

**POLICIES AND PROCEDURES GOVERNING THE ENFORCEMENT OF THE
MASTER DESIGN REVIEW DECLARATION AND USE RESTRICTIONS
FOR PRAIRIE CENTER RESIDENTIAL¹**

**ARTICLE 1
VIOLATIONS OF THE DECLARATION**

1.1 Notice of Violation. In the event of any violation of the Declaration, written notice of such violation (“**Notice of Violation**”) will be sent upon a determination, following investigation, by the DRC and/or its agents and consultants (collectively, “**Enforcement Authority**”) that a violation is likely to exist. Such Notice of Violation will set forth the specifics of the alleged violation and the time period within which the alleged violation must be corrected, pursuant to the following classification guidelines:

(a) Class I Violation. A violation that, in the sole discretion of the Enforcement Authority, can be corrected immediately and/or does not require submission to, and approval by, the Enforcement Authority of any plans and specifications. Class I Violations include, but are not limited to, parking violations, trash violations and other violations of the Declaration concerning annoying lights, sounds or odors. Class I Violations can in most cases be corrected within seven (7) days of notification. If the violation is not corrected within seven (7) days of notification, the Enforcement Party may take any appropriate action necessary to remedy the violation, including but not limited to, abatement of unsightly conditions, towing and storage of improperly parked vehicles, and removal of trash, etc.

(b) Class II Violation. A violation that, in the sole discretion of the Enforcement Authority, cannot be corrected immediately and/or require plans and specifications to be submitted to, and approval by, the Enforcement Authority prior to any corrective action. Class II Violations include, but are not limited to, violations of the Declaration related to landscaping and construction of, or modification to, improvements. Class II Violations can in most cases be corrected within thirty (30) days of notification. If the violation is not corrected within thirty (30) days of notification, the Enforcement Authority may take any appropriate action necessary to remedy the violation, including but not limited to, removing the non-complying landscaping or improvement.

1.2 Penalties. Penalties for violations of the Declaration (“**Penalties**”) will be assessed as follows. Any penalties that have not been paid by the applicable due date will be considered delinquent (the “**Delinquent Account**”).

(a) First Offense: Notice of Violation, no penalty

(b) Second Offense: \$25.00

¹ Any capitalized terms used but not defined in these Policies and Procedures have the meanings given them in the Master Design Review Declaration and Use Restrictions for Prairie Center Residential (“**Declaration**”). These Policies and Procedures may be amended or replaced from time to time in accordance with the provisions of the Declaration.

- (c) Third and Subsequent Violations (same covenant or rule): \$50.00

ARTICLE 2 INTEREST

2.1 Interest; Late Charges. Interest and a late charge will accrue and will be charged on all amounts not paid by the applicable due date, including delinquent penalties and any amounts expended by the Enforcement Authority to cure a violation of the Declaration or amounts expended by the Enforcement Authority to repair damages caused as a result of a violation of the Declaration. Interest charges will accrue and will be charged at the rate of eighteen percent (18%) per annum. The late charge will be charged in an amount as set forth in Section 7.3 of the Declaration. Interest charges and the late charge, together with the Penalties, are referred to herein as the “**Fees and Charges**”.

ARTICLE 3 LIEN FILING POLICIES AND PROCEDURES

3.1 Enforcement Authority Manager’s Procedures. The Enforcement Authority will be responsible for collecting Fees and Charges imposed by the Enforcement Authority against the applicable Site. In the event payment of Fees and Charges is delinquent, the Enforcement Authority will perform the procedures listed below. Any Fees and Charges which have not been paid by the applicable due date are considered delinquent:

(a) Fifteen (15) Business days Past Due. A delinquent payment “Reminder Letter” will be sent to the address of the last known owner of the Site according to the Enforcement Authority records. In the event the above mailing is returned as undeliverable, the Enforcement Authority will send a second copy of the Reminder Letter to: (i) the Site; and (ii) the address of the last known owner of the Site as found in the real Site records of the Adams County Assessor’s office (collectively the “**Site Address**”). The Reminder Letter will request prompt payment of amounts due.

(b) On the Fifteenth (15) Business day of the Month Following the Scheduled Due Date for Payment. A “Warning Letter” will be sent to the Site Address requesting prompt payment and warning of further legal action should the Owner fail to pay the total amount owing. Along with the Warning Letter, a summary of these Policies and Procedures, and a copy of the most recent account ledger reflecting the total amount due and owing to the Enforcement Authority according to the records of the Enforcement Authority will also be sent.

(c) First (1) Business day of the Month Following the Postmark Date of the Warning Letter. Once the total amount owing on the Site, inclusive of Fees and Charges and “Costs of Collections” (defined below), has exceeded One Hundred Twenty Dollars (\$120.00) and the Enforcement Authority has performed its duties outlined in these Policies and Procedures, the Enforcement Authority will refer the Delinquent Account to the Enforcement Authority’s legal counsel (the “**Counsel**”). However, if the amount owing on the Delinquent Account is less than One Hundred Twenty Dollars (\$120.00), the Enforcement Authority will continue to monitor the Delinquent Account until the amount

owing on such account is One Hundred Twenty Dollars (\$120.00) or greater, at which point the Delinquent Account will be referred to Counsel. At the time of such referral, the Enforcement Authority will provide Counsel with copies of all notices and letters sent and a copy of the most recent ledger for the Delinquent Account.

3.2 Counsel Procedures. Upon referral of a Delinquent Account from the Enforcement Authority, Counsel will perform the following:

(a) Upon Referral of the Delinquent Account from the Enforcement Authority Manager. A “Demand Letter” will be sent to the Site Address, notifying the Owner that his/her Site has been referred to Counsel for further collections enforcement, including the filing of a lien against the Site. Along with the Demand Letter, a copy of the most recent account ledger reflecting the total amount due and owing the Enforcement Authority according to the records of the Enforcement Authority will also be sent.

