

STATEMENT OF POLICY

The Rocky Cliff Estates HOA Board of Directors (BOD) may from time to time adopt and/or amend policies, rules, and/or regulations regarding the operation and performance of the HOA and its individual members as it may deem fit and necessary, as provided in Section A.3 of the Meadows at Rocky Cliff Conditions, Covenants, and Regulations (CCRs). These policies, rules, and regulations are intended to maintain the integrity of the neighborhood and protect the interests of the HOA and its members, jointly and individually. They are equally applicable to and enforceable against every HOA member. It is the position of the BOD that any policy, rule, or regulation may only become applicable following adoption by a majority vote of the BOD as controlled in the Bylaws, and notification of the members of the HOA of its adoption, content, and date of effect. It is the responsibility and obligation of each member to abide by the Bylaws, CCRs, and the policies, rules, and regulations of the HOA as they exist or may be amended.

VIOLATIONS, FINES AND PENALTIES

1. VIOLATIONS

A claim that a member is in violation of the CCRs, rules, or regulations may be initiated by any member of the HOA, and should be submitted in writing, by mail or email, either to any BOD member or to the designated property manager. The claim will be forwarded to the BOD for investigation and evaluation. The BOD may act as a whole, or may assign a Board member, DRB member, or HOA officer to investigate the claim and to report back to the BOD. Based on the report and other evidence that may be available, including meetings or consultations with the member as appropriate, the BOD will determine if a violation exists, and the appropriate action to correct it. If a violation is determined, the BOD will notify the member as provided below and take the necessary steps to correct the violation and enforce the CCRs, rules, or regulations. The BOD will have fourteen (14) days to respond to the person(s) alleging a violation regarding the disposition. If a full disposition cannot be made within that time, the BOD shall have fourteen (14) days to notify the person alleging the violation of the delay and of the expected time necessary to complete a disposition of the matter.

2. REMEDIES FOR VIOLATIONS

In any case where it has been determined that a member is in violation, that member will be notified in writing within seven (7) days of the determination of the specific nature of the violation. The member may be provided suggestions on how to correct the violation and direction on the time period for accomplishing the correction, and will be informed if there is a fine or other penalty intended to be assessed related to the violation. The member will be required to cease any activity causing the violation, correct the violation according to any direction provided, and to pay any fine or fee. Alternatively, the member may, within seven (7) days of notification and in writing, propose a different corrective measure or appeal the finding of violation according to the process in this policy.

Failure of the member to correct the violation or otherwise respond in the time allowed may require the Board of Directors to take action to correct the violation and to remediate or mitigate any real or potential harm or injury to other members, common areas, or HOA infrastructure. The cost of any action(s) taken under this item will be the responsibility of the member found in violation, in addition to any other fines or penalties that may have been assessed. Failure to pay any of these costs will result in enforcement and collection actions as noted below.

3. FINES AND PENALTIES

In addition to any other means of enforcement provided in the CCRs, Bylaws, policies, rules, and/or regulations of The Meadows at Rocky Cliff, or in any other applicable regulation or statute, those same CCRs, Bylaws, policies, rules, and/or regulations may be enforced as follows:

- 3.1 The Board of Directors may impose fines upon members for violations. The fine may range from ten dollars (\$10.00) to one thousand dollars (\$1000.00) per violation, depending on the nature and circumstances. Each separate day of a continuing violation may be considered a separate violation. The amount of the fine may initially be set at any amount within the range, according to the criteria noted below.
- 3.2 The Board of Directors, in addition to or in lieu of fines, may impose penalties upon members for violations. Penalties may include loss of access to common facilities or amenities, suspension of voting privileges regarding Association business, or other penalties as may be determined by the Board of Directors from time to time, provided that notification of those penalties has been provided to all members as they are adopted. Suspension of privileges may not exceed a period of one (1) year.
- 3.3 In determining the appropriate amount of a fine or the type or duration of a penalty, the BOD shall consider, among other factors:
 - 3.3.1 Whether the violation threatened the health or safety of anyone,
 - 3.3.2 Whether the violation involved physical damage to the property of another, to common areas, or to the environment
 - 3.3.3 The cost of remedying or repairing the violation
 - 3.3.4 Whether the member has had a substantially similar prior violation, and/or the number of prior violations
 - 3.3.5 Whether the violation was the result of an intentional act or commission, or rather a result of a negligent act or omission.
- 3.4 Prior to imposition of the fine or penalty, written notice shall be provided to the member informing them of the violation and the intended amount and/or duration of the fine or penalty, and providing the member the opportunity to correct the violation within a reasonable and defined period of time. If the violation is corrected as directed with the time allowed, the fine or penalty shall not be imposed. If there is delayed action in correcting the violation, but the corrective action is ultimately completed, the Board of Directors may modify or reduce the fine or penalty at its discretion.
- 3.5 The member may appeal the determination of violation. The appeal must be submitted in writing to the Board of Directors within seven (7) days of notification of violation. The BOD shall conduct a hearing within seven (7) days of receipt of the appeal, wherein the member may be heard and present argument and/or evidence as to why:
 - 3.5.1 The determination of violation is in error and should be set aside or;
 - 3.5.2 The determination of violation is valid but the fine or penalty should not be imposed or;

