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**1. Purpose**

1.1 This policy is established to give guidelines for assessments levied by resolution of the Board of Directors.

**2. Assessments**

2.1 Yearly assessments will be determined by the Board of Directors and set in the month of October each year. Bills will be sent to all shareholders and landowners (whose land is under a pressurized sprinkler system), for loan payments and O&M costs, by November 1st with a due date of December 1<sup>st</sup> each year.

2.2 Within the city system there are city lots and city-acre assessments which are assessed at different rates. City-acres is typically ground that is primarily used for agricultural use. If at any time city-acre's primary use is changed from agricultural use to residential or industrial use its assessment will be converted to the city lot rate.

2.2 The Board of Directors may at its option assess Class B stock at no less than 10% of class A stock. Class B stock may be assessed more than 10% of class A stock in the event of a water year when class B stock is delivered high water significantly more than 10% of the water year.

**3. Delinquencies**

3.1 Assessments not paid by the due date will incur a late fee of \$25.00 or 2%, whichever is higher, plus an additional 2% per month late fee on outstanding balances not paid.

3.2 Accounts that are not paid in full by March 15<sup>th</sup> may be subject to a stock sale of the shareholders' stock sufficient enough to pay the account in full. All stock sales for the payment of delinquent assessments, and notices thereof, will be accomplished in accordance with the statutes of the state of Utah, and;

- 3.2.1 Sufficient shares will be sold to pay the delinquent assessment, to cover costs of advertising, plus \$100 per each share sold for the expense of holding the sale.
  - 3.2.2 After the delinquency sale the related stock certificate becomes void and must be surrendered to Horseshoe Irrigation Company so that if applicable a new valid certificate may be issued to the delinquent shareholder.
  - 3.2.3 If there is any money left over from a stock sale the balance will be forwarded to the delinquent owner of the stock once an adjustment to the stock certificate has been made.
  - 3.2.4 Delinquent accounts will be subject to a stock sale when the account balance is over \$100.00 (not including late fees) or if the account is delinquent over two consecutive assessment periods, whichever occurs first.
- 3.3 If a shareholder has not paid their account in full by the beginning of the water year they may not use any water until the account is paid in full and;
- 3.3.1 Their risers/taps may be capped to assure no water use. A reconnect fee of \$100.00 will be charged, for each riser/tap capped. The account must be paid in full to reestablish water access.
  - 3.3.2 If shareholders water is delivered through a ditch system they will not be scheduled for a water turn until their account is paid in full.