



Rules and Regulations

Introduction

The Rules and Regulations are different from covenants in that they are adopted by the Board of Directors and may be adopted, rescinded or amended by a vote of at least two-thirds of the members of the board. Rules and Regulations are fully enforceable but are not recorded against the property, as are covenants.

Insurance

The comprehensive insurance carried by the Association on common areas does not cover contents of each unit. Owners are responsible for their own insurance on the contents of their dwelling and furnishings and personal property and personal liability and for all losses and risks growing out of the ownership and/or occupation of the premises.

Administration

The direction and administration of the property is vested in the Board of Directors consisting of a minimum of five directors elected by the membership. Each member of the Board shall be one of the owners and reside on the property. In the event of a vacancy through resignation or dismissal, the Board may elect a replacement director to serve until the next general meeting. (CCRE Section 7.2)

The Board may adopt rules and regulations, as it deems advisable. (CCRE Section 8.9)

The Board may enforce the rules, regulations, and covenants by such means as it deems reasonable and appropriate, including but not limited to the imposition of fines and by temporarily suspending the rights of members to vote. (CCRE Section 8.10)

Common Expense Maintenance Fund

Each owner of any lot agrees to pay to the Association monthly assessments or other charges assessed, established, and collected in accordance with the provisions of the Covenants and special assessments for capital improvements assessed, established, and collected in accordance with the Covenants. (Ref CCRE Section 11.1)

All such monthly and special assessments, together with interest, costs and attorney's fees, shall be a charge on the land and a continuing lien upon the Lot against which such assessment is made. Each such assessment, together with interest, costs and attorney's fees, shall be the personal obligation of the person who was the owner of the Lot at the time such assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. (CCRE Section 11.14)

Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Property and for the improvement and maintenance of the common area.

The Board has the responsibility to prepare an estimated annual budget and to collect monthly and special assessments for the payment of common expenses, and to administer the financial concerns of the Association for the benefit of all owners. (CCRE Section 11.6)

Prior to, or at each Annual Meeting of the Association, the Board shall supply to all owners an itemized accounting of the maintenance expenses for the preceding year. Excess amounts will be set-aside in an Operating Reserve and shortages will be reduced as an assessment to dues. (CCRE Section 11)

Assessments and Collections

Payment and Late Fees Monthly assessments are due and payable on the first day of each month and delinquent if not received by the Association or its designated payee by the 10th of the month. (CCRE Section 11.13) All payments not received by the 10th will be charged a \$15.00 late charge. If not paid by the 30th of the month, a 21% per annum interest charge will be levied until payment is made in full. Allow ample time for mailing of payments. The Association or its management agent does not have automatic debit capability for such payments. Homeowners may individually set up automatic payment arrangements with their own bank.

Application of Payments All payments shall be applied to outstanding balances in the following order of priority: (A) Interest, (B) Late charges, (C) Legal Fees and costs, fines, and (D) Assessments. There shall be a \$25.00 handling charge, plus postage for all returned checks. (CCRE Section 11.12)

The Following Procedures Shall Apply To All Delinquencies:

- 1) Pay or Lien Letter shall be sent by certified mail not less than THIRTY (30) days after due date (cost \$5.00 plus postage).
- 2) At SIXTY (60) days past due, the Association will place a Lien against the owner's property if the delinquent amount has not been paid (cost \$21.00) and Notice of Intent to Foreclose may be sent at the same time as the Lien is recorded (cost \$375.00 - \$500.00).
- 3) At NINETY (90) days the Association may choose to either foreclose the Lien or File a Money Complaint for all assessments, costs, interest, and legal fees (cost \$500.00 - \$2,200.00).

Prior to release of any Lien, all assessments, late charges, interest and costs must be paid in full to the Association (cost \$21.00).

