

**BLUE LAKE OWNERS ASSOCIATION
POLICY FOR COLLECTION OF UNPAID ASSESSMENTS AND
FINES**

Resolved and Adopted April 8, 2008

The following resolution has been adopted by the Board of Directors (“Board”) of Blue Lake Owners Association pursuant to Colorado Statutes, at a meeting of the Board to establish a policy for collections of unpaid assessments and fines.

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

EFFECTIVE DATE: April 8, 2008

RESOLUTION: The Association hereby adopts the following Policy:

The purpose of this Policy is to emphasize that collection of unpaid assessments and fines is an important part of governing the Association and such collection must be done in a uniform manner in accordance with the Association Documents and CCIOA. 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.

1. Collection of Unpaid Assessments and Fines.

To assist with the collection of unpaid assessments, storage rent, and fines in a timely and efficient manner, the Association shall do the following:

- 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 accessed at the end of each month an account is delinquent.)
- b. In the event payment is not received from any delinquent Owner the Association may pursue any one or all of the following collection remedies:
 - i. Mail a demand letter requesting payment of all past due assessments and fines, late fees and attorney fees, if applicable;
 - ii. File an assessment lien against the delinquent Owner’s property when their balance reaches or exceeds \$500;
 - iii. 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;
 - iv. Pursue collection of judgments obtained against Owners; and
 - v. Take all other lawful action necessary to collect delinquent assessments and fines in accordance with the Association Documents and Colorado law.
- c. 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 seek advice from its attorney regarding the appropriate action to be taken. If the Association, through its attorney, has sent a demand letter, filed a lien or commenced legal proceedings against an Owner in order to collect unpaid assessments and fines, the Association shall forward any bankruptcy or foreclosure notice received to the attorney.

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.

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

This policy supersedes any previously adopted policy on the same subject matter.