned, being the President of the Ironbridge Property Owners Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing Policy was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on November 7, 2013.

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President



12/16/13  
Dated