

**AMENDED AND RESTATED
RULES AND REGULATIONS
OF
THE PLAZA**

Adopted and Effective ✓May 8, 1994

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These Amended and Restated Rules and Regulations have been adopted and implemented to supersede the Rules and Regulations adopted by the Association on or about February 18, 1993, to protect the investment of the members and to enhance the values of the properties subject to regulation by the Association.

1. **Pets.** No animals, livestock, poultry or insects of any kind, including dogs, cats, birds or bees, shall be raised or kept in the Common Interest Community except with the prior written approval of the Executive Board.

- A. A reasonable number of dog(s), cat(s), bird(s), or other household pet(s) may be kept or raised in a Unit, subject to approval by the Executive Board and to all applicable local ordinances. The Board, in its sole discretion, and considering the number and size of the household pet(s) as well as any reported problems, complaints or concerns regarding the pet(s) in or at any Unit may completely prohibit or restrict household pet(s) raised or kept in any Unit on a case-by-case basis.
 - (i) In no event will any dog whose breed is known for its viciousness or ill temper, in particular, the American Staffordshire Terrier, known as a "pit Bull Terrier," be permitted in the Common Interest Community, premises, nor any animal of any kind that has venom or poisonous or capture mechanisms, or if let loose would constitute vermin, will be allowed in the Common Interest Community.
 - (ii) Seeing eye dogs will be permitted for those persons holding certificates of blindness and necessity (20/200 in the better eye with correction). Other animals will be permitted if such animals serve as physical aids to the handicapped persons and such animals have been trained or provided by an agency or service qualified to provide or train such animals.
- B. No animals, including livestock, poultry, birds or bees of any kind shall be bred within the Common Interest Community.
- C. Pet owners shall clean up after their pet and dispose of the same in suitable containers.

- D. Pets shall not be allowed to damage grass, shrubs, trees, or any other portion of the Common Elements or become an annoyance or nuisance to other pets or people. Expenses and costs resulting from damage to shrubs, trees or Common Elements will be the responsibility of the Unit Owner of the Unit at which the responsible pet is kept.
- E. Pets, including dogs and cats, shall not be allowed to roam unrestrained on the Common Elements.
- F. Pets shall not be chained or tethered to any Common Elements. No pets shall be left chained or tethered outdoors, unattended, so as to become an annoyance or nuisance to others from barking or such other cause.
- G. Any violation of the Declaration or of these Rules and Regulations concerning pets, shall subject an owner to the rights and remedies allowed or provided the Association in the Declaration, and shall also subject the owner to a reasonable fine assessment imposed by the Association after notice and a hearing, as follows:
 - (1) First offense/violation: Written notice warning letter to pet owner and/or Unit Owner.
 - (2) Second offense/violation: A \$50.00 fine may be assessed against the Unit Owner.
 - (3) Third offense/violation: A \$100.00 fine may be assessed against the Unit Owner.
 - (4) Fourth offense/violation and each subsequent offense/violation: \$200.00 fine may be assessed against the Unit Owner.

2. **Increased Risks, Damage.** Nothing shall be done or kept in or upon a Unit or upon the Common Elements, or any part thereof, which would result in the cancellation of the insurance as maintained by the Association, without the prior written approval of the Association. Nothing shall be done or kept in or upon any Unit or in or on the Common Elements, or any part thereof, which would be in violation of any statute, rule, ordinance, regulation, permit, or other imposed requirement of any governmental body. No damage to, or waste of, the Common Elements or any part thereof, shall be committed by any Unit Owner, or any member of the Owner's family, or by any guest, invitee or contract purchaser of any Owner. This specifically refers to, but is not limited to, the storage of flammable liquids in any Unit or on the Common Elements. In the event of any violation of this Section of these Rules and Regulations concerning increased risks and damage, in addition to the rights and remedies available under the Declaration, a reasonable fine may be assessed, after notice and hearing, as follows:

- (1) First offense/violation: Written notice/warning letter to the Unit Owner.
- (2) Second offense/violation: A \$50.00 fine may be assessed against the Unit Owner.
- (3) Third offense/violation: A \$100.00 fine may be assessed against the Unit Owner.
- (4) Fourth offense/violation: A \$200.00 fine may be assessed against the Unit Owner.

