

**Mountain Oaks Townhouses Homeowner's Association
Enforcement Procedures**

Adopted: February 6, 2016

Effective: February 6, 2016

The Enforcement Procedures for violations of the CC&R's, the Bylaws, the Rules and Regulations, the Architectural Design Rules and Regulations and the other governing documents of the Association shall be imposed according to the procedures set forth as follows:

INITIAL VIOLATION NOTICE:

In the event the Board or its agent determines that a violation of the Association's governing documents exists, a written notice will be sent to the member at the mailing address as it appears on the records of the Association at the time of notice. The initial Violation Notice shall include at a minimum the following information:

- The provisions of the documents that have been violated;
- The date of the violation or the date the violation was observed;
- The first and last name of the person or persons who observed the violation;
- The date by which the violation must be corrected; and
- The process the owner must follow to contest the notice.
- No fine will be imposed with this notice.

SECOND VIOLATION NOTICE:

If the violation is not corrected within the period set forth in the initial Violation Notice, a second Violation Notice will be sent. The second Violation Notice shall include at a minimum the following information:

- The nature and date of the violation and the date of the first notice;
- The date by which the violation must be corrected;
- The fact that a fine to be determined by the Board of Directors may be imposed for failure to correct the violation by the required deadline; and
- The right of the member to appeal the Board's decision that a violation has occurred and the manner in which such appeal must be requested or it will be deemed waived.

FINE NOTICE:

If the violation has not been corrected by the date set forth in the second Violation Notice and either (i) the member has waived the member's right to appeal the Board's decision that a violation has occurred or (ii) a hearing has been held and the Board has upheld its decision that a

violation has occurred, the Board may impose a fine pursuant to the then effective Fine Schedule and send the member a Fine Notice which shall include the following information:

- The nature and date of the violation;
- The dates the first and second Violation Notices were sent to the member;
- A statement that the Board of Directors has imposed a fine for failure to correct the violation by the required deadline;
- If applicable, any requirements or special instructions for compliance;
- A statement that fines will continue to be imposed and will increase without further notice every fifteen (15) days as set forth in the Fine Schedule until the violation is corrected;
- A copy of the Fine Schedule;
- A statement informing the owner of the Association's right to seek legal and/or equitable action to collect the fine and/or to remedy the noticed violation of the Association governing documents.

APPEAL PROCESS:

Any member who has received a second Violation Notice shall have the opportunity to appear before the Board to appeal the Board's decision that a violation exists. Such appeal right shall be deemed waived if not timely exercised by the member. The appeal process shall be as follows:

- Within ten (10) calendar days following the date of the second Violation Notice, the member may appeal the violation decision in writing to the Board and request a hearing on the matter. If the written hearing request is not received within such ten (10) day period, the member's right of appeal shall terminate as of the end of the tenth day.
- The member shall have the right to appear at the hearing in person or by a representative and to present all pertinent supporting information.
- A member who timely exercises his or her appeal right shall be provided a written notice of the time, date and place of scheduled appeal hearing which shall be conducted in an Executive Session meeting of the Board. In the event the member fails to appear in person or by representative at such scheduled hearing, his or her appeal right shall be deemed waived.
- After completion of the appeal hearing, the Board will make its decision. The member will be informed in writing of such decision within seven (7) days from the date of the appeal hearing.
- In the event the appeal is denied, unless otherwise stated in the Board's written decision, the effective date of the fine shall be retroactive to the date set forth in the Fine Notice.
- All decisions of the Board as to an appeal hearing are final and may not be appealed.

FINES:

- A fine may be assessed in accordance with the then effective Fine Schedule for an uncorrected violation of the governing documents of the Association.
- In the event of a subsequent violation by a member of the same provision of the governing documents within twelve (12) months of a previous violation of such

provision, all fines for each such violation shall be doubled and a fine will be assessed for each violation that has occurred during that period.

- The Board of Directors will determine the period for corrective action of a violation on a case-by-case basis.
- Fines are cumulative and will continue without further written notice until the violation is corrected. The violation will be deemed corrected as of the date the member notifies the Board of the correction thereof unless the Board subsequently determines that the violation has not been corrected or that such date is not correct.
- The Fine Notice will be mailed certified mail, return receipt requested, and first class mail.
- At any time, the Board may exercise the option to pursue corrective action through legal means.

FINE SCHEDULE:

Fines for Violations relating to Architectural Restrictions and Design Guidelines

- The fine for exterior improvements to a house commenced and/or completed without the prior review and written authorization of the Architectural Review Committee shall be no less than \$200.00 and no greater than \$5,000.00, as determined by the Board in its sole discretion. This includes, without, limitation, installation of fencing, landscaping, sheds, driveway extensions and any other improvements deemed applicable by the Architectural Review Committee.
- The fine for new construction work not completed in a timely manner per the Design Guidelines shall be \$500.00 per month.
- Such other fines as the Board shall determine from time to time to be reasonable for violations of architectural restrictions or the Design Guidelines.
- Depending on the violation, the Board may determine that an Initial Violation Notice and/or a Second Violation will not be sent to the member.

Fines for Other Violations

- The initial fine amount shall be **\$50.00**.
- If the violation has not been corrected within fifteen (15) days after the effective date of the imposition of the initial fine, the member shall be assessed an additional fine of **\$100.00**.
- If the violation has not been corrected within thirty (30) days after the effective date of the imposition of the initial fine, the member shall be assessed an additional fine of **\$100.00** and shall be assessed an additional fine of **\$100.00** every fifteen (15) days thereafter until the violation is corrected.
- In lieu of such fine schedule, the Board may impose a daily fine of **\$25.00** for each day a violation continues where the Board in its sole discretion determines that due to the nature of the violation such a daily fine is more appropriate.

GENERAL:

These Enforcement Procedures and the actions of the officers, directors and agents of the Association in compliance herewith are governed by, and subject to, the terms of the governing documents of the Association. In the event of any conflict between the terms hereof and the terms of the governing documents of the Association, the terms of the Association Documents of the Association shall govern. Further, these Enforcement Procedures are intended as a guideline for the Association. The Board retains the right to vary the enforcement process when it in its sole discretion determines that any such variance is appropriate. The Board further retains the right to amend or replace all or any portion of these Enforcement Procedures. The assessment of fines by the Association does not relieve the member from the obligation to correct the violations or comply with Association governing documents. These Enforcement Procedures and the remedies set forth herein do not constitute an election of remedies by the Association which reserves all such remedies available at law and in equity. The Association shall have the right to enforce the Association Documents through any other remedies available to the Association concurrently with the Enforcement Procedures set forth herein.