

**EAGLE CREST MASTER ASSOCIATION
FINE PROCEDURE**

(Adopted by the Board of Directors on November 14, 2003)

1. Fines and penalties may be imposed for violations of the governing documents, including but not limited to the Declaration of Covenants, Conditions, and Restrictions (Eagle Crest Planned Community) (the "Declaration"), the Bylaws, and the Policies and Procedures according to the schedule of monetary penalties as set forth by the Eagle Crest Master Association Board of Directors from time to time.
2. The Board of Directors directs and authorizes the management company to initiate and manage this Fine Procedure as described herein for each violation. If the management company fails to act for any reason, a majority vote of the Board of Directors shall initiate the procedure.
3. Prior to imposing a fine or penalty, the management company or Board of Directors, as applicable, shall give the Owner notice that the fine or penalty may be imposed. If requested by the Owner within five (5) days of being given notice of such fine or penalty, the Board (or its designated Committee for enforcement of covenants and policies) will convene a meeting at which time the Owner may have an opportunity to speak or present the Owner's position on the matter in writing. If such a meeting is requested, the Board shall make every effort to meet within fifteen (15) days of the Owner's request, and the Owner will be given at least seven (7) days written notice as to the date, time and place of the meeting. The Association Board is not required to provide notice and opportunity to be heard for recurring or continuing violations, unless at least three (3) months have passed from the time of the previous violation.
4. In the case of a continuing or persistent violation, each day the violation continues after written notice shall be deemed a separate and distinct violation and shall be subject to separate daily fines up to a maximum of thirty (30) daily fines per violation. The Board may also require the Owner to post a bond or other form of security in order to ensure future compliance. For any violation that cannot be cured immediately, no further fines shall be levied after such time as the Owner begins a good faith cure of said violation.
5. If a Board hearing is not requested by the Owner, the fine or penalty shall be imposed no sooner than five (5) days after the notice of such fine or penalty was provided to the Owner according to paragraph 3 above. If the Board of Directors held a meeting at which time the Owner's position was presented, the Board of Directors shall vote on the matter of imposing the fine or penalty, a majority vote of the Board of Directors will determine the matter and the Owner shall be immediately notified of the decision. In such event, the fine or penalty shall be imposed three (3) days after the date of the Board meeting referenced herein.
6. The fine or penalty shall be considered a monetary penalty as provided in the governing documents, and shall be collected as provided in those governing documents (including the addition of late fees for nonpayment, as applicable). As such, if the fine or penalty is not paid by the offending Owner, the Association may take all allowable steps to collect the amount due, including but not limited to, filing a lien on the Owner's property and filing a claim in small claims court if appropriate. The Association shall apply all partial payments by the Owner to the outstanding balance owed in the following order:

Attorney fees and costs
Late fees and interest
Assessed fine

7. An election by the Association Board of Directors to pursue any particular remedy, such as a monetary penalty or fine, shall not prevent concurrent or subsequent exercise of another remedy permitted under the Declaration and applicable law.
8. The violating Owner shall be liable for all attorney fees, costs and expenses of any nature incurred by the Association incident to the levy or collection of the fine, including appellate proceedings.

Schedule of Monetary Penalties or Fines
Effective Date: November 14, 2003

General Rules	First Offense	Second Offense	Third Offense (Note 1)
PETS – FAILURE TO CLEAN UP, DISTURBANCE PROBLEMS, OFF LEASH	Verbal notification with copy of policies	Written notification, advise of fine procedure.	Levy financial penalty \$100.00 - \$250.00
NOISE OR OFFENSIVE ACTIVITIES	Verbal notification with copy of policies	Written notification, advise of fine procedure.	Levy financial penalty \$100.00 - \$250.00
VIOLATION OF SIGN RESTRICTIONS	Request removal of offending signs, and give verbal notification with copy of applicable sections of Declaration and Policies.	Give written notification of the violation, advise of fine procedure, advise signs will be removed after 5 days.	Remove offending signs, and levy financial penalty of \$100.00 - \$250.00 (each offense).
VIOLATION OF PARKING, VEHICLE, RIGHT-OF-WAY, AND SIMILAR COVENANTS & RESTRICTIONS; OTHER VIOLATIONS	Verbal notification with copy of policies	Written notification, advise of fine procedure.	Levy financial penalty \$100.00 - \$250.00

Note 1: Fine amounts shall be within the range shown on this schedule. The amount of the fine shall be determined by the management company or Board of Directors within such range and may be acted upon in accordance with this Fine Procedure. Fine amounts may be determined based upon the type and nature of the violation, the length of time or repeat nature of the violation, the responsiveness of the Owner to the requests to cure the violation, and any other factors deemed appropriate. The Board of Directors, in its sole discretion, may increase or decrease such fine or penalty within the stated range upon notice to the Owner.