

SCHEDULE OF FINES FOR
PALOMINO LAKES PROPERTY OWNERS ASSOCIATION

1. Minor Infractions: Violations of the Governing Documents that are non-serious in nature and that do not pose any threat of property damage or personal injury, or are unlikely to be repeated may warrant a written warning from the Board of Directors. Whether a violation constitutes a Minor Infraction is entirely within the discretion of the Board.

2. Infractions: Violations of the Governing Documents that, in the opinion of the Board, are not minor, but that do not pose a threat of bodily injury or property damage, shall be pursued according to these rules. Any such violation of the Governing Documents by a Member or a Member's family member, guest or tenant shall subject that Member to the following penalties:

First Violation:	Up to \$200
Second Violation of the same Restriction or Rule:	Up to \$350 in addition to the fine for the 1 st violation.
Subsequent Violations of the same Restriction or Rule:	Up to \$500 for each subsequent violation in addition to the fines for the 1 st and 2 nd violations.

Each rule or restriction that is violated constitutes a separate violation, even if they occur during the same event or at the same time. A second or subsequent violation occurs when the first violation ceases or is cured, and then is repeated on a separate day.

3. Continuing Infractions: A continuing violation of the Governing Documents may, in the sole discretion of the Board, subject the Member to daily penalties in an amount of up to \$100 per day when the violation does not pose a threat of bodily injury or property damage. A continuing violation is any violation that does not cease or stop or that is not cured or corrected, after the member has been given notice of the violation and a hearing has been held.

4. Infractions Involving Threat of Personal Injury or Property Damage: The penalty for Infractions involving personal injury or property damage, or the reasonable possibility of personal injury or property damage is an amount up to \$1,000 per violation per day. A Member whose violation causes actual injury or property damage shall be responsible for the cost of 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, the Board may immediately take steps to preserve life or property at the member's expense then hold the hearing to impose disciplinary action and/or levy a Reimbursement Assessment.

5. Infractions of Rental Restrictions: The fine for rental of Lots for periods of less than 1 year shall be equal to 50% of the highest advertised rental rate or rate charged, whichever is greater.

6. Notice and Opportunity to be Heard Regarding Infractions: The Association shall provide an owner notice of the violation and a reasonable time (as determined by the Board) to cure the violation. When the 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 or in the discretion of the Board. The notice of the violation and the notice of the hearing may be given together in the same document or separately.

7. Definitions: As used in this Schedule of Fines, "violation of the Governing Documents" shall include violation of any provision of the Declaration of Covenants, Conditions, and Restriction, any provision of the Bylaws, or any provision of the rules or architectural guidelines of Redwood Village Owners Association. The term "Governing Documents" used in this fine schedule includes the Declaration of Covenants, Conditions, and Restriction, the Bylaws, and the rules or architectural guidelines of the Redwood Village.

I, _____, the Secretary of the Palomino Lakes Property Owners Association, certify that this Schedule of Fines was duly approved on _____, 2017 by the Board of Directors.

Secretary