

Ridgmont Community Association, Inc.

VIOLATIONS PROCESS AND PENALTY RESOLUTIONS

Whereas the North Carolina Planned Community Act (N.C. Statute 47F), Article IX, Section 1 of the Declaration of Covenants, Conditions, Restrictions, Easements, Charges and Liens, and Article VII, Section 3 of the Bylaws assigns the Board the authority to establish penalties for infraction of rules and regulations that interpret and apply the powers and duties enumerated in the Declaration, Bylaws and Articles of Incorporation:

Whereas the Board of Directors recognizes the need to establish penalties and a process for handling Architectural violations and collecting certain fees in connection with Architectural requests. Now, THEREFORE BE IT RESOLVED THAT, by the Board of Directors, the following Violation Process and Penalties dated June 3, 2006, be adopted.

Definitions:

- *Fee* is defined as a charge of up to \$0 for a timely request, \$25 Landscape request and \$75 for processing of an Architectural Request
- *Fine* is defined as a charge of up to \$100 per day based on violation and will be determined on a case-by-case basis.

When a violation is determined the following steps shall be taken:

Step One

A letter will be issued to the owner noting the violation with a request that it be brought into compliance within fourteen (14) calendar days unless another date is specifically noted in the letter. A written response to Management's office from an owner expressing a good faith effort to resolve may result in a reasonable extension. This written response must be received on or before the initial deadline.

Step Two

Upon expiration of fourteen calendar days (14), if the violation is still unresolved, the owner will be invited to a due process hearing; prior to being assessed a penalty.

The homeowner will receive a letter stating the time, date and location of the hearing. This hearing will be with the Board of Directors, for the homeowner to be heard and to present evidence. Failure to appear will result in the fine beginning to accrue 5 calendar days after the decision as stated in the North Carolina Planned Community Act. Of course, if your violation is brought back into compliance with the Declaration and/or rules and regulations prior to that date, no hearing will be necessary, or if corrected prior to the fine beginning to accrue, there will be no fine.

Step Three

After the hearing the Board will respond in writing within five (5) working days. The amount of the penalty and the date it will start or have started will be stated in the letter. The penalty will continue until the violation is corrected.

Step Four

The Homeowner's Association (HOA) may continue action via applying penalty and, where appropriate, through court action or direct action by the HOA to correct violation. Fines may result in liens on the property and, if unpaid, the lien may be foreclosed.

This resolution is adopted and made a part of the minutes of the June 3, 2006 Board of Directors meeting.