

**THOMPSON DRAW II HOMEOWNERS ASSOCIATION
PROCEDURE FOR ENFORCING
MONETARY PENALTIES FOR RULES VIOLATIONS**

Effective: January 1, 2006

Monetary penalties for violations of the CC&R's, Bylaws and Rules of the Association shall be imposed uniformly according to the procedure set forth as follows:

Written notice will be sent to the owner at the mailing address as it appears on the records of the association at the time of the notice. The FIRST NOTICE shall be a violation letter with no monetary penalty imposed and shall give the owner adequate time to comply. The notice shall include:

- 1) The nature, date and approximate time the violation was observed.
- 2) A date for correction of the violation.
- 3) The fact that a monetary penalty may be imposed and the amount of same if the violation is not corrected, or reoccurs within twelve (12) months.
- 4) A statement advising the owner of the manner in which the owner will be provided with an opportunity to be heard with respect to the violation.

If the violation is not corrected within the given date or if the same violation reoccurs within a twelve (12) month period of the previous written notice, a VIOLATION NOTICE will be sent. The notice shall include:

- 1) The nature, date and approximate time the first & subsequent violation (s) were observed.
- 2) The fact that a monetary penalty is being imposed without further notice, with a date and the amount of the monetary penalty specified.
- 3) A statement advising the owner of the manner in which the owner will be provided with an opportunity to be heard with respect to the violation. If the owner does not respond, it will be deemed that the owner has waived his/her opportunity to be heard or to contest the violation and monetary penalty as set forth above.

Upon request, the owner will be provided an opportunity to discuss the violation and the monetary penalty to be imposed, in one of two ways:

- 1) Within fourteen (14) calendar days following the date of the violation notice, the owner may appeal the monetary penalty in writing to the Board and request a hearing, and/or
- 2) Within fourteen (14) calendar days following the date of the second notice, the owner may appeal the monetary penalty in person at a Board meeting if one is scheduled within that period.

Whether or not the owner appeals, the Board can assess the problem and determine whether to levy the monetary penalty upon the expiration of that fourteen-day appeal period. The owner will be notified in writing of the Board's decision and date of required compliance. If the owner is not in compliance by the last given date and/or the monetary penalty has not been satisfied, the case may be referred to an attorney for corrective action through legal means in accordance with the TD II CC&R's.

Thompson Draw II Homeowners Association Monetary Penalty Summary:

- ◆ A monetary penalty may be assessed for violation of the CC&R's, Bylaws and/or Rules of the Association in accordance with the attached Monetary Penalty Schedule.
- ◆ If the same violation reoccurs within a twelve (12) month period of the previous monetary penalty, an additional monetary penalty will be assessed without sending the owner a First Notice. Refer to the attached Monetary Penalty Schedule for penalties for reoccurring violations.
- ◆ If the owner is not in compliance by the last given date subsequent to the assessment of the monetary penalty, the Board of Directors may have no choice but to pursue corrective action through legal means.

Exception to above procedure is cabin rental. The monetary penalty will be imposed in a Violation Notice without a First Notice having been sent.

THOMPSON DRAW II HOMEOWNERS ASSOCIATION

MONETARY PENALTY SCHEDULE

Effective: January 1, 2006

CONTINUING OR

<u>VIOLATION:</u>	<u>MONETARY PENALTY</u>	<u>RE-OCCURRING VIOLATION WITHIN 12 MONTH PERIOD</u>
Failure to adhere to TD II CC&R, Article IV, Section 1, B, Buildings and Structures, page 4; and F, Improvements and Alterations, page 5, including but not limited to installation, new construction, an addition, alteration, repair, change, or other work which in any way alters the exterior appearance including the exterior color scheme, landscape or other improvement(s) on a lot without written approval of the Architectural Committee.	\$200.00	\$400.00
Failure to maintain the lot in accordance with TD II CC&R, Article IV, Section 1, M, Fire Protection, page 8.	\$300.00	\$600.00
Failure to adhere to TD II CC&R, Article IV, Section 1, B, Single Family Residential Use, page 4, prohibiting cabin rental. NOTE: MONETARY PENALTY WILL BE IMPOSED UPON VERIFICATION OF VIOLATION WITHOUT PRIOR NOTIFICATION.	\$1,000.00	\$1,000.00 increase each violation
Failure to adhere to TD II CC&R, Article IV, Section 1,H, Speed Limits, to include motorized vehicle use, page 6.	\$ 50.00	\$ 100.00
Other violations subject to penalties to be determined	To be set according to violation	

NOTE: This is an "illustrative list" of the most common violations and is not exhaustive.