

COUNTRYHOUSE SERVICE GROUP FINE PROCESS

The Board of Directors of the Countryhouse Service Group V, Inc. (“Service Group”) is charged, along with the membership, with keeping our community a pleasant place to live along with protecting each owner’s property value. By working together and enforcing the Service Group’s Amended and Restated Declaration, 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 Governing Documents of the Service Group, has adopted a fining system to address violations of the Governing Documents.

The procedural steps for the fining system are as follows:

A. COURTESY NOTICES.

The Board may, but is not obligated to, send initial warnings or courtesy notices to owners advising them of alleged oversights or violations. These communications will be sent for non-serious violations or where there is not an established history of noncompliance on a lot or related to a particular rule or regulation. Owners are asked to promptly correct any noted violations or to contact the Service Group to discuss any disputes with the alleged violations. In some circumstances the owner will be given a particular time period to come into compliance. Please note that these communications are intended to be good faith efforts to work with owners to remind them of community rules and encourage compliance. If an owner needs additional time to come into compliance they should communicate that immediately to the Service Group.

B. NOTICE OF VIOLATION AND HEARING.

In the event of more serious violations, or if there is a history of repeated violations, the Service Group will proceed straight to a notice of violation and hearing. A letter describing the violation and citing the appropriate Governing Document language will be sent by mail to the owner. If the owner has designated an email address for use for communication with the Service Group this email address may be used in place of, or in addition to, US Mail. The letter will explain that the owner is being summoned to a hearing to determine if they should be held in violation of the Governing Documents. The letter will provide the date, time and location of the hearing. Hearings may be conducted via electronic means (Zoom, Teams, etc.)

C. HEARING.

The Board of Directors, or a panel appointed by the Board of Directors, will conduct the hearing to determine if the owner is in compliance with the Governing Documents

and to hear any aggravating or mitigating factors. The owner 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. The hearing will be conducted as scheduled, regardless of whether the owner attends, unless the owner has contacted the Service Group in advance of the hearing date and time and arranged to reschedule the hearing.

Upon gathering all necessary information, the Board, or appointed panel, will deliberate outside the presence of the owner and render a decision. Written notification of the decision will be sent to the owner.

D. FINES AND OTHER PENALTIES.

Following the hearing, the Board may impose an initial fine up to \$100 and may determine that additional fines will be assessed beginning five (5) days after the written decision is mailed. The fine amount imposed can be up to \$100 per event, or up to \$100 per day for a continuing violation. Additionally, the Board may suspend the right to use Service Group common areas and amenities for up to sixty (60) days and suspend an owner's right to vote until the violation is cured.

Once the fine amount reaches \$1,000 a lien may be placed upon the owner's property to secure the amounts owed. Please note that the Governing Documents grant power to the Service Group to foreclose upon an owner's property for any amounts owed to the Service Group.

E. CONTINUING VIOLATIONS.

Most violations are single events, such as parking in an incorrect location or leaving garbage can out for unapproved periods. These occur on a particular date and while they may be repeated, each instance is a separate violation, and a hearing will be held for each individual violation before a fine is assessed. Other violations, such as construction of an unapproved fence or leaving a pile of garbage on a lot, are continuing and may result in daily fines. These continuing violations do not require a separate hearing as long as the original violation continues.

The Board understands that this may seem like a harsh policy to many of our owners. 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 owners 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.

Your attention to this matter is appreciated. Please do not hesitate to contact the Board if you have any questions.