

**ARBOR HILLS HOMEOWNERS ASSOCIATION
COMPLIANCE POLICY**

Effective January 1, 2016

When a prospective homeowner purchases property in the Arbor Hills Homeowners Association, Inc., they agree to abide by the documents governing the Arbor Hills Homeowners Association. From time to time a homeowner may violate one or more of the terms contained in the By-Laws, Covenants & Restrictions, Design Guidelines, or other rules and regulations established by the Association to govern the community. Because compliance with the contents of these documents is required, and because such compliance maintains the community standard that makes the Arbor Hills community unique, the Board of Directors is tasked with correcting non-compliance issues. In the event that a homeowner is not adhering to the rules of the community, is non-responsive to letters from the Association, and remains in non-compliance, the Board has no other course of action than to institute a fine, as provided for in the Arbor Hills Covenants & Restrictions. Fines must be paid, and the non-compliance issue(s) must be corrected. Failure to do so will result in further actions as provided in the Association's governing documents.

The Board of Directors of the Arbor Hills Homeowners Association, Inc., has approved the following **FINE SCHEDULE** for violations of the Covenants & Restrictions or various other documents and rules of the Arbors Homeowners Association. The Board of Directors intends to impose monetary penalties as authorized by Article V, Use Restrictions, Section 5.19.b, Enforcement, of the Association Covenants & Restrictions. The Board of Directors, when imposing monetary penalties reserves the right to enforce the community's restrictions in any other legal manner, including use of the Right of Abatement as provided for in Article V, Section 5.19.a. The following fine schedule is intended to be a guide only, and is not intended to create any rights or obligations. The Board of Directors reserves the right to impose a monetary penalty on the first date of a violation, to accrue the fine daily until the violation is cured, and to impose fines in amounts in excess of those set forth in the fine schedule.

COURTESY NOTICE:

Unless the Board determines that circumstances warrant expedited action, an initial courtesy notice of the violation shall be mailed via regular mail to the homeowner requesting that the violation be cured or a proposed plan of action to cure the violation be submitted within ten (10) days. This notice will indicate that fines shall be levied thirty (30) days after the initial notice of violation, if the property has not been brought into compliance and/or a plan acceptable to the Board to cure the violation has not been received.

FINE NOTICE:

The second notice shall be mailed via first-class or Certified mail to the homeowner. The notice of fine shall begin the process of levying fines against violating owners. This notice will typically be mailed approximately thirty (30) days after the Courtesy Notice.

AMOUNT AND DUE DATE OF FINES:

Unless the Board determines that other fine amounts are warranted in particular situations, fines for continuing violations will be levied in the amount of ten dollars (\$10.00) per day, per violation. Fines for single occurrence, or non-continuing, violations shall be in an amount determined by the Board based on the individual circumstances, not to exceed fifty dollars (\$50.00) per violation. The amount of fines levied by the Board may vary based on the nature and/or severity of the particular violation, the conduct of the violating Owner or Occupant, the duration of the violation, and other factors considered relevant by the Board. Severe violations may result in substantial fines, up to fifty dollars (\$50.00) per day per violation. Unless otherwise provided by the Board, fines shall be due and payable upon receipt of the notice that such fines have been levied.

RIGHT OF ABATEMENT:

In addition to fines and other enforcement remedies, the Board shall have the right to remedy continuing violations utilizing the Right of Abatement provision contained in Article V, Section 5.19.a of the Covenants & Restrictions, or take other legal action as provided in the governing documents, the cost of which shall be billed to the homeowner and collected in the same manner as assessments.

RECURRENCE:

Recurrence of a violation for which fining notice already has been provided within twelve (12) months of the original violation shall make the Owner subject to fines without additional notice. The Association is not required to re-issue notice to levy fines for repeat violations for which fining notice already has been issued. However, each new fine does require a hearing, presentation of evidence, and a written decision by the Board, if requested by the homeowner.

VIOLATION OF ACC APPROVAL PROCESS:

Any homeowner who commences a modification project requiring pre-approval by the Arbors Architectural Control Committee per Article VI of the Covenants & Restrictions, without obtaining that pre-approval may be subject to an immediate fifty dollar (\$50.00) fine. If work continues after notice of violation, the homeowner will be subject to a fifty dollar (\$50.00) per day per violation fine, in addition to all other enforcement remedies afforded the Association by Section V of the Covenants & Restrictions.

FAILURE TO PAY:

Failure to pay any fine shall subject the Owner to the same potential penalties and enforcement as failure to pay any assessments under Article IV of the Covenants & Restrictions.

THREE STRIKES AND SIXTY (60) DAY RULE:

In general, the Association will not levy more than three single instance fines for the same violation or continue daily fines for the same violation for a period of sixty (60) or more days without taking additional legal action against the owner to seek injunctive relief.