

BLUE MESA LODGE CONDOMINIUM ASSOCIATION COLLECTION POLICIES AND PROCEDURES

Effective: January 2nd, 2017

The following policies and procedures were adopted by resolution of the Board of Directors of the Blue Mesa Lodge Condominium Association ("the Association") pursuant to Colorado law.

RECITALS:

A. Pursuant to the Association's governing documents and the Colorado Common Interest Ownership Act ("the Act"), the HOA Manager or delegated agent, acting pursuant to the authorization of the Board of Directors, is obligated to collect the assessments and other charges owed to the Association.

B. Subsection 209.5 of the Act requires the Association to adopt policies and procedures for, among other things, collection of unpaid assessments.

C. Subsection 302 of the Act provides, among other things, that the Association may impose charges for late payment of assessments, recover reasonable attorney fees and other legal costs for collection of assessments and other actions to enforce the power of the Association, regardless of whether or not suit was initiated, and impose reasonable charges for statements of unpaid assessments.

D. Article 5 of the recorded Amended Declaration of the Blue Mesa Lodge Condominium Association ("Declaration") generally provides:

1.

Each Unit and each Unit Owner, by acceptance of a deed therefore, covenants and agrees to pay to the Blue Mesa Lodge Condominium Association annual Common Expense Assessments (as defined in the Declaration), insurance assessments (assessed in proportion to risk); utility assessments (assessed in proportion to the allocated Interest or usage), and such other assessments as imposed by the Blue Mesa Lodge Condominium Association.

2.

Such assessments, including fees, charges, late charges, attorney fees, fines and interest charged by the Blue Mesa Lodge Condominium Association shall be the personal obligation of the Unit Owner of such Unit at the time when the assessment or other charges became or fell due.

3.

Blue Mesa Lodge Condominium Association annual Common Expense Assessments and such other assessments as imposed by the Blue Mesa Lodge Condominium Association, including

fees, charges, late charges, attorney fees, fines and interest charged by the Blue Mesa Lodge Condominium Association. shall be a charge on each Unit and shall be a continuing lien upon the Unit against which each such assessment or charge is made.

E. The Board of Directors deems it desirable to establish and operate by procedures that balance the Association's interest in the timely collection of Common Expense Assessments and other charges with the Owner's interest of being advised of any delinquent balance in their account and being treated fairly in the resolution of the delinquent account balance prior to the Association instituting legal action to collect the amount it alleges due.

THEREFORE, IT IS RESOLVED THAT the following procedures shall apply to the Association's collection of sums alleged to be due from the Owner.

1. Due Date, Late Fees and Interest:

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Expense Assessments are due by the first day of each Quarter. Payments not received within 30 days of the due date shall be considered delinquent and shall be subject to late fees and interest from that date until all delinquent amounts are paid. In the event of delinquency occurring after the effective date of this policy, the Owner's account will be subject to a late fee in the amount of 10% of each delinquent quarterly installment of annual assessment (HOA dues, residential distribution assessment, and reserve account assessment), and of each delinquent special assessment plus interest at the rate of 12% per Annum. Late fees and interest assessed under the collections policy in effect prior to January 2nd, 2017 remain an obligation of the delinquent Owner.

2. Notice of Delinquent Account:

The Association, through the HOA Manager or its designated agent, shall notify the Owner of the delinquent balance. In the event of a balance over 60 days delinquent, the Board may suspend the Owner's voting right and/or suspend the internet and/or cable TV service and/or the electricity service to the Unit or Units owned by the delinquent Owner until the delinquent balance is paid in full, or in the case of delinquent Parking Unit assessments, block access and use of the Parking Unit, provided notice of such action and an opportunity to be heard is provided to the Owner at least 15 days prior to suspending the Owner's voting right and/or suspending the internet and/or suspending cable TV service and/or suspending the electricity service to the delinquent Unit or Units and/or the blocking of access and use of the Parking Unit.

Notice pursuant to this Section 2 shall be in writing and shall be delivered to the Owner either personally, or via U.S. mail first class postage prepaid, addressed to the Unit subject to the delinquent balance. The same notice, at the option of the Association may be copied to the tenant or tenants of the Unit owned by the delinquent Owner. The Association, upon the

written request of the Owner delivered to the Association personally or by certified mail, return receipt, postage prepaid, shall mail a notice to another address as set forth in the Owner's written request.

