

Park River West Condominium Association, Inc.
Policy for the Collection of Unpaid Assessments

Adopted January 21, 2018, As amended December 6, 2022,
As further amended October 13, 2025

The following policies and procedures (“Policy”) governing Collection of Unpaid Assessments have been adopted by the Park River West Condominium Association, Inc. (“Association”) pursuant to C.R.S. sections 38-33.3-209.5 and C.R.S. 38-33.3-316 at a meeting of the Board of Directors.

1. GENERAL

a. **Constitutions Superior To All.** Subject to constitutional protections afforded the Association and constitutional limitations imposed upon the State of Colorado and its political subdivisions, the provisions of the Declaration and Bylaws of the Association are incorporated in this Policy by reference and govern for all purposes when not in conflict with the Colorado Common Interest Ownership Act (“CCIOA”), as it exists or may be amended, and the Colorado Revised Nonprofit Corporation Act, as it exists or may be amended

b. **Contract Clause.** The Association claims protection under the Contract Clause of the United States Constitution (Article I, Section 10) and the Contract Clause of the Constitution of the State of Colorado (Article II, Section 11). By adherence to any statutory provision the Association shall not be deemed to have waived constitutional protections or to have acquiesced in the application of law when applying and enforcing the terms of its Declaration and Bylaws when they conflict with such law and the law would be effective after the date of adoption of the Declaration.

c. **When Subordinate.** This Policy is subordinate to and shall only supplement the Declaration and Bylaws where they are otherwise silent. The provisions of this Policy shall be independent and severable. The declaration of invalidity of any one or more of the Policy provisions by court order or decree shall in no way affect the validity or enforceability of any other provision, which other provisions shall remain in full force and effect.

2. COMMON EXPENSE ASSESSMENT

This policy is applicable only to the Common Expense Assessment addressed by Declaration Section 9, and not the imposition of Fines addressed by Declaration Section 27. The Common Expense Assessment (“Assessment”) is assessed annually; and, it is payable quarterly (unless otherwise determined by the Board) on the first day of January of each year and on the first day of each subsequent calendar quarter. Notices of the amount of the Assessment and the payment due will be sent to all the Unit Owners as set out in the Declaration. The Common Expense Assessment for 2026 is currently \$5460 per Unit if paid annually or \$1365 per unit if paid quarterly.

3. PAYMENT AND DELINQUENCY

a. **When Due.** Assessments are due on the 1st day of each quarter. If an Assessment is paid after January 1, but on or before January 30 of the current year, it is not considered delinquent. But, the full amount of at least the quarterly Common Expense Assessment, currently \$975, must be paid. If payment of the Assessment is not received by the Association by January 15 of the current year or by the 15th day of any quarter for quarterly payments (e.g. April 15th for the 2nd quarter), the Treasurer of the Association may send a duplicate invoice before the 30th day to encourage a Unit Owner to make payment before Late Fees, Collection Fees and Default Interest are incurred by a Unit Owner.

b. **Default Date.** In the event an Assessment has not been paid by January 30 of the current year, or within 30 days of the first day of any subsequent quarter for a quarterly payment (the “due date” specified in Declaration Section 9), the Assessment shall be delinquent and the Unit Owner shall be in default.

c. **When Payment Received.** It is the responsibility of the Unit Owner to ensure timely payment and receipt of Assessments by the Association. The actual date of receipt by the Association is the date of payment, not the date of a check or date of mailing.

d. **Fees and Interest.** In the event a Unit Owner is in default in the payment of any Assessment, the Unit Owner will be obligated to pay a Late Fee (the 5% penalty provided in the Declaration), a Collection Fee (the costs, expenses, and attorney fees provided in the Declaration), and default interest at the rate of 8% simple per annum on the amount of the delinquent Assessment commencing ten days subsequent to the due date as provided in the Declaration.

e. **No Lien Waiver.** Suit against the Unit Owner to recover a money judgment for unpaid Assessments may be maintained by the Association without foreclosing any Assessment Lien, and any such suit shall not be a waiver of the lien.