Voting rights and rights to use any recreational facility within the common area may be denied until all moneys owing are paid in full. All costs associated with collection of delinquent Association fees will be assessed against the lot. (CCRE Article 11)

Pets

No unit shall contain more than three (3) domestic pets, either cats or dogs, none of which shall violate the following rules. (CCRE Section 5.12)

- 1) All animals shall carry a conspicuous tag showing the name and address of its owner and proper registration as required by law.
- 2) Owners shall not permit any pet to run loose around the unit or about the grounds. No owner shall permit any pet to be on common property unless on a leash in the hands of a responsible person.
- 3) Pets shall not be tied out on chains, ropes, or similar devices neither on common areas nor on front porches unless in the company of their owner or unit occupant.
- 4) Pet owners are entirely responsible for immediate clean up and proper disposal of their pet's defecation within the community at all times, day or night. This is for health and safety reasons as well as common courtesy to your neighbors. Each violation of this responsibility may be punished by a fine of not more than \$50.
- 5) No animal, other than common household pets, shall be kept or maintained in any unit. Common household pets shall not be kept, bred, or maintained for commercial purposes in any unit.
- 6) Common household pets are limited to dogs, cats, birds, hamsters, fish and the like. Wolves, leopards, tigers, lions, snakes, reptiles, birds of prey, insects, livestock such as cattle or horses, monkeys, poultry and the like are specifically excluded as common household pets. Any creature which, in its natural state, produces venom or sera, toxic or non-toxic, or a noxious odor, is also excluded as a common household pet, whether or not such creatures have been rendered incapable of producing same.

- 7) In the event of a dispute about an owner's right to maintain a household pet, the Board shall be the absolute and final judge of this right. An allegation that a creature is domesticated shall not govern the Board's determination of whether the creature is one of those commonly and ordinarily considered a household pet.
- 8) All pets will be kept clean, quiet, and as controlled by their owner as is reasonable and possible.
- 9) Any owner who keeps and maintains a pet in this project thereby expressly assumes any and all liability for any and all action by their pet so maintained, whether or not the owner had prior knowledge, notice, or forewarning of the likelihood of such action.
- 10) No pet boarding or sitting is permitted in any unit. Visitors' pets must conform to all Rules and Regulations and Covenants.
- 11) All pets shall be registered and inoculated as required by law.

Indemnification Any owner or occupant who keeps or maintains any pet upon any portion of the community shall be deemed to have indemnified and agreed to hold the Association, each of its members and the free and harmless from any loss, claim or liability of any kind or character whatsoever arising by reason of keeping or maintaining such a pet in the project.

The Board shall have the right to order any person whose pet is a nuisance to remove such pet from the premises and/or impose fines.

Parking

The Board of Directors is hereby authorized to remove, or have removed at their direction, any vehicle from the common maintenance or common areas, under any of the circumstances hereinafter enumerated, the Board of Directors hereby finding and determining that such vehicles under such circumstances are public nuisances. No action for the recovery of compensation for damages direct or consequential to or loss from any motor vehicle impounded under the provisions of this regulation shall be maintained against the Board of Directors of The Village at Peregrine Homeowners Association when:

- 1) Any vehicle is left unattended, where such vehicle constitutes an obstruction of traffic.
- 2) A vehicle so disabled, unused or stripped down as to cause a nuisance or as to constitute an obstruction to traffic and the person in charge of the vehicle is unable to provide for its custody and removal. The Association at the owner/occupant's expense will repair any damage caused to the community by improperly maintained vehicles.
- 3) Any vehicle is parked illegally according to the parking ordinances of the City of Colorado Springs then in effect. Vehicles that are immovable under their own power or not current with State licensing codes..
- 4) A vehicle is left parked in the same place upon a common area continuously for a period of five (5) days may be deemed

abandoned. A notice will be placed on the vehicle. If the vehicle is not removed within seventy-two (72) hours posting of the notice, it may be removed at the owner's expense.

- 5) A vehicle is driven or parked upon a common area without current license plates and registration.

