

**KELLY RIDGE ESTATE OWNERS' ASSOCIATION
SCHEDULE OF FINES**

The Kelly Ridge Estates Owners' Association ("Association") has established the following Schedule of Fines. The amounts shown are the maximum amount that can be levied as a fine for the type of infraction indicated. The Board of Directors (the "Board") may assess fines ranging from zero to the maximum for a specific violation. In determining the exact amount of a fine, the Board shall exercise its discretion in determining the relationship to the nature and gravity of the offense. While that determination remains within the Board's discretion, the Board may also consider whether the owner or resident has engaged in the same or similar conduct or actions in the past.

Prior to the first fine being assessed for a particular violation, the owner of the property in question will be invited to attend a private hearing before the Board, at which time the owner shall have the opportunity to hear the complain and respond. The Board may then levy fines as allowed by this Schedule of Fines. Once a hearing has occurred, additional hearings are not necessary for subsequent violations of the same provision of the CC&R's or rules adopted by the Association. Hearings are not required for warning notices. Additionally, the Board may, at its discretion, elect to assess increasingly larger fines for subsequent violations up to the maximum allowed, without further hearings.

Fine Schedule

The following fine schedule shall apply where the Board finds a violation has occurred and, in its sole discretion, determines to assess a fine:

1 st Offense	Up to a \$200.00 maximum fine
2 nd Offense	Up to a \$300.00 maximum fine
3 rd Offense & Subsequent	Up to a \$500.00 maximum fine

Violations of an ongoing nature may be fined on a daily basis. If daily fines are imposed, they shall not exceed \$25.00 a day.

The fines listed above are maximum amounts per violation, and are in addition to any actual costs, damages, or expenses, including attorneys' fees, incurred by the Association in obtaining compliance with the Association's governing documents. If circumstances warrant, the Board may suspend imposition of all or any portion of a fine for up to one (1) year from the date of the hearing.