3. **Leasing of Units.** No Unit or any structure located thereon shall be leased except under the terms and conditions set forth in the Declaration. In the event of violation thereof, in addition to all rights as remedies available under the Declaration, a reasonable fine may be assessed, after notice and hearing, as follows:

- (1) First offense/violation: Written notice/warning letter to the Unit Owner/Resident.
- (2) Second offense/violation: A \$50.00 fine may be assessed against the Unit Owner/Resident.
- (3) Third offense/violation: A \$100.00 fine may be assessed against the Unit Owner/Resident.
- (4) Fourth and subsequent offense(s)/violation(s): A \$200.00 fine may be assessed against the Unit Owner/Resident.

4. **Occupancy Restrictions.** Units are limited to uses and occupancy by local zoning. No Unit shall be occupied for living or sleeping purposes by more persons than the Unit was designed to safely accommodate.

5. **Meters, Electrical Devices and Fixtures.** Each Unit may be required by the Association to include electrical or other meters for air conditioning, hot water or other heating facilities serving that Unit exclusively, which meters are the installation, maintenance, repair and replacement expense of the Unit Owner. And, which meters may be used by the Association or others for billing of energy costs to individual Units. Certain Units may include special portions or pieces of equipment, such as air conditioning compressors, meters, meter boxes, utility connection structures, air or gas pump and storage facilities and storage portions, which are situated in the common elements, buildings or structures that are detached from the Unit. Such special equipment or storage portions are a part of the Unit, notwithstanding their non-contiguity

with the principal portions of those Units. The energy, electrical and plumbing fixtures within a Unit, serving that Unit, are considered part of the Unit and the property of the Unit Owner. Installation, maintenance, repair and/or replacement is the responsibility of the Unit Owner. Fixtures include, but are not limited to, the following: light switches, outlets, sconces, sinks, appliances, faucets (within the Unit) and electrical appliances. No electrical device which creates electrical overloading of standard circuits may be used without written permission from the Executive Board. Misuse or abuse of appliances, circuits, or fixtures within a Unit which affects other Units or the Common Elements is prohibited. Any damage resulting from this misuse shall be the responsibility of the Unit Owner from whose Unit it was caused. Total electrical usage in any Unit shall not exceed the capacity of the circuits.

6. **Decorative Displays Outside of Units.** Unit Owners shall not cause or permit anything other than conventional draperies and curtains to be hung, displayed or exposed at the windows of Units without the prior written consent of the Executive Board or the committee, if any, established by the Executive Board.

7. **Alterations, Additions or Improvements to Common Elements.** No alterations, additions or improvements may be made to the Common Elements without the prior written consent of the Executive Board or the committee established by the Executive Board, if any, having jurisdiction over these matters. No clothes, laundry or any other kind or articles, other than holiday decorations on doors only, shall be hung out of a building or exposed or placed on the outside walls or doors of a building or on trees. No sign, awning, canopy, shutter or antenna shall be affixed to or placed upon the exterior walls or doors, roof or any part thereof or exposed on or at any window.

8. **Cleanliness.** Unit Owners shall keep their Units in a good state of preservation and cleanliness.

9. **Lint Filters on Dryers; Grease Screens on Stove Hoods.** All dryers vents shall have lint filters, which will remain installed and prevent lint from accumulating in the vent duct. All stove hood vents shall have grease screens installed to prevent grease from accumulating in the vent duct. All such filters and screens will at all times be used and kept clean, and in good order and repair by the Unit Owner.

10. **Obstructions.** There shall be no obstruction of the Common Elements, nor shall anything be stored outside of the Units without the prior written consent of the Executive Board, except as expressly provided. Patio furniture, consisting of all-weather chairs and tables and barbecue grills, will be allowed on the deck and patio, provided that they remain in good condition and repair.

