

POTTER CREEK HOMEOWNERS' ASSOCIATION

Association Rules

Pursuant to Article VI, § 5 of the Covenants, Conditions and Restrictions of record for Potter Creek Estates and Article III, § 8 of the Bylaws of the Potter Creek Homeowners' Association, the board of directors of the association hereby adopt the following list of fines and penalties along with below described procedure this 31st day of January, 2011.

Fines and Penalties

Using the below-described procedure, the board shall have the discretion to levy the fines and penalties described below:

	<u>Description</u>	<u>Fine</u>
1.	For any breach, violation, failure to meet or perform or for any noncompliance with any provision of the Declaration, the Articles of Incorporation, the Bylaws of the Potter Creek Homeowners' Association as amended, the Covenants, Conditions and Restrictions of Record, the Design Standards & Procedures or any Association Rules, the Board may assess and levy fines against the offending homeowner or lot owner, until the homeowner or lot owner corrects, remedies or complies with the provision violated.	No less than \$35 per day, and up to \$100 per day;
2.	Upon finding by the Board that the homeowner or lot owner is intentionally failing to comply with or violating any provision of the Declaration, the Articles of Incorporation, the Bylaws of the Potter Creek Homeowners' Association as amended, the Covenants, Conditions and Restrictions of Record, the Design Standards & Procedures or any Association Rules, the Board may increase the fine over no. 1 above up to \$500 per day until the homeowner or lot owner corrects, remedies or complies with the provision violated.	Up to \$500 per day
3.	By way of example only the following is a nonexclusive list of violations included in No. 1:	
	a. Failure to submit a Design Review Request Form with all information required by the DSP's for DRC's approval pursuant to § 5.2 of the Design Standards and Procedures (DSP's).	
	b. Commencing construction or improvements of any kind without DRC approval of a Design Review Request Form.	
	c. Failure to complete approved construction or improvements within the DSP-specified time limits. (CCR, Article V, § 3).	

	<p>d. For construction out of compliance with DRC approved plans.</p> <p>Board may suspend the daily assessment of the fine while correction of the noncompliance is underway, but can reinstate the daily penalty if work on the correction is stopped before completion.</p>	
	<p>e. For construction of improvements not in compliance with the DSP's or CCR's.</p>	
	<p>f. For a violation of the Owner's duty of repair and maintenance under Article VII, § 2 of the CCR's.</p>	
	<p>g. Failure to comply with an order of the Board of Directors to cease work pending resolution of a dispute with respect to the work or pending resolution of a variance request.</p>	
	<p>h. Failure to abide by or comply with a board decision or order resolving any dispute relating to compliance with the DSP, CCR's, Bylaws or Association Rules.</p>	
	<p>i. Violation of or failure to comply with any provision of Article XI, Use Restrictions, of the CCR's.</p>	
4.	<p>Late charge for failure to pay any special assessment from date due pursuant to Article IV, § 1 of the CCR's.</p>	\$10 per day.
5.	<p>Interest rate to apply to unpaid assessments or fines from their due date pursuant to Article IV, § 1 of the CCR's.</p>	6 % of the total amount of the assessment or total fine, compounded monthly.
6.	<p>Pursuant to Article III, § 8 of the Bylaws of the Potter Creek Homeowner's Association, the following procedures shall apply to the imposition of any fines or penalties set out in these Association Rules.</p> <p>Upon good cause appearing, the board may levy any of the above-referenced fines and penalties, and shall do so in accordance with the following procedures:</p> <p>a. The board shall deliver to the homeowner or lot owner, in accordance with § 10 of Article XVIII of the CCR's, a written statement describing the failure, violation, non-compliance, deficiency or other problem, and set out a deadline for compliance or remedy.</p>	

b. In the event that the homeowner or lot owner has not corrected, remedied or otherwise resolved the failure, violation, noncompliance, deficiency or other problem by the deadline, a second written statement will be delivered in accordance with § 10 of Article XVIII of the CCR's to the homeowner or lot owner setting out the fine intended to be levied by the board, along with a notice of date, time and place at which a hearing will be held in accordance with these rules.

c. The hearing shall be started no less than 30 days and no later than 60 days after the written statement and notice of hearing are mailed to the homeowner, unless the homeowner and the board agree on a different schedule. The hearing will be completed as expeditiously as reasonably possible.

d. The board shall appoint a panel of three capable persons, one of whom shall be designated as a chair, who shall hear the charges and evaluate the evidence of the alleged failure, breach, deficiency or other violation. The members of the panel may be, but are not required to be, members of the homeowner's association. The three panel members shall decide all scheduling, evidentiary and other procedural questions.

e. At the hearing, the homeowner will have the right to present oral and written evidence, to call witnesses to testify and to cross-examine any adverse witnesses presented by the association.

f. Following the hearing, the three panel members shall deliberate by themselves and decide whether the evidence supports the alleged failure, breach, deficiency or other violation. Within seven days following the completion of the hearing, the panel shall issue a written decision which sets out the panel's findings and conclusions, and which shall specify the fines to be levied along with a due date for payment of the fines then accrued, if any. The decision shall be delivered to the homeowner in accordance with § 10 of Article XVIII of the CCR's.