

STONEWATER HOMEOWNERS ASSOCIATION

RULES & REGULATIONS - *AMENDED*

**Violations and Fines
Rules and Procedures**

February 16, 2021

WHEREAS, from time to time, it is appropriate for the Property Manager or the Board of Directors to initiate a Notice of Violation to a Homeowner for non-compliance with the Association Documents, including Rules & Regulations, and to assess fines for said violations in accordance with Article VII, Section Y of the First Amended and Restated Declaration of Covenants, Conditions and Restrictions (“Declaration”) and Sections N and O of the Stonewater Homeowners Rules & Regulations (“Rules & Regulations”);

WHEREAS all Homeowners in Stonewater Subdivision have notice of the restrictions contained in the Association Documents and the Rules & Regulations that have been promulgated pursuant to those Documents and that all of those Documents are readily available on the Stonewater Homeowners Association website;

WHEREAS, the Board of Directors of Stonewater Homeowners Association is empowered to govern the affairs of the Association and to adjudicate and resolve said violations;

WHEREAS the Board of Directors has previously published a Fines Schedule and the Board hereby amends and replaces that Fines Schedule with this Violations and Fines – Rules and Procedures;

NOW THEREFORE, pursuant to Article X, Section G of the Declaration, the Board of Directors for Stonewater Homeowners Association hereby confirms the following rules and regulations governing violations procedures and the issuance of fines for violations:

Section 1. General Provisions

A. The violation by any Homeowner, occupant, or guest in Stonewater Subdivision of any of the provisions of the Association Documents, including any duly adopted rules and regulations, shall be grounds for assessment by the Association, acting through its duly constituted Board of Directors, of monetary fines against the Homeowner. The Homeowner shall be deemed responsible for such violation whether it occurs as a result of their personal actions or the actions of their family, guests, tenants, or any other person admitted by the Homeowner to the Subdivision.

B. All Notices of Violations (“Notices”), shall include a description of the factual nature of the alleged offense and reference the corresponding provision of the Association Documents. All Notices and other correspondence regarding violations and fines shall be sent via personal delivery or first-class mail, postage prepaid to the Homeowner at their Lot address or to such other address as has been provided in writing to the Association by the

Homeowner. Notices and correspondence regarding violations and fines may also be sent via email to the Homeowner, if such Homeowner provides their email address for such purposes.

C. Notice of a Repeat Violation as defined in Sections 3 below, may be sent to the Homeowner every thirty (30) days, or as often as determined by the Board of Directors.

D. Notices of alleged violations which are not ultimately upheld by the Board of Directors will remain on file for continuity of policy and historical purposes, but shall not be counted in the fine schedule or for the purpose of imposing any subsequent fines upon the Homeowner.

Section 2. Procedures

A. The first correspondence may be a courtesy notification and may provide the Homeowner an opportunity to correct the alleged violation within ten (10) calendar days from the date of the notification. Failure to correct the alleged violation within the 10-day period may result in further action by the Board of Directors, including Notices and corresponding fines.

B. A Violation Notice shall provide the Homeowner with an opportunity to address the Board of Directors at its next scheduled meeting to offer evidence in defense of the alleged violation. In no event shall the Homeowner be required to appear before the Board less than ten (10) days from the date of the Notice. Failure of a Homeowner to respond to the Violation Notice in writing and/or to appear at the scheduled hearing shall result in the alleged violation being upheld by default.

C. If, after reviewing the matter and hearing the response of the Homeowner, the Board of Directors determines that the alleged violation did not occur, or if the alleged violation was corrected prior to the time period provided in the Violation Notice, the matter will be dismissed. If the Board determines that a violation did occur and has not been corrected, a fine may be levied according to the schedule in Section 4 below. The fine will be due and payable on the first day of the next following month. The Board will mail a letter to the Homeowner after the hearing held thereon, stating its decision (1st Violation Letter). The decision of the Board shall be made in the exercise of its business judgment and is final. The Board's letter shall include an additional time period for the Homeowner to correct the violation, in order to avoid additional Notices and corresponding fines.

D. The Homeowner must notify the Board in writing that the violation has been corrected. If the violation is corrected within the time period provided in the 1st Violation Letter, the matter will be dismissed. If the violation is not corrected within the time period provided in the 1st Violation Letter or if the Homeowner fails to notify the Board in writing that the violation has been corrected, a 2nd Violation Letter may be issued.

Section 3. Repeat Violation – Defined; Fine Amounts. For purposes of this Rule, a violation of the same provision of the Association Documents that is repeated more than once by the same Homeowner shall be known as a "Repeat Violation". Each violation that the Board of Directors has upheld against a Homeowner involving the same provision of the Association Documents may be considered by the Board for the purpose of applying escalated

finest to the Homeowner's account for repeated violations, pursuant to and in accordance with the fine schedule set forth in Section 4 below and the Declaration.

The number of the violation (i.e. first, second, etc.) is determined with respect to the number of times that a Homeowner violates the same provision of the Association Documents as long as that Homeowner may be an owner of a Lot in the Subdivision, and is not based upon time.

Section 4. Fine Amounts. Upon a determination that a violation of any of the provisions of the Association Documents has occurred and has not been corrected within the time period provided in the Violation Letter, the following fines may be levied:

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| A. | First Violation | \$100.00 fine |
| B. | Second Violation | \$250.00 fine |
| C. | Third Violation | \$500.00 fine |
| D. | Fourth Violation | \$1,000.00 fine |

The fines levied pursuant to this Section shall be assessed against the Homeowner and shall be due and payable on the first day of the next following month. The fines shall be collected from the Homeowner in the same manner as unpaid assessments pursuant to Article V of the Declaration.

Section 5. Reporting an Alleged Violation

A. Notices may be issued immediately to a Homeowner for any alleged violation that comes to the attention of the Board of Directors. Homeowners who desire to call a violation to the attention of the Board are requested to submit a written complaint regarding the violation to the Association's Management Company. The complaint should include any and all information that might be relevant to the violation, including (but not necessarily limited to) an adequate description of the nature of the alleged violation, specific dates, times, names, addresses, the location where the alleged violation occurred, pictures, as well as any other pertinent details.

B. The name, lot number, address, and telephone number of the homeowner alleging a violation must be included in their written complaint to the Management Company. Notices sent by the Association to the alleged violator will not cite the name of the complainant; however, the complainant may be asked to appear at a hearing as a witness if the alleged violation is disputed.

Policy approved and adopted by the Board of Directors: February 16, 2021

Policy emailed to Homeowners: February 26, 2021

Policy effective: March 1, 2021