

# **Poncha Meadows Filing No. 1, Block 6 Association, Inc.**

## **Collections Policy**

Effective February 6, 2024

The following Policy has been adopted by Poncha Meadows Filing No. 1, Block 6 Association, Inc. (the "Association") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors (the "Board") for the benefit of the Association and its owners and members (the "Member(s)").

Purpose: To adopt policies and procedures to address the collection of past due assessments, fines, fees, and any other amounts owed to the Association by Members.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Policy to govern the collection of assessments, fines, fees, and other amounts owed to the Association by Members:

1. Prompt Payment: Prompt payment of assessments, fines, and fees by all Members is critical to the financial health of the Association. It is in the best interest of the Association to adopt these policies and procedures, and, in accordance herewith, refer delinquent accounts promptly to its attorney for collection so as to minimize the Association's loss of revenue.

2. Member Contact Information: To facilitate collection efforts of the Association, each Member must provide the Association, in writing, with the following information (collectively, "Member Contact Information"):

- a. The Member's preferred mailing address;
- b. The Member's preferred email address;
- c. The Member's preferred cell phone number;
- d. The Member's preferred language for notices and other correspondence from the Association; and
- e. If desired, a designated contact person to be contacted on the Member's behalf.

3. Association Records: The Association shall maintain records of the Member Contact Information provided by a Member, as well as a record of all contacts between the Association and the Member in regard to a Member's delinquent account, including the type of communication, the date of the communication, and the time of the communication.

4. Declarant Control Period: The Declarant shall not collect regular annual assessments during the Period of Declarant Control, as defined in the Association's governing documents. The provisions of this Policy shall apply to any special assessments, fines, fees or other charges assessed during the Period of Declarant Control, and to any annual assessments, special assessments, fines, fees or other charges assessed by the Association after the Period of Declarant Control

5. Monthly Billing and Due Dates: The monthly installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the first (1<sup>st</sup>) day of each and every month. Assessments, fines, fees or other charges not paid in full to the Association within thirty (30) days of the due date shall be considered past due and delinquent, and the remaining balance of the annual assessment may be accelerated.

6. Collection Process: Upon delinquency, the Association shall proceed as follows:

- a. *Notice of Delinquency*: After a monthly installment of the annual assessment, fines fees or other amounts due to the Association becomes delinquent, the Association shall provide a notice of delinquency (“Notice of Delinquency”) to the Member to be (1) sent by certified mail, return receipt requested; (2) physically posted at the Member’s address; and (3) either sent by first-class mail, text message to the Member’s cell phone number of record, or emailed to the Member’s email address of record. The Notice of Delinquency must be made by the Association, or any community association manager or property management company designated by the Association. The notice must be sent in English, and the language that the Member has previously indicated a preference for correspondence and notices. The notice must include:
  - i. A statement specifying whether the delinquency concerns unpaid assessments, unpaid fines, fees, charges, or a combination of the foregoing and, if the notice concerns unpaid assessments, the notice must notify the Member unpaid assessments may lead to foreclosure;
  - ii. The total amount due to the Association along with an accounting of how the total amount was determined;
  - iii. Advise the Member whether he/she/it is qualified to enter into a payment plan, the details of the payment plan outlined in Section 10 of this Policy, and provide instructions for contacting the Association to enter into the payment plan;
  - iv. The name and contact information for an individual the Member may contact to request a copy of the Member’s ledger in order to verify the amount of the debt owed to the Association;
  - v. 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 Member’s delinquent account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Member, the filing and foreclosure of a lien against the Member’s property (if the unpaid amounts include assessments) or other remedies available under Colorado law, including revoking the owners right to vote, right to use common amenities, and the termination of services;
  - vi. Notice of the late fees and interest that may accrue;
  - vii. A description of the steps the Association will take before legal action may be taken against the Member, including, for unpaid fines, any cure processes that applies under the Association’s Enforcement Policy; and
  - viii. A description of what legal action the Association may take against the Member, including the types of matters that may be taken to small claims court, including injunctive matters for which the Association seeks an order requiring the unit Member to comply with the Association’s governing documents.