

ARTICLE XIV. - RULES AND REGULATIONS

Section 1. Compliance by Owners.

By virtue of taking title to a Lot subject to these restrictions and covenants, every Owner shall comply with the restrictions and covenants set forth herein and any and all rules and regulations which from time to time may be adopted by the Board of Directors of the Association.

Section 2. Enforcement.

Failure of an Owner to comply with such restrictions, covenants, and/or rules and regulations shall be grounds for action which may include, without limitation, an action to recover sums due for damages, injunctive relief, or any combination thereof.

Failure of the Association to enforce any restriction, covenant, and/or rules and regulations at any point in time shall not be deemed a waiver of the right of the Association to do so thereafter.

Section 3. Fines.

In addition to any and all other penalties or remedies available to the Association, the Board of Directors of the Association in its sole discretion, shall have the right to impose a fine or fines upon an Owner for failure of an Owner, his family member, guest, invitee, tenant, or employee(s) to comply with any covenant, restriction, rule or regulation, provided the following procedures are adhered to on the part of the Association:

- (a) **Notice:** The Association shall notify the Owner of the infraction.

Included in the notice the Association shall list;

- 1) the infraction,
- 2) a copy of this Article XIV,
- 3) the proposed fine for the infraction, and
- 4) the date and time of the next meeting of the Board of Directors.

The notice shall also state that the Lot Owner(s) shall have the right to appear before the board at the meeting stipulated in the notice to offer any reason(s) the board should not impose the fine.

Said notice shall be mailed or delivered personally by the Board to the Owner's last known address at least fourteen (14) days before the meeting date stipulated in the notice.

- (b) **Hearing:** At the meeting stipulated by the Notice as provided for in section (a) above, there shall be read a copy of the Notice to the Owner along with the date the notice was mailed.

The Board shall then give the Owner the opportunity to present such Owners reasons why the fine stipulated in the Notice should not be imposed.

The Board shall have the right, but not the obligation, to ask reasonable and pertinent questions of the Owner or other interested parties towards determining truth and fairness.

The Owner or other interested parties shall have the right to refrain from answering such questions and such refrain shall not be taken by the Board or any other party as any inference of guilt or innocence.

The Owner shall have the right, but not obligation, to ask reasonable questions of any party offering information to the Board that pertain to the issue at hand, as determined by the Chairperson of the Board hearing.

Should the Owner fail to appear at the hearing the Board shall use the information at its disposal in determining whether or not a penalty should be imposed in accordance with the Notice. No inference of guilt or innocence shall be presumed by the Board should an Owner fail to appear at the hearing.

The chairperson of the Board meeting shall make the determination as to when to close the hearing. When closed, the Board shall immediately enter into private or executive session to determine whether or not the fines stated by the Notice should be imposed.

The Board shall notify the Owner within fourteen (14) days of the hearing date in the same manner as outlined in section (a) above of the decision of the hearing. The Board shall not be obliged to render any reasoning for its decision to the Owner or any other person.

While the board may reduce or eliminate the penalty as provided for by the Notice the decision of the Board shall not impose a greater penalty than that stipulated in the Notice.

- (c) **Fines:** The Board of Directors may levy the fines hereinafter described, in the form of special assessments, against any Lot Owner found by the Board to have committed an infraction of the restrictions, covenants, and/or rules and regulations of the Association.

Should the infraction involve the family, guest, tenant, or other invitee of an Owner, the fine shall be levied against the Owner.

(1) First noncompliance or violation: a fine not to exceed one hundred (\$100.00) dollars.

(2) Second noncompliance or violation: a fine not to exceed five hundred (\$500.00) dollars.

(3) Third noncompliance or violation: a fine not to exceed one thousand (\$1,000.00) dollars.

(d) **Payment of Fines:** Fines shall be paid no later than thirty (30) days after the date of a notice mailed to the violator stating the result of the hearing and imposition of the fine.

(e) **Collection of Fines:** Fines shall be treated as special assessments subject to the provisions for the collection of assessments as set forth in Article VIII.

Each level (first through third) of fines shall be cumulative and shall be treated as a separate special assessment against the Lot Owner.

(f) **Application of Fines:** Monies received from fines shall be allocated in a manner prescribed by the Board of Directors.

(g) **Distinction:** Each issue considered by the Board as an infraction shall be treated separate and apart from each other issue.

A Lot Owner shall be entitled to separate Notice for each issue.

The Board retains the right to hear multiple issues on any given hearing date provided the Lot Owner has been given separate and proper Notice of each issue to be heard.

(h) **Deferment:** A Lot Owner may ask the Chairperson of Board to Delay the date for such Owners hearing by no more than sixty (60) days.

The Chairperson, in his/her sole and uncontrolled discretion, may grant such deferment if he/she feels the same is warranted. A deferment request must be in writing and delivered to the Chairperson of the Board at least seven (7) days prior to the hearing date.

(i) **Nonexclusive Remedy:** Fines shall not be construed as to be the Association's exclusive remedy against violators. Fines shall be construed to exist in addition to all other rights and remedies to which the Association may be otherwise legally entitled; however, any penalty paid by the offending Owner shall be deducted from or offset against any damages which the Association may otherwise be entitled to recover by law from an Owner.