

COLLECTION POLICY OF THE CORRAL AT BRECKENRIDGE HOMEOWNERS ASSOCIATION

The Corral at Breckenridge Homeowners Association (“Association”) has adopted the following policies and procedures (“Collection Policy”) for the collection of Assessments, and delinquent fees, fines, or other charges (collectively, “Other Fee”) pursuant to the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for The Corral at Breckenridge, as that document may be amended from time to time (“Declaration”), and Colorado law. All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Declaration and the Bylaws.

1. Purpose of Collection Policy. One of the many obligations of living in a common interest community is the sharing with other Owners of the cost of the operation of the Project, including the cost of certain maintenance, repairs and amenities. Pursuant to our governing documents, all Owners are legally bound to share these costs. It is imperative for the proper maintenance of the Association’s Common Elements that all Assessments, whether regular Assessments or Special Assessments, be paid in full and on time. Delinquencies can throw the Association’s budget off course and negatively impact all Owner’s property. To maintain our community adequately, State statutes and our Association governing documents give the Executive Board the authority to collect Assessments and other allowable charges from Owners. In fact, the Executive Board owes a duty to all Owners to make sure that everyone pays their Assessments as such come due. The Executive Board has adopted the following policies in order to fulfill its duty in a fair, systematic, and impartial manner.

2. Assessments for Common Expenses. “Common Expenses” are the expenses and liabilities of the Association, including allocations for reserves. Common Expenses include costs of administration and management, maintenance, repair or replacement of the Common Elements, expenses declared as Common Expenses by the Association documents, and expenses agreed upon as Common Expenses by the Owners. Common Expenses are funded by Assessments against the Units as provided in the Declaration, including default Assessments for Rules violation fines, late fees, Common Element repairs, insurance deductibles, attorney fees, interest or other charges imposed under the Association documents.

3. When Assessments are Due. Unless otherwise directed by the Executive Board, regular Assessments are billed, or invoiced, to each Owner in monthly installments. Assessments are due as billed and invoiced on the first day of each month, and shall be paid prior to the end of the month for which they are billed. Special Assessments are due, in full, in accordance with the billing for same. Assessment invoices are deemed received by the Owner no later than ten (10) days after such invoices are mailed. Any Other Fee is due and payable no later than on the last day of the month after said Other Fee was levied and invoiced against a Unit Owner. Payments shall be deemed received and shall be posted on the date the payment is received by the Association’s managing agent. Any Assessment or Other Fee that is not paid

within the time frame described for such payment in this paragraph 3 shall be deemed delinquent.

4. Where to Send Payments. Owners shall mail or deliver all payments to the Association as follows:

Mailing Address:

The Corral at Breckenridge Association
P.O. Box 1745
Breckenridge, CO 80424

Delivery Address:

The Corral at Breckenridge Homeowners Association
84 Broken Lance Drive.
Breckenridge, CO 80424

Owners may also arrange for payments of assessments and any and all other sums due the Association to be paid by Automated Clearing House (ACH) direct debit transfers or by automatic Electronic Funds Transfers (EFT).

5. Late Charges. A late charge in an amount equal to ten percent (10%) of the Assessment due (“Late Charge”) shall be imposed for any Assessment or Other Fee not paid as required by the provisions of paragraph 3 above without further notice to the Unit Owner. An additional Late Charge in the amount of fifty dollars (\$50.00) shall be imposed for any Assessment or Other Fee that remains unpaid after the end of the calendar month following the month in which such Assessment was billed or invoiced without further notice to the Unit Owner.

6. Interest. If any Assessment or Other Fee is not paid in accordance with the requirements of paragraph 3 above, interest at the rate of eighteen percent (18%) per annum on the delinquent Assessment or Other Fee (“Interest”) shall accrue from the date the Assessment or Other Fee became delinquent until paid in full without further notice to the Unit Owner. Such Interest is a personal obligation of the Unit Owner and a lien against the Unit.