f. **Late Fee.** As determined by the Board in conjunction with the adoption of these Rules, the Late Fee shall be \$48.75 for delinquencies incurred after January 1, 2023. Each quarterly Assessment remaining unpaid on the 40th day of the quarter shall incur a separate Late Fee. In the event that the quarterly Assessment is increased, the Late Fee shall increase automatically to conform to the Declaration.

g. **Collection Fee.** The Collection Fee for each late quarterly Assessment shall be a base of \$250, plus any costs, expenses, and attorney fees incurred by the Association. Each quarterly Assessment remaining unpaid on the 40th day of the quarter shall incur the Collection Fee. The base Collection Fee of \$250 is calculated to cover the work to prepare the Delinquency Notice, payment plan, certified mail, copy costs, and initial administrative expense incurred by the Association prior to any referral to an attorney or agency for enforced collection. The Collection Fee is a dynamic amount and will increase beyond the base as additional sums are expended by the Association to secure its lien and collect amounts due. Notwithstanding the provisions of Declaration Section 9I, no fee or charge

incurred by the Association to provide a Unit Owner or Lien Holder with a statement of the total amount that the Unit Owner owes shall be imposed on the Unit Owner, a Lien Holder, or form any part of the Collection Fee.

h. **Default Interest.** The default interest rate is governed by the Declaration and set by the Declaration Section 9 at 15% per annum. The terms of C.R.S. section 38-33.3-209.5 (8)(a) as enacted in 2022 limits interest on unpaid Assessments, fines, or fees to 8% per annum. This statutory provision is in direct conflict with Declaration 9(j) that says the owner is “obligated” to pay 15% interest. The Board does not have the authority to vary the Declaration, but adopts this 8% rate to ensure it can collect unpaid Assessments, fines, and fees, pursue collection, and foreclose in lawful circumstances. Thus, the policy of the Association is that interest in the statutory amount of 8% simple per annum shall accrue and be due and owing from the Unit Owner on any unpaid amount of the Assessment commencing on the 40th day of the quarter until all amounts owed by the Unit Owner are paid in full, notwithstanding the terms of Declaration Section 9.

i. **Returned Checks.** Payment for any Assessment or associated Fee made by check, note or similar financial instrument which is dishonored upon presentment shall be resubmitted to the financial institution once. A Check Return Charge is imposed for the actual costs incurred by the Association upon resubmittal of the instrument or \$35, whichever is greater. A payment instrument submitted which is dishonored upon presentment, but which is later honored after the due date, shall be a delinquent payment; and, fees for a delinquent payment will be assessed.

4. MONTHLY STATEMENTS

The Association shall send to each Unit Owner who has any outstanding balance owed the Association an itemized list of all Assessments, fines, fees, and charges that the Unit Owner owes to the Association on a monthly basis by first-class mail and, if the Association has been provided an e-mail address, by e-mail as well.

The first date for sending such monthly statement shall be not later than the 15th of the month following the date of delinquency. By way of example only, May 15 would be the first statement date for a delinquent 2nd quarter Assessment due on April 1 delinquent April 30. No charge shall be incurred by the Unit owner for such statements. The statements shall cease upon payment of the outstanding balance.

5. STATUTORY NOTICE OF DELINQUENCY

a. **Obligation to Send Notice, Offer, and Hold Hearing.** Before the Association turns over a delinquent Assessment account to a collection agency or refers it to an attorney for legal action, the Association shall send the Unit Owner a notice of delinquency (“Delinquency Notice”), offer a statutory payment plan, and vote to take such collection action in executive session during a Board Meeting. This provision and those following include any “entity” engaged in collection contemplated by C.R.S. Sec 38-33.3-209(5)(a).

b. Method and Mechanics of Notice. At any time after a delinquency the Association may provide written notice (“Delinquency Notice”) to the Owner at the address of the Unit Owner that has been registered with the Association by Certified Mail – Return Receipt Requested, and by physically posting a copy of the notice at the Unit. Further, the Association shall also inform the Owner by at least two of the following methods:

- (i) Telephone call to a telephone number that the Association has on file provided by the Unit Owner or designated contact to the Association. If the Association attempts to contact the Unit Owner or designated contact by telephone but is unable to contact the Unit Owner or designated contact, the Association shall, if possible, leave a voice message for the Unit Owner or designated contact.
- (ii) Text message to a cellular number that the Association has on file because the Unit Owner or designated contact has provided the cellular number to the Association;
- (iii) Email to an email address that the Association has on file because the Unit Owner or designated contact has provided the email address to the Association; or
- (iv) By regular mail, if the Unit Owner or designated contact has not provided a telephone number, cellular number, or email address as additional means by which to receive notices.

