

**STONEBRIDGE CONDOMINIUM ASSOCIATION, INC.**  
**POLICY AND PROCEDURE**

**COLLECTION OF UNPAID ASSESSMENTS**

Effective July 16, 2020

The following policy and procedure has been adopted by the Board of Directors ("Board") of the Stonebridge Condominium Association, Inc. ("Association") for collection of unpaid assessments to comply with C.R.S. § 38-33.3-209.5(1)(b)(I). The policies and procedures outlined shall remain in effect until such time as they may be duly changed, modified, or amended by the Board.

1. **Due Dates.** Installments of annual assessments shall be billed on a quarterly basis. The quarterly installments of the annual assessments (as determined by the Association and as allowed for in the Declaration) shall be billed the first day of each quarter and will be due and payable before the first day of the following month. (i.e. October 1, January 1, April and June 1). Special assessments shall be due on the date stated on the notice of assessment.
2. **Billing Statement.** It shall be the policy of the Association to send an invoice/billing statement for each quarterly installment of the annual assessment (operating assessment and capital reserve assessment) to each Owner. All statements shall be sent electronically to the Owner at the e-mail address(es) on record with the Association. Failure to receive this statement does not obviate the Owner's responsibility to stay current on assessments.
3. **Late Charges and Interest.** Payments shall be considered past due and delinquent when an Owner fails to pay any assessment on or before the fifteenth (15<sup>th</sup>) day of the month in which the payment is due (i.e. if not paid on or before January 15<sup>th</sup>, February 15<sup>th</sup>, March 15<sup>th</sup>, etc.). The Association shall assess a \$50.00 monthly Late Charge on overdue payments. Past due payments shall also accrue interest from the due date at the rate of 12% per annum.
4. **Returned Check Charges.** Any returned check charges incurred by the Association shall be assessed to the Owner causing such charge
5. **Payment Plan.** As required by C.R.S. § 38-33.3-316.5, the following provisions apply to payment plans:
  - A. The Association shall make a good-faith effort to coordinate with an Owner to set up a payment plan that meets the requirements of this section except that, an Owner is not qualified to enter a payment plan and the Association is not required to offer a payment plan if:
    - i. The Owner does not occupy the Unit and acquired title to the property as a result of: (A) a default of a security interest encumbering the Unit; or (B)

foreclosure of the Association's lien.

- ii. The Owner has previously entered into a payment plan with the Association.

Pursuant to C.R.S. 38-33.3-209.5(5)(a)(V)(B), prior to the Association referring any account to an attorney or collection agency for collection action, the Association shall inform a delinquent Owner if he/she is qualified to enter a payment plan and, if qualified, instructions for contacting the Association to enter into such a payment plan.

- B. When a payment plan is entered, 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.
  - C. 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.
  - D. "Assessments" includes regular, special, and default assessments and any associated fees, charges, late charges, attorney fees, fines, and interest charged pursuant to section 38-33.3-315(2).
6. 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.
7. Collection Process. Before the Association turns over a delinquent account of a Unit Owner to a collection agency or refers it to an attorney for legal action, the Association must send the Owner a "Notice of Delinquency" specifying:
- A. The total amount due to the Association, with an accounting of how the total amount was determined;
  - B. Whether the opportunity to enter a payment plan exists and instructions for contacting the Association to enter such a payment plan;
  - C. The 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; and

D. 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 account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, 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, right to use common amenities, and the termination of services.

8. 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 the second month of the quarter(i.e. October 1, January 1, April 1 and June 1)
<b>Past Due Date</b> (date payment is late if not received on or before that date)	15 <sup>th</sup> day of the month in which payment is due (i.e. October 15, January 15, April 15 and June 15).
<b>Notice of Failure to Pay</b> (notice that late charges and interest have accrued, required disclosures of the Association, notice of suspension of rights, the availability of a payment plan if applicable)	Any time after payment is past due and delinquent. Owner shall have 15 days to pay or request payment plan.
<b>Notice of Intent to File Lien</b> (notice of intent to file lien, and notice of referral to Association's attorney if payment not received in 30 days)	Any time after payment is past due and delinquent.

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

9. Application of Payments. All payments received on the account of any Owner shall be applied in the following order: (1) any and all attorney fees, legal fees and costs incurred, including lien fees; (2) fines, late charges, and interest; (3) past-due assessments; and (4) current assessments. Checks containing a restrictive endorsement on the back will be returned to the Owner and the amount tendered shall be considered unpaid.

10. Legal Remedies Available to the Association. The Association is authorized to pursue all available legal remedies for collection pursuant to the Association's Governing Documents and Colorado law, including, but not limited to:

- A. Recording a lien again the delinquent Owner's Unit;
- B. Filing of a suit against the delinquent Owner for a money judgment;

- C. Instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board;
  - D. Filing necessary claims, documents and motions in bankruptcy court in order to protect the Association's interests;
  - E. Filing a court action seeking appointment of a receiver; and
  - F. Garnishment and attachment.
11. Suspension of Rights. After any assessment or other charges due to the Association becomes thirty (30) days past due and delinquent, the Owner's voting privileges shall be suspended during the period of the delinquency and the Association may cease to provide any and all services to such Owner and prohibit the use of any common amenities by such Owner.
12. 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 an amount equal to six (6) months of common expenses assessments based on a periodic budget adopted by the Association. Such foreclosure shall be approved by the Board of Directors via resolution or a vote of the Board recorded in the minutes of the meeting at which the vote was taken.
13. 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, returned 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.
14. 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.
15. Supplement to Law. The provisions of this Policy 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 common interest community.
16. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.

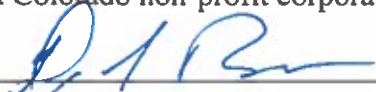
17. Amendment. This Policy may be amended from time to time by the Board.

**CERTIFICATION:**

The undersigned, being the President of the Stonebridge Condominium Association, Inc., a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on July 10, 2020, and in witness thereof, the undersigned has subscribed his/her name.

STONEBRIDGE CONDOMINIUM ASSOCIATION INC.,  
a Colorado non-profit corporation

By:

  
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President