

THE VILLAGE AT COPPER ASSOCIATION, INC.
COLLECTION POLICY

Adopted April 28, 2006

The following procedures have been adopted by The Village at Copper Association, Inc. ("VAC") pursuant to C.R.S. 38-33.3-209.5, at a regular meeting of the Board of Directors.

Purpose: To establish a uniform and systematic procedure for collecting Assessments and other charges of the VAC, thus ensuring the financial well being of the VAC.

Collection Philosophy: All members are obligated by the Declaration of Covenants, Conditions and Restrictions for The Village at Copper ("Declaration") to pay all dues and Assessments in a timely manner. Failure to do so jeopardizes the VAC's ability to pay its bills. Failure of members to pay Assessments in a timely manner is also unfair to its other members who do. Accordingly, the VAC, acting through the Board of Directors must take steps to ensure timely payment of Assessments.

NOW, THEREFORE, IT IS RESOLVED that the VAC does hereby adopt the following procedures and policies for the collection of Assessments and other charges of the VAC:

1. Due Dates - Sales Assessments. Each Member's Sales Assessments shall be due and payable without notice from the VAC at such time as such Member or Member's lessee is required to remit payment or pay tax to the State of Colorado under the Colorado Sales Tax Act. Each such Member shall also deliver to the VAC without notice true and complete copies of all written reports, returns, statements, records, and declarations, including any supplements or amendments thereto made or provided to the State of Colorado by such Member or such Member's lessees in connection with any Local Sales at such time as such reports are required to be made to the State of Colorado.
2. Due Dates - Other Assessments. All other Assessments provided for by the Declaration or the Bylaws shall be due in such amounts and at such times as determined by the Board.
3. Delinquent Assessments. Assessments or other charges not paid to the VAC within sixty (60) days after the date due shall be considered past due and delinquent.
4. Late Charges and Interest Charges. The VAC shall be entitled to impose a late charge equal to five percent (5%) on each installment that is not paid when due. Any Assessment not paid when due shall bear interest at the rate of eighteen percent (18%) per annum from the date due so long as such Assessment is unpaid. All such charges shall be due and payable immediately, without notice, in the manner provided for payment of Assessments.

5. Return Check Charges. A twenty dollar (\$20.00) fee shall be assessed against an Member in the event any check or other instrument attributable to or payable for the benefit of such Member is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to, insufficient funds. Notwithstanding this provision, the VAC shall be entitled to all additional remedies as may be provided by applicable law. If two or more of an Member's checks are returned unpaid by the bank within any twelve month period, the VAC may require that all of the Member's future payments, for a period of one year, be made by certified check or money order.

6. Attorney Fees on Delinquent Accounts. The VAC shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of Assessments or other charges due the VAC from a delinquent Member.

7. Application for payments made to the VAC. The VAC reserves the right to apply all payments received on account of any Member first to payment of any and all legal fees and costs (including attorney fees), then to costs and expenses of enforcement and collection, late charges, interest, returned check charges, lien fees, and other costs owing or incurred with respect to such Member, and any remaining amounts shall be applied to the Assessments due with respect to such Member.

8. Collection Letters.

- (a) After an Assessment or other charge owed to the VAC becomes sixty (60) days past due, the VAC shall cause a notice of delinquency to be sent to the unit Member who is delinquent in payment.
- (b) If payment in full is not received within fifteen (15) days after the notice of delinquency, the VAC may, but shall not be required to send a notice of default to the Member.

9. Liens. If payment in full of any Assessment or other charge is not received within two months after it became due, the VAC may cause to be filed a notice of lien against the property of the delinquent Member. The lien shall include fees, charges, late charges, attorney fees, fines and interest owed by the delinquent Member.

10. Referral of Delinquent Accounts to Attorneys. If payment in full is not received within two months after its due date, the VAC 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. 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. All payment plans involving accounts referred to an attorney for collection shall be set up and monitored through the attorney. After consultation with the Board of Directors or the VAC's Executive Director, the attorneys shall be entitled to exercise all available remedies to

collect the amounts due, including judicial foreclosure and appointment of a receiver of the delinquent Member's property.

11. Referral of Delinquent Accounts to Collection Agencies. The VAC may, but shall not be required to assign delinquent accounts to one or more collection agencies for collection.

12. Waivers. Nothing in this Resolution shall require the VAC to take specific actions other than to notify Members of the adoption of these policies and procedures. The VAC has the option and right to continue to evaluate each delinquency on a case by case basis. The VAC may grant a waiver of any provision herein upon petition in writing by an Member showing a personal hardship. Such relief granted an Member shall be appropriately documented in the files with the name of the person or persons representing the VAC granting the relief and the conditions of the relief. In addition, the VAC is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the VAC may determine appropriate under the circumstances.

13. Delinquencies Constitute Covenant Violations. Any delinquency in the payment of Assessments shall constitute a violation of the covenants contained in the Declaration, and following notice and an opportunity to be heard, the VAC shall be entitled to impose sanctions on the delinquent Member consistent with the VAC's Notice and Hearing and Enforcement Policy and Procedures.

The Village at Copper Association, Inc.

By: *[Signature]* Title
vice president

Attest

[Signature]
Secretary

This Collection Policy was adopted by the Board of Directors on the 28 day of April, 2006, effective the 28 day of April, 2006, and is attested to by the Secretary of The Village at Copper Association, Inc.

[Signature]
Secretary