(b) No Earlier Than Thirty (30) Business days from the Date of the Demand Letter. A Notice of Intent to File Lien Statement, along with a copy of the lien to be filed, will be sent to the Site address of the Delinquent Account notifying the Owner that a lien will be filed within thirty (30) days of the Notice of Intent to File Lien Statement postmark date.

(c) No Earlier Than Ten (10) Business days from the Postmark Date of the Notice of Intent to File Lien Statement. A lien for the total amount owing as of the date of the lien will be recorded against the Site with the Adams County Clerk and Recorder’s Office; all Fees and Charges and Costs of Collection will continue to accrue on the Delinquent Account and will run with title to the Site until the total amount due and owing the Enforcement Authority is paid in full.

ARTICLE 4 COSTS OF COLLECTIONS

“**Costs of Collections**” are generated by the Enforcement Authority and Counsel’s collection efforts. They consist of the following fixed rates and hourly fees and costs:

4.1 Action Fees. The following fixed rate fees will be charged to a Delinquent Account once the corresponding action has been taken by either the Enforcement Authority or Counsel:

(a) Reminder Letter Fee. No charge for the Reminder Letter. This action is performed by the Enforcement Authority.

(b) Warning Letter Fee. Fifteen Dollars (\$15.00) per Warning Letter sent. This action is performed by the Enforcement Authority.

(c) Demand Letter Fee. Fifty Dollars (\$50.00) per Demand Letter sent. This action is performed by Counsel.

(d) Notice of Intent to File Lien Fee. One Hundred Fifty Dollars (\$150.00) per Notice of Intent to File Lien Statement sent. This action is performed by Counsel.

(e) Lien Recording Fee. One Hundred Fifty Dollars (\$150.00) per each lien recorded on the Site. This action is performed by Counsel.

(f) Lien Release Fee. One Hundred Fifty Dollars (\$150.00) per each lien recorded on the Site. This action is performed by Counsel.

4.2 Attorney Hourly Fees and Costs. After a lien has been filed, all hourly fees and costs generated by Counsel to collect unpaid Fees and Charges will also be assessed to the Delinquent Account.

ARTICLE 5 OPPORTUNITY TO BE HEARD

5.1 Opportunity to be Heard. Individuals who receive any notice or demand pursuant to these Policies and Procedures may request a hearing in accordance with the procedures set forth herein.

5.2 Hearing Process. The hearing and appeal procedures established by this Article will apply to all complaints concerning the interpretation, application, or enforcement of the Declaration, as each now exists or may hereafter be amended.

(a) Complaint. Complaints concerning the interpretation, application, or enforcement of the Declaration must be presented in writing to the Enforcement Authority that issued the violation. Upon receipt of a complaint, such Enforcement Authority, after a full and complete review of the allegations contained in the complaint, will take such action and/or make such determination as may be warranted and will notify the complainant of the action or determination by mail within fifteen (15) business days after receipt of the complaint. Decisions of such Enforcement Authority which impact other constituent Enforcement Authorities financially will not be binding upon such Enforcement Authorities unless approved by the Declarant.

(b) Hearing. In the event the decision of the Enforcement Authority unsatisfactory to the complainant, the complainant may submit to the Design Review Committee a written request for formal hearing before a hearing officer (“**Hearing Officer**”), which may be a member of the Design Review Committee or such other person as may be appointed by the Design Review Committee. Such request for a formal hearing must be submitted within twenty (20) business days from the date written notice of the decision of the Enforcement Authority or designated representative was mailed.

Upon receipt of the request, if it be timely and if any and all other prerequisites prescribed by these Policies and Procedures have been met, the Hearing Officer will conduct a hearing at the Enforcement Authority’s convenience but in any event not later than fifteen (15) business days after the submission of the request for formal hearing. The formal hearing will be conducted in accordance with and subject to all pertinent provisions of these Policies and Procedures. Decisions of the Hearing Officer which impact any other Enforcement Authorities financially will not be binding upon such Enforcement Authorities unless approved in writing by the Enforcement Authorities.

(c) Rules. At the hearing, the Hearing Officer will preside, and the hearing will be recorded. The complainant and representatives of the Enforcement Authority that issued the subject violation will be permitted to appear in person, and the complainant may be represented by any person (including legal counsel) of his or her choice.

The complainant or his or her representative and such Enforcement Authority representatives will have the right to present evidence and arguments; the right to confront and cross-examine any person; and the right to oppose any testimony or statement that may be relied upon in support of or in opposition to the matter complained of. The Hearing Officer may receive and consider any evidence which has probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs.

The Hearing Officer will determine whether clear and convincing grounds exist to alter, amend, defer, or cancel the interpretation, application, and/or enforcement of the Policies and Procedures that are the subject of the complaint. The Hearing Officer's decision will be based upon evidence presented at the hearing. The burden of showing that the required grounds exist to alter, amend, defer, or cancel the action will be upon the complainant.

(d) Findings. Subsequent to the formal hearing, the Hearing Officer will make written findings and an order disposing of the matter and will mail a copy thereto to the complainant not later than fifteen (15) business days after the date of the formal hearing.

(e) Notices. A complainant will be given notice of any hearing pursuant to this Article 5 by certified mail not less than seven (7) business days prior to the date of the hearing, unless the complainant requests or agrees to a hearing in less time. When a complainant is represented by an attorney, notice of any action, finding, determination, decision, or order affecting the complainant will also be served upon the attorney.

(f) Costs. All costs of the formal hearing and appeal processes will be paid by the complainant, including, but not limited to, certified mailing, transcription of the recorded proceedings, and Counsel fees.