

DEER CREEK FARM HOMEOWNERS ASSOCIATION, INC.

SCHEDULE OF FINES POLICY

The following Schedule of Fines Policy was adopted by the Board of Directors of the Deer Creek Farm Homeowners Association, Inc. ("Association"), pursuant to C.R.S. 38-33.3-209.5, at a regular Meeting of the Board of Directors

EFFECTIVE DATE: April 20, 2015

The Board of Directors will apply the following schedule of fines during the course of administering HOA business:

1) Fines for Failure to Pay the HOA Annual Assessment

The Annual Assessment will be set at the Annual Membership Meeting by the Board of Directors and will be due the day following the meeting. Full payment must be received within the 30 days following the Annual Membership Meeting. The Assessment payment will be late if full payment is not received by the Board within these 30 days.

Members that are late in paying the Assessment will forfeit their voting rights until full payment of the Assessment plus associated fees are received by the Board. In addition, a late fee of \$10 will be applied for each month the balance is not paid in full during the first 3 months. The fees will escalate to \$20 per month starting with the fourth month the account remains delinquent. See the Collection Policy for details of the HOA collection policy.

No Hearing is required to apply the late fees. The Board may offer a hearing to settle the dispute, but it is not mandatory. Failure to respond or appear at the hearing will forfeit the member's right to any further consideration.

2) Fines for Covenant Violations

Once a violation of a Covenant has been identified, the Board of Directors will notify the member (homeowner) and the resident, if different, by email or US Mail. The Board may meet with the member in person. The notice will identify the violation, the date when the violation was occurring, the remedy of the violation and the actions available to the member. The member has up to 10 days to respond. Should there be a dispute on the violation, a hearing will be set within 10 days of receipt of the member's response by the Board. The Board may arrange for up to two subsequent hearing dates should additional time be warranted. A final decision will be rendered by the Board at that time.

If not corrected, the Board will assess a \$25 fee for each month the violation remains unsettled, starting from a date 30 days after the violation notice was sent

out by the Board. Unpaid fees will increase to \$50 per month starting on the fourth month the account remains delinquent. .

A Hearing to review the violation with the member is required. The Hearing will allow all parties to present any related information to support their position, Witnesses may be called to participate. Failure to attend a scheduled meeting will forfeit the member's right for further Hearings and the Board will render a final decision.

The member will also forfeit their voting rights until the violation has been settled, once the violation fee has been imposed. See the HOA Collection Policy for the process to be followed in collection of a delinquent account.

3) Fines for Failure to Pay Special Assessment

Special Assessments may be set from time to time by the Board per the Declaration and the Bylaws. Once they have been set, they are immediately due and considered late after 30 days. A late fee of \$25 will be assessed per month for the first 3 months, thereafter, a late fee of \$50 will be applied each month.

No Hearing is required to apply the late fee.

See the HOA Collection Policy for details of the collection process.

It is important to note that fees are not intended to be a source of revenue for the HOA, but rather a last resort to entice and encourage members to comply with the rules and regulations of the Association.

The undersigned hereby certifies that the foregoing policy was adopted and made a part of the minutes of the meeting of the Board of Directors of the Association conducted on the 2 day of March, 2015

DEER CREEK FARM HOMWOWNERS ASSOCIATION, INC.

BY: Daniel J. Rosales
(Signature)

Daniel J. Rosales President
(Print Name) (Title)