

Mesquite Ranch Home Owners Association Administrative Compliance and Fine Procedure

The following procedures regarding CC&R compliance were adopted by the Mesquite Ranch Homeowners Association board of directors.

Effective Date: 1/23/2012

Objective: the objective of this fine policy is to compel compliance for CC&R violations and reduce the financial impact to the association caused by lengthy delays and excessive letters.

Step 1

A CC&R violation is brought to association management (ADAM LLC). Association management will send the home owner a friendly letter bringing the violation to the attention of the homeowner and giving the home owner 10 days to correct the violation. This letter will also inform the homeowner that they may contact association management (ADAM LLC) and request additional time. These requests will be reviewed on a case by case basis by association management and the compliance committee.

Step 2

In the event the homeowner does not correct the violation within 10 days, association management (ADAM LLC) will send out a subsequent letter. This letter will inform the homeowner that the CC&R violation was not corrected. They will again be given 10 days to correct the violation and the letter will state that the next letter the homeowner receives will include a fine. The amount of the fine for each violation is listed at the end of this procedure document. This letter will also inform the homeowner of their right to request a hearing before the board of directors. The hearing request must be received by association management before the end of the 10 day deadline.

Step 3

In the event the homeowner has still not corrected the violation a fine letter will be mailed out. The homeowner will be informed that they have 10 days to correct the violation or an additional fine will be assessed. This step will repeat until the violation has been corrected. The fine letter and each subsequent fine letter will also let the homeowner know that they have a right to request a hearing before the board of directors and that the request must be received by association management (ADAM LLC) before the end of the 10 day deadline.

FINE SCHEDULE

\$25.00	\$50.00	\$100.00
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The first fine for a violation will be \$25.00. If an additional fine is assessed for failure to correct the same violation the fine will be \$50.00. Bringing the total amount the homeowner has been fined to \$75.00. If a third fine is assessed for the same violation the third fine assessed will be \$100.00, bringing the total amount the homeowner has been fined to \$175.00. Each subsequent fine will be \$100.00.

Procedural example: Homeowner of lot XXX fails to remove their trash cans from visibility. Association management (ADAM LLC) will mail a friendly reminder. During the next site tour that same homeowner has again failed to remove their trashcans from visibility. Association management (ADAM LLC) will mail a second notice for the same violation letter (the friendly reminder was already mailed once). During a subsequent site tour that same homeowner has again failed to remove their trashcans from visibility. At this time association management (ADAM LLC) will inform the compliance committee of the third violation for trash cans and a fine will be mailed out. This homeowner would then be fined \$25.00. Because trash cans must be brought out each week the fines would not stack. Rather each subsequent time this homeowner would be fined \$25.00 for failing to remove their trash cans from visibility.

In this example once the homeowner has not been fined for 3 months the proverbial clock would reset, meaning that if the violation came up again the process would reset and start over with a friendly reminder.

Association management (ADAM LLC) will inform the compliance committee before a fine is assessed and before a fine letter is mailed.

If a homeowner requests a hearing by the board of directors, association management (ADAM LLC) will stop assessing fines until the hearing has taken place. Any fines assessed prior to the request for a hearing will still be considered due and payable unless the Association board of directors dismisses the fines.

Association management (ADAM LLC) will keep a record of violations and fines and provide these records to the board of directors at each monthly meeting.

The fine procedures in this document are not meant to encompass every scenario that could arise. The board of directors may at its discretion deviate from these procedures as the board determines appropriate.