

PROCEDURES FOR COLLECTION OF UNPAID ASESSEMENTS
AND THE ENFORCEMENT OF COVENANTS AND RULES
INCLUDING PROCEDURES FOR NOTICE, HEARINGS, AND FINES

CENTENNIAL TRAIL HOME OWNERS ASSOCIATION

I. Collection of Unpaid Assessments:

Each of the Declarations and Substituted Covenants, for Centennial Trails Homeowners Association (HOA), provide that the purpose and powers of the Association include the responsibility to “.... fix, levy, collect and enforce payment by any lawful means of all charges or assessments levied pursuant to the terms of the Declaration.” The Declarations and Covenants further provide authority for imposition of monthly interest and lien upon a delinquent party's Centennial Trails HOA property, and assessment of liquidated damages, in the event of late payment or nonpayment (ref Section 5.9 of Covenant for Assessments).

The provisions below have been amended to include the requirements of Colorado HB 13-1276, effective January 1, 2014.

The Association Bylaws provide that the Board has the authority and the responsibility, acting directly or through its officers to “collect all assessments as levied by the Board of Directors...” accordingly, the following procedures will govern the collection of unpaid (delinquent) assessments:

1. Annual assessments as determined by the Association and as allowed for in the Declaration shall be due and payable by April 1. Assessments not paid in full within one day of the due date shall be considered past due and delinquent.
2. All assessments not paid in full to the Association within 30 days of the due date shall incur late fees and interest at the rate of twenty-one percent (21%) per annum, calculated and billed monthly at the compound rate of one and six tenths percent (1.6%) per month.
3. If the assessment is not timely paid, a monthly a reminder (delinquent) notice shall be mailed by the Treasurer to the Member on or about the 10th day of the succeeding month advising the Member of the delinquency and accrual of interest.
4. If fees for returned checks are levied against the Association, the Association will recover these fees from the Delinquent Member, as an addition to Assessments, subject to collection of interest.
5. The board may, at any time, take any and all actions for collection of the unpaid amounts due as provided in the Association’s Articles of Incorporation,

Declarations, Bylaws, or otherwise permitted by law, including the imposition of a lien upon Member's (Owner's) Lot, and the assessment of liquidated damages, provided that appropriate 30-day notice of delinquency shall have been sent to the delinquent Member.

6. The notice of delinquency will include:
 - a. The amount due, including an accounting of how this was determined.
 - b. Whether the opportunity to enter into a payment plan exists pursuant to Section 38-33.3-316.3, Colorado Common Interest Ownership Act, and instructions for notifying the Association in order to enter into such a plan. If offered, that payment plan will permit the delinquent owner to pay off the deficiency in equal installments over a period of at least six months. For purposes of setting up a payment plan, "assessments" include regular and special assessments, attorney fees, fines, and interest charged pursuant to paragraph 2 above.
 - c. The name and contact information of the Association Treasurer to request documentation of the amount of the debt.
 - d. That failure to take action to cure the delinquency within 30 days may result in turnover to a collection agency, filing of a lawsuit against the delinquent owner, filing and foreclosure of a lien against the delinquent owners property, or other remedies available under Colorado law.
 - e. The method by which payments may be applied against the delinquent account.
 - f. Legal remedies available to the Association pursuant to the governing documents of the Association and Colorado law.
7. Collection Costs, including reasonable attorney's fees, are to the account of the delinquent Member (Owner), and shall not be borne by the Association. If a lien is imposed, it may be extended to include Collection Costs.
8. A lien may be foreclosed by the Association in the same manner as a mortgage on real property provided the Association Board has recorded a vote to authorize the filing of legal action against the specific Lot and owner to collect the delinquent amount.

II. Enforcement of Covenants, Bylaws, Rules and Regulations, and Rules and Procedures for Notice, Hearings, and Fines.

Each of the Declarations and Covenants for Centennial Trails Home Owners Association provide that each Member (Owner) "shall abide by all provisions of its Articles and bylaws and the rules and regulations of the Association adopted from time to time pursuant thereto."

The Association Bylaws require each Member of the Association to comply with all provisions of the Declarations of Protective Covenants and rules and regulations

issued by the Board. The Board is furthermore charged with the administration and enforcement of the Covenants and rules. The following procedures will govern such enforcement:

1. Any finding by the Board of non-compliance by a Member shall be addressed, informally, by the Board representative of that Member's filing, with the Member. If the matter is resolved informally to the satisfaction of the Board, no further action shall be necessary at that time.
2. In the event that informal discussion with the Member is not successful in achieving compliance, the Board shall notify the Member (Owner) in writing of the non-compliance (first notice) by certified first class mail addressed to the Member at the last address shown on the Treasurer's records.
3. The first notice shall reference the specific article(s), section(s), or provision(s) of the Declaration, Covenants or rules under which the violation is deemed to have occurred and recommend a corrective action or remedy. Should the Board determine that, due to the nature of the non-compliance, immediate legal action is necessitated in the best interest of the association (e.g. a temporary restraining order) pending resolution of the matter, the Board may commence necessary proceedings and notify the Member accordingly.
4. The first notice shall invite the Member to request in writing a meeting with the Board within 30 days from the date of notice, either in person or by conference telephone, at a mutually convenient time, to discuss and resolve the issue prior to the commencement of any legal action (as provided for in the Declaration and Bylaws) or imposition of fines or levies as hereinafter provided.
5. Should the Board decide that a) the violation did not occur, or b) the Member was not responsible, no further action will be necessary at that time, and the Member will not be responsible for enforcement costs incurred by the Association.
6. Should the matter remain unresolved for sixty days following the date of the first notice, a fine, levied by special assessment of not more than \$150 per violation, may be imposed by the Board. Notice and collection of such assessments shall be administered under the Procedures for Collecting Unpaid Assessments.
7. Enforcement costs, including reasonable attorney's fees, are to the account of the non-compliant Member, and shall not be borne by the Association. Enforcement costs may be assessed as incurred, or added to the special assessment in the nature of liquidated damage sums.
8. All legal actions and remedies provided by law, the Declaration, or Bylaws for enforcement of covenants and rules shall at all times remain available to the Board in addition to or in lieu of fines and liquidated damage sums.
9. The Board, in conduct of its responsibilities under this Procedure, shall make every reasonable effort to reach an amicable solution, in conformance with the

Association, covenants, Bylaws, and Regulation, without the necessity of resorting to formal legal action.

III. Severability

Invalidation of any one of the provisions of these Procedures by judgement or court order or decree or in any other manner, shall not affect any of the other provisions, which shall remain in full force and effect.

Approved by :

Jean Hauser, President

Date

Murray Lull, Vice President

Date

Dorothy Jackson, Vice President

Date

Andrew Edmondson, Treasurer

Date

Gail Smith, Secretary

Date