THE VINEYARDS AT VISTA SAN JUAN HOMEOWNERS ASSOCIATION I
COLLECTIONS POLICY

Adopted by the Board of Directors: September 15, 2026

Effective: November 1, 2026

The following Policy has been adopted by **The Vineyards at Vista San Juan Homeowners Association I**, a Colorado nonprofit corporation (Association), pursuant to the provisions of the Colorado Common Interest Ownership Act (CCIOA), C.R.S. § 38-33.3-101 et seq., at a regular meeting of the Board of Directors (Board) for the benefit of the Association and its owners or members (Owner(s)).

Purpose: To adopt policies and procedures to address the collection of past due assessments, fines, fees, and any other amounts owed to the Association by Owners.

NOW, THEREFORE, IT IS RESOLVED that the Association does hereby adopt the following Policy to govern the collection of assessments, fines, fees, and other amounts owed to the Association by Owners:

1. Prompt Payment: Prompt payment of assessments, fines, and fees by all Owners is critical to the financial health of the Association. It is in the best interest of the Association to adopt these policies and procedures, and, in accordance herewith, refer delinquent accounts promptly to its attorney for collection so as to minimize the Association's loss of revenue. For purposes of this Policy, "Payment" means payment that is received by the Association, able to be deposited, and honored in full by a financial institution.

2. Owner Contact Information: To facilitate collection efforts of the Association, each Owner must provide the Association, in writing, with the following information (Owner Contact Information):

    a. The Owner's preferred mailing address for receiving mail from the Association;

    b. The Owner's preferred email address for receiving emails from the Association;

    c. The Owner's preferred cell phone number for receiving text messages from the Association;

    d. The Owner's preferred telephone number for receiving phone calls from the Association;

    e. The Owner's preferred language for notices and other correspondence from the Association; and

    f. If desired, a designated contact person to be contacted on the Owner's behalf (Owner Representative).

The Association may periodically request from all Owners, and maintain in the Association's records for purposes of providing notice to the Owners as required by CCIOA, a telephone number for phone calls, a cellular number for texts, an email address for emails, and a preferred mailing address for receiving mail from the Association.

3. Association Records: The Association shall maintain records of the Owner Contact Information provided by an Owner, as well as a record of all contacts between the Association and the Owner in regard to an Owner's delinquent account, including the type of communication, the date of the communication, and the time of the communication.

4. Monthly Billing and Due Dates: The monthly installments of the annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable on the fifth (5th) day of each month. If desired, Owners may make advance payment towards the annual assessment by paying several months in advance, or paying the entire year in advance, so long as Owner notifies the Association in a contemporaneous writing that such payment is an advance towards the Owner's annual assessment. Assessments, fines, fees, or other charges not paid in full to the Association within fifteen (15) days of the due date shall be considered past due and delinquent. **If a payment remains unpaid for thirty (30) days after its due date, the Association may accelerate and declare immediately due the remaining unpaid installments of the Owner's annual assessment for that fiscal year, in accordance with Declaration Article VIII, Section 9.** Payments are considered to be made when the payment is physically received by the Association and is able for the receiving financial institution to process the payment.

5. Collection Process: Upon delinquency, the Association shall proceed as follows:

   a. ***Notice of Delinquency***: After a monthly installment of the annual assessment, fine, fee, or other amount due to the Association becomes delinquent, the Association shall provide a notice of delinquency (Notice of Delinquency) to the Owner or Owner Representative via Certified mail, return receipt requested, for which the Association may charge the Owner the actual cost of the certified mailing.

   In addition, the Association shall contact the Owner or Owner Representative by at least two of the following means, based on the information the Association has on file:

      (a) Telephone call to a telephone number that the Association has on file because the Owner or Owner Representative provided the number to the Association. If the Association attempts to contact the Owner or Owner Representative via telephone but is unable to reach them, the Association shall, if possible, leave a voice message;

(b) Text message to a cellular number that the Association has on file because the Owner or Owner Representative provided it to the Association; or

(c) Email to an email address that the Association has on file because the Owner or Owner Representative provided it to the Association.

