

POLICY FOR COLLECTION OF ASSESSMENTS

This Assessment Collection Policy supersedes and replaces all prior assessment collection policies.

PURPOSE: The following policy was adopted by the Board of Directors of Pier Point Village 2 Homeowners Association, Inc. ("the Association") pursuant to Colorado law at a regular meeting of the Board.

AUTHORITY: The Amended and Restated Declaration of Covenants, Conditions and Restrictions for Pier Point Village 2 recorded on December 20, 2010 at Reception #D0131702 ("Declaration"), the Bylaws of the Association, the Colorado Common Interest Ownership Act ("CCIOA"), §38-33.3-123, §38-33.3-302 and §38-33.3-209.5, C.R.S., and other applicable Colorado and Federal laws.

Effective Date: August 8, 2022

Resolution:

The Association hereby adopts the following policy:

1. Due Date:

- i. Common Assessments are due annually, payable in twelve (12) equal monthly payments, due and payable on or before the first day of each month ("Due Date") in an amount determined by the Board of Directors.
- ii. All other types of assessments are due on the dates specified by the Board of Directors at the time the assessment was imposed.
- iii. If Assessments are not paid in full within ten (10) days of the Due Date, they are delinquent ("Delinquency").

2. Late Fees and Interest:

- i. The Association may impose a \$25.00 late fee for any Delinquency.
- ii. Interest accrues at the rate of six percent (6%) per annum from the Due Date of any Delinquent assessment, including late fees, lien fees, fines, attorney fees and costs, and other monies due, until paid in full.
- iii. Interest will continue to accrue each month on all amounts owed to the Association until paid in full.

- iv. If an Owner is Delinquent, the Board may suspend the voting rights pursuant to the Bylaws.

3. Collection Procedure

- i. Designated Contact.
 - i. A Unit Owner may designate another person to serve as a Designated Contact to be contacted on the Unit Owner's behalf regarding a delinquency.
 - ii. In order to validly appoint a Designated Contact, a Unit Owner must mail by Certified Mail, Return Receipt Requested, a letter to the Association's current community manager and provide the Designated Contact's full name and complete physical street address with zip code. This address may not be a post office box or other location where a signature on certified mail cannot be obtained.
 - iii. The Unit Owner may change or cancel the Designated Contact by sending a written notice by Certified Mail, Return Receipt Requested to the Association with instructions.
 - iv. All correspondence must be sent by the Association to both the Unit Owner and to the Designated Contact.
- ii. Before the Association may send the matter to an attorney or collection agency regarding a delinquency, the Association must first contact the Unit Owner and any Designated Contact as follows:
 - 1. Send a Notice of Delinquency, described below, via Certified Mail, Return Receipt Requested, to the Unit Owner and to any Designated Contact.
 - 2. Post a copy of the Notice of Delinquency on the Property; and
 - 3. Do one of the following:
 - (a) mail the Notice by U.S. First Class mail;
 - (b) send via text message to a cellular number the Unit Owner has provided to the Association; or
 - (c) email the Notice to a Unit Owner using an email address that the Unit Owner has provided.
 - 3. Mail a written offer to enter into a Payment Plan (which may be contained in the Notice of Delinquency or be by separate correspondence) and either:
 - (a) the Unit Owner has declined or failed to respond to the offer after thirty (30) days; or

(b) the Unit Owner has failed to pay at least three (3) of the monthly installments within fifteen (15) days of the due date thereof.

4. The Board of Directors must vote to send matter to attorney or collections agency by a recorded vote, on a per unit basis, in an executive session of a Board of Directors meeting.
- iii. For all Unit Owners with a delinquent balance, on a monthly basis, the Association shall send to the Unit Owner and Designated Contact, if any, by First Class mail and, if it possesses an email address for the Unit Owner, by email, an itemized list of all assessments, fines, fees, and charges that the Unit Owner owes to the Association.
- iv. Both the Unit Owner and Designated Contact are entitled to receive communications in a language other than English if the Unit Owner notifies the Association of such request in writing by Certified Mail, Return Receipt Requested to the Association.