11. **Storage of Unsightly/Unsafe Items.** No person shall place, store or maintain any unsightly or unsafe furniture, fixture, device, article or other item or thing, including but not limited to, appliances, automobile parts and tires, cardboard boxes, newspapers, or anything flammable, on any patio or area visible from the Common Elements. In the event of violation

hereof, in addition to all rights and remedies available under the Declaration, a reasonable fine may be assessed, after notice and hearing, as follows:

- (1) First offense/violation: Written notice/warning letter to Unit the Owner/Resident.
- (2) Second offense/violation: A \$50.00 fine may be assessed against the Unit Owner/Resident.
- (3) Third offense/violation: A \$100.00 fine may be assessed against the Unit Owner/Resident.
- (4) Fourth and subsequent offense(s)/violation(s): A \$200.00 fine may be assessed against the Unit Owner/Resident.

12. **Storage.** Storage of materials in Common or Limited Common Elements or other areas designated by the Executive Board, including storage lockers, shall be at the risk of the person storing the materials.

13. **Stacks of Firewood.** Firewood shall be neatly stacked at or on patios and decks no closer than one foot from any wall of the building. Firewood on wooden decks shall be stacked on raised racks or timbers at least four inches from the floor to provide for air circulation under the stack. Rotten or insect infested firewood shall be removed upon discovery.

14. **Proper Use.** Common Elements shall be used only for the purposes for which they were designed. No person shall commit waste on the Common Elements, interfere with their proper use by others, or commit any nuisances, vandalism, or damage on or to the Common Elements.

15. **Annoyance or Nuisance.** No noxious, offensive, dangerous or unsafe activity shall be carried on in any Unit, or the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants or which may interfere with their peaceful enjoyment of the Common Elements for the purposes for which they were designed. No Unit Owner or occupant shall make or permit any disturbing noises or nuisance activities or do or permit anything to be done that will interfere with the rights, comforts or convenience of other Unit Owners or occupants. No Unit Owner or occupant shall play, or suffer to be played, any musical instrument or operate, or suffer to be operated, an engine, device, phonograph, television set or radio at high volume or in any other manner that shall cause unreasonable disturbances to other Unit Owners or occupants.

16. **Compliance With Law.** No immoral, improper, offensive or unlawful use may be made of the Property. Unit Owners shall comply with and conform to all applicable laws and regulations of the United States and of the State of Colorado, and with all local ordinances, rules

and regulations. The violating Unit Owner shall hold the Association and other Unit Owners harmless from all fines, penalties, costs and prosecutions for any violation or noncompliance.

17. **Returned Check Charges.** In addition to any and all charges imposed or allowed under the Declaration, Articles or Incorporation, Bylaws or these Rules and Regulations, a Twenty-five Dollar (\$25.00) fee shall be assessed against a Unit Owner, in the event any check or other instrument attributable to or for the benefit of such Owner or Owner's property is not honored by the bank or is returned by the bank for any reason whatsoever, including but not limited to insufficient funds. Such return check charge shall be due and payable immediately, upon notice thereof, in the same manner as provided for payment of assessments under the Declaration. Notwithstanding this provision, the Association shall be entitled to all additional remedies as may be provided by applicable law.

18. **Application of Payments made to the Association.** The Association reserves the right to apply any and all payments received on account of any Unit Owner or the Owner's property (hereinafter collectively "Owner"), to payment of any and all legal fees and costs (including attorney's fees) expenses of enforcement and collection, late fees, return check charges, lien fees, and interest owing or incurred with respect to such Owner pursuant to the Declaration, Bylaws, Rules and Regulations of the Association prior to application of the payment to the special or general assessments due or to become due with respect to such Owner.