7. Suspension of Rights. If any Assessment or Other Fee is not paid within sixty (60) days of the date that the Assessment or Other Fee became delinquent, the Unit Owner’s voting rights shall be automatically suspended without further notice to the Unit Owner.

8. Return Check Charges. If any check or other instrument payable to or for the benefit of the Association is not honored by the issuer’s bank or is returned by the issuer’s bank for any reason, including, but not limited to insufficient funds, the Unit Owner is liable to the Association for one of the following amounts, at the option of the Association:

A. An amount equal to the face amount of the check, draft, or money order plus a return check charge of twenty dollars (\$20.00); or

B. If notice has been sent as provided in C.R.S., § 13-21-109 and the total amount due as set forth in the notice is not paid within fifteen (15) days after such notice is given, the person issuing the check, draft or money order shall be liable to the Association for collection of three (3) times the face amount of the check, but not less than one hundred dollars (\$100.00).

C. Any returned check shall cause an account to be delinquent if full payment of the installment of the Assessment or any Other Fee is delinquent. If two (2) or more of a Unit Owner's checks are returned unpaid by the Unit Owner's bank within any fiscal year of the Association, the Association may require that all of the Unit Owner's future payments, for a period of one (1) year, be made by certified check, money order, or, if applicable, in accordance with the terms and provisions of paragraph 9 below.

9. Habitual Delinquency. An Owner that is more than sixty (60) days delinquent on three or more Assessment installment payments in any twelve (12) month period will be considered habitually delinquent. The Board may require habitually delinquent Owners to arrange for future installment payments to be made to the Association by Automated Clearing House (ACH) direct debit transfers or automatic Electronic Funds Transfer (EFT). The Board may not require an Owner to make ACH transfers for a term longer than twelve (12) consecutive months, unless the Owner requests to continue paying installments of Assessments by ACH or EFT transfers.

10. Acceleration and Deceleration of Assessments. The Board reserves the right to accelerate and call due the entire unpaid annual or special Assessment of any delinquent account. Such acceleration will result in the entire unpaid Assessment being due to the Association immediately. The Board also reserves the right to decelerate any accelerated Assessment.

11. Appointment of a Receiver. The Association may seek the appointment of a receiver if an Owner becomes delinquent in the payment of Assessments for four (4) consecutive months pursuant to the Declaration and Colorado law. A receiver is a disinterested person, appointed by the court that 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 property.

12. Attorney Fees. The Association shall be entitled to recover its reasonable attorney fees and collection costs incurred in the collection of Assessments or Other Fees due the Association from a delinquent Unit Owner pursuant to the terms of the Declaration, Bylaws, this Collection Policy, and Colorado law. Attorney fees and costs incurred by the Association shall be considered part of the Assessment or Other Fee, and shall be due and payable immediately

when incurred, upon demand, regardless whether an action is commenced. Such attorney fees are a personal obligation of the Unit Owner and a lien against the Unit.

13. Application of Payments. All payments received on account of any Unit Owner or his or her Unit, shall be applied first to post-judgment attorney's fees, costs and expense; then to costs and attorney's fees not reduced to judgment; then to Interest; then to Late Charges; then to return check charges; then to Other Fees levied pursuant to the Declaration, Bylaws, Association rules, regulations or policies, this Collection Policy, or Colorado law; then to delinquent Assessments; then to current Assessments not reduced to judgment; and finally to amounts reduced to judgment.

14. Notice of Delinquency. Before the Association may refer a delinquent account to a collection agency or the Association's attorney for legal action, the Association must send the Unit Owner a notice of delinquency ("Notice of Delinquency") stating and providing the following (a sample form of the Notice of Delinquency is attached as Exhibit A):

A. The total amount due to the Association as of the date of the Notice of Delinquency;

B. Provide an accounting detailing how the total amount due was calculated;

C. Stating whether the Unit Owner is qualified to enter into a Payment Plan, as defined below, and, if so, instructions for contacting the Association to enter into such a Payment Plan;

D. The name and contact information for the individual the Unit Owner may contact to request a copy of the Unit Owner's ledger in order to verify the amount of the debt to the Association;

E. A statement that action by the Unit Owner is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Unit Owner's delinquent account being turned over to a collection agency or the Association's attorney, a lawsuit being filed against the Unit Owner, the filing and foreclosure of a lien against the Owner's Unit, the appointment of a receiver, or other remedies available under Colorado law;

F. The method by which payments received may be applied on the delinquent account; and

G. The legal remedies available to the Association to collect on the Unit Owner's delinquent account pursuant to the governing documents of the Association and Colorado law.

