

Homestead Farm II Homeowners Association, Inc.
**POLICY FOR THE COLLECTION OF UNPAID ASSESSMENTS AND OTHER
AMOUNTS OWED TO THE ASSOCIATION**

The following policy has been adopted by the Homestead Farm II Homeowners Association, Inc (“Association”) at a meeting of the Board of Directors.

Purpose: To establish appropriate governance and comply with Colorado law by adopting procedures to be followed for the uniform and systematic collection of assessments and other amounts owed to the Association

Effective Date: On date Approved by the Board of Directors

Resolution: The Association hereby adopts the following procedures regarding the collection of unpaid assessments and other amounts owed to the Association:

1. Due Dates.

- a. Annual Assessments. An invoice for the annual assessment is mailed to Homeowners during the first two weeks of January. Any amount not paid by the due date noted on the invoice (generally February 15th) is considered delinquent and incurs charges and interest as noted below.
- b. Special Assessments. The Board will establish a payment schedule for all special assessments on a case-by-case basis. Any amount(s) not paid by the due date(s) as communicated to the Homeowners are considered delinquent and will incur interest and charges as noted below.

Special assessment payment schedules that may be adopted by the Board include, but are not limited to a single lump sum payment, or installments payable on a monthly, quarterly, or annual basis.

The Board may provide Homeowners with elective deferred payment schedules, and if so elected by the Homeowner, interest will be assessed on deferred payments at the interest cost incurred by the Association up to the approved deferred payment date, and will incur interest and charges after the due date as noted below.

- c. Other Amounts. Any other amounts owed to the Association by a Homeowner, including but not limited to fines assessed under the Association’s *Policy for the Enforcement of Covenants, Policies, and other Rules*, are payable upon receipt of an invoice by the Homeowner. Any amounts not paid within 30 days of the date of the invoice are delinquent and will incur interest and charges as noted below.

2. Charges on Delinquent Payments. If an amount owed is considered delinquent, the Association shall:
- a. Send a letter to the Homeowner by first class mail notifying them of the unpaid amount, the provisions for interest on unpaid amounts and any other charges, and the legal action that may be taken by the Association.
 - b. The interest and charges applicable to delinquent amounts are:
 - i. interest shall accrue at the annual simple interest rate of 12%, prorated for the number of days from the date the payment was delinquent to the date paid
 - ii. a fee of \$25 for each returned check
 - iii. a fee of \$75 if a lien is placed on the property
 - iv. a charge for out-of-pocket costs, including but not limited to collection agency and attorney's fees.
 - c. The legal and other administrative actions that may be taken by the Association follows:
 - i. place a lien upon the property against which the assessment is made
 - ii. engage a collection agency or attorney to pursue payment on behalf of the Association
 - iii. communicate any unpaid amounts to the realtor, title company, or other party involved in completing a sale of the Homeowner's property for purposes of collection.

The Board will determine legal or other administrative action based in substantial part on the amount owed by the Homeowner, and the alternative costs and effort to pursue collection. Legal or administrative action taken may include, without limitation:

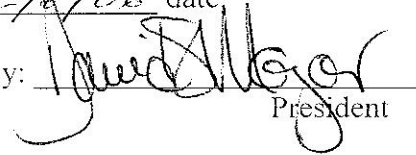
- i. filing a lawsuit for monetary judgment
 - ii. instituting judicial foreclosure action of the Association's lien
 - iii. filing necessary claims, documents, and motions in bankruptcy court
 - iv. file a court action seeking appointment of a receiver.
3. Personal Obligation for Interest and Other Charges. The interest and other charges shall be the personal obligation of the Homeowner of the unit for which such assessment or installment is unpaid. All interest and other charges shall be due and payable immediately, without notice, in the manner provided by the Declaration (and as provided herein) for payment of assessments.


4. Defenses. Failure of the Association to comply with any provision in this Policy shall not be deemed to a defense to payment of assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Policy.
5. Amendment and Deviation. These procedures may be amended by the Board, and the Board may deviate from them if in its sole discretion, such deviation is reasonable under the circumstances.

Homestead Farm II Homeowners Association, Inc. The undersigned certifies that that this policy was approved and adopted by the Board of Directors of the Association at a duly called and held meeting on this

3/18/06 date.

By:


President

Attest

Title