19. **Fine Assessments.** All fine assessments shall be due and payable immediately upon notice of such fine or assessment, as set forth in the Policies and Procedures for Enforcement as set forth below. Notwithstanding anything to the contrary in these Rules and Regulations and in the Policies and Procedures, the Association shall be entitled to take such action and perform such work as specified in these Rules and Regulations or as otherwise permitted or required by law, the Declaration or the Bylaws, prior to, in the absence of, or during the pendency of any hearing. If any fine assessment is not paid within fifteen (15) days after the due date, a late charge in the amount of \$15.00 shall be assessed to compensate the Association for the expenses, costs and fees involved in handling such delinquency.

Unit Owners shall be personally, jointly, and severally liable for all fines/penalty assessments. In the event a fine assessment is not paid within fifteen (15) days, the Association may thereafter commence an action at law, or in equity, or both, against any Unit Owner personally obligated to pay the same, for recovery of said assessment plus late charges, as aforesaid. The prevailing party shall be entitled to recover its reasonable attorneys' fees and associated costs and expenses incurred in connection with such legal proceedings.

20. **Policies and procedures for Enforcement of the Declaration, By-laws and Rules and Regulations.**

A. **Notice of Violation.** Before any fine is imposed, Notice of Hearing of a claimed violation of any provisions of the Declaration, Bylaws or Rules and Regulations shall be provided to the applicable Unit Owner ("Owner")

as soon as reasonably practicable following discovery by the Board of such violation. The Board may also, at its option, provide a copy of such notice to any non-owner violator. The notice shall describe the nature of the violation and shall further state that the Board may seek to protect its rights as they are specified in the governing legal documents. A sample form of the notice that may be used is attached hereto as Attachment 1.

- B. **Service of Notices.** Service of all notices required or permitted to be given hereunder shall be made as follows:

If to a Unit Owner and/or Lessee: By personal delivery to the Unit Owner and/or Lessee; or by U.S. Mail, postage prepaid, addressed to the last registered address of the Unit Owner and/or Lessee as contained in the Association's records.

If to the Association: By personal delivery or U.S. Mail, postage prepaid, addressed to the Association in care of its registered agent and office, as maintained with the Colorado Secretary of State, or such other address as the parties may be advised of in writing.

Any notice personally delivered shall be deemed received on the date of delivery, and any notice mailed shall be deemed received on the fifth day following the date of mailing.

- C. **Request for Hearing.** In the event any Owner desires to attend a hearing or Board meeting to challenge or contest any alleged violation and possible fine, said Owner must, within fourteen (14) days from receipt of the Notice of Hearing, request such hearing by notifying the Association, in writing, of such hearing request. In the even a proper and timely request for a hearing is not made as provided herein, the right to a hearing shall be deemed forever waived. If a hearing is not requested within the aforementioned 14 day period, the Board, shall determine if there was a violation, and if so, assess a reasonable fine within the guidelines contained in these Rules and Regulations, all within sixty (60) days of the expiration of the aforementioned 14 day period. The fine assessment is due and payable immediately upon receipt of notice of the fine assessment. The Association's managing agent shall give notice of said assessment to the applicable Owner as provided in these Policies and Procedures. In requesting a hearing before the Association, an Owner shall state and describe the grounds and basis for challenging or denying the alleged violation as well as such other information the Owner deems pertinent.
- D. **Discovery.** Upon written request to the Association, not later than ten (10) days prior to the date of hearing, the Owner shall be entitled to: (a) obtain

the names and addresses of witnesses, to the extent known to the Association, and (b) inspect and make copies of any statements, writings and investigative reports relative to the case contained in the Association's records. Nothing in this section shall, however, authorize the inspection or copying of any writing or other thing which is privileged from disclosure by law or otherwise made confidential or protected, such as attorney work product.

