

Laurel Oak Ranch
Homeowners Association, Inc.

P.O. Box 29447 Greensboro, NC 27429

Fine Violation Policy, Adopted 07/20/09

The Board of Directors of the Laurel Oak Ranch Homeowners Association is concerned, along with the rest of the members, with keeping our community a pleasant place to live along with protecting each member's property value. By working together and enforcing the Association's Covenants, Conditions, Restrictions, Bylaws, Articles of Incorporation, Rules and Regulations (the "Governing Documents") we can help protect your property values and reduce operating costs by preventing costly lawsuits against those few that do not wish to comply with the Governing Documents.

To that end, the Board of Directors, under the authority of the North Carolina Planned Community Act and the Declaration of Covenants, Conditions, Reservations and Restrictions for Laurel Oak Ranch, has adopted a fine system to address violations of the Governing Documents.

The procedural steps for the fining system are as follows:

NOTICE OF VIOLATION

A letter describing the alleged violation and citing the appropriate Governing Document language will be sent by certified mail, or overnight delivery and first class mail to the homeowner. The letter will explain that the Member has thirty (30) days to correct the violation or request a hearing before the Board of Directors (or panel appointed by the Board). The Member may also contact the Association, via Slatter Management, to arrange for an extension of time to comply.

If the violation is not corrected, a hearing is not requested and no extension has been granted, a fine of up to \$100 per day or per incident, as required, will begin to accrue seven (7) business days after the time period has expired.

If the Association receives a request for Hearing:

REQUEST FOR A HEARING

The Board of Directors, or a panel appointed by the Board of Directors, will schedule and notify the homeowner of the hearing to determine if the homeowner is in compliance with the Governing Documents, and to hear any aggravating or mitigating factors. The homeowner will have a full opportunity to explain why they are not in violation of the Governing Documents and/or an opportunity to request a waiver.

Upon gathering all necessary information the Board, or appointed panel, will deliberate outside the presence of the homeowner and render a decision. Written notification of the decision will be sent to the homeowner within five (5) business days of the hearing.

FINES

Fines added to your Association ledger become part of your obligation to the members association and must be paid within 30 days.

Failure to pay a delinquent balance may result in attorney action being taken to recover the Associations' debt. Attorney action may include a lien being placed upon your home.

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The Board understands that this may seem like a harsh policy to many of our members. However, this fine system will only affect those people who refuse to fulfill their obligations to our community. We do not feel that it is fair to the majority of the members to carry the financial burden and suffer the property value pitfalls that result from those in our community that refuse to live by the Governing Documents that keep our neighborhood a pleasant and safe place to live.

Thank you for your attention to this matter. Please do not hesitate to contact Community Association Manager, Kay Hardy at Slatter Management Services (272-0641), if you have any questions.