

**TAMARRON ASSOCIATION OF CONDOMINIUM OWNERS, INC.**

**POLICY AND PROCEDURE FOR COLLECTION  
OF UNPAID ASSESSMENTS  
(Amended July 8, 2014)**

1. The Colorado Common Interest and Ownership Act (the "Act") pursuant to C.R.S. 38-33.3-209.5(1)(b)(I), requires that the Association adopt policies, procedures, and rules and regulations concerning the collection of unpaid assessments.
2. Association assessments are collected for, among other things, common expenses of the Association, including the funding of Association amenities and services for Unit Owners, such as the operation of the pool and spa facility, the provision of on-site maintenance personnel, water and sewer service, cable TV service, and telephone service.
3. It has come to the attention of the Board that additional actions are needed to promote timely payments by Owners and maintain the economic well-being of the Association.
4. At the request of the Owners within the community and, as supported by the Board, the Association will no longer provide delinquent Owners with the aforementioned amenities and services at the expense of all other Owners within the common interest community and the Board will take action to suspend or terminate such amenities and services which are paid for and provided by the Association.
5. The Board desires to adopt the following policy and procedure which sets forth a comprehensive compilation of all actions the Board is authorized to take under the Act and its Declarations concerning Owner delinquencies and the collection of unpaid assessments, including unpaid annual, special, or default assessments ("Assessments").

NOW THEREFORE, the Board of Directors hereby agrees to set forth the following policy and procedure and rules and regulations concerning Owner delinquencies and the collection of unpaid assessments:

1. Suspension of Voting Rights. Any Owner who is delinquent as to the payment of an Assessment shall be ineligible to vote on any TACO-related matters as further described in the policy and procedure entitled, **SUSPENSION OF VOTING RIGHTS IN THE EVENT OF DELINQUENT ASSESSMENTS OR FINES** which was adopted by the Board on June 12, 2009.
2. Suspension of Use of Pool and Spa. Sixty (60) days after the date an Assessment is due, the Association may, in its discretion, suspend the Unit Owner's (and said delinquent Owner's family, guests or tenants) access to the pool and spa and the right to the use of the pool and spa facilities.

3. Termination of Sewer and Water Service. Sixty (60) days after the date an Assessment is due, the Association may, in its discretion, terminate and shut off water and sewer service to the delinquent Unit Owner's Unit. Reconnecting water and sewer service and all costs associated therewith shall be the responsibility of the Unit Owner.

4. Termination of Cable TV and Telephone. Sixty (60) days after the date an Assessment is due, the Association may, in its discretion, terminate all cable TV and telephone service to the delinquent Unit Owner's Unit. Reconnecting cable TV and telephone service and all costs associated therewith shall be the responsibility of the Unit Owner.

5. Suspension of Maintenance. Maintenance of Association common elements shall continue; however, Unit Owners, so long as delinquent in the payment of Assessments, may not utilize or hire Association personnel to perform work which constitutes "elective" maintenance, repair, or improvements to a Unit.

6. Posting of Delinquent Accounts. Sixty (60) days after the date an Assessment is due, the Association may, in its discretion, and with prior verification from the Association's accountant as to such delinquency, include the name of the Unit Owner and their Unit number to a web-site listing of Association delinquencies. Names will be removed at the end of the month when the delinquency is paid in full as verified by the Association's accountants.

7. Resignation from Board or Committee. Any person who is delinquent in the payment of an Assessment may not act as a member of the Board of Directors and/or may not serve as a member of any committees of the Association and shall resign immediately from such position.

8. Definition of Assessment. The Association is authorized to levy Annual, Special and Default Assessments as described in the Declaration. In addition to the foregoing assessments, any fine, late charge or other monetary charge or penalty levied by the Association pursuant to the Declaration and the Association's Policy and Procedure as to Late Fees and Interest, including attorney's fees and costs incurred by the Association and for which the Owner is liable, shall be collectible as an Assessment as that term is defined by the Act.

9. Application of Payments. Payments received from an Owner shall be applied to the Owner's account in the following order to the extent applicable:

- a. Attorney's fees and costs incurred by the Association and for which the Owner is responsible pursuant to the Act or the Declaration;
- b. Interest which has accrued on all unpaid charges;
- c. Fines, late charges or other monetary charges or penalties;
- d. Past due Annual Assessments;
- e. Past due Special Assessments;
- f. Past due Default Assessments;

- g. Current Default Assessments;
- h. Current Special Assessments; and
- i. Current Annual Assessments.

10. Delinquent Assessments. Annual Assessments are billed quarterly and are due on the last day of January, April, July, and October. Special or Default Assessments are due on the date provided on the invoice. Late fees and interest are applied commencing on the date after which the assessments are due.