The Association shall have the right to recover from the delinquent Owner its actual costs of maintaining the delinquent balance, of providing written notice to the Owner, and other costs associated with the Owner's delinquency.

3. Collection Procedure:

In the event the alleged delinquent balance is not resolved within 60 days of written notice of delinquency set forth above, the Board of Directors may refer the Owner's account to an attorney for collection.

Generally, the Association's attorney will prepare and record a Notice of Assessment Lien against the real property subject to the assessment obligation. The Association's attorney/agent may prepare and mail a letter demanding payment of a sum equal to the alleged delinquency to Common Expense Assessments, including late fees, attorney fees, court costs, and other costs of collection incurred through the date the letter is prepared.

If the delinquent balance is not resolved within thirty days of the letter demanding payment, the Board of Directors may authorize an attorney to file a lawsuit asserting claims against the Owner of property subject to the assessment obligation, including, without limitation, an action to foreclose the Assessment Lien encumbering the real property subject to the assessment obligation. The lawsuit shall claim the alleged assessment delinquency, late fees, costs of collection including attorney fees, court costs, other legal costs incurred through the date of judgment or decree, and other relief to which the Association is entitled.

Nothing in this policy precludes the Association from pursuing other legal or equitable methods to collect the delinquent assessments, late fees, interest, costs including attorney fees.

The Board of Directors may designate a Committee of the Board, Board Member, the HOA Manager or a designated agent, to work with the Association's attorney for purposes of authorizing settlements, agreements and authorizing collection efforts. The designated agent shall use diligent efforts to timely communicate with the Association's attorney with respect to changes affecting the account including, but not limited to, payments on account, additional debits on the account, bankruptcy filings, foreclosure proceedings and conveyances.

4. Partial Payments on Account:

Any payments received after the effective date of this policy of less than the full amount owed by an Owner to the Association shall be applied to pay the following (if applicable) in the order listed, from oldest to most recent in each category:

- 1st to annual assessments
- 2nd to special assessments
- 3rd to interest
- 4th to late fees
- 5th to fines
- 6th to association's costs and other legal charges
- 7th to attorney fees and legal costs

The Association through its designated agent shall have the discretion to return any partial payment that directs the funds to be applied in a manner inconsistent with the Association's policy pertaining to partial payments set forth above. This Section 4 does not change or require recalculation of the manner in which partial payments were applied under the collection policy which was in effect prior to January 2nd, 2017.

5. Miscellaneous Provisions:

In the event the Owner intends to satisfy the entire debt to the Association by means of a restrictive endorsement of a check or money order less than the entire balance then due on the Owner's account, that check must be delivered to the Association's managing agent personally or by certified mail first class postage prepaid return receipt requested.

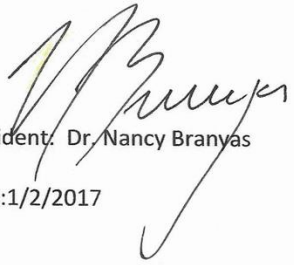
If a check or other instrument is tendered to the Association and the instrument is not honored by the financial institution the Association may impose a \$35.00 fee as a returned check fee, or pursue the statutory remedies which generally allow the Association to collect treble damages and attorney fees in the event the issuer fails to honor the instrument. The returned check fee, if charged, shall be the personal obligation of the issuer of the check as well as a lien against the real property subject to the assessment obligation.

The Board of Directors of the Association has the right to evaluate each delinquency on a case-by-case basis and take action on each case using the Board's good faith judgment as to what is in the best interests of the Association.

Generally alleging a failure of the Association to maintain the Common Element / Area or generally alleging a failure of the Association to comply with provisions of the Association's governing documents shall not constitute a defense or set-off as to the Owner's obligation to pay the lawfully imposed assessments.

In the event a Court of competent jurisdiction finds a provision of the collection policy void or otherwise unenforceable, other provisions shall remain in full effect.

The policies and procedures were adopted the XXXXXXXXXXXX by resolution of the Board of Directors of the Heritage Crossing at the Gondola Association

By: 
President. Dr. Nancy Branyas

Date:1/2/2017