- E. **Board to Conduct Hearing.** The Board shall hear and decide cases set for hearing pursuant to these Policies and Procedures. The Board may appoint an officer or other Unit Owner to act as the Presiding Officer at any of the hearings.
- F. **Conflicts.** It shall be incumbent upon each Board member to make a determination as to whether he/she is able to function in a disinterested and objective manner in consideration on each hearing before the Board. Any Board member incapable of objective and disinterested consideration on any hearing before the Association shall disclose such to the President of the Association prior to the hearing on the case, if possible, or, if advance notice is not possible, then such disclosure shall be made at the hearing, and said Board Member shall be disqualified from all proceedings with regard to the hearing. If disqualification of any Board member(s) results in an even number of remaining Board members eligible to hear a case, the Presiding Officer shall appoint an Association member, in good standing, to serve as a voting member of the hearing board.
- G. **Hearing.** Each hearing shall be held at the scheduled time, place and date, provided that the Presiding Officer may grant continuances for good cause. At the beginning of each hearing, the Presiding Officer shall explain the rules, procedures and guidelines by which the hearing shall be conducted and shall introduce the case before the Board by reading the Notice of Hearing. The general procedure for hearing shall consist of opening statements by each party; presentation of testimony and evidence, including cross-examination of witnesses by each party; and closing statements by each party. Notwithstanding the foregoing, the Board may exercise its discretion as to the specific manner in which a hearing shall be conducted and shall be authorized to question witnesses, review evidence, and otherwise take such reasonable action during the course a hearing of which it may deem appropriate or desirable to permit the Board to reach a just decision in the case. Rules of law regarding trials and presentation of evidence and witnesses shall be applicable to the hearing insofar as the Presiding Officer deems adherence to such rules of law to be in the interests of justice; provided that any relevant evidence should be admitted if it is the sort of evidence on which responsible persons are accustomed

to rely in the course of serious affairs. Neither the complaining parties nor the Unit Owner must be in attendance at the hearing. However, the decision of the Board at each hearing shall be based on the matters set forth in the Notice of Hearing, Request for Hearing, and such evidence as may be presented at the hearing. Unless otherwise determined by the Board of Directors, all hearings shall be open to attendance by all members of the Association.

H. **Decision.** After all testimony and other evidence has been presented to the Board at a hearing, the Board shall render its decision thereon. A decision, either a finding for or against the Owner, shall be by a majority of the Board. The Board shall issue written findings of fact and conclusions, and, if applicable, shall impose a reasonable fine as provided in the Association's Rules and Regulations. The Board may also issue and present for recording with the Clerk and Recorder, a Notice of Finding of Violation. A sample form letter advising of these findings is attached as Attachment 2a. A sample form Notice of Findings of Violations that may be used is attached hereto as Attachment 2b. Upon satisfactory compliance with the Association's governing documents, the Notice of Violations may be released by the Association issuing and recording a Release of Notice of Findings of Violations. A sample form Release of Notice of findings of Violations that may be used is attached hereto as Attachment 3.

21. **Enforcement and Attorney's Fees.** In accordance with the Declaration, Bylaws and these Rules and Regulations, it is hereby declared to be the intention of the Association to enforce the provisions of the Documents by any and all means available to the Association at law or in equity, and to seek recovery and reimbursement of all attorney's fees, Association expenses and costs incurred by the Association in connection therewith.

22. **Modification, Amendments, Repeal and Re-Enactment.** Notwithstanding anything to the contrary contained in these Rules and Regulations, the Association hereby reserves the right, at any time and from time to time hereafter, to modify, amend, repeal and/or re-enact these Rules and Regulations in accordance with the Declaration, Bylaws and applicable law.

23. **Miscellaneous.** Failure by the Association, the Board or any person to enforce any provision of these Policies and Procedures shall in no event be deemed to be a waiver of the right to do so thereafter. The Provisions of these Policies and Procedures shall be deemed to be independent and severable, and the invalidity of any one or more of the provisions hereof, or any portion thereof, by judgment or decree of any court of competent jurisdiction, shall in no way affect the validity or enforceability of the remaining provisions, which provisions shall remain in full force and effect. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular, and the

use of any gender shall include all genders. The captions to the sections are inserted herein only as a matter of convenience and for reference, and are in no way to be construed so as to define, limit or otherwise describe the scope of these policies and procedures or the intent of any provision hereof.

