

ENFORCEMENT POLICIES AND COLLECTION POLICIES

PINEBROOK MEADOWS OWNERS' ASSOCIATION

Effective ___April 1st____, 2006

I. ADOPTION OF THESE POLICIES.

The Board of Directors (the "Board") of Pinebrook Meadows Owners' Association (the "Association") adopted these Policies, which are deemed to be part of the rules of the Association, at its meeting on ___March 20____, 2006. These Policies shall be effective on ___April 1st____, 2006.

II. ENFORCEMENT POLICIES.

The following Policies apply to violations of Articles VI, VII, and VIII of the Declaration of Covenants for Pinebrook Meadows (the "Declaration").

1. In the event of a violation, the Association or the Association's Property Manager (the "Property Manager") may send a written notice of the violation to the violating owner, describing the violation (the "First Notice"). The First Notice will advise the violating owner that he or she has ten days from the date of the First Notice to cure the violation and that fines will be imposed if the violation is not timely cured. Under these Policies, the curing of a violation will be accomplished by a member of the Board or the Property Manager physically verifying that the violation has been cured, but only after the Association or the Property Manager receives a written notice from the violating owner that the violation has been cured.
2. If the violation has not been timely cured after the First Notice has been given to the violating owner, a \$30.00 fine will be imposed upon the violating owner on the eleventh (11th) day following the date of the First Notice.
3. An additional fine of \$1.00 per day will be imposed upon the violating owner for each day that the violation exists, beginning on the eleventh (11th) day after the date of the First Notice. In addition to those fines, a \$50.00 fine will be imposed at the end of each 30-day period following the date of the First Notice.
4. The Association shall send a statement (the "Statement") to a violating owner against whom the Association has imposed fines, stating the

amount of the imposed fines as of the date of the Statement. The outstanding fines shall be due and payable to the Association by the violating owner within ten (10) days following the date of the Statement.

5. An additional \$25.00 fine will be imposed upon the violating owner for each 30-day period, following the date of the Statement that is sent to the owner after the violation is cured, that passes before all of the fines are paid in full.
6. The Association, the Property Manager (on behalf of the Association), and the Association's attorneys (on behalf of the Association), shall have all power and authority to enforce these Policies, and to pursue all legal remedies available to the Association to collect the fines imposed upon the violating owner, pursuant to the Declaration, the Association's Articles of Incorporation (the "Articles"), the Association's Bylaws (the "Bylaws"), any other documents governing Pinebrook Meadows, and Minnesota law. To the extent allowed by the Declaration, the Articles, the Bylaws, any other documents governing Pinebrook Meadows, and Minnesota law, an owner violating any portion of the Declaration or these Policies shall be responsible for the attorney's fees and costs incurred by the Association in connection with the violation and in connection with the enforcement of these Policies, the Declaration, the Articles, and the Bylaws.

III. ASSESSMENT COLLECTION POLICIES.

The following Policies shall apply to an owner who is delinquent on the payment to the Association of assessments due and payable under Article V of the Declaration.

1. Pursuant to Article IV, Section 10(b) of the Association's Bylaws, the Association may suspend the voting rights of the member of the Association (otherwise known as an owner) during any period in which the member is in default in the payment to the Association of any assessment or installment thereof. The member may be notified of the suspension in writing, or verbally, at any time on or before the date of the meeting at which a vote of the members will occur, or in connection with a vote to be taken by mailed ballot.
2. Interest on unpaid assessments, at the rate allowed by the Declaration, shall be charged to the delinquent owner, and assessed against the delinquent owner's Unit.
3. The Association or the Property Manager may refer any account that remains delinquent for more than thirty (30) days in the payment of assessments or installments thereof, to the Association's attorneys for collection. The collection actions to be undertaken by the Association's attorneys may include, but not be limited to, a demand letter, the recording of a lien against the delinquent owner's unit, foreclosure of that lien, or court action.

4. A delinquent owner who is turned over to the Association's attorneys for collection will be liable for payment of all collection expenses incurred by the Association (including, but not limited to, all attorney's fees and other charges imposed by the Association's attorneys and/or by the Association's management company).
5. The Association or the Property Manager may consult with the Association's attorneys and turn over to the Association's attorneys for collection immediately any account where the delinquent owner files, or is the subject of a petition for relief in, bankruptcy or when a lender has commenced any action for foreclosure of its mortgage against the owner's unit.
6. The following actions and procedures shall apply to all delinquent accounts turned over to the Association's attorneys for collection:
 - a. The attorney's fees, costs, and other legal expenses incurred by the Association in its collection efforts shall be charged to the delinquent owner and assessed against that owner's unit. The attorney's fees, costs, and other legal expenses shall be collectable as an assessment as provided in the Declaration, the other documents governing Pinebrook Meadows, and Minnesota law.
 - b. The Association (acting through the Property Manager, the Association's attorneys, or otherwise) has the authority to enter into a written payment plan at any time with a delinquent owner for payment of the debt owed to the Association by that delinquent owner all on terms negotiable to the Association.
 - c. The Association's attorneys and the Property Manager are individually authorized to take such action as they, in consultation with the Board, believe to be in the best interest of the Association. Such actions include, but are not limited to:
 - i. Filing suit against the delinquent owner for money due pursuant to the Declaration, the Bylaws, or the other documents governing Pinebrook Meadows, or any relevant laws, in a court of appropriate jurisdiction (and collecting any judgment received by the Association);
 - ii. Foreclosure of the Association's lien against the delinquent owner's unit, pursuant to the Declaration, the Bylaws, the other documents governing Pinebrook Meadows, and Minnesota law; and
 - iii. Filing a proof of claim in bankruptcy.

7. All of the Policies set forth in this document may be changed by the Board, at its discretion. The Board has the right to deviate from these Policies in its discretion.

**PINEBROOK MEADOWS OWNERS'
ASSOCIATION**

Dated: _____03-20-06_____ By: _____Bryan A. Welle_____

Its: President