Vehicle Parking Private driveways, streets, and parking pads shall not be used for more than incidental (not overnight) parking of resident-owned automobiles, pickup or recreational trucks, or other motorized vehicles, except when the number of licensed drivers residing in the home and the number of motor vehicles registered to persons resident in the home exceeds the number of available garage spaces. Use of the garage to store non-vehicle property does not reduce the number of available garage spaces for purposes of this regulation. For example, if a homeowner has a two-car garage and three licensed drivers reside in the home and three vehicles are registered to the address, one vehicle may be parked in the driveway or Village parking pad. Homeowners are encouraged to have their overnight guests park in the parking pads provided for such purposes but driveway parking for casual visitors is not prohibited by this regulation. (CCRE Section 5.13)

No commercial type vehicles, recreational vehicles (RV's, bus, camping trailers, boat trailer, hauling trailer, running gear, boat or accessories) or trucks over $\frac{3}{4}$ ton may be parked or stored on the common elements including but not limited to streets, drives, or parking areas except for loading and unloading unless fully enclosed or screened in an approved manner. Recreational vehicles and moving equipment may be parked in parking pads or driveways for up to 48 hours to facilitate loading and unloading.

No repair, maintenance, rebuilding, dismantling, repainting, or servicing of any kind of vehicles, trailers, boats, or vans may be performed on any lot unless it is completely screened from sight and sound from the common areas and other homes. The foregoing is not intended to limit the washing or polishing of vehicles. All vehicles must meet local noise requirements. Automobiles or motorcycles without mufflers in good working order are prohibited.

No fence, barrier or other obstruction of any kind shall ever be placed or constructed on any private driveway.

Vehicles which are moved temporarily, then returned to violation status, are deemed to be in continuous violation.

Exception Homeowners who intend to park a vehicle under the exception to this regulation shall notify the HOA Board of Directors in writing and provide a list of all licensed drivers in the household and the year and model of each car.

Street Parking All homeowners are reminded that all of the streets in the Village at Peregrine are designated fire lanes by the Colorado Springs Fire Department and that on-street parking by guests or homeowners is not permitted.

Enforcement Failure to comply with this regulation is punishable by a fine of not more than \$25 per day. When an owner receives a notification that a fine will be imposed, the owner has ten (10) days from mailing of the notice to request a hearing if the owner desires to have the matter heard. Unless the owner requests

a hearing within that time, the owner's right to a hearing will be considered waived. After imposition of a fine, the fine will be added to the owners account and will be subject to the collection policies stated above. Unpaid fines accrue interest at the rate of 21% per annum.

Continued violations may result in the vehicle being parked in violation of these rules being towed at the owner's expense. Any owner who has a vehicle removed or towed pursuant to the provisions of these Rules shall be responsible for all costs of removal incurred by the Association and should any legal action be brought by the Association with respect to a violation of any of the foregoing Rules, the owner, in addition to any other damages incurred by the Association, shall be liable for all reasonable attorney's fees and cost incurred by the Association in such legal action.

Building Maintenance By Owners

Building and Grounds Conditions Each owner shall maintain the exterior of his or her Dwelling Unit in good condition and shall cause the Dwelling Unit to be repaired as the effects of damage or deterioration become apparent. If the Owner fails to properly perform such maintenance, the Architectural Committee may, after giving thirty (30) days' written notice, effect such repairs and maintenance as it deems necessary in its judgment to maintain standards of the Community Area. Entry to achieve such repairs and maintenance shall not be deemed a trespass and the Owner shall be liable for all costs incurred in connection with the repairs and maintenance. (CCRE Section 5.1)

Refuse No unsightly objects or materials, including but not limited to ashes, trash, garbage, grass or shrub clippings, scrap material or other refuse, or receptacles or containers therefore, shall be stored, accumulated or deposited outside or so as to be visible from any neighboring property or adjoining street, except during refuse collections. After a period of two weeks of continued violation, the Association shall have the right to enter upon the Lot and remove such unsightly objects or materials at the expense of the Owner. Such an entry shall not be deemed a trespass and the owner shall be liable for all costs incurred relative thereto. (CCRE Section 5.6)

