

**SCHEDULE OF FINES FOR VIOLATIONS OF HOMEOWNERS'  
ASSOCIATION RULES AND CC& R's**

The Board of Directors of the Shadow Brook Homeowners Association ("the Association") hereby adopts the following fine policy:

1. Minor Infractions: Rule violations that are nonserious in nature and that do not pose any threat of personal injury, property damage, or diminution in property values may warrant a written warning from the Board of Directors (Association Board) and/or the Association's Manager. Whether a violation constitutes a Minor Infraction is entirely within the discretion of the Association Board.

2. Infractions: Rule violations that, in the opinion of the Association Board, are not minor, but pose no threat of bodily injury, property damage, or diminution in property values, shall be pursued according to these rules. Any such violation of the Rules by either a Member or a Member's guest or tenant shall subject that Member to the following penalties:

First Violation:	\$50
Second Violation of the same Rule:	additional \$65
Subsequent Violations:	an additional \$100

3. Chronic Infractions: A continuing violation of any infraction may, in the sole discretion of the Association Board, subject the Member to daily penalties in the amount of \$50 per day.

4. Rule Violations Involving Threat of Personal Injury, Property Damage, or Diminution in Property Value: The penalty for Rule violations involving personal injury, property damage, or diminution in property values will range from \$100 to \$500 per day, as determined in the sole discretion of the Association Board. A Member whose violation causes actual, or a credible threat of, personal injury, property damage, or diminution in property values shall be responsible for the cost of compensation for that damage and/or injury, in addition to the penalty imposed under this schedule. If the violation warrants immediate action to preserve life or property, then the Association Board may impose the penalty immediately and take steps to preserve life or property.

5. Notice and Opportunity to be Heard: When the Association Board plans to meet to consider imposing a fine or penalty for any Violation, the Board shall notify the Member of the hearing in writing by either personal delivery or first-class mail at least 10 days before the hearing. This notice shall detail the nature of the infraction and inform the Member of the date, time, and place of the hearing. This hearing may be held in executive session if the Member so requests.

6. Enforcement: In addition to the imposition of fines, the Board shall have the right to remedy the violation and/or take legal action, the cost of which shall be billed to the Member and collected in the same manner as assessments. Failure to pay any fine shall subject the Member to the same potential penalties and enforcement as failure to pay assessments under the CC&R's.