15. Payment Plan.

A. Upon a Unit Owner becoming delinquent with respect to any Assessment or Other Fee, the Association shall make a good-faith effort to coordinate with the Unit Owner to set up a payment plan (“Payment Plan”). The Payment Plan negotiated between the Association and Unit Owner must permit the Unit Owner to pay off the deficiency in equal installments over a period of at least six (6) months. (A sample form of the Payment Plan is attached as Exhibit B).

B. The Association is not required to coordinate/negotiate a Payment Plan with a Unit Owner: (i) who has previously entered into a Payment Plan under this Collection Policy; or (ii) who does not occupy the Unit and has acquired the Unit as a result of a default of a security interest encumbering the Unit or foreclosure of the Association’s lien.

C. The Association is permitted to pursue legal action against a Unit Owner if such Unit Owner fails to comply with the terms of a Payment Plan. For purposes of this Collection Policy, a Unit Owner’s failure to remit payment of an agreed-upon installment, or to remain current with regular Assessments as they come due during the Payment Plan period, constitutes a failure to comply with the terms of the Payment Plan.

16. Delegation of Authority to Sign Notice of Lien. The Executive Board may delegate authority to the Association’s managing agent or the Association’s attorney to sign and acknowledge the Notice of Assessment Lien and its release, if any. This delegation may be withdrawn at any time. In the event the delegation is withdrawn, the Executive Board will send written notice to the Association’s managing agent or attorney, whichever is applicable, of the withdrawal.

17. Notices: Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or demand letter or notice to be sent to a delinquent Unit Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail and/or electronic mail.

18. Referral of Delinquent Accounts. The Association may not use a collection agency or take legal action to collect delinquent Assessments or Other Fees unless the Association has followed this Collection Policy. The Association may, in its sole discretion, refer a delinquent account to the Association’s attorneys. Upon referral of a delinquent account to the Association’s attorneys, the attorneys shall take appropriate action to collect the accounts referred. After an account has been referred to the Association’s attorney, the account shall remain with the attorney until the account is settled, has a zero balance or is written off. The Association’s attorney, in consultation with the President of the Association or other person designated by the Executive Board, is authorized to take whatever action is necessary, and believed to be in the best interest of the Association, including, but not limited to:

A. Filing a lien against the delinquent Unit Owner's Unit to provide record notice of the Association's claim against the property, if not already filed;

B. Filing suit against the delinquent Unit Owner for a money judgment. The purpose of obtaining a personal judgment against the Unit Owner is to allow the Association to pursue remedies such as garnishment of the Unit Owner's wages or bank account to collect judgment amounts;

C. Instituting a judicial action of foreclosure on the Association's lien. The Association may choose to foreclose on its lien in lieu of or in addition to suing a Unit Owner for a money judgment. The purpose of foreclosing is to obtain payment of all Assessments and/or Other Fees owing in situations where either a money judgment lawsuit has been or is likely to be unsuccessful or in other circumstances that may favor such action. The Association may foreclose its lien only if:

(i) The balance of delinquent Assessments, Other Fees, Late Charges, Interest, and attorneys' fees and costs equals or exceeds six (6) months of common expense Assessments based upon a periodic budget adopted by the Association; and

(ii) The Executive Board has formally resolved, by a recorded vote, to authorize the filing of a legal action against the Owner's Unit on an individual basis. The Executive Board may not delegate this duty to vote to any attorney, insurer, manager, or other person.

