

Fortunes Ridge/Homeplace III Violation Notice, Hearing, and Fine Policy

The operation of the Community is vested in The Homeowners Association (the "Association"), acting through its board of directors (the "Board"). The Association is empowered to enforce the terms, covenants, conditions and restrictions of the Declaration, Bylaws and Rules, policies and procedures of the Association (the "Documents").

1. Authority. The Board hereby adopts these Procedures for Fines and/or Suspension of Association Privileges Policy (the "Policy") to establish equitable policies and procedures for the levy of fines within the Community in compliance with the N.C.G.S. §§ 47F-3-102(12) & 47F-3-107.1, as well as the Enforcement and Powers provisions of the Association's governing documents, including the Articles of Incorporation, Declaration of Covenants, and Bylaws. To the extent any provision within this policy is in conflict with applicable provisions of the North Carolina Planned Community Act, N.C.G.S. § 47F (the "Act") or any other applicable law, such provision shall be automatically modified to comply with the applicable law.

2. Purpose. The Association uses fines and/or other revocation of Association privileges to discourage violations of the Documents of the Association, and to encourage compliance when a violation occurs - not to punish violators or generate revenue for the Association. These procedures are adopted to ensure a fair, transparent, and legally compliant process for enforcing the Documents.

3. Owner's Liability. An owner is liable for any fines levied by the Association for violations of the Documents by the owner or resident, or the owner or resident's family, guests, employees, agents or contractors. Regardless of who is responsible for the violation, the Association will direct its communications to the owner. Owners/Property Managers are required to notify and provide both tenants and guests with a copy of the Documents. Owners are responsible for the actions of their guests and tenants.

4. Non-Continuous Violations Some violations are not continuous in nature. For these violations, notice will be given and any subsequent violation of the same kind occurring after 24 hours shall be considered a continuation of the initial violation and shall be subject to a fine. For example, an owner who allows their pet to wander off leash will be

given notice of violation. If they allow their pet to wander off leash more than 24 hours after the first violation, they will be fined each time the pet is found off leash.

Violation Process Summary

1. Courtesy Notice

Upon discovery or reporting of a potential violation, the Association will send a Courtesy Notice to the Owner that:

- Describes the alleged violation;
- Requests that the violation be cured within fifteen (15) days of the date of the notice;
- Encourages the Owner to contact the Association to discuss the issue or seek clarification;
- Reminds the Owner of their responsibility to ensure that any tenant or occupant also complies with the Documents.

2. Second Notice of Violation

If the violation is not corrected within the time provided in the Courtesy Notice, the Association shall issue a Second Notice of Violation by first-class mail, which will:

- a. Describe the violation in detail;
- b. Identify the specific provision(s) of the governing documents that are being violated;
- c. Outline consequences of continued noncompliance, including:
 - The scheduling of a hearing before the Executive Board;
 - The potential for imposition of fines up to \$100.00 per day for continuing violations;
 - Suspension of certain privileges;
 - Legal action, including cost recovery.
- d. The Second Notice will provide the Owner with an additional fifteen (15) days to correct the violation before a formal hearing is scheduled.

3. Delivery of Notices

Violation notices will be sent to the address of the Unit within the Association owned by the Owner unless an Owner has provided the Association with a written

request to use an alternate mailing address. If the unit is occupied by a tenant, it is the Owner's responsibility to give the tenant notice of the violation and ensure compliance within the time frame provided.

4. Urgent or Hazardous Violations

If the Board determines that a violation:

- Presents an immediate or potential threat to the health, safety and/or welfare of the occupants of the Association (or would present such a threat if left unresolved), or
- Requires swift action to prevent damage to Association property or harm to occupants,

Then Association shall have the right to:

- Shorten the cure window, as stated in the violation notice;
- Take immediate corrective, if warranted, with costs charged to the Owner.

5. Extended Remediation for Complex Violations

If the violation involves a condition or repair that cannot reasonably be completed within the standard cure period, the Owner will be granted thirty (30) days to complete the necessary work. The Owner must communicate the scope and timing of remediation efforts to the Association during this period.

6. Hearing Notice & Board Action

If the violation remains uncured after the Second Notice period:

- A Notice of Hearing will be issued, giving the Owner at least ten (10) days' notice;
- The Owner may attend, present evidence, and bring witnesses, but shall be given no longer than 10 minutes to present their case;
- Following the hearing, the Board may impose fines or suspend privileges and will issue a written decision sent via first-class mail.

7. Fines, Liens, and Continuing Violations

- If it is decided that a fine should be imposed, a fine of up to \$100.00 may be imposed for the violation.
- If the violation continues for more than five (5) days after the Board's decision, additional daily fines up to \$100.00 per day may be assessed without further hearing.
- Such fines shall constitute assessments secured by liens under G.S. 47F-3-116.

- If suspension of privileges or services is imposed, it may be continued without further hearing until the violation or delinquency is cured.

8. Appeal Rights

- If the Hearing was held by an adjudicatory panel, the Owner has the right to appeal the decision of the adjudicatory panel to the full Executive Board.
- Written notice of appeal must be delivered to the Executive Board within fifteen (15) days of the date of the decision.
- Upon appeal, the Executive Board may affirm, vacate, or modify the decision.

9. Compliance Notice

Once a violation has been corrected and is In-Compliance with the Documents, Notice will be sent to the Owner and placed on file with the Association.