4. **Notice of Delinquency:**

Before the Association may turn over the account to the Association's attorney or a collection agency, it will mail, by Certified Mail, Return Receipt Requested, a **Notice of Delinquency** to the owner at the address on file with the Association, which Notice is deemed complete upon mailing, setting forth:

- i. the total amount due with an accounting of how the total was determined;
- ii. specify whether the delinquency concerns unpaid assessments, unpaid fines, fees, or charges or both;
- iii. if the delinquency includes unpaid assessments, the Notice must inform the Unit Owner that unpaid assessments may lead to judicial foreclosure of the Property;
- iv. that a payment plan is available and instructions for contacting the entity to enter into such plan the contents of which are described below;
- v. the name and contact information of the person from whom the owner may obtain a ledger in order to verify the amount;
- vi. that action is required to cure the delinquency;

- vii. a description of the steps the Association must take before the Association may take legal action against the Unit Owner, including a description of the Association's cure process for covenant violations under section 38-33.3-209.5(1.7)(b), C.R.S. (see Covenant Enforcement Policy for process);
- viii. a description of what legal action the Association may take against the Unit Owner, including a description of the types of matters that the Association or Unit Owner may take to small claims court, including injunctive matters for which the Association seeks an Order requiring the Unit Owner to comply with any of the governing documents of the Association;
- ix. if the Association elects to accelerate all amounts then due for the entire year; and
- x. that failure to cure the account in full within thirty (30) days ("Cure Date"), may result in the account being turned over to a collection agency or the association's attorneys, a lawsuit being filed, the filing and judicial foreclosure of a lien against the property, appointment of a receiver, suspension of the member's right to vote and/or other remedies available under Colorado law.

5. Acceleration

The Association may include in the Notice of Delinquency a statement that the remaining amount due for the annual assessment for the year may be accelerated and become immediately due and payable, at the option of the Association.

6. Payment Plan.

- i. All Unit Owners (except as set forth in *iii.* below) are entitled to enter into one of the two Payment Plans below to pay off the delinquency so long as the Unit Owner requests the Payment Plan within thirty (30) days of the date on the Notice of Delinquency that contains the offer to enter into a Payment Plan:
 - 1. If the delinquency consists only of late, processing and/or lien fees, fines, and/or attorney fees and costs, then the Payment Plan shall require that the Owner make payments in equal monthly installments over eighteen (18) months; or
 - 2. If the delinquency consists of assessments and any late, processing and/or lien fees, fines, and/or attorney fees and

costs, then the Unit Owner accepting an 18-month Payment Plan may specify the amount to be paid each month, so long as each payment other than the final one is at least \$25.00.

- ii. If the Unit Owner declines the Payment Plan or fails to respond within thirty (30) days, then the Association is *not* required to later accept a Payment Plan.
- iii. **Exception.** In the following two circumstances, Unit Owners *are not entitled* to a Payment Plan:
 1. The Unit Owner previously entered into a payment plan with the Association; or
 2. The Unit Owner does not occupy the unit and acquired the property as a result of a default of a security interest encumbering the unit or foreclosure of the Association's lien.
- iv. All Payment Plans shall be executed by the owner and the Association in a document titled Stipulated Settlement Agreement which may be filed with the court if a lawsuit is commenced.
- v. **Default.** A Unit Owner's failure *either* to remit payment of three (3) or more installments of the Payment Plan within fifteen (15) days of its due date *or* to remain current with regular assessments as they come due during the eighteen (18) month period, constitutes a failure to comply with the Payment Plan and allows the Association to send the account to collections or its attorneys.
- vi. Unit Owners may elect to pay the entire remaining balance owed under the Payment Plan at any time.

