

OWNERS ASSOCIATION, INC.

Application of Payments Policy

WHEREAS, Owners Association, Inc. (the "Association") has authority to levy and collect assessments against Owners of the Association; and

WHEREAS, the Board of Directors (the "Board") finds there is a need to establish orderly procedures for the application of payments made by Owners to the Association for regular annual assessments, special assessments, and related charges such as interest, late charges and attorney's fees and costs, in order to facilitate the collection of delinquent assessments and to promote the uniform treatment of Owners in the collection of such assessments.

NOW, THEREFORE, IT IS RESOLVED that the following procedures and practices are established for the application of payments made by Owners and the same are to be known as the "Application of Payments Policy" for the Association in the discharge of its responsibilities regarding collection of assessments against Owners and their Lots:

1. Application of Funds Received. All monies received by the Association by a Owner will be applied to amounts outstanding to the extent of and in the following order [unless an Owner has placed a restrictive notation on the check or other form of payment or in correspondence accompanying the payment that a payment is to be applied in another specified manner]:

- a. First, to fines;
- b. Next, to attorney's fees and related collection costs incurred by or on behalf of the Association;
- c. Next, to handling charges and returned check fees incurred by the Association;
- d. Next, to late charges;
- e. Next, to accrued interest;
- f. Next, to delinquent special assessments;
- g. Next, to delinquent regular annual assessments;
- h. Next, to outstanding special assessments, though same may not then be delinquent;

i. Last, to outstanding regular annual assessments, though same may not then be delinquent.

IT IS FURTHER RESOLVED that this Application of Payments Policy replaces and supersedes in all respects all prior policies and resolutions with respect to the application of payments made by Owners to the Association and is effective upon adoption hereof, to remain in force and effect until revoked, modified or amended.

This is to certify that the foregoing resolution was adopted by the Board of Directors at a meeting of same on September 24, 1998, and has not been modified, rescinded or revoked.

DATE:

Oct. 22, 1998

Secretary

\RESOL\PAYMENT..

**HOMEOWNERS ASSOCIATION  
FINING POLICY - PROCESS OF NOTIFICATION**

The following systems, procedures and practices are established for the enforcement of the provisions of the Declaration and for the elimination of violations of the Declaration and the rules promulgated thereunder.

1. The board must give an owner a written notice of violation and opportunity to cure the violation prior to imposing a fine. The following steps must be followed and support documentation kept on file in order to impose a fine:
  - a. **First Notice.** As soon as a violation is discovered, the Association's management agent ("Management") shall make the owner and resident, if different than the owner, by first-class mail, aware of the discovered violation. Included in the notice will be a statement that no later than ten (10) days from the letter date, the violation must be cured,
  - b. **Second Notice.** After issuance of the "First Notice" and expiration of the ten (10) day compliance period (if the violation has not been corrected), Management shall notify the owner and the violator, if different than the owner, by first-class mail that the violation previously noted in the "First Notice" has not been resolved. The notice shall contain the following information:
    1. A description of the violation or property damage and what specifically must be done to cure the violation or damage;
    2. The amount of the proposed fine or damage charge;
    3. A statement that not later than ten (10) days from the date of the notice, the violation must be cured or an applicable approved fine or property damage charge applied;
    4. The provision of the CC&R's or adopted rules which contains the violation.
  - c. **Fine Application Notice.** Where Management has observed the violation uncorrected and not received a Notice of Intent to Correct (whether written or verbal) within the allotted ten (10) day period noted in the "Second Notice", Management shall notify the owner and the violator (if different than the owner) of the following by first-class mail:
    1. That a fine for non-compliance is being applied against the owner's account for not curing the violation within the specified period of time contained in the previous notice.
    2. That the owner may **appeal** application of a fine if a written request is submitted to the management office within thirty (30) days from the date of the "Fine Application Notice".
    3. That upon application of a fine, continuing accrual of fines (in accordance with the "Fine Schedule") will occur as each subsequent ten (10) day period elapses and the violation is not cured.
    4. That there is no aggregate amount of fines which may accrue. Additionally the matter be may referred to legal counsel for further enforcement measures if not cured.

## **APPEAL DUE/PROCESS**

The following steps should be provided in the case where a homeowner has been given appropriate notice of a violation and has submitted to the management company a written appeal to the application of a fine within the specified period of time:

1. Response to Written Appeal. If the owner timely requests a hearing to challenge the proposed action, a hearing before the Board (composed of not less than two (2) nor more than three (3) Board members) shall be held in executive session affording the owner a reasonable opportunity to be heard. The Board shall send notice to the owner of a mutually agreed time, date and place of a hearing with an invitation to attend and produce any statements, evidence, and witnesses in support of the owner's challenge to the proposed fine application or violation. The minutes of the meeting shall contain a written statement of the owners reason for non-compliance and the results of the hearing (whether the fine is applied or not). The decision of the Board will be made in executive session after the homeowner has been excused from the meeting.
2. Notification of Appeal Decision. Within ten (10) days of the appeal hearing the Board shall send notice of their decision providing a support response for their decision. Any reasonable extension of time required by the Board shall also be noted in the response.
3. Waiver of fines (Correspondence) Contained within any correspondence sent to a homeowner when a fine is applied, will be a notation to the homeowner that they may request waiver of the fine by appealing to the Board of Directors in writing after the violation is cured.

## FINE SCHEDULE

The imposition of fines will be on the following basis:

- a. First Violation - \$50.00 per incident type.
- b. Additional Violation's - Double for every subsequent offense to a maximum application of \$500.00.
- c. Aggregate Limit - There is no limit to the number of fine applications.

### FINE NOTES:

1. Imposition of fines will be in addition to and not exclusive of any other rights or remedies of the Association as created by the Declaration or this Policy.
2. Fines are imposed against Properties and become the personal obligation of the owners of such property. Upon presentation of outstanding fines to the Board for action, the same will be levied against the respective property and their owners as Special Individual Assessments pursuant to Section 3.2 (h) of the Declaration.

### CURE OF VIOLATION DURING ENFORCEMENT

An owner may correct or eliminate a violation at any time during the pendency of any procedure prescribed by this Policy. Upon verification that the violation has been corrected or eliminated, the violation will be deemed no longer to exist. Unless proper appeal process is followed and fines removed, the owner will remain liable for all costs and fines under this Policy, which costs and fines, if not paid upon demand, will be referred to legal counsel for collection.

This policy was adopted by unanimous resolution by the Board of Directors on the 19 day of November 1998, in accordance and as authorized by Section 6.4 of the Bylaws for the Parkview Homeowners Association.

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resident

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Vice-President

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Sec/Treasurer