Patio, Deck and Exterior Areas

Prohibited Activity No noxious or offensive activity shall be pursued on any lot or in the common areas. Owners must keep patio/deck areas neat and clean from debris. Only outdoor type furniture, hot tubs (subject to Architectural Committee approval), and recreation items such as bicycles and BBQ grills are allowed to be on the patios and decks. Nothing that is a fire hazard, a health threat, attracts insects of any kind, or creates noxious or offensive odors to homeowners or their guests is permitted. This includes pet defecation and trash stored in sealed bags or containers. Any violation may be reported to the manager or a board member and appropriate action will be taken against the offender. (CCRE Section 5.7)

Clotheslines Owners shall not dry or air clothes or linens on decks, fences, common areas, or any other outside area or on lines or poles hung on the exterior of any unit. (CCRE Section 5.4)

Awnings and Shades No awnings or other projections shall be attached to the outside walls of the building and no blinds, shades, screens, screen doors, or iron grills shall be attached to, hung, or used in conjunction with any patio, window, or door of the unit without the prior written consent of the Architectural Committee.

Solar Film No unit owner or occupant shall put solar film or similar products on any window without Architectural Committee approval.

Antennae and Poles Federal Communications Commission rules override the covenants concerning the use of antennae. Homeowners should contact the management company for current guidelines before erecting any exterior antenna or satellite dish.

Signs No sign, advertisement, notice or other lettering shall be permanently displayed, exhibited, inscribed, painted or affixed by any owner or occupant on any part of the unit's windows or doors. "For Sale" and "For Rent" signs may be displayed upon the interior of a unit's window or door, or on the owner's property. Such signs shall not exceed four square feet in size. Small directional signs for home sales may not exceed two in number. (CCRE Section 5.16)

Refuse Collection and Recycling The Association contracts for trash removal and optional recycling services. Normal pickup day is every FRIDAY and containers should be out for pickup by 7 am and returned by the end of the day The service includes one 96 gallon trash container and three bags placed at the street. Recycle bins can be obtained at no extra charge by calling Waste Management at 632-8880. Pickup will be on Saturday when New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, and Christmas occur during the preceding week. Recycling pickup is every other week.

Grounds, Sidewalks and Common Areas

Sidewalks and entrance areas must not be obstructed. Decorations, such as plants, may be used if they do not obstruct a pathway or entry for yourself, fire fighter or police. No owner or occupant shall plant flowers, plants, gardens, or other shrubbery on common areas without the written consent of the Architectural Committee. . Small flower gardens may be installed and maintained by Owners without prior approval. (CCRE Section 5.9)

Sidewalks, entries, and common areas should not be used for the storage or temporary placement of articles, including toys, bicycles, etc. To prevent damage to sprinkler heads and landscaping, vehicles or bicycles are not permitted on the lawns and other landscape areas.

Snow Removal

The intent of the snow removal policy is to provide reasonable access and safety to homeowners and/or residents and guests. Snow removal service includes removing **excess** snow from driveways, walkways, mailbox pads, parking pads and the sidewalk along Woodmen and Dutch Rock Roads. Generally this means removal when overall accumulations are 3" or greater. Removal of lesser accumulations is the responsibility of the individual owner and/or resident. Driveways containing parked vehicles will not be cleared, so homeowners should avoid parking in driveways during a storm. Snow will normally be removed from streets and driveways first and from walkways, mailbox pads, parking pads and sidewalks later. Snow removal will start when storm conditions warrant.

Guidelines

As snow and ice conditions are quite variable, the Association and its contractor must maintain a degree of flexibility in responding to them. Because of variables such as accumulation rate, pavement grades, sun exposure, wind conditions, drifting probability, forecast temperatures, owners and/or residents should not expect all areas to receive exactly the same services. The general guidelines are:

1. Snow removal in all areas mentioned above will be provided when the general accumulation is 3" or more.
2. When freezing conditions pose a threat and accumulation is less than 3", the streets may be plowed and/or treated to reduce ice formation.
3. Ice Melt and/or aggregate will be used sparingly to address hazardous conditions.
4. First priority will be given to the following streets because of their sloping nature:
 - Hard Rock Point
 - Dutch Rock Road
 - Fawn Meadow View in Phase 2
 - Buck Haven View
 - Sand Rock Point

The property manager will make the determinations and communicate with the contractor. Any questions should be directed to him. The contractor's snow removal crews are specifically instructed not to take direction from owners or residents in the community.

