



HORIZON TOWERS CONDOMINIUM ASSOCIATION

AMENDED AND RESTATED POLICY #006: COLLECTION PROCEDURES

The following procedures adopted by Horizon Towers Condominium Association (“Association” or “HTCA”) pursuant to the provisions of the Association Documents, C.R.S. §38-33.3-209.5, C.R.S. §38-33.3-123, §38-33.3-315, §38-33.3-316, The Act (as defined in CC&R’s Sec. 1.42), at a regular meeting of the Board of Directors.

Purpose: All owners are obligated by the Declaration to pay all dues and assessments in a timely manner, since failure to do so jeopardizes the Association’s ability to meet its financial obligations. Failure of owners to pay assessments in a timely manner is also costly to the Association and unfair to other owners. Accordingly, the Association, acting through the Board, must take steps to ensure timely payment of assessments so that it may operate in a fiscally responsible manner. The purpose of this policy is to establish a uniform and systematic procedure for collecting assessments and other charges of the Association, thus ensuring the financial well-being of the Association and to adopt a zero-tolerance waiver policy regarding the application of applicable late fees and interest. To perform these duties, the Board needs to remain flexible in its approach to account for the unique facts and circumstances surrounding each delinquent payment.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Policy to govern the collection of assessments and other charges of the Association:

1. **HOA Assessment.** The Homeowner Association (HOA) assessment as determined by the Association shall be due and payable monthly in equal installments due on the first (1) day of each month. HOA assessments not paid to the Association within ten (10) days of the due date, shall be considered past due and delinquent.
2. **Other Amounts Due to the Association.** Other assessments, charges, and payments due to the Association shall be due and payable on the first (1st) day of the month. Any amount not paid to the Association within ten (10) days of the due date shall be considered past due and delinquent.
3. **Transfer of Ownership.** If ownership of a unit is transferred on a day other than the first day of the month, the monthly installment of the annual HOA assessment and any other assessments, charges, payments, fines due to the Association for the month of closing shall be prorated to the date of closing. Unless otherwise allowed by the Association in writing, and if not sooner paid by the seller and/or buyer, all assessment charges, and payments due and payable to the Association shall be paid at closing.
4. **Late Charges and Interest Charges.** The Association shall be entitled to impose a late charge equal to the greater of \$35 or twenty percent (20%) of the delinquent balance on each past due and delinquent installment. If any assessment is not paid within thirty (30) days after its due date, the amount due shall bear interest at a rate of no more than eight (8%) per annum from the due date until paid. All late charges



and interest charges shall be due and payable immediately, without notice, in the manner provided for payment of assessments.

5. **Return Check Charges.** A twenty-five-dollar (\$25) fee 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. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. If two or more of the owner's checks are returned unpaid by the bank within any twelve-month period, the Association may require that all of the owner's future payments, for a period of one year, be made by certified check or money order.
6. **Application of Payments on Delinquent Accounts.** If a unit owner who has both unpaid assessments and unpaid fines, fees, or other charges makes a payment to the Association, the Association shall apply the payment first to the assessments owed and any remaining amount of the payment to the fines, fees, or other charges owed.
7. **Procedure.** With regard to a unit owner's delinquency in paying assessments, fines, or fees, the Association shall:
 - a. First contact the unit owner to alert the unit owner of the delinquency before taking action in relation to the delinquency and maintain a record of any contact, including information regarding the type of communication used to contact the owner and the date and time the contact was made. Any contact made on behalf of Horizon Towers is deemed a contact made by the Association and not a debt collector. A unit owner may identify another person to serve as a designated contact for the owner, to be contacted on the owner's behalf. An owner may also notify the Association if the owner prefers that correspondence and notices from the Association be made in a language other than English. If a preference is not indicated, the Association shall send the correspondence and notices in English. The owner is to be copied on all correspondence sent to his designated contact (in his/their preferred language). The mailed Notice of Delinquency is to be sent certified mail, return receipt requested. In addition, the Association shall contact the owner or designated contact by two of the following means:
 - i. Telephone call to a phone number that the Association has on file. If the Association is unable to reach the owner or designated contact, leave a voice message.
 - ii. Text message to the cell number the Association has on file; or
 - iii. E-mail to an e-mail address the Association has on file.
 - b. Refer the account to a collection agency or attorney only if a majority of the Board votes to refer the matter in a recorded vote at a meeting conducted pursuant to section 38-33.3-308(4)(e).
8. **The collection of a debt must follow notice given which specifies:**
 - a. The date on which the assessment must be paid, and
 - b. When the assessment is considered past due and delinquent, and
 - c. Any late fees, and
 - d. Interest charges, and
 - e. Any return-check charges, and



- f. The circumstances under which an owner is entitled to enter into a payment plan pursuant to C.R.S. §38-33.3-316.3 and the terms of the payment plan and how the total is determined.
- g. Provision of a copy of the ledger within 7 days of request by the owner to verify the debt.

