

# **BLUE LAKE OWNERS ASSOCIATION**

## **POLICY FOR COLLECTION OF PAST DUE ACCOUNTS**

**Resolved and Adopted April 8, 2009**

**Revisions approved Nov. 12, 2013**

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:** Nov. 12, 2013

**RESOLUTION:** The Association hereby adopts the following Policy:

The purpose of this Policy is to establish a framework for the collection of current assessments and past due accounts and fines in a timely and efficient manner

### 1. Collection of Assessments

- a. Assessment for operations, capital fund, and trash collection are billed the 1<sup>st</sup> of each month and are payable by the last day of the month.
- b. Assessments are deemed overdue and delinquent if not paid by the 1<sup>st</sup> of the following month.
- c. Any fees paid by check that are returned for nonpayment will be charged a returned check charge of \$10.00.

### 2. Delinquent Account Fees

- a. Assessments deemed delinquent will be assessed a finance charge 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. Interest fees, late charges, attorney fees, covenant violation fines, and storage rent are enforceable under this policy.
- d. Any delinquent homeowner shall be responsible for any 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.

### 3. Association Collection Remedies.

In the event payment is not received from any homeowner to Association for a delinquent amount will pursue the following collection remedies:

- a. All notices will identify the total delinquent amount with an accounting of how the amount was determined

First notice of delinquency: Mailed or emailed account statement with a stamped past due notice to homeowners that are delinquent of the previous month's dues. The stamp says:

“Your account is PAST DUE. Late fees of \$15 and interest at 18% have been assessed. You may have the late fee waived by paying within 15 days of the date of this notice.”

60 day Notices: Mailed or emailed notice of demand for payment of delinquent amounts to homeowners that are 60 days past due. Mention of a payment plan option will be made at this time.

90 day Notice: Registered mail notice to homeowners that are 90 days past due stating action is required to cure the delinquency and failure to do so within 30 days may result in the filing of an Assessment Lien, a lawsuit being filed against the homeowner, and other remedies available under Colorado law. A payment plan option will be offered in this notice.

b. Delinquent Account Payment Plans

1. Payment plan notice will provide:

- Instructions for contacting the Association
- The name and contact information for the homeowner
- A copy of the homeowner’s ledger detailing the amount of the debt.

2. Payment plans will be offered for a minimum term of six months.

3. A signed payment plan will include a Confessed Judgment Promissory Note.

4. The homeowner is required to remain current of future assessments.

5. If a homeowner fails to make the installment and/or regular assessment payment(s), the Association may immediately proceed with additional action to collect the unpaid debt.

c. Filing an Assessment Lien

Homeowners that are 100 days past due will be reviewed at the next monthly Association Board meeting. The Board will vote and formally approve: filing of assessment lien; sending account to attorney for collection; foreclosure action.

d. If the Association fails to follow the procedures set forth above it shall not be construed as any waiver or release of a delinquent homeowner’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.

4. Foreclosure and Bankruptcy Notices.

If the Association receives any bankruptcy or foreclosure notice regarding an homeowner 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.