The Notice of Delinquency may be made by the Association, its attorney, or any community association manager or property management company or other agent designated by the Association. The notice must be sent in English and the language that the Owner has previously indicated a preference for, if any. The notice must include:

i) A statement specifying whether the delinquency concerns unpaid assessments, unpaid fines, fees, charges, or a combination of the foregoing. If the notice concerns unpaid assessments, the notice must notify the Owner that unpaid assessments may lead to foreclosure;

ii) The total amount due to the Association along with an accounting showing how the total amount was determined;

iii) Advise the Owner whether they are qualified to enter into a payment plan, the details of the payment plan outlined in Section 10 of this Policy, and provide instructions for contacting the Association to enter into the payment plan;

iv) The name and contact information for an individual the Owner may contact to request a copy of the Owner's ledger in order to verify the amount of the debt owed to the Association;

v) A statement indicating that action is required to cure the delinquency and that failure to do so within thirty (30) days may result in the Owner's delinquent account being turned over to an attorney, a collection agency, the filing of a lawsuit against the Owner, the filing and foreclosure of a lien against the Owner's property (if the unpaid amounts include assessments), the sale of an Owner's unit at auction to pay delinquent assessments, which could result in the Owner losing some or all of the Owner's equity in the unit, or other remedies available under Colorado law, including revoking the owner's right to vote, right to use common amenities, and the termination of services;

vi) Notice of the late fees and interest that may accrue;

vii) A description of the steps the Association will take before legal action may be taken against the Owner, including, for unpaid fines, any cure processes that apply under the Association's Enforcement Policy;

viii) A description of what legal action the Association may take against the Owner, including the types of matters that may be taken to small claims court or for which the Association may seek injunctive relief requiring the Owner to comply with the Association's Governing Documents;

b. ***Filing of Lien***: If (a) thirty (30) days have elapsed since the Association delivered the Notice of Delinquency to an Owner in compliance with Section 5(a), (b) the Owner has not entered into a payment plan with the Association for amounts owed, and (c) the Owner's account remains delinquent, the Association may file a lien on the Owner's Lot or Unit. The Association shall provide an Owner with notice within a reasonable time after such lien has been filed.

c. ***Referral to Collection Agency or Attorney***: If (a) thirty (30) days have elapsed since the Association delivered the Notice of Delinquency to an Owner in compliance with Section 5(a), (b) the Owner has not entered into a payment plan with the Association for amounts owed or has defaulted on a payment plan, and (c) the Owner's account remains delinquent, the Board may refer the Owner's delinquent account to an attorney or collection agency. However, the Association may only refer a delinquent account or payment plan in default to an attorney or collection agency if a majority of the Board votes to refer the matter in a recorded vote at an executive or open meeting. Upon referral to the Association's attorney or collection agency, the attorney or collections agency shall consult with the Association to determine what collection procedures are appropriate. After an account has been referred to an attorney or collection agency, the account shall remain with the attorney or collection agency until the account is settled, has a zero balance, or is written off.

6. Schedule of Notices: The Association shall use the following table for delinquent accounts:

Due Date for Assessments (date payment is due)	5th day of each month
Due Date for Fines, Fees, and other Charges (date payment is due)	30 days after Notice of Delinquency
Past Due Date for Assessments, Fines, Fees, and other Charges (date payment is late if not received on or before that date)	15 days after Due Date.
Notice of Delinquency	15 days after Due Date.
File Lien	30 days after Notice of Delinquency.
Delinquent account turned over to the Association's attorney.	30 days after Notice of Delinquency.

7. Monthly Notice For Delinquent Accounts and Statement of Account: On a monthly basis, by first-class mail and email, to any Owner with a delinquent account, the Association shall send an itemized list of all assessments, fines, fees, and other charges due to the

Association. At any time, an Owner may request a statement of account (i.e., a ledger) detailing any amounts the Owner owes the Association, which must be provided to the Owner no later than seven business days after receipt of the Owner's request. The Association shall not assess a fee or other charge for providing a statement of account to an Owner.

8. Late Fees: The Association shall impose, on a monthly basis, a fifty dollar ($50.00) late fee for any assessment, fine, fee, or other amount past due. The late charge shall be a "common expense" for each delinquent Owner. Additionally, an Owner's assessment, fine, or fee balance held by the Association is subject to an eight percent (8%) per annum interest fee on the amount owed for each Owner who fails to timely pay the balance. The late fees shall be the personal obligation of the Owner(s) for which such assessment or installment is unpaid. All late charges shall be due and payable immediately in the manner provided in the Declaration (and as set forth herein) for payment of assessments, fines, fees, or other amounts owed to the Association.

The $50 late fee reflects the Association's actual administrative cost of processing a delinquent account, as documented by the Association's bookkeeper. This charge is authorized by C.R.S. § 38-33.3-302(1)(k); it is a cost-recovery charge, not a penalty, and the Board reviews the amount periodically against actual processing cost.

9. Returned Check Charges: In addition to any and all charges imposed under the Declaration, Articles of Incorporation, Bylaws, Rules and Regulations, Policies, or Procedures, a returned payment fee of seventy-five dollars ($75.00) shall be assessed on an Owner in the event any attempted payment is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Returned payment charges shall be the obligation of the Owner(s) for which payment was tendered to the Association for payment of sums due under the Association's Governing Documents. If two or more of an Owner's payments are returned unpaid or otherwise not honored by the bank within any fiscal year, the Association may require that all the Owner's future payments for a period of one (1) year be made by certified check or money order. This return payment charge shall be in addition to any late fees incurred by an Owner. Any returned payment shall cause an account to be past due if full payment of the monthly installment of the annual assessment, fine, or fee is not timely made within thirty (30) days of the due date.

10. Payment Plan: If qualified to do so, an Owner who becomes delinquent in payment of assessments, fines, fees, or other amounts due to the Association, may enter into a payment plan with the Association, over a period of eighteen (18) months. Under the payment plan, the Owner may choose the amount to be paid each month, so long as each payment is at least twenty-five dollars ($25.00) and the payment covers, within the time frame of the payment plan, the full balance of all past due, presently due, and will

become due during the course of the payment period. The Owner may elect to pay the remaining balance due at any time during the payment plan. Such payment plan shall be offered to each Owner prior to the Association referring any account to an attorney or collection agency. The Owner will be deemed to default on the payment plan if the Owner fails (a) to pay three (3) or more of the agreed upon installments within fifteen (15) days after the monthly installments were due or (b) to remain current with regular assessments as they come due during the pendency of the payment plan. In the event that the Owner defaults on the payment plan, the Association may, without additional notice, refer the delinquent account to an attorney or collection agency for collection action. Each Owner is qualified to enter a payment plan, unless:

a. The Owner does not occupy the property and acquired title to the property by foreclosure of a security interest encumbering the property or foreclosure of the Association's lien; or

b. The Owner has previously entered into a payment plan with the Association.

11. Recovery of Attorney Fees and Collection Costs: As an additional expense permitted under the Declaration and by Colorado law, the Association shall be entitled to recover its reasonable attorney fees, actual costs, and actual collection costs incurred in the collection of assessments or other charges due the Association from a delinquent Owner, **not to exceed the lesser of five thousand dollars ($5,000.00), adjusted annually beginning August 1, 2025 in accordance with C.R.S. § 38-33.3-123(1)(a)(II), or fifty percent (50%) of the assessments and other amounts owed to the Association,** provided, however, that such fees shall only be recoverable after the Association has provided a Notice of Delinquency in accordance with this Policy. The reasonable attorney fees, actual costs, and actual collection costs incurred by the Association shall be due and payable immediately when incurred, upon demand.

12. Application of Payments: All sums collected on a delinquent account shall be remitted to the Association's treasurer, manager, or attorney, as directed to Owner by the Association, until the account is brought current. All payments received on account of any Owner or the Owner's property shall be applied first to the assessments owed and any remaining amount to the fines, fees, or other charges owed, in the following order: 1) attorney fees or costs; 2) amounts reduced to judgment; and 3) interest, late charges, returned check charges, lien fees, and any other fines, fees, or costs owed.

13. Legal Remedies: The Association may pursue any and all legal remedies available to the Association by Colorado law or the Association's Governing Documents for collection on any delinquent account, including, without limitation: (a) recording a lien against the delinquent Owner's property; (b) filing a suit against the delinquent Owner for a money judgment; (c) instituting a judicial foreclosure action of the Association's lien, upon approval by the Association's Board of Directors; (d) filing the necessary claims,

documents, and motions in bankruptcy court in order to protect the Association's interests; (e) filing a court action seeking appointment of a receiver; and (f) garnishment and attachment. **Until an Owner has paid all delinquent assessments in full, the Association may suspend the Owner's right to vote based on unpaid assessments; a delinquency consisting solely of unpaid fines or fees does not suspend voting rights under this Policy and is instead addressed under the Association's Enforcement Policy.** Any party seeking to enforce its rights under the Declaration, Bylaws, Covenants, Policies, Procedures, Rules, Regulations, or other governing documents of the Association pursuant to this Collections Policy for disputes regarding assessments, fines, or fees owed to the Association for seven thousand five hundred dollars ($7,500.00) or less, exclusive of interest and costs, may file a claim in small claims court.

14. HOA Information & Resource Center: Pursuant to C.R.S. §§ 12-10-801 and 38-33.3-209.5, the Colorado HOA Information & Resource Center (https://dre.colorado.gov/hoa-center) serves as a resource for consumers to understand their basic rights and responsibilities under the Colorado Common Interest Ownership Act. Please visit the HOA Information & Resource Center for free online information relating to the collection of assessments by the Association, including the Association's ability to foreclose an Association lien for unpaid assessments and force the sale of the Owner's unit. Additionally, Owners may access online information from the U.S. Department of Housing and Urban Development concerning credit counseling before foreclosure through a link on the department of local affairs' website.

15. Annual Registration: The Association shall register annually with the Colorado Division of Real Estate, pursuant to the specific requirements of C.R.S. § 38-33.3-401.

16. Judicial Foreclosures:

    a. ***In General.*** The Association may choose to foreclose on its lien as outlined below and in accordance with Colorado law, except where the debt securing the lien consists only of fines or fees the Association has imposed on the Owner or reasonable attorney fees, actual costs, or actual collection costs incurred by the Association associated therewith. The Association shall consider individually each recommendation for a foreclosure, and may only approve a foreclosure action after the delinquency equals or exceeds six months of common expenses assessments based on a periodic budget adopted by the Association. **Such foreclosure shall not proceed unless approved by a recorded vote of the Board of Directors specifically authorizing foreclosure against the particular Owner's Lot or Unit; a general or blanket authorization to pursue delinquent accounts shall not satisfy this requirement.** Upon foreclosure, any individual or entity that was, for the five-year period preceding the purchase of a foreclosed unit, an Association Board member, the Association's management company, an employee of the

Association's management company, an employee of a law firm representing the Association, an immediate family member of any of the foregoing, or any business entity that was owned by or affiliated with such individual or management company, shall not be permitted to purchase the foreclosed unit. The Association must not commence a foreclosure proceeding for delinquent assessments unless the Association has followed all notice requirements provided in CCIOA and this policy, the Association has made a good faith effort, by written offer, to coordinate with the Owner for a payment plan, and within thirty (30) days after providing offer of payment plan, the Owner has either (a) declined the plan or (b) accepted the plan and failed to pay at least three (3) monthly installments within fifteen (15) days of the due date; and

i) The Association has either obtained a personal judgment against the Owner in a civil action to collect the amounts due, or attempted to do so but (a) was prevented by the death or incapacity of the Owner or (b) was unable to serve the Owner with process within 180 days; or

ii) The Owner either filed a bankruptcy petition or had a bankruptcy petition filed against them, and the amount due the Association is subject to the bankruptcy civil action.

(a) Sections 16(a)(i) and (ii), above, apply exclusively to units owned by an individual or individuals who occupy the unit as their principal residence, if any.

b. ***Notice to Owners.*** At least thirty (30) days before initiating legal action to foreclose a lien against an Owner, the Association shall provide written and electronic notice to the Owner or Owner Representative that:

i) the Owner has the right to engage in mediation prior to litigation ("Mediation Notice"):

(a) To initiate mediation, the Owner or Owner Representative must respond within thirty (30) days after receipt of the Mediation Notice.

(b) To participate in mediation, both parties must select a mutually agreeable mediator knowledgeable about the Colorado Common Interest Ownership Act and shall schedule the mediation session within thirty (30) days after Owner's receipt of the Mediation Notice. If an Owner fails to comply with this process, the Owner's right to mediation is waived.

ii) The Owner has the right to participate in credit counseling at the Owner's expense and that information relating to obtaining credit counseling and the consequences of foreclosure by an association is available through the HOA Information & Resource Center or through a link to the federal department of housing and urban development on the department of local affairs' website. Credit counseling may include:

(a) Discussion of amounts owed to the Association in unpaid assessments and related costs;

(b) The impact of foreclosure on the Owner's credit;

(c) Additional debt that may be incurred by the Owner if foreclosure by the Association is completed;

(d) Options available to the Owner to retain title to the unit or to remain in the unit; and

(e) Any other options that may be available to the Owner to avoid foreclosure.

iii) The Association intends to foreclose the lien under C.R.S. § 38-33.3-316, which notice must be sent in to the Owner or Owner Representative in English and the language that the Owner has previously indicated a preference for, if any, by certified mail, return receipt requested, and by at least two of the following means:

(a) Telephone call to a telephone number that the Association has on file because the Owner or Owner Representative provided the number to the Association. If the Association attempts to contact the Owner or Owner Representative via telephone but is unable to reach them, the Association shall, if possible, leave a voice message;

(b) Text message to a cellular number that the Association has on file because the Owner or Owner Representative provided it to the Association;

(c) Email to an email address that the Association has on file because the Owner or Owner Representative provided it to the Association; or

(d) Regular mail, if the Owner or Owner Representative has not provided a telephone number, cellular number, or email address as additional means by which to receive notices.

(i) For purposes of providing the Association's notice of intent to foreclose a lien against an Owner, if the Association does not already have the information, prior to sending the notice, the Association must request from the Owner or Owner Representative a telephone number for phone calls, a cellular number for texts, and an email address for emails.

iv) The notice of intent to foreclose the Association lien must inform the Owner that:

(a) The Association intends to file a lawsuit against the Owner's property and that, if the court forecloses on the lien, the court will order the sale of the unit at auction to pay the delinquent assessments due to the Association;

(b) Based on the sale price of the unit at auction, the Owner could lose some or all of the Owner's equity in the unit;

(c) The Owner has a right to participate in credit counseling prior to foreclosure, pursuant to C.R.S. § 38-33.3-316(10.3);

(d) The Owner has a right to participate in mediation with the Association prior to foreclosure, pursuant to C.R.S. § 38-33.3-316(10.7); and

(e) The Owner has access to, and instructions on how to access, free online information through the HOA Information & Resource Center relating to foreclosure by an Association, pursuant to C.R.S. § 38–33.3–209.5(5)(a)(V)(E).

c. ***Notice to Lienholders.***

i) At least thirty (30) days before initiating legal action to foreclose a lien against an Owner, the Association shall provide written and electronic notice to all lienholders identified in the Owner property records of the pending legal action for the foreclosure. The notice must include the amount of any outstanding assessment or other money owed.

ii) No later than five (5) business days after the Association initiates legal action to foreclose a lien against the Owner, the Association must provide written and electronic notice to all lienholders identified in the Owner property records of the right to cure the nonpayment pursuant to C.R.S. § 38–38–104 and the right of the Owner to file a motion to stay the sale of the property at auction pursuant to C.R.S. § 38–38–109.5.

17. No Defense or Offset: The Association's failure to comply with any provision in this Policy is not a defense to payments owed by an Owner, and an Owner may not withhold any amount due to the Association on the basis that the Owner is allegedly entitled to recover money or damages from the Association for some other obligation.

18. Supplement to Law: The provisions of this Policy shall be in addition to and in supplement of the terms and provisions of the Declaration and the law and the State of Colorado governing the Association.

19. Modification: The Board reserves the right, from time to time, to amend or repeal this Policy, subject to any limitations placed on the Board in the Governing Documents or by law.

20. <u>Definitions:</u> Unless otherwise defined in this Policy, capitalized terms shall have the same meaning ascribed by the Declaration.

21. <u>Replacement:</u> This Policy supersedes and replaces prior policies adopted by the Board dealing with the subject matter herein.

22. <u>Mailing Address:</u> Payment of assessments, fines, fees and other charges shall be made to:

    The Vineyards at Vista San Juan Homeowners Association I
    P.O. Box 966
    Montrose, CO 81402

The Vineyards at Vista San Juan
Homeowners Association I

By: /s/ Brad Hauger
Brad Hauger
President

This Policy was adopted by the Board of Directors on September 15, 2026, effective November 1, 2026, and it is attested to by the Secretary of The Vineyards at Vista San Juan Homeowners Association I.

/s/ Margaret McCaffrey
Margaret McCaffrey, Acting Secretary

Conformed copy. The signed original, dated September 15, 2026, is on file with the Association and available to any Owner on request.