

**BLUE LAKE OWNERS ASSOCIATION
POLICY FOR PROVISIONS OF CONTRACTS
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 establishing required provisions of contracts.

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:

All contracts entered into by the Blue Lake Board of Directors shall adhere to the following where appropriate:

1. Formal names of parties to the contract;
2. Terms (e.g. start, completion, schedule, compensation);
3. Termination provision, including notice; avoid right to cure;
4. Scope of work/qualifications of contractor;
5. Warranty and guaranty for contractor;
6. Insurance required (e.g. general liability, casualty, worker’s compensation)-all contractor insurance is primary to association insurance which is secondary and non-contributing;
7. Indemnification by contractor for negligence, willful and wanton acts, damages;
8. Rights of assignment;
9. Use of subcontractors
10. contract in complete agreement between parties; amendments, modifications, change orders;
11. Attorneys fees to prevailing party in event of breach;
12. Venue in event of lawsuit;
13. Contractor not an employee;
14. Responsibility for obtaining permits, licenses, etc.;
15. Lien releases/waivers;
16. Dispute resolution/ADR requirements in event of breach;
17. Payment in not a release;
18. Payment schedule, including when and in what manner payment will be made, setoff and withholding payment rights;
19. Notice: whom, where, how, when;
20. Signature page noting in what capacity the signatories are acting.

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

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