

HIGH VALLEY and CASCADE EAST
HOMEOWNERS ASSOCIATION

RULES, REGULATIONS, PENALTIES
AND ENFORCEMENT PROCEDURES

The Board of Directors (the "BOARD") of the Homeowners Association (the "ASSOCIATION") pursuant to Article 14 of the Declaration of Restrictive Covenants (the "COVENANTS") hereby adopts Rules and Regulations, including the establishment of a system of penalties enforceable as assessments and makes provision for a fair hearing, as follows:

1. RULES AND REGULATIONS

- 1.1 **Adoption of Rules and Regulations.** The BOARD hereby adopts the following Rules and Regulations:
- (a) **Maintenance of Animals.** The BOARD incorporates by reference Section 9.8 and 14.1 of the COVENANTS.
 - (b) **Nuisances.** The BOARD hereby incorporates by reference Section 9.7 and 14.2 of the COVENANTS. The recreational use of the streets, including the operation of unlicensed vehicles is hereby declared a nuisance.
 - (c) **Storage of Items; Parking.** The BOARD incorporates by reference Section 9.11 and 14.3 of the COVENANTS and additionally provides, as follows: Nothing capable of being moved upon a street shall be continuously parked at any one location on a street for more than forty-eight (48) hours, with exceptions described in Section 9.11. Nothing shall be parked so as to block the sidewalk or driveway of a residence. In addition to the other penalties hereinafter stated, the ASSOCIATION shall have the right to remove by towing anything parked contrary to Section 9.11 or these Rules and Regulations and the Expense thereof shall be an additional penalty assessed against the Lot Owner.
 - (d) **Trash and Unsightly Conditions.** The BOARD incorporates by reference Section 9.12 and 14.4 of the COVENANTS and additionally provides, as follows: No garbage, refuse or rubbish shall be deposited or kept on any Lot except in a suitable container. All areas for the deposit, storage or collection of garbage or trash shall be substantially shielded or screened from neighboring property, streets and Common Property. All trash and organic yard waste that is required to be placed at a designated point in order to

be collected may be placed and kept at such designated point and need not be in any container for a period not to exceed twenty-four (24) hours prior to pick-up of such trash and organic yard waste. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

- (e) **Landscaping.** The BOARD incorporates by reference Section 9.5 and 14.7 (pertaining to Landscaping) of the COVENANTS.
- (f) **Signs.** The BOARD incorporates by reference Section 9.9 of the COVENANTS.
- (g) **Antennas and Satellite Reception.** The BOARD incorporates by reference Section 9.13 and 14.9 of the COVENANTS.
- (h) **Renting, Leasing.** The BOARD incorporates by reference Section 14.11. No lot owner shall be permitted to rent or lease his or her lot or any building thereon for any purpose, except that a house may be leased or rented for residential purposes for periods of not less than six (6) months. All rental and lease agreements shall be in writing and shall provide that the terms of such agreements shall be subject in all respects to the provisions of this declaration and the Articles of Incorporation and bylaws of the Association and that any failure by the tenants or lessee to comply with the terms of such documents shall constitute a default under such agreements. Other than the foregoing, there are no restrictions on the right of a lot owner to rent or lease his or her lot.
- (i) **Garage, Yard Sales.** The BOARD incorporates by reference Section 9.14 and 14.12 of the COVENANTS. And additionally provides as follows: No lot owner shall hold or permit to be held any Garage, yard or similar sale on any lot except during such periods of time established by the Board or any committee the Board may establish to be responsible for such sales. The Board or the responsible committee shall set time periods during which garage or yard sales may be held; provided, however, that there shall be no more than two (2) such periods each calendar year and each period shall not exceed four (4) days.
- (j) **Residential Businesses.** The BOARD incorporates by reference Section 9.14 and 14.13 of the COVENANTS.
- (k) **Architectural Control.** The BOARD incorporates by reference Section 9.2 through 9.5.9 of the COVENANTS.

- (l) **Restrictions on Construction, Maintenance and Improvements.** The BOARD incorporates by Section 9.5 of the COVENANTS, including subsection 9.5 - 9.5.1 and 14.7. ACC approval requirements.
- (m) **Maintenance by Lot Owners.** The Board incorporates by reference Section 14.7 and 14.8 of the COVENANTS. Additionally provides that the lot owner keep said lot and planting strip mowed and maintained in an attractive manner.
- (n) **Trees.** The Board incorporates by reference Section 6.4 of the COVENANTS.
- (o) **Additional Incorporation by Reference.** All duties imposed on the Lot Owners by the Covenants not expressly referenced above are incorporated herein by reference.