IN WITNESS WHEREOF, the undersigned, as Secretary of the Association, certifies these Rules and Regulations were adopted by the Executive Board on _____, 19 ____.

Secretary

ATTACHMENT 1

NOTICE OF HEARING

TO: _____

FROM: The Board of Directors
Plaza Community Association, Inc.

RE: _____

PROPERTY: Unit _____, _____

ADDRESS: _____

NOTICE is hereby given that the Plaza Community Association, Inc. (the "Association") has received a complaint that the above named parties, the reputed owner or owners of the property, have violated the following provisions of the Declaration, Articles of Incorporation, Bylaws, or Rules and Regulations: _____
_____.

Notice is further given that the Association will proceed to determine whether the violation has occurred, such determination to be made at a meeting of the Board of Directors of the Association scheduled for _____ p.m. on _____, 19____, at _____, when and where persons in interest may appear if they so desire.

The above named parties and/or the reputed owner or owners of the Property are invited and urged to attend this meeting and to request a hearing to explain to the Association why they believe no violation has occurred or to provide other information or circumstances to the Association that they believe are relevant with respect to the alleged violation. Because rights of the owner of the property and others will be affected by the determination made by the

Association at the scheduled meeting, you are urged to request a hearing and attend the meeting. The Association recommends that you consult with and/or bring your own private attorney to the scheduled meeting.

If a determination is made that a violation has occurred, the Association may proceed to protect its rights as its rights are specified in the legal documents governing the property, including the recorded Declaration, the Articles of Incorporation of the Association, the Bylaws of the Association, the Rules and Regulations of the Association, and any other documents or covenants in relation to the property, or as such rights may exist by law.

If you plan on attending the scheduled meeting, advance notice to the Association is requested and required. Please notify the Association within fourteen (14) days of your receipt of this Notice. Further, should you desire to present any written or other materials, you are urged to request a hearing and are required to provide copies of the materials you will present in advance.

Dated this ____ day of _____, 19____.

PLAZA COMMUNITY ASSOCIATION, INC.
a Colorado nonprofit corporation

By: _____

ATTACHMENT 2a.

_____, 19____

Re: Notice of Findings of Violation

To Whom It May Concern:

As you are aware, the Association has recently notified you that a determination was to be made on _____, 19____, at _____ p.m. at _____ as to whether you have failed to _____.

Please be advised that the Association has found a violation of the Association's legal documents for your failure. In this respect, enclosed please find a Notice of Findings of Violations which the Association has made and which the Association will be presenting for recording with the County Clerk and Recorder's office.

The Association would once again request that you comply with the governing documents by _____, and that upon such compliance and payment of fines assessed, damages, and any attorneys fees and costs incurred by the Association, this matter will be resolved.

Thank you for your attention.

Very truly yours,

PLAZA COMMUNITY ASSOCIATION, INC.
a Colorado nonprofit corporation

By: _____

enc.

ATTACHMENT 2b.

NOTICE OF FINDINGS OF VIOLATIONS

KNOW ALL MEN BY THESE PRESENTS: That the Plaza Community Association, Inc. (the "Association"), wishing to avail itself of the provisions of (i); the Declaration, recorded _____, in Book _____, Page _____, of the records of the Clerk and Recorder of the County of San Miguel, Colorado (the "Declaration"); (ii) the Articles of Incorporation of the Association; (iii) the Bylaws of the Association, and; (iv) the Rules and Regulations of the Association, hereby gives notice as follows:

FIRST: That the persons named and the reputed owner or owners charged with a violation of the Declaration, the provisions or the Association's Articles of Incorporation, Bylaws and/or the Rules and Regulations are: _____.

SECOND: That the said persons and owner or owners were given prior written notice of a hearing held by the Association, in which notice the parties were advised that a determination would be made by the Association, as to whether the parties had violated covenants contained in the Declaration, provisions of the Association Articles of Incorporation, Bylaws and/or the Rules and Regulations, a copy of which notice is attached hereto and incorporated herein by reference as Exhibit "A."

