



**RULE AND REGULATION
FOR THE VALLEY WEST HOMEOWNERS' ASSOCIATION**

FINE SCHEDULE

A RULE AND REGULATION OF THE VALLEY WEST HOMEOWNERS' ASSOCIATION (hereinafter referred to as "the Association") ESTABLISHING A FINE SCHEDULE FOR CERTAIN VIOLATIONS OF THE THIRD AMENDED AND RESRTATED DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR VALLEY WEST ("Declaration"), OR ANY SUBESEQUENT AMENDMENTS TO THE DECLARATION.

THIS RULE AND REGULATION is made and adopted this 9th day of October, 2013, by the Board of Directors of the Association pursuant to its powers described below.

WHEREAS, the Third Amended and Restated Declaration of Protective Covenants and Restrictions for Valley West ("Declaration") was signed on the 6th day of June, 2008, and filed with the Gallatin County Clerk and Recorder on June 9, 2008;

WHEREAS, the Declaration, Art. II, section 7, authorizes the Board of Directors to adopt rules and regulations that do not conflict with the Declaration;

WHEREAS, the Declaration, Art. XI, section 2, expressly authorizes the Board of Directors to adopt a rule and regulation setting fines for any violation of the Declaration;

NOW, THEREFORE, THE BOARD ADOPTS THE FOLLOWING RULE AND REGULATION:

If a violation of the Declaration or any subsequent amendment to the Declaration is deemed to have occurred, the Board of Directors of the Association shall have the power to determine, in its sole discretion, whether the violation is a minor or major offense. However, as an illustration to the Board, a minor offense includes such things as improperly parking a vehicle or failing to shovel snow. In contrast, a major violation includes causing a substantial and serious threat to the safety of the Owners or their guests, failing to adhere to the Association's design standards, or constructing, remodeling, or modifying a structure without proper written approval.

For any minor violation of the Declaration, fines may be imposed as follows:

1. First Offense: \$50.00
2. Second Offense: \$200.00
3. Third and each Additional Offense: \$500.00

For any major violation of the Declaration, fines may be imposed as follows:

1. First Offense: up to \$50,000.00
2. Second and Each Additional Offense: Up to \$50,000.00

The Association shall notify the Owner in writing of any fine imposed for any minor or major offense, and the time for paying the same. Any portion of the fine that is not paid on time shall accrue interest at the rate of 10% per annum. The Association is entitled to collect any and all costs, which includes attorney fees, paralegal fees, and any other costs, that are related to or associated with the investigation into the violation, the determination that a violation occurred, and the imposition and collection of fines, interest, and all costs.

Such fines, interest, and costs shall become a lien upon the lot, as set forth in the Declaration, Art. II, section 10. Such fines, interest, and costs are also the personal obligation of the Owner of the lot **and** of any successive Owner of the lot, regardless of how the successive Owner obtains title to the lot. Successive owners are charged with the duty to contact the President or Secretary of the Association in order to learn if any prior Owner owes any fines, interest, and costs for any violation of the Declaration, and successive Owners are responsible for paying any such unpaid amounts.

For purposes of this rule and regulation, any violation by an Owner of the same covenant, condition, or restriction in the Declaration or any subsequent amendment to the Declaration shall be considered the same offense, regardless of the amount of time that has expired, thereby subjecting the offending Owner to the graduated Fine Schedule for minor or major offenses. A violation of a different covenant, condition, or restriction shall be considered a separate offense.

BE IT FURTHER STATED that if this Rule and Regulation conflicts in any way with the Declaration or with any amendment to the Declaration, the Declaration or amendment to the Declaration shall control, but the remaining portion of this rule or regulation that does not conflict shall remain in force and effect.

BE IT FURTHER STATED that thirty days written notice of this rule and regulation has been provided to all members as required by the Declaration, Art. II, section 7.

PASSED AND ADOPTED by the Board of Directors of the Association on this 9th day of October, 2013. This rule and regulation shall be kept by the Secretary of the Association and/or the Property Manager for the Association, and it shall be effective beginning on the 20th day of December, 2013.

THAT I am agent of the Valley West Homeowner's Association and that the foregoing is a true and correct copy of the Rules and Regulations – Fine Schedule, which were approved and adopted on October 9, 2013 by the acting Valley West Board of Directors

State of Montana
County of Gallatin

VALLEY WEST HOMEOWNER'S ASSOCIATION
BY: PEAK PROPERTY MANAGEMENT
MANAGER
By: Monica O'Brien
Monica O'Brien, General Manager

This instrument was signed and acknowledged before me this 13th day of December, 2013, by Monica O'Brien as General Manager of Peak Property Management for the Valley West Homeowner's Association.

Dina Emmert
Signature of Notary

