



HORIZON TOWERS CONDOMINIUM ASSOCIATION

POLICY #012: LIENS, FORECLOSURES, AND REPORTING POLICY

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 collection of 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 go to the next level of collections to ensure all efforts are exhausted in the collections of 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 through liens and foreclosures and report unpaid debts accordingly:

1. **Failure to Cure the Delinquency.** The availability of, and instructions on how to access free online information relating to the collection of assessments by an Association, including the Association’s ability to foreclose an Association lien for unpaid assessments and force the sale of the owner’s home, and the availability of online information from the Federal Department of Housing and Urban Development concerning credit counseling (at owner’s expense) before foreclosure that can be accessed through a link on the Department of Local Affairs’ website (cdola.colorado.gov); and
 - a. Credit counseling may include:
 - i. Discussion of amounts owed to the Association in unpaid assessments and related costs.
 - ii. The impact of foreclosure on the owner’s credit.
 - iii. Additional debt that may be incurred by the owner if foreclosure by the Association is completed.
 - iv. Options available to the owner to retain title to the unit or to remain in the unit; and
 - v. Any other options that may be available to the owner to avoid foreclosure.



- b. Provide to an owner prior to initiating legal action, at least thirty days before initiating legal action to foreclose an Association lien, the Association shall provide notice to the owner of the Association's intent to foreclose the lien.
 - i. The Association shall send the notice of intent to foreclose the Association lien to the owner or the owner's designated contact in English (or preferred language).
 - ii. The Association shall send the notice of intent to foreclose by certified mail, return receipt requested, AND by at least TWO of the following means:
 - 1) Telephone call to number on file and/or leaving a voice message for the owner and designated contact.
 - 2) Text message to a cell phone number on file.
 - 3) E-mail to e-mail address on file to the owner and designated contact; or
 - 4) Regular mail, if the owner or designated contact has not provided a phone number or e-mail address to receive notices.
 - iii. The notice of intent to foreclose the Association lien must inform the owner that:
 - 1) The Association intends to file a lawsuit against the owner's property and that, if the court forecloses on the lien, the court will order the sale of the unit at auction to pay the delinquent assessments due to the Association.
 - 2) Based on the sale price of the unit at the auction, the owner could lose some or all of the owner's equity in the unit;
 - 3) The owner has a right to participate in credit counseling prior to foreclosure.
 - 4) The owner has the right to participate in mediation with the Association prior to foreclosure.
 - 5) The owner has access to, and instructions on how to access, free on-line information through the HTCA.
- c. No later than five business days after an Association initiates legal action to foreclosure a lien, the Association shall provide written and electronic notice to all lienholders identified in the unit owner property records of:
 - i. The right to cure the nonpayment.
 - ii. The right of the owner to file a Motion To Stay the sale of the property at an auction pursuant to C.R.S. §38-33.3-109.5.
 - iii. Unless the context otherwise requires, "assessment" means a payment for common expense obligations of owners based on a periodic budget adopted by the Association under C.R.S. §38-33.3-315 (1), or a payment for limited common elements of owners, and includes fees specific to delinquent payments and reasonable collection costs for collection delinquent payments.



- d. At any time after an owner's Association files an action for foreclosure of the unit Association lien on a unit, but prior to the sale date at auction, the owner or designated representative may file a motion with the court to stay the sale of the unit with notice of the owner's intent to list the unit for sale at the fair market value of the unit or an alternate amount as specified. The owner or designated representative shall provide notice of the Motion To Stay the sale to the Association and to the public trustee.
 - i. The unit owner shall state in the Motion To Stay:
 - 1) The fair market value of the unit, as determined by:
 - a) An appraisal of the unit;
 - b) A market analysis conducted by a licensed real estate agent.
 - c) An estimate from an online real estate marketplace company; or
 - d) The assessed value of the unit recorded in the county assessor's property tax records on the date of the court's order to sell the unit;
 - 2) An alternate value for the unit that, if less than the fair market value of the unit, exceeds the sum of all liens and any fees or costs advanced by the holder of the evidence of debt.
 - ii. The court may allow the owner additional time to submit the fair market value or alternate value to the court.
 - iii. The owner shall list the unit at the sale price specified in the Motion To Stay unless the Association objects to the owner's declared fair market value or the alternate value of the unit. The Association may submit evidence of the unit's value to the court. Based on the evidence, the court shall set the initial list price of the unit and may further order a change to the list price if supported by sufficient evidence.
 - e. If a sale date is scheduled, the officer (Public Trustee or Sheriff) shall post or provide notice of the continuance of the sale while the stay is in effect.
 - f. The court shall enter into any orders necessary to ensure that the proceeds of the sale of the unit are held in escrow and distributed by the court in accordance with lien priority and other applicable laws.
 - g. A purchaser of a unit listed for sale shall take title to the unit free and clear of any encumbrances relating to filing of the foreclosure action.
2. **Submission of Data Collection to Division of Real Estate.** As part of an Association's annual registration, the Association shall submit the following information to the director of the division of real estate, in the form and manner determined by the director of the division of the real estate:
3. For the twelve-month period immediately preceding the Association's annual registration, the number of owners that were, at any time during the twelve-month period, six or more calendar months delinquent in the payment of an annual assessment or special assessment.



4. For the twelve-month period immediately preceding the Association's annual registration, for unpaid annual assessments or special assessment or related fees or attorney fees:
 - a. The number of owners against which the Association or its designee obtained a judgment; and
 - b. The number of payment plans entered into between the Association and an owner pursuant to C.R.S. §38-33.3-316.3; and
 - c. The number of foreclosure actions filed against an owner pursuant to C.R.S. §38-33.3-316; and
5. Any other information specified by the director of the division of real estate relating to the collection of assessments and the foreclosure of the Association's liens.

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 Policy #012 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
President

11/03/2025
Date

Signature on File
Vice President

11/03/2025
Date