

**LAKE AGNES PROPERTY OWNERS ASSOCIATION  
COLLECTION POLICY AND PROCEDURE**

Adopted December 23, 2005

The following policy and procedure has been adopted by the Board of Directors (“Board”) of Lake Agnes Property Owners Association ("Association") pursuant to Colorado statutes, for collection of unpaid assessments.

1. Due Date and Interest Imposed. The Association’s Annual Common Expense Assessment shall be due and payable, in full, on January 1 of each year. Provided, however, the Board shall permit payment to be made in two equal semi-annual installments. The first semi-annual installment shall be due on January 1 and the second shall be due on July 1. Assessments or other charges not paid to the Association by the 10th day of the month due shall be considered past due and delinquent and subject to a late charge and, any such items shall also accrue interest at the rate of 18% per annum.
2. Late Charge. For each and every payment not made when due, a Late Charge of \$25 to compensate the Association for the additional administrative costs in processing a delinquent payment shall be added to the amount due.
3. Return Check Charges. In addition to any and all charges imposed under the Declaration, the Bylaws, the Rules and Regulations or the Articles of Incorporation (collectively, the “Governing Documents”) or pursuant to Colorado statutes, or this Policy, a fifty dollar (\$50.00) fee or other amount deemed appropriate by the Board shall be assessed against an owner in the event any check or other instrument attributable to or payable for the benefit of such owner is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Such return check charge shall be due and payable immediately, upon demand. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law. Returned check charges shall be the obligation of the owner(s) of the Unit for which payment was tendered to the Association. Returned check charges shall become effective on any instrument tendered to the Association for payment of sums due under the Governing Documents or this Policy.
4. Attorney Fees on Delinquent Accounts. As an additional expense permitted (collectible as a Common Expense Assessment) under the Declaration and Colorado statutes, the Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of assessments or other charges due the Association from a delinquent owner. The reasonable attorney fees incurred by the Association shall be due and payable immediately when incurred, upon demand.

5. Application for Payments made to the Association. Regardless of inscriptions or notations on the front of the check, all payments received on the account of any owner shall be applied in the following order: 1) any and all attorney fees, legal fees and costs incurred for collection of assessments or for owner's failure to comply with provisions of the Association's Governing Documents, including lien fees; 2) fines, late charges and interest; 3) returned check charges, and other costs owing or incurred with respect to such owner pursuant to the Declaration, Colorado statutes, Rules and Regulations, or this Policy; 4) Past-due Special Assessments (if any); 5) Currently due Special Assessments (if any); 6) Past-due installments of Annual Assessments; 7) Current installments of annual Assessments. Checks containing a restrictive endorsement on the back will be returned to the owner and the amount tendered shall be considered unpaid.
6. Acceleration of Installments. In the Board's sole discretion, and upon at least thirty (30) days' written notice to the Owner, in the event at least two monthly installments are past due, the entire Annual Assessment may be accelerated so that all monthly installments for the remainder of the Assessment year are immediately due and payable.
7. Collection Procedures.
  - (a) After an installment, or other charge due the Association, becomes 20 days past due, the Board may cause, but shall not be required to send, a "late notice" to the owner who is delinquent in payment.
  - (b) If payment in full is not received within 60 days of the date due, the Board may, but shall not be required to send the account to the Association's attorney for collection.
8. Referral of Delinquent Accounts to Attorneys. The Board may, but shall not be required to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred, including recording of a Notice of Assessment Lien against the Owner's Unit. After an account has been referred to an attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off.
9. Appointment of a Receiver. The Board may seek the appointment of a receiver if an owner becomes delinquent in the payment of installment of Annual Assessments. A receiver is a disinterested person, appointed by the court who manages the rental of the property, collects the rent and disburses the rents according to the court's order. The purpose of a receivership for the Association is to obtain payment of current assessments, reduce past due assessments, and prevent the waste and deterioration of the Unit.
10. Judicial Foreclosure. The Board may choose to foreclose on the Association's lien in lieu of or in addition to suing an owner in county court for a money judgment. The purpose of

foreclosing is to obtain payment of all assessments owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful in obtaining payment, or other circumstances favor such action.

11. Waivers. The Board may grant a waiver of any provision herein upon petition in writing by an owner showing a personal hardship. Such relief granted an owner shall be appropriately documented in the files with the name of the person or persons representing the Board granting the relief and the conditions of the relief.
12. Ongoing Evaluation. Nothing in this policy shall require the Board to take specific actions at a specific time but the Board shall not take any action in less than the time stated herein for a particular action. The Board has the option and right to continue to evaluate each delinquency on a case by case basis.

SECRETARY'S

CERTIFICATION: The undersigned, being the Secretary of Lake Agnes Property Owners Association, a Colorado non-profit corporation, certifies that the foregoing policy and procedure was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board on December 23, 2005, and in witness thereof, the undersigned has subscribed his/her name.

LAKE AGNES PROPERTY OWNERS ASSOCIATION  
a Colorado non-profit corporation

By: \_\_\_\_\_  
Secretary