II. PENALTIES.

- 2.1 **Adoption of Penalties.** Pursuant to Section 7.6 of the Covenants, the Board hereby adopts a system of penalties which are enforceable as assessments. The penalties shall be as follows: TWENTY-FIVE AND 00/100 DOLLARS (\$25.00) if the violation is continuing on the seventh (7th) day after mailing the Notice of Violation. For each additional week of continuing violation, the penalty applicable during such week doubles, except the maximum penalty per week of violation shall be FIVE HUNDRED AND 00/100 DOLLARS (\$500.00). a recapitulation is as follows:

<u>Weeks of Violation After Notice Mailed.</u>	<u>Weekly Penalty</u>
First week	\$ 0.00
Second week	25.00
Third week	50.00
Fourth week	100.00
Fifth week	200.00
Sixth week	400.00
Seventh week	500.00
Each later week	500.00

The penalties above stated shall apply to each violation of a duty imposed By the COVENANTS and these RULES AND REGULATIONS.

A violation of Section 1.1 (c) shall additionally include the towing expense, if applicable.

III. PROCEDURAL MATTERS

- 3.1 Pursuant to Article 7 and 14, Section 8.5, 9.3 through 9.17 of the COVENANTS, the BOARD hereby adopts the following: Compliance Officers. There shall be two (2) Compliance Officers who shall be the secretary of the BOARD and the ASSOCIATION'S manager.
- 3.2 It shall be the duty of the Compliance Officers, or either of them, to make a reasonable investigation whenever there is reason to believe there is occurring a significant violation of the Rules and Regulation and/or the COVENANTS. Whenever the Compliance Officers find a significant violation has occurred, a Notice of Violation shall be issued in the form of Exhibit 1, a copy of which is attached and by this reference is incorporated herein.
- 3.3 Any Lot Owner wishing to contest the allegations of the Notice of Violation must apply to the BOARD in writing for a hearing within fourteen (14) days from the date on which the Notice of Violation is mailed.
- 3.4 In the absence of a request for hearing, the Lot Owner shall be deemed to be in default and the penalty shall be as set forth above in Section 2.1.
- 3.5 If a hearing is timely requested, the BOARD shall hear same after giving the Lot Owner not less than ten (10) days' prior written notice of the date and time of the hearing. The evidence in support of the violation shall be first presented and shall be presented under the supervision of a Compliance Officer or an attorney. The Lot owner may also be represented by an attorney. The rules of evidence shall not apply to the hearing, although the BOARD shall consider the relevant testimony of the witnesses, whether presented in person or signed written statements. The BOARD may consider photographs, written documents and any other form of tangible evidence. In deciding whether the violation has been established, the BOARD shall have the right to give the evidence such weight as it determines appropriate. The violation shall have been proven if it is more probable than not that the violation occurred. The BOARD'S decision shall indicate in writing whether the allegation(s) contained in the Notice of Violation has been proven and the amount of the penalty. As to any violation which is continuing to and after the hearing, the BOARD

shall retain jurisdiction to impose an additional penalty pursuant to Section 2.1 until the violation has terminated.

3.6 Regardless of whether the violation is established by hearing or by default, the penalty shall be deemed an assessment against the Owner's Lot. Pursuant to Section 8.1 of the COVENANTS, the assessment, together with interest thereon and costs of collection thereof, shall be a charge on the Lot and shall be a continuing lien on the Lot. The assessment, together with interest, late charges and costs of collection thereof (including a reasonable attorney's fee), shall also be the personal obligation of the person who is the Lot Owner when the assessment fell due.

3.7 Pursuant to Section 8.2 of the COVENANTS, any assessment not paid within thirty (30) days after first due shall be Delinquent. The ASSOCIATION shall notify the Lot Owner in writing and the ASSOCIATION may bring an action at law against the person personally obligated to pay the assessment and/or foreclose the lien against the Lot, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of the assessment, and all such sums shall be included in any judgment or decree entered in such suit.

UNANIMOUSLY APPROVED by the **BOARD**

this ____ day of _____ 2004