The Association shall keep a record of the contacts, including manner, time and date.

The Delinquency Notice may be issued by any Association Officer, Director, Agent or Attorney. No formal action of the Board shall be required to issue the notice.

b. Contents of Notice. The Delinquency Notice shall contain:

(I) The total Assessment balance due. The balance shall be further broken down to show how the total was determined setting out the delinquency amount by year together with Late Fees, Collection Fees, and accrued Interest attributable to a particular year. For purposes of facilitating a C.R.S. 38-33.3-316.3 statutory payment plan, the notice shall also contain a statement of any unpaid fines, fees, charges, associated interest, and collection costs.

(II) A statement “UNPAID ASSESSMENTS MAY LEAD TO FORECLOSURE”.

(III) A statement that the opportunity to enter into a payment plan exists pursuant to section C.R.S. sec. 38-33.3-316.3, together with a copy of the model plan for completion by the Unit Owner, and instructions for contacting the Association to enter into such a payment plan;

(IV) The name and contact information for the Treasurer or other Association officer or agent the Unit Owner may contact to request a copy of the Unit Owner's account ledger in order to verify the amount of the debt. If so requested, a copy of the account ledger shall be provided no later than seven business days after receipt of the owner's request.

(V) A statement that action is required to cure the Assessment delinquency and that failure to do so within thirty days may result in the Unit Owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the Unit Owner's property, the sale of the Unit Owner's Unit at auction 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;

(VI) A statement that payments shall be applied in the following order:

A. Assessment for the most current year by most recent quarter, then to Check Return Charge, Late Fee, Collection Fee, and Default Interest for the most recent quarterly Common Interest Assessment, in that order; then

B. Assessment for any past year by most recent quarter, then to Check Return Charge, Late Fee, Collection Fee, and Default Interest for the year and quarter, in that order. Where more than one past year or quarter is unpaid, the most recent quarter and year shall receive priority in payment; then

C Remediation expense incurred to remedy a violation. The order of application shall be most recent first; then,

D. Fines imposed. The order of application shall be most recent first; then,

E. Fees incurred not otherwise associated with an Assessment. The order of application shall be most recent first; then,

F. Other Charges Owed. The order of application shall be most recent first.

(VII) A statement that the Association has legal remedies available to it and the Association will take legal action. The remedies and legal actions consist of, but are not limited to: (i) record a notice of lien amount against the Unit: (ii) pursue any other remedy available under the Declaration or Colorado law, including suit against the Unit Owner and foreclosure of the Assessment lien and sale of the Unit. The Unit Owner is liable for all court costs, attorneys' fees or other costs of collection which together with all unpaid Assessments, Late Fees, Collection Fees and interest are secured by the Assessment Lien against the Unit Owner and the Owner's Unit. Fines are not subject to foreclosure. All Unit Owners should be aware that, where enforcement and collection is required, the Unit Owner will be liable for substantial costs and attorney's fees of enforcement.

(XIII) A statement that the Association must take the following steps before commencing legal action:

A. a determination that Notice has been prepared and mailed

B. a determination that the offer of payment plan has been rejected, or not timely accepted, or countered with terms inconsistent with the statutory provisions, or after acceptance the Unit Owner has defaulted.

C. hold an executive session of the Board and vote to refer the delinquency for collection. At its option, the Association may

- (I) refer the collection to an agency; or,
- (II) engage an attorney to obtain a money judgment or pursue foreclosure of the statutory lien for delinquent Assessments
- (III) engage an attorney to obtain a money judgment for any amount not subject to foreclosure.