Generally the snow removal contractor has been instructed as follows:

- 1) **Accumulation is less than 3" and warm temperatures are forecast for the following day:**

No Plowing will be performed.

Ice Melt and/or aggregate may be used as needed after checking conditions on the priority streets. The contractor will be notified if icy conditions persist.

2) **Accumulation is less than 3" and sub-freezing temperatures are forecast for the following day:**

Plowing may be performed on the priority streets and possibly on all streets. Not on driveways, walkways, parking and mailbox pads.

Ice Melt and/or aggregate may be used as needed after checking conditions on the priority streets. The contractor will be notified if icy conditions persist.

3) **Accumulation of more than 3":**

Plowing will be performed on all streets. Driveways, walkways, parking pads and mailbox pads will be cleared.

Ice Melt and/or aggregate may be used as needed after checking conditions on the priority streets. The contractor will be notified if icy conditions persist.

The Association does not provide continuous monitoring of dangerous conditions and it is the responsibility of the owners and/or residents to identify and treat dangerous conditions that may develop around their homes. Homeowners and/or residents are encouraged to keep Ice Melt and aggregate on hand to use should it be needed for their driveway or walkway. It should be used sparingly as it is injurious to concrete, wood and plants.

Fences

Except as provided in CCRE Section 4.10, fencing around individual Dwelling Units shall not be permitted. (CCRE Section 4.9)

Small fenced dog runs may be erected on Lots with the prior approval of the Architectural Committee, in locations and in accordance with plans approved by the Architectural Committee. Maintenance of the area fenced shall be the sole responsibility of the Owner. Chain link metal fence, whether or not galvanized, may not be used in erecting dog runs. Dog runs shall not be wider than the Dwelling Unit. Clean up of one's pet's defecation must be done daily. Violation of this responsibility may be punished by a fine of not more than \$50. (CCRE Section 4.10)

Children

Children must be closely supervised at all times. All toys, children's play articles, etc., must be stored inside or enclosed in the back patio area when not being used. Owners and occupants are responsible for any damage done by their children or guests' children to the building exterior, fences, grounds, landscaping or common areas. Parents/guardians shall monitor their children and guests' children at all times to avoid unnecessary noise that may disturb other residents or cause damage to the property.

Nuisances

Owners and/or occupants shall not create situations wherein their actions or conduct, as determined by the Board, represent a nuisance or disturbance to other residents. This includes, but is not limited to, noise, loud music, late night parties, offensive cooking, excessive trash, odors, etc.

Residential Use

All lots in the Community Area shall be used exclusively for private residential purposes. No Dwelling Unit erected or maintained within the Community Area shall be used or occupied for any purpose other than a single-family dwelling. No business, profession or other activity conducted for gain shall be carried on or within any Lot or Dwelling, except as follows:

- 1) the use of an office inside a Dwelling Unit by the occupants of the Dwelling Unit;
- 2) the use of a personal computer for business or commercial purposes; and
- 6) any business that is conducted by telephone, mail or their equivalents.

Leasing

Any lease agreement shall be required to include terms specifying that the lease shall be subject in all respects to the provisions of the Covenants, and any failure by the lessee to comply with the terms shall be a default under the lease. Contact the management company for board-approved language before lease execution.

Home Improvement

No improvement shall be placed, erected, installed or permitted to occur or exist on any Lot, nor shall the exterior or any existing improvements be altered, nor shall any construction be commenced on any improvements, unless and until the plans and specifications for such improvements have been submitted to and approved in

writing by the Architectural Committee. Matters which require the approval of the Architectural Committee include but are not limited to:

- 1) the construction, installation, erection or expansion of any Dwelling Unit or any building, structure, or other Improvement;
- 2) the installation of landscaping;
- 3) the demolition or destruction, by voluntary action, of any building, structure or other improvements;
- 4) the grading, excavation, filling or similar disturbance to the surface of the land; and
- 5) any change or alteration of any previously approved improvements, including any change of exterior appearance, finish material, color or texture.