D. Filing necessary claims, documents, and motions in Bankruptcy Court to protect the Association's claim; and

E. Filing a court action seeking appointment of a receiver. A receiver is a disinterested person, appointed by the court, who manages rental of the Owner's Unit, and collects 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 waste and deterioration of the property.

19. Notification to and Communication with Unit Owners. This Collection Policy shall be made available to all Unit Owners by the Association as required by Colorado law. After a delinquent account has been referred to the Association's attorney, all communication with the delinquent Unit Owner shall be handled through the Association's attorney until such time as the delinquent account has been either paid or resolved through agreement. So long as the account is delinquent and unresolved, neither the Association's managing agent, if any, nor any member of the Executive Board shall discuss the collection of the account directly with a Unit Owner after it has been turned over to the Association's attorney, unless the attorney is

present or has consented to the contact. However, the Association has the option and right to continue to evaluate each such delinquency on a case by case basis.

20. Certificate of Status of Assessment/Estoppel Letter. The Association shall furnish to a Unit Owner or such Unit Owner's designee upon written request made in accordance with C.R.S. § 38-33.3-316(8) a written statement setting forth the amount of unpaid Assessments currently levied against the Owner's Unit. The statement shall be delivered within fourteen (14) calendar days after receipt of the request. If the Unit Owner's account has been turned over to the Association's attorney, such statement shall be handled through the Association's attorney and shall include any attorney fees incurred in providing the statement. No person or entity shall qualify as a Unit Owner's designee, for purposes of this paragraph 20 or under C.R.S. 38-33.3-316(8), unless the Unit Owner has notified the Association, in writing, of the name and address of such Unit Owner's designee for such purpose.

21. Bankruptcies and Public Trustee Foreclosures. Upon receipt of any notice of a bankruptcy filing by a Unit Owner, or upon receipt of a notice of a foreclosure by any holder of an encumbrance against any Unit within the Association, the Association may advise the Association's attorney of the same and turn any delinquent Assessment account over to the Association's attorney.

22. Waivers. The Association may extend the time for the filing of lawsuits and liens, and may otherwise modify the procedures contained herein, as the Association determines to be appropriate under the circumstances so long as such extension or modification complies with Colorado law. Failure of the Association to require strict compliance with this Collection Policy shall not be deemed a waiver of the Association's right to require strict compliance and shall not be deemed a defense to payment of Assessment fees or Other Fees, Late Charges, Interest, return check charges, attorney fees and/or costs as described and imposed by this Collection Policy.

23. Amendment. The foregoing Collection Policy is subject to amendment as more fully provided for in the Bylaws of the Association.

Certification

The undersigned certifies that the foregoing Collection Policy was adopted by the Executive Board of The Corral at Breckenridge Homeowners Association as of the 9th day of August, 2014.

_____, Secretary

EXHIBIT A

NOTICE OF DELINQUENCY

Owner

Mailing Address

City, State Zip

Sent via First Class Mail, Certified Mail - Return Receipt Requested

and email to: email@address.com

**Re: [Insert Property Address]
Unit___, The Corral at Breckenridge**

Dear Mr./Mrs./Ms. Owner:

This letter is to notify you that you are delinquent in paying Assessments due to The Corral at Breckenridge Homeowners Association (the "Association"). As agent for the Association, we are authorized to collect the debt owed to the Association pursuant to the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for The Corral at Breckenridge, the Bylaws of the Association, and the Association's Collection Policy (collectively "Association Documents").

As of [date of letter], the total amount of the debt you owe to the Association is \$_____. Attached to this Notice is an accounting detailing how the total amount due was calculated.