(IX) A statement that the Association has adopted a policy Governing the Enforcement of Declarations, Covenants and Rules including a cure process for violations of the Declaration, Rules, and Policies and that a copy is attached to the Notice and incorporated by reference.

(X) A small claims court statement 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 the declaration, bylaws, covenants, or other governing documents of the Association. A copy of C.R.S. section 13-6-403 describing Small Claims Court and the Jurisdiction of the Court in regards to access by both the Association and a Unit Owner shall be attached and incorporated in the Notice by reference.

(XI) A statement that the Unit Owner is entitled to credit counseling under Colorado law. In particular, the Notice shall inform the Unit Owner of the availability of, and instructions on how to access, free online information through the Colorado Division of Real Estate HOA information and resource center 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 Unit Owner's home, and the availability of online information from the federal department of housing and urban development concerning credit counseling before foreclosure that may be accessed through a link on the department of local affairs' website.

d. **Statutory Payment Plan.** The Association has adopted a model statutory repayment plan which is attached to this policy and incorporated by reference. The model plan is offered to every delinquent Unit Owner and shall be attached to the Notice of Delinquency. The Unit Owner shall have 30 days from the date of the Notice of Delinquency during which to complete the agreement with a proposed payment schedule to the Association or its assignee providing for the payment of all delinquencies, fees, interest and Assessments in no more than 18 equal monthly installments over a period of 19 months from the date of the Notice. The President or Treasurer of the Association shall have the authority to negotiate in good faith on behalf of the Association, including proposing further terms and/or accepting the Unit Owner proposal without amendment. No Payment Plan will be negotiated or accepted from any Unit Owner not statutorily entitled to the benefits of C.R.S. section 38-33.3-316.3.

6. ENFORCED COLLECTION ACTION – HOW COMMENCED

a. **Report.** The Officer, Director, Agent or Attorney issuing a Delinquency Notice shall report to the Board at any regular or special meeting following the issuance of the Delinquency Notice that such notice has been sent, provide proof of service, make a record of the contacts with the Unit owner, and report if the any payment plan has been timely received, proposed, accepted or rejected.

b. **Due Diligence.** The Board shall then examine the documentation and record and shall determine that the Delinquency Notice has been properly prepared and mailed, that alternate methods of contact have been made, that the offer of payment plan has been rejected, or not timely accepted, or countered with terms inconsistent with the statutory provisions, or after acceptance the Unit Owner has defaulted.

c. **Executive Session.** If after performing a due diligence exam collection action is contemplated, the Board shall go into executive session during which by majority vote the Board may act to refer the delinquency for collection. At its option, the Association may refer the collection to an agency; or, engage an attorney to obtain a money judgment or pursue foreclosure of the statutory lien for delinquent Assessments; or, engage an attorney to obtain a money judgment for any amount not subject to foreclosure. The vote shall be recorded but shall not form a part of the public minutes of the meeting. The Secretary shall maintain separate minutes of the executive session and vote. The Association shall send a report of the action taken in executive session to the Unit Owner within 21 days following the meeting.

d. **Referral.** After the vote in favor of enforced collection action the Association through any designated officer or director shall contact the attorney or agency selected, execute any engagement documentation, inform them of the collection action authorized, deliver account records, deliver all records necessary to show compliance with statutory requirements in advance of enforced collection, and authorize the commencement of collection.

7. ASSESSEMENT LIEN

a. **Statutory Regime.** The statutory Assessment Lien (C.R.S. section 38-33.3-316) and provision for such lien set out at Declaration section 16 secures Assessments and Fines. C.R.S. 38-33.3-316 was amended in 2022 to limit foreclosure of the lien for amounts due for unpaid Common Expense Assessments, and barred foreclosure when the lien was solely attributable to: (I) Fines that the Association is due from the Unit Owner; or (II) Collection costs or attorney fees due to the Association and that are only associated with fines that have been incurred. Notwithstanding the 2022 statutory amendment, the Association policy is to perfect its lien with all due speed for all sums permitted by statute so as to ensure priority, give notice to competing creditors, and promote collection of delinquencies. Foreclosure of the Assessment Lien shall not act as a waiver or release of sums not forming part of the foreclosure, and the debt and lien for such amounts shall survive such foreclosure and discharge.