Plans Submission All plans, samples, and other materials shall be submitted to the Architectural Committee. The minimum scale of these plans shall be 1/20 inch equals one foot. The plot plan in this minimum scale shall show the location of all buildings, drives, walks, fences and any other improvements. Proposed new contours throughout the Lot and abutting street elevations on all sides shall be shown. Structure plans shall show all exterior elevations, and shall indicate and locate on each elevation the materials to be used and designate each exterior color to be used by means of actual color samples.

Approval Process All action required or permitted to be taken by the Architectural Committee shall be in writing and any such written statement shall establish the action of the Architectural Committee and shall protect any person relying on the statement. If the Architectural Committee does not execute and acknowledge such a statement within 30 (thirty) days after delivery of all the required materials to the members of the Architectural Committee, the materials so delivered shall be deemed approved. The Architectural Committee may charge reasonable fees to cover expenses incurred in review of plans, samples and materials submitted, excluding compensation to the members of the Architectural Committee for their services. The Architectural Committee shall be entitled to retain one copy of all approved plans as part of its files and records. Approvals of all plans and specifications for an improvement will automatically expire within one year after approval if construction is not commenced within one year after approval, and if approval so expires, the applicant must resubmit a request for approval of the Improvement.

Approval Standards In granting or withholding approval of matters submitted to it, the Architectural Committee shall consider, among other things:

- 1) The adequacy of the materials for their intended use;
- 2) The compatibility and harmonization of the external appearance of the improvement in question with the surroundings;
- 3) The proper relation of the improvement to the size, shape and terrain of the Lot, the environment and the surrounding uses;
- 4) The extend of disturbance of slopes and natural vegetation; and

- 5) The degree, if any, to which the proposed improvement will cause intrusions of sound, light or other effects on neighboring sites beyond those to be expected in a quality area from considerate neighbors.

Landscape Maintenance

All common area landscaping and maintenance in the Village is the responsibility of the Association. The Association provides the following for all Village property, including private lots:

- 1) Mowing, edging, fertilizing of sodded areas
- 2) Resodding
- 3) Spraying and fertilizing trees and shrubs
- 4) Weed control in appropriate areas

Trees and shrubs and other live plants installed by homeowners (after approval from the Architectural Committee) in their private lots are the responsibility of the homeowner. The Association maintains the sprinkler system. (CCRE Section 5.9)

Necessary repairs to areas maintained by the Association directly attributable to homeowners or their pets, i.e. grass killed by dog urine , etc., will be billed to the homeowner.

Insects and Pests

The extermination of insects by the Association is determined by the type of insect. The following are the restrictions for payment by the Association for extermination of pests.

- 1) The Association will pay for the expense of exterminating pests which can be a danger to human life and which are nesting in any common or common maintenance areas. For example; bees, wasps.
- 2) The Association will pay for the expense for exterminating pests which can be a danger to the physical property contained within the common or common maintenance areas. For example: termites, rodents, pine beetles.
- 3) The Board of Directors reserves the right to determine what type of pest is to be included under paragraph (1) and (2)..
- 4) The Association will not pay for the expense of interior or exterior extermination of any pests, which do not fall under either paragraph (1) or (2). For example; ants, roaches, fleas, mites, spiders.
- 5) The Association may pay the expense of external extermination of some types of pests at the direction of the Board of Directors. The Board of Directors retains the right to determine the level of responsibility of the Association to pay the expense of extermination of any pest, which does not fall under paragraph (1) or (2).

