

FINE VIOLATION SYSTEM

Under the authority of the North Carolina Planned Community Act, Chapter 47F, effective January 1, 1999, a fine not to exceed one hundred fifty dollars (\$150.00) per day may be imposed for violations of the Declaration of Covenants, Conditions and Restrictions. Such fines shall be assessments secured by liens under Section 47F-3-116 of the North Carolina Planned Community Act.

NOTICE OF VIOLATION

A letter describing the violation will be mailed to the Homeowner for each observed violation of the Declaration of Covenants, Conditions and Restrictions for the Polo Farms Subdivision. The Board of Directors or the Management Company shall mail this letter. This letter will provide that the owner has ten (10) days from the date of the letter to correct the violation.

BOARD HEARING ON THE VIOLATION

If the Homeowner fails to correct the violation within ten days from the date of the above-referenced letter, the Board of Directors shall schedule a hearing within fourteen (14) days of the expiration of the ten day period referenced in the notice of violation letter. The homeowner shall be given written notice of the hearing date and the homeowner shall have the opportunity to be heard and present evidence at the hearing.

Based upon the facts presented and representations made, the Board of Directors, at its discretion may:

1. Levy a fine in accordance with the schedule set forth below and/ or initiate legal action, dependent upon the nature and circumstances of the violation.
2. Grant an extension of the time to allow the Homeowner to abate the violation, in which case the Board of Directors will also determine the action to be taken in the event the violation is not abated; or,
3. Dismiss the action.

The homeowner shall be given written notice of the Board's decision. All fines shall be payable within thirty (30) days of the levy of the fine by the Board of Directors.

SCHEDULE OF FINES

Fine Violation Warning Letter Sent- Homeowner has 10 days from the date of the notice of violation letter to correct the violation and avoid a hearing on the imposition of a fine.

1st Fine- Failure to correct the violation within 7 days after the hearing date will result in a fine of \$50.00

2nd Fine- Failure to correct the violation within 14 days after the hearing date will result in an additional fine of \$100.00.

3rd Fine- Failure for correct the violation within 21 days after the hearing date will result in an additional fine of \$150.00.

4th Fine- Failure to correct the violation within 28 days after the hearing date will result in an additional fine of \$150.00 per day until the violation is corrected.

Any future occurrence of the same violation by the same homeowner will result in the 1st and 2nd fines being increased as follows:

2nd Violation 1st fine shall be \$100.00 and 2nd fine shall be \$150.00

3rd Violation 1st fine shall be \$150.00 and 2nd fine shall be \$150.00

4th Violation 1st fine shall be \$150.00 per day until the violation has been corrected.

DAMAGE

In addition to fines being assessed, the cost to repair any damage to the Common Area caused by the Violation of the Declaration of Covenants, Conditions and Restrictions for the Polo Farms Subdivision shall be the responsibility of the homeowner.

ARCHITECTURAL

If a homeowner starts architectural changes *to* a residence without Architectural Committee/ Board of Directors approval, the homeowner shall be subject to a fine of \$100.00 per occurrence. The imposition of this fine shall also be subject to notice and an opportunity to be heard and present evidence at a hearing on the violation.