11. Prior Notification to Owner. Before the Association can turn over a delinquent account to a collection agency or authorize an attorney to commence collections, foreclosure or file a lien against the property, the Association will send the Unit Owner via certified mail and regular mail, a letter or notice of delinquency (the notification letter may be sent by the Treasurer, bookkeeper or attorney for the Association) specifying:

- i. Total amount due with an accounting or ledger showing amounts owed.
- ii. The amount necessary to cure the delinquency.
- iii. The name and contact information of the person to whom payment should be made.
- iv. The opportunity, if the Owner qualifies, to enter into a 6-month payment plan and the instructions for contacting the Association for doing so.
- v. Listing of legal remedies of the Association, including foreclosure.

12. Work Out Plan. The Treasurer of the Association, or such other officer as directed by the Board, has the authority to negotiate work-outs and payment plans with an Owner if circumstances warrant providing the Owner with additional time in which to make payments. Except with respect to the six-month payment plan described below, Owners should not expect, and are not entitled, to have the Association negotiate a workout in their favor or provide a waiver of late fees and interest. A waiver of interest and/or late fees or agreement to a payment plan in one instance shall not operate as a waiver of any future payment obligations nor shall such waiver or agreement constitute a precedent for the Board.

The following rules for work outs or payment plans shall apply:

a. Six (6) Month Payment Plan. At a minimum, the Association will offer the Owner the opportunity to pay off the deficiency in equal installments over a period of at least six months. The deficiency amount may include any annual, special, or default assessments, late fees, attorneys' fees, fines and interest. The six month payment plan shall commence no later than 60 days after the date of the delinquency notice to the Owner. The Treasurer (or such other designated officer) will provide the Owner with the six month payment schedule and the dates upon which the payments are due.

b. The Owner shall remain current with any regular Annual Assessments including ongoing late charges and interest that may come due during the payment plan period.

c. If the Owner fails to make an installment payment under the payment plan or fails to remain current with the regular Annual Assessments during the payment plan period, the Owner is in default of the plan and the Association may pursue its remedies including, but not limited to, filing a lien, foreclosure, and filing a lawsuit and obtaining a judgment.

d. The Association is not required to enter into a payment plan with the Owner if the Owner failed to comply with the terms of any prior payment plan offered to that Owner by the Association.

e. The Association is not required to enter into a payment plan if the Owner does not occupy the Unit or if the Owner obtained title to the Unit by foreclosure or deed in lieu of foreclosure.

f. Entering into a work-out plan does not remove the Owner from delinquent status. Only upon satisfactory fulfillment of the terms and conditions of the work-out plan will Owner be deemed non-delinquent.

13. Lien. The Association has a lien on a Unit for any Assessment levied against that Unit or fines imposed against the Unit Owner. Thirty days after the notice to an Owner is provided as set forth in paragraph 11 above, a Statement of Lien shall be recorded in the real property records of La Plata County against the Owner's Unit if the Owner fails to pay the delinquent amounts owed or fails to enter into and execute a payment plan.

14. Remedies At Law. In addition to the above, the Association may bring an action in law or in equity, or both, against any Owner personally obligated to pay such overdue assessments, charges, or fees and may also proceed to foreclose its lien against such Owner's Unit. Any action at law or in equity by the Association against an Owner to recover a money judgment for unpaid assessments, charges or fees may be commenced and pursued by the Association without foreclosing, or in any way waiving, the Association's lien therefore.

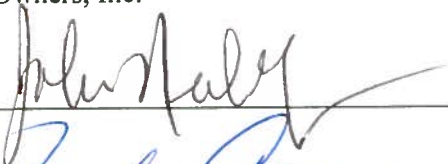
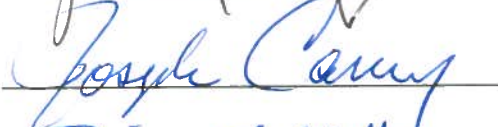



15. Foreclosure. Before the Association may foreclose on its lien, the following two requirements must be met:

a. The balance due from the Owner must equal or exceed six months of the Annual and/or Special Assessments allocated to the delinquent Owner's Unit as prorated over a 12 month period; and

b. The Board must vote and execute a resolution evidencing approval of the commencement of foreclosure against the unit of the delinquent Unit Owner.

16. Notice. This Policy and Procedure shall be posted on the Association's web-site and, upon its adoption, shall be mailed or emailed to all Owners at the address provided by Owners on file to the Association. No further "Notice" of the Association's right to commence the foregoing actions and suspend services shall be required. The Association may, in its discretion, provide Owners or occupants of a Unit with additional notice as to the aforementioned actions.

THIS POLICY AND PROCEDURE was adopted at the meeting of the Board of Directors on July 8, 2014, by an affirmative vote of more than 66 2/3rds of the Board of Directors for Tamarron Association of Condominium Owners, Inc.

  
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