The Association requests that you forward a certified or cashier's check, payable to the Association, in the amount of \$_____ within 30 days of this notice. Payment may be mailed or delivered to the Association as follows:

Mailing Address:

The Corral at Breckenridge Homeowners Association
P.O. Box 1745
Breckenridge, CO 80424

Delivery Address:

The Corral at Breckenridge Homeowners Association
84 Broken Lance Drive
Breckenridge, CO 80424

You must cure the delinquent amount by lump sum payment or by entering into a written payment plan. Please contact the Association's Managing Agent, CAB Management, Inc., at (970) 547-1400 to verify the amount owed or to discuss entering into a payment plan with the Association. Pursuant to the Governing Documents, payments will be applied in the following order: shall be applied first to post-judgment attorney's fees, costs and expense; then to costs and attorney's fees not reduced to judgment; then to Interest; then to Late Charges; then to return check charges; then to Other Fees levied pursuant to the Declaration, Bylaws, Association rules, regulations or policies, this Collection Policy, or Colorado law; then to delinquent Assessments; then to current Assessments not reduced to judgment; and finally to amounts reduced to judgment. The Association will pursue all remedies available to it under the Governing Documents and applicable law if you fail to cure the delinquency.

If the total delinquent amount is not cured within 30 days, either by payment in full or by entering into a written payment plan, the Association may record a lien against the Property with the Summit County Clerk and Recorder and the account may be turned over to the Association's attorney for collection. Additionally, if the delinquency remains unpaid, the Association is entitled to the following remedies: acceleration of the entire annual or special Assessment, suspension of voting rights, suspension of privileges and access to amenities, appointment of receiver, judgment and/or foreclosure. You will be responsible for continuing late fees, interest, collection costs and attorney's fees incurred due to the Association's collection efforts.

Please contact us with any questions you may have regarding this matter.

The Association is not a collection agency and neither the Association nor CAB Management, Inc., the Association's Managing Agent, consider CAB Management, Inc. to be a collection agency. However, certain disclosures and notifications concerning your rights and duties in this matter have been placed on the next page of this notice.

**FOR INFORMATION ABOUT THE COLORADO FAIR DEBT
COLLECTION PRACTICES ACT, SEE WWW.AGO.STATE.CO.US/CAB.HTM**

Sincerely,

THE CORRAL AT BRECKENRIDGE
HOMEOWNERS ASSOCIATION
By: CAB Management, Inc.

By: _____
_____, its _____

NOTICE AND DISCLOSURE

1. The amount of debt you owe is \$_____ through _____, _____, plus costs of collection.
2. The name of the creditor to whom you owe the debt is The Corral at Breckenridge Homeowners Association.
3. Unless you dispute the validity of the debt or any portion thereof within 30 days after receipt of this notice, we shall assume the debt to be valid.
4. If you notify us in writing within this 30-day period that you dispute this debt or any portion thereof, we will obtain verification of the debt or judgment, if one exists, and will mail you a copy.
5. Upon your written request within the 30-day period we will provide you with the name and address of the original creditor, if different from the current creditor.
6. If you notify our office in writing within the 30 day period that the debt, or any portion thereof, is disputed, we will cease collection of the debt, or any disputed portion thereof, until we obtain verification of the debt or a copy of the judgment or the name and address of the original creditor and we will mail a copy of such verification or judgment to you.
7. Your failure to dispute the validity of the debt shall not be construed by a court as an admission of liability by the consumer.
8. If you refuse to pay the debt or you wish our office to cease further communication and you so advise our office in writing, we shall not communicate further with you except:
 - A. To advise you we intend to invoke specified remedies permitted by law or that we may invoke specified remedies which we ordinarily invoke;
 - B. To advise you our efforts are being terminated.
9. This is an attempt to collect a debt. Any information obtained will be used for that purpose.
10. Collection agencies are licensed by the collection agency board. The board's current address is Office of the Colorado Attorney General, Collection Agency Board, 1525 Sherman Street, 5th Floor, Denver, Colorado 80202.
11. Consumers shall not send any payments to the collection agency board.

EXHIBIT B

THE CORRAL AT BRECKENRIDGE HOMEOWNERS ASSOCIATION

PAYMENT PLAN AGREEMENT FOR DELINQUENT ASSESSMENT

This PAYMENT PLAN AGREEMENT FOR DELINQUENT ASSESSMENT (the "Agreement") is made between The Corral at Breckenridge Homeowners Association, a Colorado non-profit corporation, through its Managing Agent, (the "Association"), and [insert Owner's name as it appears in Public Record] _____, [insert mailing and email addresses] _____, (the "Owner").

