

BLUE LAKE OWNERS ASSOCIATION

POLICY FOR COLLECTION OF PAST DUE ACCOUNTS

Resolved and Adopted April 8, 2009

The following resolution has been adopted by the Board of Directors ("Board") of Blue Lake Owners Association pursuant to Colorado Statutes, at a regularly scheduled meeting of the Board.

AUTHORITY: The Declaration, Articles and Bylaws of the Blue Lake Owners Association and the Colorado Common Interest Ownership Act.

EFFECTIVE DATE: May 1, 2009

RESOLUTION: The Association hereby adopts the following Policy:

The purpose of this Policy is to emphasize that collection of assessments is an important part of governing the Association and such assessments are critical to the ongoing operation of the association. It is the intent of this Policy to provide a framework for the collection of past due assessments and fines in a timely and efficient manner to protect the rights of all homeowners.

I. Collection of Past Due Accounts.

To assist with the collection of unpaid assessments, storage rent, and late fees in a timely and efficient manner, the following procedures have been adopted:

- a. Assessments are payable monthly and must be paid by the end of each month. Finance charges will apply at a rate of 18% annually (1.5% monthly assessed at the end of each month an account is delinquent.)
- b. Late fees of \$15.00 per month will be assessed for each month a past due account is delinquent.
- c. Fees, charges, late charges, attorney fees, fines, and interest charged are enforceable under this policy.
- d. In the event payment is not received from any delinquent owner the Association will pursue the following collection remedies:
 - Mail or email a statement with a stamped past due notice to all homeowners that are 30 days past due.
 - Mail or email a demand for payment to all homeowners that are 60 days past due.
 - Mail via registered mail a notice of intent to lien to homeowners that are 90 days past due.
 - Review all homeowners that are 100 days past due at the next monthly board meeting and file an assessment lien against the delinquent Owner's property.
 - Commence and maintain legal proceedings (lawsuits seeking personal judgments and foreclosure actions) for the recovery of delinquent assessments and fines, late fees, interest, attorney fees and costs as may be allowed by the Association Documents or CCIOA;
 - Pursue collection of judgments obtained against Owners; and
 - Take all other lawful action necessary to collect delinquent assessments and fines in accordance with the Association Documents and Colorado law.
- e. If the Association fails to follow the procedures set forth above it shall not be construed as any waiver or release of a delinquent Owner's obligation to pay assessments and fines or the

Association's right to collect the assessments and fines in accordance with the Association documents and CCIOA.

2. Association's Attorney Fees and Costs.

Any delinquent Owner shall be responsible for attorney fees and costs incurred by the Association in the collection of past due assessments and fines, whether or not a lawsuit is commenced, in accordance with the Association documents and CCIOA.

3. Foreclosure and Bankruptcy Notices.

If the Association receives any bankruptcy or foreclosure notice regarding an Owner with unpaid assessments and fines, the Association may accelerate the above collection remedies and pursue collection activities.

4. Variances.

The Board may from time to time vary from the requirements set forth in this Policy if the Board determines in its sole discretion that such variance is reasonable under the circumstances. Any variance will not be considered to be a waiver of this policy.

This policy may be amended from time to time by the Board.

This policy is in addition to and does not supersede the previously adopted CC&R Enforcement policy.