

MOUNTAIN RANCH ESTATES

ENFORCEMENT POLICY

Effective April 15, 2015

The following resolution by The Mountain Ranch Estates (MRE) Homeowners Association, Inc. (the "Association") was adopted at a regular meeting of the Board of Trustees held on April 14, 2015 and shall be referred to herein as the "Enforcement Policy." This Enforcement Policy supersedes and replaces all prior enforcement policies, including the Enforcement Policy effective May 6, 2013. NOW, THEREFORE, BE IT RESOLVED that the Association does hereby adopt the following procedures and policies for the enforcement of the CC&Rs and ARC rules.

1. Violation. When the Board determines a violation of the CC&Rs, ARC construction rules or other rules has occurred, the following steps shall be taken:

1.1 Warning. A written warning will be sent to the Owner of the lot (a "Warning"). The Warning shall:

- (a) describe the violation,
- (b) state the rule or provision of the Association's governing documents that the Owner has violated,
- (c) state that the Board may, in accordance with the provisions of Utah Code §57-8a-208, assess fines against the Owner if a continuing violation is not cured or if the Owner commits similar violations within one year after the day on which the Board gives the Owner the Warning or assesses a fine against the Owner,
- (d) if the violation is a continuing violation, state that the Owner must cure the violation within 48 hours (not including Sunday) after the day the Owner is given the Warning, and
- (e) state the amount of the fine that will be assessed if a continuing violation is not cured within 48 hours (not including Sunday) or if the Owner commits similar violations within one year after the day on which the Board gives the Owner the Warning.

1.2 Initial Fine. The Board may assess a fine against an Owner if: (i) within one year after the day on which the Board gives the Owner a Warning, the Owner commits another violation of the same rule or provision identified in the Warning; or (ii) for a continuing violation, the Owner does not cure the violation within 48 hours (not including Sunday) after the day the Owner is given the Warning.

1.3 Subsequent Fines for Same Violation. After a fine is assessed against an Owner, the Board may, with or without further warning, assess an additional fine against the Owner each time the Owner: (i) commits a violation of the same rule or provision within one year after the day on which the Board assesses a fine for a violation of the same rule or provision; or (ii) allows a violation to continue for 10 days or longer after the day on which the Board assesses the fine.

1.4 Notice of Fine. Each time a fine is assessed, notice of the fine shall be sent to the Owner describing the violation, stating the rule or provision of the Association's Governing Documents that the Owner has violated, and stating that the Owner may request an informal hearing before the Board to dispute the fine within 33 days after the date of the notice.

1.5 Fine Amount. A fine shall be in the amount provided for in the policies, rules, or guidelines of the Association (including herein) or in the CC&Rs or Bylaws and the Board shall have discretion to determine whether and how often a \$50, \$100 or \$200 fine is assessed for a similar or continuing violation after the initial fine.

Architectural, Construction Related Violations	1 st fine: \$100*. Continuous violations after the 1 st fine: \$100 or \$200 every 10 days, as determined by the Board.
Other Violation of the CC&Rs or Rules	1 st fine: \$50*. Continuous violations after the 1 st fine: \$100 every 10 days or other longer period as determined by the Board.

***Each subsequent fine may be double the previous fine.**

2. Request for Hearing. An Owner who is assessed a fine may request an informal hearing before the Board to dispute the fine within the time period stated in the notice that the fine was assessed. Requests for hearings shall be made in writing through the MRE Association manager and must be delivered or mailed in sufficient time to arrive no later than the deadline stated in the notice of fine. At the hearing, the Board will provide the Owner a reasonable opportunity to present the Owner's position to the Board. The Board will allow the Owner, a Board member, or any other person involved in the hearing to participate in the hearing by means of electronic communication.

3. Additional Remedies. In addition, the remedies authorized in Section 4.1.1 of the CC&Rs shall be imposed for violations of the CC&Rs or rules. The Owner's right to attend or vote at annual Association meetings; attend community events; and use the Association's Common Areas and trails shall be suspended.

4. Lien; Notice of Violation Recorded. If any fines remain unpaid, a notice of lien will be recorded against the lot 183 days after the Board delivers notice of a final decision after a hearing is conducted pursuant to a timely request by the Owner, or 180 days after the day on with the time to request a hearing expires and no timely request was made. Lastly, in accordance with Section 9.17 of the CC&Rs, the Association will record a written notice of a violation against the property at issue, and the Owner will be billed a filing/recording fee of \$300.