RECITALS

A. The Association is a Colorado nonprofit corporation formed to represent the interests of The Corral at Breckenridge as provided in the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for The Corral at Breckenridge recorded on November 6, 2013, at Reception No. 1041297 in the Summit County records, as amended (the "Declaration"), County of Summit, State of Colorado (the "Declaration"). The Owner owns Unit _____, The Corral at Breckenridge, County of Summit, State of Colorado, and is subject to the Declaration.

B. The Association is owed the following Assessments, pursuant to the Declaration and the Association's Collection Policy.

Description Of Charges	Balance Due
Delinquent Assessments from DATE to DATE	\$ _____
Late Charges to DATE	\$ _____
Interest to DATE	\$ _____
Attorney Fees since _____	\$ _____
TOTAL	\$ _____

C. The Owner and Association desire to provide a payment plan for Owner to cure the Assessment delinquency upon the terms set forth in this Agreement.

IT IS THEREFORE AGREED AS FOLLOWS:

AGREEMENT

1. Payment. The Owner agrees to pay the delinquent Assessment in the total amount of \$ _____ as follows:

a. Six (6) equal installment payments of \$_____, which must reach the office of the Association's Managing Agent by the [insert day] of each month, starting _____, 20__ and ending _____, 20__.

b. All payments must be mailed or delivered to the following address:

Mailing Address:

The Corral at Breckenridge Homeowners Association
P.O. Box 1745
Breckenridge, CO 80424

Delivery Address:

The Corral at Breckenridge Homeowners Association
84 Broken Lance Drive
Breckenridge, CO 80424

c. The Owner further agrees to pay in full and on time all Assessments becoming due under this Agreement, and under the Association's governing documents, including all future monthly Assessments which are currently in the monthly amount of \$_____.

d. The delinquent Assessments due under this Agreement will accrue interest at the rate of 18.0% per annum from the date of this Agreement until paid in full.

e. So long as the Owner is in compliance with the terms of this Agreement the Association will be not pursue any further collection remedies or incur additional costs.

2. Default/Acceleration of Assessments. If the Owner does not pay all Assessments and interest as provided in this Agreement the Owner will be in default. In the event of default the Association may declare all Assessments due under this Agreement, plus future Assessments for the remainder of the fiscal year, accumulated interest, Late Charges, and attorney's fees due.

3. Enforcement/ Entry of Judgment. If the Owner defaults, without further notice the Association may file this Agreement in the Summit County Court and obtain judgment in the total amount then due and owing under this Agreement, including all Assessments, accumulated interest, late fees, attorney's fees, costs and expenses incurred by the Association, plus attorney's fees and other collection costs and expenses incurred by the Association. The Owner and the Association agree that the Association is not waiving any rights it may have under the Declaration or Collection Policy if payments are not made as provided above. Upon Owner's default this Agreement may be recorded in the Summit County Colorado Clerk & Recorder's office.

4. Review and Voluntary Agreement. By executing this document each party represents that he/she/it has had the opportunity to review this Agreement with an attorney, has fully read, understands and voluntarily accepts the terms and conditions contained herein.

5. Counterpart Execution. This Agreement may be executed by electronic signature in counterpart by the parties, which parts when taken together shall constitute a binding agreement.

6. Entire Agreement. This Agreement contains the entire agreement of the parties, and no promise, agreement, statement or representation not herein expressed has been made to or relied upon by them in entering into this Agreement.

7. No Oral Modifications. This Agreement may not be amended, modified, or extended except by a written instrument executed by both the parties.

8. Severability. In the event that a court of competent jurisdiction enters a final judgment holding invalid any material provision of this Agreement, the remainder of the Agreement shall be fully enforceable.

OWNER:

_____ Date: _____
_____ Date: _____

ASSOCIATION:

THE CORRAL AT BRECKENRIDGE HOMEOWNERS ASSOCIATION

By: _____ Date: _____

Printed Name

Its: _____