THIRD: That the Association determined that a violation has occurred. Specifically, the Association has determined that a breach of the provision contained in _____, _____, has occurred by failure _____.

FOURTH: The subject property is described as follows:

Unit _____,
Street Address: _____.

FIFTH: This notice is made pursuant to the provisions of the Association's governing legal documents.

SIXTH: Damages are claimed by the Association for the violation found by the Association, and a fine may have been imposed.

Additionally, other allowed charges are claimed by the Association, including attorneys' fees and costs, if any.

SEVENTH: That upon remedy of the violation found by the Association and payment of damages and any other allowed charges to the Association, the Association will cause this instrument to be released.

Dated this ____ day of _____, 19____.

PLAZA COMMUNITY ASSOCIATION, INC.
a Colorado nonprofit corporation

By: _____

Title: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

Subscribed, sworn to and acknowledged before me this ____ day of _____,
19____, by _____, as _____
_____ of the Association.

WITNESS my hand and official seal.

My commission expires:

Notary Public

COLLECTION PROCEDURES
FOR
THE PLAZA

The Association has adopted the following procedures and policies for the collection of assessments and other charges of the Association.

1. Due Dates. The annual assessment as determined by the Association and as allowed for in the Declaration shall be due and payable in 12 installments due on the first day of each month. Assessments or other charges not paid to the Association by the 15th day of the beginning month in which they are due shall be considered past due and delinquent.

2. Invoices. The Association may, but shall not be required to invoice an owner as a condition to an owner's obligation to pay assessments or other charges of the Association. If the Association provides an owner with an invoice for monthly installments of the annual assessments, although invoices are not required, the invoice should be mailed or sent to the owner between the 15th and 20th day of the month preceding each due date.

3. Late Charges Imposed on Delinquent Installments. A monthly installment of the annual assessment shall be past due and delinquent if not paid by the 15th day of the month in which it is due. The Association shall impose a fifteen dollar (\$15.00) late charge on the outstanding or past due balance then due the Association. The late charge shall be a "common expense" for each owner who fails to timely pay their monthly installment of the annual assessment by the 15th day of the month in which the installment was due.

4. Interest. Delinquent assessments, fines or other charges due the Association shall bear interest at the rate set forth in the Declaration.

5. Attorney Fees on Delinquent Accounts. As an additional expense permitted under the Declaration, Articles and Bylaws, the Association shall be entitled to recover its reasonable attorney fees incurred in the collection of assessments or other charges due the Association from a delinquent owner.

6. Collection Letters.

(a) After a monthly installment of the annual assessment or other charge due the Association becomes 60 days past due, the Association may cause, but shall not be required to send, a collection or dunning letter to be sent to the owners who are delinquent in payment.

(b) Additionally, the Association may, but shall not be required to send a letter to the owner advising that their account has been referred to the Association's attorneys for collection.

7. Use of Certified Mail/Regular Mail. In the event the Association shall cause a collection or dunning letter or notices to be sent to a delinquent owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail.

8. Liens. The Association may file a Notice of Lien against the property of any delinquent owner in accordance with the terms and provisions of the Declarations, Articles and Bylaws.

9. Referral of Delinquent Accounts to Attorneys. The Association may, but shall not be required to refer delinquent accounts to its attorneys for collection. Upon referral to the attorneys, the attorneys shall take all appropriate action to collect the accounts referred.

10. Referral of Delinquent Accounts to Collection Agencies. The Association may, but shall not be required to refer delinquent accounts to one or more collection agencies for collection. Upon referral to a collection agency, the agency shall take all appropriate action to collect the accounts referred.

11. Ongoing Evaluation. Nothing in this Resolution shall require the Association to take specific actions other than to notify homeowners of the adoption of these policies and procedures. The Association has the option and right to continue to evaluate each delinquency on a case by case basis.