Reporting Violations of Rules and Covenants

Initial Complaints and Warning Initial complaints of any violation (a) may be submitted in writing to the party contracted as Property Manager by the Association, by any Village at Peregrine owner or resident, (b) may be filed by the Property Manager if observed by an employee, agent or contractor of the Management Company, or the Association, or (c) may be reported to the Property Manager at a regularly scheduled Board meeting. Notice of violations should be made to the Property Manager, currently Keith Glick, at The Fisher Canyon Group, P.O. Box 38158, Colorado Springs, CO 80937, telephone 538-5790, fax 538-5791, email fishercanyongroup@adelphia.net.

When the Management Company receives notification from a reporting party that a violation has occurred, the Management Company will conduct a site visit to verify that the violation has occurred. The name of the reporting party shall be kept confidential. If it is determined that no violation has occurred, or that no action is needed, the Management Company shall advise the reporting party of the nature of the determination.

For initial violations, the Property Manager shall verify that a violation has occurred, then shall contact the alleged violator (owner) by telephone, stating (a) that the violation has been observed, (b) requesting correction within five (5) days. If the violation has not been corrected according to the enforcement guidelines in the current Rules and Regulations, the Property Manager will (a) advise the owner that he or she has a right to request a hearing within ten (10) days from any notice of violation or notice of fine and that unless he or she requests such hearing(s), the right to a hearing will be considered waived, (b) advise the violator (owner) that successively greater fines will be levied if the violation is not corrected, (c) advise the violator (owner) that unpaid fines accrue interest at the rate of 21% per annum, and (d) that the Association has the right to foreclose on the property, have a receiver appointed to manage the property, or file a lawsuit to recover delinquent fines, interest, and attorney's fees, as provided in the Declarations.

Continuing Violations Reporting parties should notify the Property Manager (by telephone, followed by letter, email or fax), if an initial violation is not corrected. Upon receipt of such notice, or upon observation by the Property Manager that the violation has not been corrected within the five (5) day period allowed by the initial warning, or thereafter, the Property Manager shall send a letter to the alleged violator (owner), with a copy to the occupant if the unit is not owner occupied, and with a blind copy to the reporting party, attaching a copy of the initial violation notice, imposing the successive fines as provided for in the Rules and Regulations, and demanding immediate correction.

Notice If an owner requests a hearing, or at any time that the Board determines that a hearing is necessary and proper, the Board, or its officers or agent, shall send a written notice (the "Notice") by certified mail, return receipt requested, to the owner, and the owner's agent, if one has been designated. The Notice shall indicate the time and place of the hearing, and any other information regarding

the violation which the Board deems appropriate in its discretion. The Notice shall be deemed received by the alleged violator three (3) days after mailing. The Owner's copy of the Notice may be sent to the unit if the owner has failed to register a current address. A blind copy of the Notice shall also be sent to the reporting party.

Hearing The hearing will be conducted by the Board, either at a regularly scheduled Board meeting, or at such other time as the Board may determine. At the hearing, the Board may consider any written or oral information produced by the alleged violator or other interested parties. No legal or statutory rule of evidence or procedure shall apply, and the Board may restrict testimony or proceed in any manner or order, which it deems appropriate in its discretion. Generally, any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objections in civil actions. Hearsay evidence shall be sufficient in itself to support a finding. The Board, in its discretion, may close the hearing to the public, press or any third parties that are not witnesses. The Board may tape record or otherwise transcribe the hearing. The Board may proceed with the hearing even if the alleged violator fails to appear or refuses to participate or to submit information. The alleged violator may be represented by legal counsel and may examine any witnesses or documents presented. After hearing and information, witnesses, or documents presented at the hearing, the Board's decision and the sanction, if any, shall be sent by regular mail to the alleged violator and the owner, if different. If the Board finds that a violation is continuing, the Board shall direct the violator to correct the violation in a reasonable time.

Parties to Violations Owners shall be responsible for violations committed by their contractors, guests, family members, and tenants, such as pets kept by tenants or signs placed by real estate agents. In the case of a continuing violation committed by a tenant, the Board shall give consideration to the cooperation shown by the owner in attempting to correct the violation before extending fines to the owner. An owner electing all legal recourse available to him against the tenant to correct the violation shall not be liable for fines, if the violation is corrected or the tenant is evicted. The Board may proceed against both the owner and the agent or tenant, simultaneously or separately, and actions against one shall not bar action against the other. The Board may contact the police, any regulatory or licensing authorities or other parties regarding the alleged violation but any action or decision by those parties shall not bar the Board from proceeding.

