REDHAWK COMMUNITY ASSOCIATION FINE SCHEDULE

The Redhawk Community Association ("Association") has the right to enforce the Association's Governing Documents pursuant to the CC&Rs. This right includes requesting the violating Owner to cease the offending action, suspending the violating Owner's membership rights, levying a special/reimbursement assessment against the violating Owner, fining the violating Owner, and, if necessary, filing a lawsuit against the violating Owner. Once the Board of Directors is aware of a violation, the Board will investigate the allegation and, if necessary, take appropriate action against the violating Owner. However, nothing in this section obligates or requires the Board of Directors or its authorized committee to take any action against an individual Owner. Individual Owners also have the right to enforce the Governing Documents on their own.

- A. <u>Due Process</u>. Prior to the imposition of any fine or special/reimbursement assessment, the violating Owner shall be given notice and an opportunity to appear in person or in writing before the Board of Directors or its committee. Due process will be conducted in a manner consistent with the CC&Rs such that at least fifteen (15) days' notice will be given of any hearing and the owner will be notified in writing of the outcome and the imposition of any discipline or fine within five (5) days after the hearing.
- B. <u>Enforcement Guidelines</u>. Generally, absent special circumstances, the Association will adhere to the following discipline and fine protocol for violations of the Governing Documents:
 - (i) Warning Notice: Initial warning letter and request to correct violation within a reasonable amount of time as determined by the Board or its committee.
 - (ii) Second Notice: Reminder notice with request to cure violation by a specific date to be determined by the Board or its committee.
 - (iii) Fine/Hearing Notice: If the violation is not cured by the date set forth in the Second Notice, a Fine/Hearing Notice will be sent to the violating Owner setting forth the nature of the violation and requesting the violating Owner's immediate remedial action. Also, the Fine/Hearing Notice will establish a fine amount and set a hearing regarding the potential imposition of that fine (see schedule below). In addition to the fine, the Association may suspend the Owner's voting privileges and/or an Owner's right to use the Common Area facilities as well as assess attorneys' fees and costs, if any, associated with obtaining the violating Owner's compliance.
 - (iv) Note: For subsequent, repeat violations (2nd, 3rd) of the same type as prior violations, no Warning or Second Notice will be sent to the violating Owner. Instead, the Association will immediately send a Fine/Hearing Notice establishing a fine amount consistent with the schedule below, setting a violation hearing and providing the Owner with at least fifteen (15) days' notice. For subsequent violations of the same type, the Board may assess fines pursuant to the schedule established for second and third violations. Continuing violations may result in daily fines and/or the increase in the fine amount, without further notice or hearing, to be automatically added to the violating Owner's account until the continuing violation is cured.
 - (v) The following fine schedule shall apply to all violations (except leasing or rental violations):

 1st Violation:
 \$50.00 - \$300.00

 2nd Violation (same offense):
 \$200.00 - \$600.00

 3rd Violation (same offense):
 \$400.00 - \$1,000.00

 Additional Violations (same offense):
 \$500.00 - \$1,500.00

Continuing Violations (same offense): Daily fines until cured \$50.00 - \$300.00

(vi) <u>Leasing and Rental Violations</u>: Any Owner who violates the Association's restrictions on the renting or leasing of residences within Redhawk will be fined according to the following fine schedule:

 1st Violation:
 \$250.00 - \$750.00

 2nd Violation:
 \$750.00 - \$1,000.00

 3rd Violation:
 \$1,000.00 - \$2,500.00

Continuing Violation: Daily fines until cured \$250.00 - \$750.00