

Winterset Homeowners Association

Policy Resolution #2007-01

Schedule of Fines and Enforcement Procedures

WHEREAS **Article VII** of the Bylaws of the Winterset Homeowners Association ("Association") grants power to the Board of Directors to manage the affairs of the Association, and **Article 11, Section 11.6** of the Declaration of Covenants, Conditions and Restrictions ("Declaration") of the Winterset Homeowners Association grants power to the Association to levy fines against any Owner failing to meet the standards of the Declaration, Bylaws, Articles of Incorporation, or the adopted Rules and Regulations,

LET IT BE RESOLVED THAT the following Schedule of Fines and Enforcement policies shall be implemented:

1. **Architectural Control Violation.** If it is determined by the Board of Directors that an Association Member has violated one or more Architectural Control provisions within the Declaration, or within the Architectural Control & Use Restrictions Standards, the Architectural Review Committee or the Board of Directors may initiate the following action against the Owner deemed responsible for the violation:

(a) Mail an "Architectural Control" violation letter to the Owner, which may contain the following:

- The nature of the violation.
- An acceptable remedy or remedies to correct the violation.
- Notification that the initiation of an architectural change prior to receiving written approval from the Architectural Review Committee or the Board of Directors may result in a fine based on the estimated cost of the architectural change. The following fee schedule will apply:

| Estimated Cost | Fine |
|-----------------------------|---------|
| Less than or equal to \$500 | \$100 |
| \$501 - \$1,000 | \$200 |
| \$1,001 - \$5,000 | \$400 |
| \$5,001 - \$10,000 | \$1,000 |
| Greater than \$10,000 | \$2,000 |

- Notification that a **\$200.00** fine may be imposed for each violation, and that an additional **\$10.00** fine may be imposed for each day during which the violation continues. Also, that a separate **\$200.00** fine may be imposed for each recurrence of the alleged violation. The maximum fine for each Architectural Control violation shall be \$10,000.00.
- Notification that if a letter from the violating Owner is received by the Association management agent within ten (10) business days from the date of this violation letter, acknowledging that the violation occurred as alleged and promising to cure the violation, and that the violation will henceforth not recur, the Association may suspend the enforcement activity with regard to the violation, provided that the violation is cured by a deadline set by the Architectural Review Committee or the Board of Directors.
- Notification that the violating Owner has ten (10) business days from the date of this violation letter to request a hearing in writing before the Architectural Review Committee to present evidence contrary to the allegation.
- If the owner fails to respond or request a hearing within the specified timeframe, the Board of Directors will have the option of bypassing item 1b ("Hearing Notification") and proceed with item 1c ("Judgment").

(b) Mail a "Hearing Notification" letter to the Owner if a written response from the Owner has not been received by the Architectural Review Committee within ten (10) business days from the date of the Architectural Control violation letter. The Owner will have an opportunity at the hearing to refute any claims made within the Architectural Control violation letter. The Architectural Review

Committee will make a determination as to whether a violation has occurred, and will subsequently forward a written recommendation to the Board of Directors.

- (c) Mail a "Judgment" letter to the Owner notifying the Owner of the Board's decision regarding the violation. If it has been determined that a violation has occurred, the Association shall have the right to levy fines as set forth in Article 11, Section 11.6 of the Declaration. Such fines shall become the binding personal obligation of said Owner.

2. Use Restriction Violation. If it is determined by the Board of Directors that an Association Member has violated one or more Use Restriction provisions within the Declaration, or within the Architectural Control & Use Restriction Standards, the Architectural Review Committee or the Board of Directors may initiate the following action against the Owner deemed responsible for the violation:

- (a) Mail a "Use Restriction" violation letter to the Owner, which may contain the following:
- The nature of the violation.
 - An acceptable remedy or remedies to correct the violation.
 - Notification that a **\$25.00** fine may be imposed for each violation, and that an additional \$5.00 fine may be imposed for each day during which the violation continues. Also, that a separate **\$25.00** fine may be imposed for each recurrence of the alleged violation. The maximum fine for each Use Restriction violation shall be \$5,000.00.
 - Notification that if a letter from the violating Owner is received by the Association management agent within ten (10) business days from the date of this violation letter, acknowledging that the violation occurred as alleged and promising to cure the violation, and that the violation will henceforth not recur, the Association may suspend the enforcement activity with regard to the violation, provided that the violation is cured by a deadline set by the Architectural Review Committee or the Board of Directors.
 - Notification that the violating Owner has ten (10) business days from the date of this violation letter to request a hearing in writing before the Architectural Review Committee to present evidence contrary to the allegation.
 - If the owner fails to respond or request a hearing within the specified timeframe, the Board of Directors will have the option of bypassing item 2b ("Hearing Notification") and proceed with item 2c ("Judgment").
- (b) Mail a "Hearing Notification" letter to the Owner if a written response from the Owner has not been received by the Architectural Review Committee within ten (10) business days from the date of the Use Restriction violation letter. The Owner will have an opportunity at the hearing to refute any claims made within the Use Restriction violation letter. The Architectural Review Committee will make a determination as to whether a violation has occurred, and will subsequently forward a written recommendation to the Board of Directors.
- (c) Mail a "Judgment" letter to the Owner notifying the Owner of the Board's decision regarding the violation. If it has been determined that a violation has occurred, the Association shall have the right to levy fines as set forth in Article 11, Section 11.6 of the Declaration. Such fines shall become the binding personal obligation of said Owner.

3. In accordance with Article 11, Section 11.6 of the Declaration of Covenants, Conditions, and Restrictions of the Association, a fine shall be assessed against the Lot which the violator occupied or was visiting at the time of the violation, whether or not the violator is an Owner of that Lot, and shall be collectible in the same manner as any other assessment, including by the Association's lien rights as provided in said Declaration and the Bylaws.

In addition, the Owner shall be subject to the following actions:

- Revocation of Owner's voting rights and all privileges of membership in the Association shall be suspended.
- Litigation on behalf of the Association against the Owner to enforce compliance, and/or to recover all costs associated with compliance enforcement activities, including reasonable attorney's fees and expenses incurred.

This Resolution is adopted this _____ day of _____ 2007 by the Board of Directors.

President

Attest:

Secretary