8. NOTICE OF ASSESSMENT LIEN.

a. **Notice of the Lien.** Declaration Section 16 addresses and governs Assessment Liens and the filing of the Lien on the public record. C.R.S. sec. 38-33.3-316 also addresses the statutory Assessment Lien. Subsection **(4)** states *“Recording of the declaration constitutes record notice and perfection of the lien. No further recordation of any claim of lien for assessments is required.”* Notwithstanding the statutory provisions the Association adopts a policy that provides for notice of such lien to the Unit Owner and a procedure to file the lien which conforms to Declaration Section 16 whenever the Association would opt to prepare and file an Assessment Lien.

b. **Extent of Lien.** All sums assessed but unpaid which are chargeable to any condominium Unit for the Common Expense Assessment and/or Fines shall constitute a lien on such Unit (“Assessment Lien”).

c. **Lien Notice.** Prior to the recording of any such Assessment Lien, the Association shall give written notice to the Unit Owner that such a lien is about to be filed (“Lien Notice”). The Lien Notice is separate from the Delinquency Notice. The Lien Notice shall state the amount of the unpaid Fines (if any) and Assessments, accrued interest and any costs and charges to date, and an interest per diem; and that the Unit Owner has thirty days subsequent to the date of the delivery or mailing of the Lien Notice within which to pay the Fines and Assessments and associated penalties, fees, and costs. The officers authorized by the Board to sign the Lien Notice are the President, Vice President, Secretary, Treasurer, and any assistant or subordinate office as may be appointed by the Board from time to time.

d. **Effective Date and Recording of Lien Notice.** The Lien Notice is deemed to be effective five days from the date of such mailing, irrespective of whether or when the letter is claimed, receipted for or otherwise delivered or received. If the delinquency and associated fees and interest is not cured and paid in full within the thirty (30) day period, the Association may (i) record a notice of the Assessment Lien amount against the Unit and (ii) pursue any other remedy available under the Declaration or Colorado law, including suit against the Unit Owner and foreclosure of the Assessment Lien and sale of the Unit (except those items statutorily excluded from foreclosure). The Unit Owner is liable for all court costs, attorneys’ fees or other costs of collection which together with all unpaid Fines and Assessments, Late Fees, Collection Fees and interest are secured by the Assessment Lien against the Unit Owner and the Owner’s Unit. All Unit Owners should be aware that, where enforcement and collection is required, the Unit Owner will be liable for substantial costs and attorney’s fees of enforcement.

10. STATEMENT OF ACCOUNT.

a. **Request For Statement of Account-To Whom Furnished.** The Association shall furnish to a Unit Owner or such Unit Owner's designee or to a holder of a security interest or its designee a written statement setting forth the amount of unpaid assessments currently levied against such owner's unit. The request shall be in physical writing (not email, text, or other electronic form) and delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the Association's registered agent,

b. **Mechanics of Requesting the Statement of Account.** The request shall be in writing, legibly signed, and shall specify the status of the requestor as owner, designee, or security holder together with the name of the person the Statement of Account is to be sent to, a valid US postal street address to which the Statement of Account can be delivered personally, and a valid US postal street address or US post office box to which the statement can be sent by certified mail. The request for a Statement of Account is deemed to be received by the Association when physically delivered in person to the Association's registered agent or when the registered agent actually signs the postal receipt, whichever occurs first. The Statement of Account is deemed to be furnished when physically delivered in person to the requestor specified street address or when deposited in the US mail, certified mail, first-class postage prepaid, return receipt requested, addressed to the recipient named by the requestor, whichever occurs first.

c. **Specification of Account Statement Requested.** In order to avoid confusion and to ensure statutory time limits for providing account information are met, the owner, designee, or security holder making the request must specify in the writing if the request is a demand for a copy of the account ledger provided in response to a Notice of Delinquency under C.R.S. 38-33.3-209.5 (1.7)(5)(a)(V)(C) or a request for a written Statement of Account associated with an Assessment Lien under C.R.S. 38-33.3-316(8). In the absence of specification by the requestor, the request is deemed to be for a written statement of account associated with the lien pursuant to C.R.S. 38-33.3-316(8) by default.

d. **Statement of Account – 14 Day Rule.** The Statement of Account shall be furnished within fourteen calendar days after receipt of the request and is binding on the Association, the executive board, and every Unit Owner. The statement of account shall be furnished to the Unit Owner or holder of a security interest or his or her designee, delivered personally or by certified mail, first-class postage prepaid, return receipt requested, to the inquiring party.