Fines and Sanctions Any fine shall be both a personal obligation of the owner or the violator, or both, and shall also be a lien which may be recorded against the unit and may be foreclosed as provided in the Declarations. The Board may notify any lender, title company and credit agency of such obligation and lien. Additionally, the Board may bring legal action to enforce the violated provision and to recover the fine. Any violation shall entitle the Board to recover from the owner or violator or both, its reasonable attorney's fees, court costs, interest, and

any other collection expenses, regardless of whether litigation is instituted or successfully concluded. (CCRE Section 8.10)

Substantial Compliance Technical irregularities or defects in the report or complaint, Notice or other compliance with this Policy shall not invalidate the proceedings or any fine or sanction imposed. This Policy shall be liberally construed to accomplish prompt, effective enforcement of the Association's Declarations, Articles of Incorporations, Bylaws and Rules and Regulations.

Effective Date This policy shall apply to violations occurring after the date of publication and mailing to all owners in the Association.

Enforcement Violations of the Rules and Regulations, Declarations, Articles of Incorporation, and Bylaws of the Association will be addressed pursuant to the procedure. The Association has the right to foreclose on the property, have a receiver appointed to manage the property, or it may file a lawsuit to recover delinquent fines, interest, and attorney's fees, as provided in the Declarations.

Violations Other Than Parking If a non-parking violation is not corrected, the Property Manager acting for the Association shall impose the following fines:

1 st Telephone Call	Warning – 5 days to correct
2 nd Telephone Call	Final Warning – correct immediately
1 st Letter	Present fine schedule – correct immediately
2 nd Letter	\$25 fine – correct immediately
3 rd Letter	\$50 fine – correct immediately
4 th Letter	\$100 fine – correct immediately

When an owner receives a warning or a notification that a violation has occurred, the owner has ten (10) days from mailing of the notice to request a hearing if the owner desires to have the matter heard. Unless the owner requests a hearing within that time, the owner's right to a hearing will be considered waived. After imposition of a fine, the fine will be added to the owners account and will be subject to the collection policies state above. Unpaid fines accrue interest at the rate of 21% per annum. (CCRE Section 8.10)

Each Day a Separate Violation If a violation has continued to the point where the maximum fine has been imposed, the Board may elect, in its discretion, to treat each incident or day of the continuing violation as a separate violation for which a fine may be imposed daily. Where fines are imposed daily, the maximum fine shall be \$50 per day.

General Duties and Obligations of the Board Regarding Enforcement At any time during this notice/fine/tow procedure, for violation of these Rules and Regulations or for violation of the Declarations, even if the violator has not requested a hearing, and even if the violator is paying the fines, the Board may

elect to hold a hearing to determine whether alternate remedies, available to the Association under the Declarations, Articles of Incorporation and Bylaws, should be pursued. These remedies include, but are not limited to, the filing of a lawsuit for recovery of damages and/or fines, or for injunctive relief. (CCRE Section 8.10)

Homeowner Presentations to the Board

Homeowners often wish to make their opinions known to the Board. This is an important part of the Board understanding process and in the best interests of the entire community. Presentations by homeowners are encouraged. Homeowners should provide seven (7) days notice of their intent to make a presentation to the Board so that the topic of the presentation may be included in formal agenda.

Homeowner presentations to the Board are limited to 10 minutes; not including time for the Board to ask questions to ensure the issue is fully understood. This time limit may be extended upon the approval of a majority of the Board.

At the time of homeowner presentations, all parties to the discussion will treat each other with respect and cordiality. No questions or accusations will be made that do not contribute positively to an understanding of the homeowner's concerns. While differences of opinion are to be expected, all parties must focus on fully understanding the issues and refrain from using language or exhibiting an attitude that attempts to intimidate or question motives.