5. Construction and Architectural Covenants and Rules.

5.1 Definition: "Business days and hours" means Monday to Saturday 8am to 6pm.

5.2 At the time of granting approval of a new construction by the Architectural Review Committee (ARC), a procedural checklist will be sent to the lot Owner along with the MRE CC&Rs and ARC rules. If the Owner, prior to commencing construction, submits a written request for a waiver of any requirements in the CC&Rs or ARC rules that can be waived by the ARC and that pose an undue hardship or difficulty, the ARC shall approve or deny the request in writing. If any requirement is not specified in the waiver as being waived, then the requirement shall be deemed as not waived and the Owner shall be responsible for following all other requirements and rules as outlined in the MRE CC&Rs and ARC rules. The Owner will be held accountable for the actions of their builder, contractors and sub-contractors working on the property under construction. The

Owner is also responsible for abiding by any county/city/state laws governing their build. Any county/city/state or other applicable waivers which may have been granted must be brought to the attention of the MRE HOA Board prior to construction or within 48 hours after obtaining any such waivers, if construction has already begun. The HOA Board has the authority to overrule any of these waivers if it decides the waivers are in conflict with MRE HOA CC&Rs or ARC rules.

5.3 Construction Deposit. The construction deposit will be returned to the Owner within thirty (30) days of the installed landscaping being approved by the ARC. Any unpaid fines will be deducted by the Board from the construction deposit.

5.4. Lien. If the total unpaid fines total more than the construction deposit, then a notice of lien will be recorded against the lot for the remaining unpaid amount pursuant to Section 4 above.

6. Reporting Violations.

6.1 Any person who desires to report a violation of the CC&Rs or rules to the Association is required to submit a report in writing to the board containing: (1) the person's name, email and mailing address, (2) sufficient details supporting the violation, including dates, times and description and location of violation, and (3) the signature of the person. The Association will NOT follow up on reports submitted anonymously.

6.1.1 If the facts in a submitted report of violation cannot be independently verified by the Association then the matter will not be pursued further by the Association, unless the person who submitted the report indicates he or she is willing to attend a hearing and testify to the facts in their report. If so, the Association will send a Warning (described in 1.1 above) to the alleged violator and the Warning shall include a statement that the Owner may request a hearing before the Board within 15 days of the date of the Warning. If one is requested, a hearing will be held and the alleged violator shall be entitled to know the name of the person who submitted the report. If, as a result of the hearing, the Board determines a violation took place, fines may be levied against the Owner pursuant to this policy.

6.1.2 If the Board determines the complaint may be independently verified then at least one Board member will visit the location and document the violation, including photographing the violation, if possible. If the Board then determines a violation of the CC&Rs or rules has occurred, the procedures outlined in this policy will be followed.

6.2 The identity of the reporting person shall be made available to the reported violator if such request is received by the Board in writing at any time. The Association will not disclose the name of the reporting person to anyone other than the reported violator (except as may be required by law or otherwise).

7. Use of Certified Mail/Regular Mail. In the event the Association causes a collection or demand letter or notices to be sent to a delinquent Owner by regular mail, the Association may also cause, but shall not be required to send, an additional copy of that letter or notice by certified mail, return receipt requested.

8. Referral of Delinquent Account to Attorneys. Upon referral to the Association's attorneys, the attorneys shall take all appropriate action to collect the accounts referred. The Owner shall be responsible for all attorney's fees and costs related to the collection. The attorney is authorized to take whatever action is necessary, in consultation with the Association, including, but not limited to:

- a. Filing of a suit against the delinquent Owner for a money judgment;

b. Instituting foreclosure procedures to enforce the Association's lien;

c. Filing necessary claims, documents, and motions in bankruptcy court in order to protect the Association's interests.

9. Foreclosure. The Association may choose to foreclose on its lien in lieu of suing an Owner in court for a money judgment.

10. Waivers. The Association is hereby authorized to extend the time for the filing of lawsuits and liens, or to otherwise modify the procedures contained herein, as the Association shall determine appropriate under the circumstances. The failure of the Association to insist upon or enforce the provisions of this Policy shall not be construed as a waiver or relinquishment of any such terms, conditions or rights thereunder and shall not affect the Association's right to insist on strict performance and compliance with regard to any future compliance with this Policy.

11. Notification To and Communication with Owners. The Association shall, upon request, provide a copy of this Resolution to any Owner requesting a copy.

12. Ongoing Evaluation. Nothing in this Resolution shall require the Association to take specific actions other than to notify the Owner of the violation. However, the Association has the option and right to continue to evaluate each violation on a case-by-case basis and seek enforcement thereof.

13. Defenses. Failure of the Association to comply with any provision in the Enforcement Policy shall not be deemed a defense to failing to comply with a Policy set forth herein, payment of fines, assessment fees or other charges, late charges, return check charges, attorney fees and/or costs as described and imposed by this Enforcement Policy.

14. Amendment. This Enforcement Policy may be amended from time to time by the Board of Trustees.

IN WITNESS WHEREOF, the undersigned certifies that this Resolution was adopted by the Board of Trustees of the Association.

MOUNTAIN RANCH ESTATES HOMEOWNERS ASSOCIATION

BY: Anna Graf, President
NAME POSITION
SIGNED: 