11. SPECIAL PROVISIONS FOR NOTICE OF INTENT TO FORECLOSE, CREDIT COUNSELING, AND NOTICE TO SECURED PARTIES

a. **30-Day Notice.** To ensure strict compliance with lien foreclosure provisions of Colorado law, the Association shall provide a separate Notice of Intent to Foreclose

at least thirty days before initiating a legal action to foreclose an Association lien to the Unit Owner and Lien Holders of record,

b. Contents of 30-Day Notice. The Notice of Intent to Foreclose shall contain:

(1) A statement that the Unit Owner has the right to participate in credit counseling at the Unit Owner's expense and that information relating to obtaining credit counseling and the consequences of foreclosure by an Association is available through the HOA information and resource center created in [section 12-10-801](#) (1) or through a link to the federal department of housing and urban development on the department of local affairs' website; and

(2) A statement that 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 Unit Owner's credit;

(III) Additional debt that may be incurred by the Unit Owner if foreclosure by the Association is completed;

(IV) Options available to the Unit Owner to retain title to the unit or to remain in the unit; and

(V) Any other options that may be available to the Unit Owner to avoid foreclosure.

(3) A statement that the Unit Owner has the right to engage in mediation prior to litigation. The statement shall inform the Unit Owner that to initiate mediation, the Unit Owner must respond within thirty days after the date of the notice. And shall further state that to participate in mediation, both parties must:

(I) Select a mutually agreeable mediator knowledgeable about this article 33.3 and common interest community disputes; and

(II) Schedule the mediation session within thirty days after the notice provided in accordance with subsection C.R.S. 38-33.3-316 (10.7)(a).

(4) A statement that If a Unit Owner fails to comply with subsection (10.7)(b) of C.R.S. 38-33.3-316 within thirty days after the notice provided in accordance with C.R.S. 38-33.3-316(10.7)(a), C.R.S. 38-33.3-316(10.7) does not bar the Association from filing a civil action.

(5) A statement to Lien Holders of the pending legal action for foreclosure which shall include the amount of any outstanding assessment and other money owed.

c. Record Contact Information. For purposes of providing the Association's notice of intent to foreclose to the Unit Owner and lien holders of record, if the Association does not already have the information, prior to sending the Notice, the Association shall request from the Unit Owner or the Unit Owner's designated contact, a telephone

number for phone calls, a cellular number for texts, and an email address for emails for both the Unit Owner and Lien Holders of record.

d. **5-Day Post Filing Lien Holder Notice.** No later than five business days after an Association initiates legal action to foreclose a lien described in this section, the Association shall provide a separate written and electronic notice to all lienholders identified in the Unit Owner property records of:

- (a) The right to cure the nonpayment pursuant to C.R.S. [section 38-38-104](#); and
- (b) The right of the Unit Owner to file a motion to stay the sale of the property at auction pursuant to C.R.S. [section 38-38-109.5](#).

12. EFFECTIVE DATE

This Policy for the Collection of Unpaid Assessments as amended is effective and shall apply to all collection actions and delinquencies in existence or arising on and after October 1, 2025.

Park River West Condominium Association, Inc.

By: _____
Carol Primdahl, President

Attest: _____
Faye Bellman-Yohe, Secretary

This Policy was originally adopted by the Board of Directors at a regular meeting held on the 21st day of January, 2018, effective the 21st day of January, 2018, amended at a regular meeting held 6th day of December 2022, effective the 31st day of December 2022, and amended at a regular meeting held 13th day of October 2025, retroactive effective the 1st day of October 2025, and is attested to by the Secretary of Park River West Condominium Association, Inc.