

Durango Mountain Master Association Delinquency Control Policy

The Durango Mountain Master Association (“DMMA” or “Association”) will advise owner(s) of their annual dues (Property Assessment and Durango Mountain Club) on or about May 1st of each year. This annual assessment becomes due and payable within (thirty) 30 days of the date of each annual billing and will be considered delinquent if not received by DMMA on or before that date.

Upon DMMA’s determination of delinquency, a letter will be mailed to the owner(s) giving notice of the delinquency status. Once an account is considered delinquent, all privileges, including voting rights and access to DMMA club and amenities, will be revoked and shall not be reinstated until the account is brought current and the full amount of the monies due is received.

Payment is considered received when one of the following criteria is met:

1. It is delivered to the bank specified by the DMMA in its letter; or
2. It is delivered by noon to the DMMA offices located at 327 S. Camino del Rio, CO 81303; or
3. It is delivered to the DMMA by the US Postal Service or another mail delivery or courier system by 5:00 PM (the close of business).

Note: If the due date falls on a weekend or on a State or Federal holiday, delivery on the next business day will be considered timely.

Should an account become delinquent by (sixty) 60 days, a second letter will be mailed to the owner(s) and a \$10.00 administrative collection fee will be assessed in addition to a late charge of 5.0% of the sum of the regular assessment. In addition, any and all outstanding balances will be subject to interest of 12.0% per annum (compounded monthly from the original due date). The same receipt rules for payment shall apply (as stated above).

If payment in full (including any late fee, interest and administrative charge) is not received by (ninety) 90 days from the original due date, the account will be turned over to the DMMA’s Attorney or Collection Company as chosen by its Board of Directors. The delinquent owner(s) will be sent a certified letter initiating a Pre-Lien notice. All reasonable attorney fees imposed upon the DMMA by its Attorney and/or the Collection Company will be charged to and collected from the delinquent owner(s). Once an account is turned over to collection, neither the bank nor the Association will have authority to accept payment from the delinquent owner(s). If the bank or the Association mistakenly accept such payment, the payment will be deemed null and will be returned to the owner(s) via certified mail. All payments must be made directly to the DMMA’s Attorney or its Collection Company and only those will be considered properly made.

Any check returned to the Association by the bank for insufficient funds, stop payment or any other reason, will be charged back to the owner(s) and the Association will assess the owner(s) a \$25.00 administrative fee in addition to the bank’s fees. If the account has been turned over to

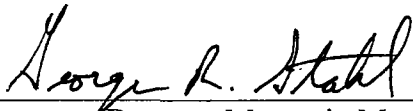
the DMMA's Attorney or its Collection Company for collection and a check is returned, the owner(s) account will be assessed administrative fees charged by the Agent.

The Association shall be entitled to recover reasonable costs incurred as a result of collecting and/or attempting to collect delinquent assessments including, but not limited to, Attorneys' fees, collection fees, late charges, interest, lien and costs, litigation guarantee, and any and all other costs of collection. Any or all of these costs are subject to interest accrual after thirty (30) days.

If the owner(s) does/do not pay the account in full (along with any and all legal or collection fees) an assessment lien will be filed. Doing so initiates the process of Notice of Default and non-judicial foreclosure.

The Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds just cause to do so.

Signed:



Secretary, Durango Mountain Master Association

3/4/09
Date