7. **Delinquent Accounts Referred to Attorneys**

- i. After following the above procedures, the Association may turn the matter over to the it's attorneys for collection.
- ii. The attorneys may take all steps necessary to collect the past due balance including, but not limited to, filing suit for a personal money judgment, filing an action for judicial foreclosure of the Assessment Lien, subject to the limitations set forth below, and/or requesting that the court appoint a receiver.
- iii. Once the matter is referred to the Association's attorneys, the owner must communicate with the attorney to arrange payment of the past due balance. The Association or management company staff will

cease all further communication with the owner regarding the delinquency and the Unit Owner's access to the Association portal will be suspended until such time as the delinquency is cured in full.

- iv. The member's voting rights shall be automatically suspended if any Delinquency is not paid in full within thirty (30) days. A member's voting rights may also be suspended, after notice and hearing, for any violation of the Declaration or Rules and Regulations for a period not to exceed sixty (60) days.

8. Judicial Foreclosure Limitations

- i. Judicial foreclosure may only be commenced if the delinquency equals or exceeds an amount totaling six months of Common Assessments.
- ii. Judicial foreclosure must be authorized by the Board by recorded vote prior to initiating such action.
- iii. Judicial Foreclosure cannot be used as a remedy if the debt securing the Assessment Lien consists solely of any of the following:
 - (a) Fines assessed against the Unit Owner;
 - (b) Interest; or
 - (c) Collection costs or attorney fees and costs that the Association has incurred that are only associated with fines.

Fines, interest and attorney fees and costs continue to secure the Association's Assessment Lien and are collectible in an action for money damages or upon sale of the Property.

9. Statement of Assessments Due

A statement of the total amount owed may be obtained by the Unit Owner from the community association manager or the Association's attorney (if the case has been sent to the attorney) at no charge.

10. Restrictive Endorsements:

If an Owner intends to seek satisfaction of the outstanding debt by tendering a check containing a restrictive endorsement for less than the entire balance then outstanding, the Owner must deliver the check to the Association's managing agent by certified mail, postage prepaid, return receipt requested, with a notation in the bottom right hand corner of the envelope not covered by the return receipt, stating in capital and bold letters "RESTRICTIVE ENDORSEMENT". Generally, such checks will be rejected and returned to the Owner.

11. Application of Payments:

Any payment for less than the full amount then outstanding will be applied by the Association to the Owner's account in the order listed below and the oldest balance in each category will be paid first:

- i. i.
- ii. Assessments;
- iii. Attorney fees and costs;
- iv. Association costs and expenses;
- v. Assessment Lien fee;
- vi. Late fees;
- vii. Interest;
- viii. Fines (if applicable); and
- viii. Returned check charges.

12. Returned Check Fee:

In addition to the statutory remedies available to the Association, if any check is not paid upon presentation for any reason, the Association shall assess a \$20.00 Returned Check Fee to the Owner's account, in addition to any applicable late fees and/or attorney fees incurred by the Association. An Owner's payment of the amount of the check plus the Returned Check Fee must be made by cashier's check or money order only.

13. Status Letters:

In connection with a sale of a lot or unit, upon written request and payment in advance to the community association manager of the then-current Status Letter fee, the Association will perform a covenant inspection, provide copies of all governing documents required for the sale, and prepare a Status Letter containing results of the covenant inspection, information concerning reserves, disclosure of any construction defect actions, transfer fees, and a written statement of the full balance owed to the Association and/or community association manager, including all assessments, charges, interest, fees, fines, working capital, etc. If a Status Letter is requested to be provided within three (3) business days or fewer from the date payment for the Status Letter is received, a Rush Fee will also be charged and must be paid before the Status Letter is prepared.

Definitions.

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

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.

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.

Amendment.

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

Severability

Invalidation of one of the foregoing provisions by court order or judgment shall have no effect on the remaining provisions which shall remain in full force and effect.

CERTIFICATION:

The undersigned, being the President of the Board of Directors of Pier Point Village 2 Homeowners Association, Inc., a Colorado nonprofit corporation, certifies that this Policy was adopted by Resolution approved by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on 9-28-, 2022 and in witness thereof, the undersigned has subscribed his/her name.

**PIER POINT VILLAGE 2 HOMEOWNERS
ASSOCIATION, INC.,**
a Colorado non-profit corporation

By: *Cynthia Wagner*
Its: