

THE VINEYARD HOMEOWNERS ASSOCIATION
“COLLECTION OF UNPAID ASSESSMENTS” POLICY
Policy Amendment Effective: August 1, 2014

The purpose of this amendment is to change the late fees in order to adhere with Colorado Usury Laws. As the ONLY source of income for the HOA is monthly assessments, it is imperative that all homeowners pay their monthly assessments on time. This amended policy replaces the policy amendment dated February 1, 2014. The following is the amended policy in its entirety:

SUBJECT: Amendment to the Collection of Unpaid Assessments Policy

PURPOSE: To change late fees of assessments that are three (3) months and more past due from \$50.00/month to \$30.00/month in order to adhere with Colorado Usury Laws

AUTHORITY: Colorado Laws governing Homeowner Associations

EFFECTIVE DATE: August 1, 2014

RESOLUTION: The Vineyard Homeowners Association hereby adopts the following policy and procedure:

POLICY: It is vital to the effective administration of the Association that assessments and other charges owed by its members are paid in a timely manner. The Association must collect all assessments due in order to continue to provide services to the community. Collections shall be uniform and consistent.

PROCEDURE:

1. **“Past Due” Assessments:** Assessments are “past due” when they are not received by the first day of each month. This due date has been established in the Association’s Declaration of CC&Rs. All accounts that are past due will be reported to the Association’s Board of Directors by the Treasurer. A notice will be sent to the homeowner in arrears outlining the past due assessment(s), late fee(s) and, if applicable, any return check charges.
2. **“Reminder Notice”:** In order to provide the homeowner with an opportunity to prevent an assessment from becoming past due thereby incurring late fees, a “Reminder Notice” will be sent to a homeowner when payment is not received twenty (20) days after the due date.

3. **Collecting Past Due Assessments:** The following provisions lay out the general structure of the Association's collection procedures:
- a) **Assessments that are one (1) and two (2) months Past Due:**
LATE FEES: A late fee of twenty dollars (\$20.00) will be charged against all one (1) and two (2) month past due assessments on a monthly basis. The fee will become due and owing the first (1st) day of the following month after the assessment due date. Each month's assessment will be deemed to be a separate payment and will be assessed with late fees separately from every other month's assessment. These fees shall be added to the total delinquent amount and shall become a charge upon the land as provided in the Association's Declaration of CC&Rs.
 - b) **Assessments that are three (3) months and more Past Due:**
LATE FEES: A late fee of thirty dollars (\$30.00) will be charged against all three (3) month and more past due assessments on a monthly basis. The fee will become due and owing the first (1st) day of the following month after the assessment due date. Each month's assessment will be deemed to be a separate payment and will be assessed with late fees separately from every other month's assessment. These fees shall be added to the total delinquent amount and shall become a charge upon the land as provided in the Association's Declaration of CC&Rs.
PENALTIES: All voting rights as well as the right to usage of the RV Lot will be suspended until all monies due the Association are paid in full.
 - c) **Assessments that are six (6) months and more Past Due:**
The same late fees and penalties listed in "Item 3b" above apply with the addition of the following:
The HOA will offer the unit owner in arrears a one-time opportunity to enter into a six (6) month repayment plan (in equal payment installments). The repayment plan will list legal remedies, including foreclosure, that are available to the HOA, if the unit owner in arrears fails to comply with the agreed upon repayment plan. The repayment plan will require the homeowner in arrears to remain current on regular assessments as they come due during and in addition to the repayment plan. The HOA is not required to offer a repayment plan to homeowners who have previously been subject to a repayment plan or to a bank that has acquired the unit as a result of default by the borrower.
4. **Return Check Charges:** In addition to any and all charges imposed under the Declaration of CC&Rs and Bylaws, the Rules and Regulations of the Association, or this Policy, returned checks shall result in a charge of twenty dollars (\$20.00), payable to the Vineyard Homeowners Association and added to the homeowner's fees.

5. **Liens:** All assessments are a charge upon the land. This means that the Association's Board of Directors may take an interest in the property of a delinquent homeowner. This interest is called a "lien". Once an assessment has become one hundred twenty (120) days past due, the Association's Board of Directors will take a lien against the delinquent homeowner's property. However, the Board of Directors, in its sole discretion in light of relevant facts and circumstances, may place a lien against the homeowner's property, with or without notice, at any time after a payment becomes past due. Any and all costs or expenses associated with the process, including placing and removing a lien, shall be added to the total delinquent amount and shall become a charge upon the land as provided for in the Declaration of C.C. & R.'s.
6. **Collection Agencies/Attorneys:** Once an assessment has become six (6) months past due and the delinquent homeowner fails to comply with a repayment plan as outlined in Item 3c above, the Board of Directors may refer the past due assessments to a collection agency or an attorney for collection. The delinquent homeowner will be liable for any and all fees or other expenses associated with referring the matter to collections and/or to any attorney. Such expenses will be added to all delinquent amounts and will become a charge upon the land. A recorded Board of Directors vote authorizing this legal action is required, otherwise the action is dismissed.
7. **Accounts Referred to an Attorney:** All delinquent accounts referred to any attorney for collection, including, but not limited to, foreclosures generated by the attorney, shall be handled by the attorney. Once a matter has been referred to the Association's attorney, all communications with the delinquent owner shall be handled through the attorney. Neither the President nor any other member of the Board of Directors shall discuss the collection of the account directly with the homeowner, unless the attorney is present or has consented to the contact. A recorded Board of Directors vote authorizing this legal action is required, otherwise the action is dismissed.
8. **Foreclosures:** As a last resort, the Association's Board of Directors may foreclose its lien on the property of a delinquent homeowner to satisfy the past due assessments, fees, costs and other expenses charged against the land. Once a payment has become more than six (6) months past due and the delinquent homeowner fails to comply with the agreed upon repayment plan as outlined in Item 3c above, the Association's Board of Directors may begin foreclosure proceedings. A recorded Board of Directors vote authorizing this legal action is required, otherwise the action is dismissed. The costs and expenses incurred in this endeavor, including attorneys' fees, shall be charged against the proceeds of any foreclosure sale, along with the delinquent assessments, costs, fees and other expenses.

SUPPLEMENT TO LAW: The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration of

CC&Rs and the laws of the State of Colorado governing the Community.

AMENDMENT: This policy may be amended from time to time by the Board of Directors.

BOARD CERTIFICATION:

The undersigned, being the President and the Secretary of the Vineyard Homeowners Association, a Colorado nonprofit corporation, certify that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Vineyard Homeowners Association on June 14, 2014, and in witness thereof, the undersigned have subscribed their names.

VINEYARD HOMEOWNERS ASSOCIATION

A Colorado non-profit corporation,

Dean Corder, President

Dennis Lowery, Secretary