- 3.5.3 The determination of violation is valid but the fine or penalty should be reduced.

The Board may appoint another panel to hear the appeal at its' discretion or at the request of the member. Results of the appeal are final.

- 3.6 Failure by the member to appeal or correct the violation as provided above will result in imposition of the fine or penalty and the creation of a lien against the lot and any improvements thereupon. Notice of the final determination of a fine or penalty against the member shall be delivered via certified mail, return receipt requested. Refusal of the member to sign for certified mail will be deemed notice. The Board may cause notice of the lien to be filed against the member's lot for the amount of the fine plus the cost of filing the lien. If there are multiple violations, the lien may be filed for the total amount of the fines at the end of the year.
- 3.7 In addition to fines or fees as noted above, any other cost or expense (including attorney's fees) incurred by the HOA as a result of the failure of a member to abide by the provisions of the CCRs, policies, rules, and/or regulations; any expense of the HOA which is the obligation of a member or which is incurred by the HOA on behalf of the member pursuant to the CCRs, policies, rules, and/or regulations; or any interest, late charge, or other monetary obligation of a member under the CCRs, policies, rules, and/or regulations (other than annual or special assessments); as well as any unpaid fines or fees that have been imposed against a member under the provisions of these CCRs, will constitute a default assessment and the creation of a lien against the lot and any improvements thereupon.

4. PAYMENT OF FINES, FEES, OR ASSESSMENTS

Without an agreement arranging otherwise, all fines, fees, and/or assessments are due within thirty (30) days of final determination. They should be paid to the same entity as monthly HOA dues, and will be first used to offset any costs associated with the violation, with any balance distributed to HOA operating or reserve funds as determined by the BOD.

- 4.1 The Board of Directors may elect to accept payment of any fines, fees or assessments levied for violations in installments over a period up to but not to exceed twelve (12) months, and to waive any interest or payment penalties to which the HOA might otherwise be entitled. All installment agreements must be in writing and detail the total amount due, amount and number of payments, due dates, and any terms as may be agreed upon.
- 4.2 In the case an installment agreement is in place, any installment which is not paid within thirty (30) days after its due date will be delinquent.
- 4.3 Absent an installment agreement, any fine, fee, or assessment which is not paid within thirty (30) days after final determination will be delinquent.
- 4.4 In the event of delinquency, the HOA may take any or all of the following actions:
 - 4.4.1 Assess a late charge for each delinquency at uniform rates set by the Board of Directors from time to time as and allowed by law;
 - 4.4.2 Charge interest from the date of delinquency at uniform rates set by the Board of Directors from time to time and as allowed by law;

- 4.4.3 Suspend access to community resources, including parks, common areas, and the water system.
 - 4.4.4 Suspend the voting rights of the member during any period of delinquency;
 - 4.4.5 Accelerate all remaining installments for the agreement so that the unpaid balance is due and payable at once;
 - 4.4.6 Bring an action against any member personally obligated to pay the delinquent charges, and add any costs and attorney's fees associated with the enforcement action to the total amount due;
 - 4.4.7 File a statement of lien with respect to the lot and foreclose as set forth in the CCRs.
- 4.5 In order to avoid or reverse any or all of these actions, the amount due must be paid, or in the case of an installment agreement, the account must be brought current, including late fees and/or interest that may have been applied.