9. Payment Plan.

- a. The method by which payments may be applied on the delinquent account of an owner; and
- b. The legal remedies available to the entity to collect on an owner's delinquent account pursuant to the governing documents of the entity and Colorado law.
 - i. A Notice of Delinquency that an Association sends to an owner for unpaid assessments, fines, fees, or charges must:
 - 1) Be written in English (or preferred language) to the owner or designated contact; and
 - 2) Specify whether the delinquency concerns unpaid assessments, unpaid fines, fees, or charges; or both unpaid assessments and unpaid fines, fees, or charges, and if the Notice of Delinquency concerns unpaid assessments the Notice of Delinquency must notify the owner that unpaid assessments may lead to foreclosure; and include:
 - a) A description of the steps the Association must take before the Association may take legal action against the owner, including a description of the Association's cure process.
 - b) A description of what legal action the Association may take against the owner, including a description of the types of matters that the Association or owner may take to a small claims court, including injunctive matters for which the Association seeks an order requiring the owner to comply with the declaration, bylaws, covenants, or other governing documents of the Association.
 - ii. An Association shall not commence legal action to initiate a judicial foreclosure proceeding based on an owner's delinquency in paying assessments unless:
 - 1) The Association has complied with each of the requirements above and in C.R.S. §38-33.3-316 and §38-33.3-316.3 related to an owner's delinquency in paying assessments; and
 - 2) The Association has provided the owner with a written offer to enter into a payment plan pursuant to C.R.S. §38-33.3-316.3(2) that authorizes the unit owner to repay the debt in monthly installments over eighteen months. Under the payment plan, the unit owner may choose the amount to be paid each month, so long as each payment must be in an amount of at least twenty-five dollars until the balance of the amount owed is less than twenty-five dollars; and
 - 3) After the Association provided the owner with a written offer to enter into a payment plan, the owner has either:



- a) Failed to accept the payment plan within thirty days after the written offer was made; or
 - b) After accepting the payment plan, failed to pay for at least three of the monthly installments within fifteen days after the monthly installments were due.
 - iii. An owner who has entered into a payment plan, may elect to pay the remaining balance owed under the payment plan at any time during the duration of the payment plan.
 - iv. The Association shall not charge a rate of interest on unpaid assessments, fines, or fees in an amount greater than eight percent (8%) per year;
 - v. Assess a fee or other charge to recover costs incurred for providing the owner with a statement of the total amount that the owner owes; or
 - vi. Foreclose on an assessment lien if the debt securing the lien consists only of one or both of the following:
 - 1) Fines that the Association has assessed against the owner; or
 - 2) Collection costs or attorney fees that the Association has incurred and that are only associated with the assessed fines.
10. A party seeking to enforce rights and responsibilities arising under the declaration, bylaws, covenants, or other governing documents of an Association in relation to disputes arising from assessments, fines, or fees owed to the Association and for which the amount at issue does not exceed seven thousand five hundred dollars (\$7,500), exclusive of interest and costs, may file a claim in the small claims court.
11. "Notice of Delinquency" means a written notice that an Association sends to an owner to notify the owner of any unpaid assessments, fines, fees, or charges that the owner owes the Association.
12. With respect to any notices or other documentation that an Association sends a unit owner through certified mail and return receipt pursuant to this section or C.R.S. §38-33.3-316 (8), the Association may charge the owner an amount not to exceed the actual cost of the certified mail and return receipt.
13. All the above is required to cure delinquency. Failure to do so within thirty days may result in the owner's delinquent account being turned over to a collection agency, lawsuit being filed against the owner, and the filing and foreclosure of a lien against the owner's property. The sale of the owner's unit at auction is used to pay delinquent assessments, which could result in the unit owner losing some or all of the unit owner's equity in the unit, or other remedies available under Colorado law.

Automatic Revision: This Policy shall be revised automatically to include any revisions to the applicable statute referenced above.



PRESIDENT’S CERTIFICATION: The undersigned, being the President of the HTCA, a Colorado nonprofit corporation, certified that the foregoing Amended and Restated Policy #006 was introduced for the first reading at a fully called and held meeting of the Board on September 8, 2025, and approved and adopted by the Board at the Board meeting on November 3, 2025.

Signature on File	11/03/2025
President	Date

Signature on File	11/03/2025
Vice President	Date