Hampshire Homeowners Association, Inc. <u>Violation & Fine Policy</u>

The following Violation & Fine Policy has been drafted in accordance with the Declaration of Covenants Conditions and Restrictions for Hampshire ("Declaration").

As set forth in Article 7, Section 7.1 of the Declaration, the Board of Directors has a responsibility to the Association to enforce the covenants set forth in the Declaration, By-Laws, and rules and regulations.

As set forth in Article 7, Section 7.4 of the Declaration, a violation or threatened violation of the Association's Declaration, By-Laws, or Rules and Regulations shall be grounds for an action against the person or entity violating or threatening violation of the covenants, which available relief includes the recovery of damages or other sums due for the violation along with the costs and attorneys' fees incurred in enforcing the Association's covenants.

As set forth in Article 7, Section 7.4 of the Declaration, the Board of Directors has the authority to assess a fine, to an Owner for a violation against the Declaration, Plats, By-Laws, or Rules and Regulations.

Article 3, Section 3.3 of the Declaration provides that the Board may adopt and publish rules and regulations governing the Use of Lots and the Common Areas, this includes the establishing penalties for the infraction thereof.

<u>Courtesy Notice</u>: The Board of Directors may issue a Courtesy Warning/Notice of Violation to an Owner, which shall include (1) the nature of the alleged violation; (2) Board determined timeframe to comply with the Declaration and resolve the violation; (3) Notice that no fine shall be imposed if the alleged violation is resolved within Board determined timeframe.

<u>First Violation</u>: Notice of Violation letter will be sent to the Owner, which shall include (1) the nature of the alleged violation; (2) the proposed sanction to be imposed; (3) notice that the Owner may submit a written request for a hearing to the Board within ten (10) business days of the notice; and (4) notice of any proposed sanction that shall be imposed as contained in the notice, unless a request for a hearing is received by the Board within such time period. The amount of any fine shall be consistent with the range of fines as provided for in the Schedule of Fines adopted by the Board, as amended from time to time.

<u>Hearing</u>: If a hearing is requested within the ten (10) business day period, the hearing shall be conducted by the Board and homeowner in executive session. After such hearing, or an opportunity thereof, the Board may impose a reasonable fine as provided for in the Schedule of Fines.

Second Violation: In the event the Owner does not submit a written request for a hearing to the Board within the ten (10) business day period, fails to attend the scheduled hearing, or fails to cure the violation, a Second Notice of Violation will be sent to the Owner. This Second Notice shall include notice that the Owner may submit a written request for mediation or binding arbitration within ten (10) days of the notice, at the Owner's sole cost and expense. If a request for mediation or arbitration is not received within the ten (10) day period, the amount of any fine consistent with the range of fines as provided for in the Schedule of Fines adopted by the Board, as amended from time to time, and any expense incurred or to be incurred by the Association to cover costs incurred in bringing a Dwelling Unit into compliance shall be assessed to the Owner's account ledger.