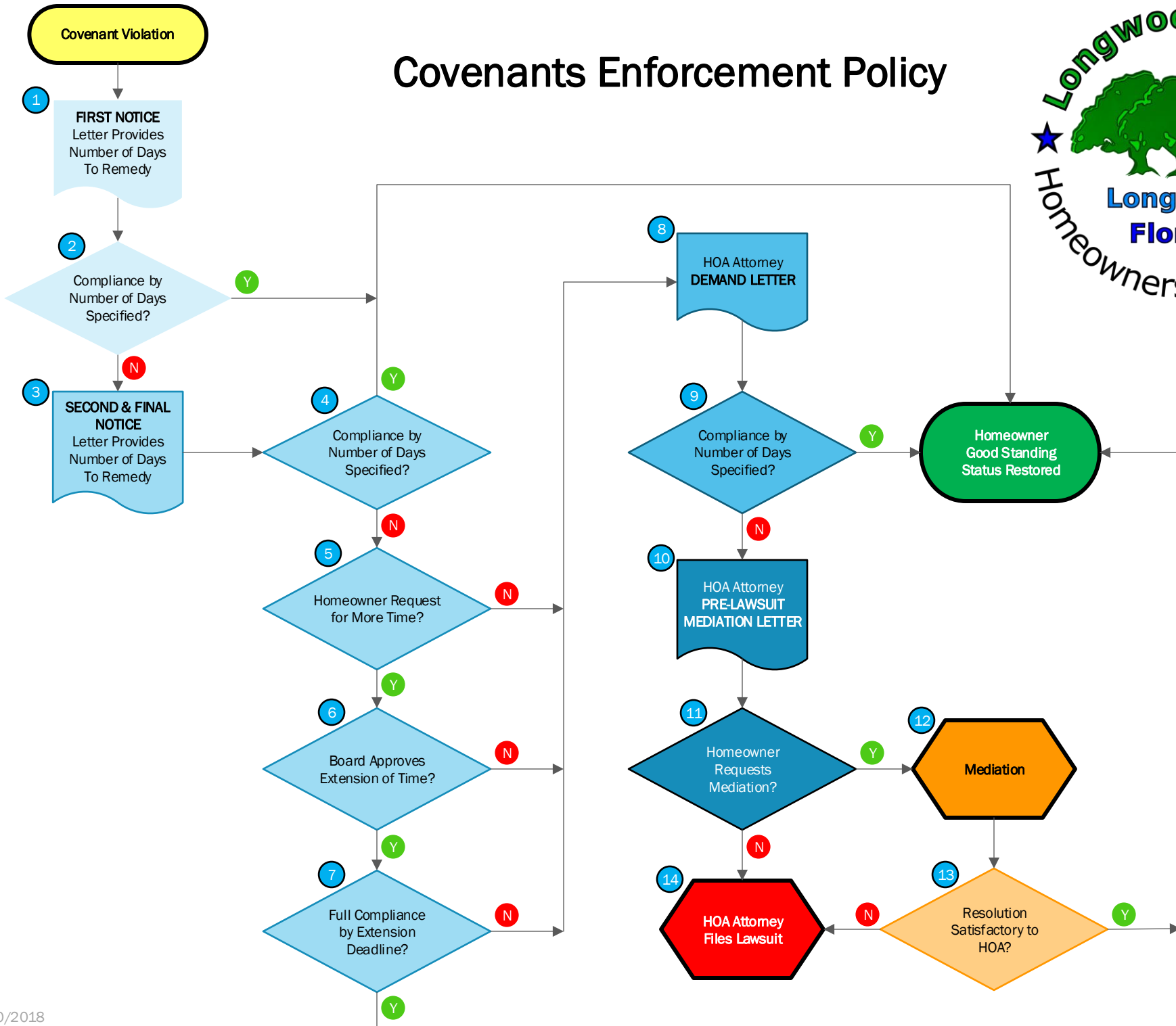


Covenants Enforcement Policy



Covenant Violation The Covenants enforcement process begins when a Covenants violation has been noted on a property either from an inspection conducted by the property manager or a complaint has been lodged by an Association member.

- 1 HOA property manager mails **First Notice of Violation** to homeowner. Notice specifies the violation, cites the applicable Covenant, provides for the number of days homeowner has to remedy the violation.
- 2 After the specified number of days have elapsed per the **First Notice of Violation** a determination will be made as to if the homeowner has complied with a satisfactory remedy. If the remedy was satisfactory the homeowner's *good standing* status is restored.
- 3 If an inspection reveals that homeowner did not comply with the **First Notice of Violation** demand as stated and within the deadline date the HOA property manager mails **Second and Final Notice of Violation** to homeowner. Notice specifies the violation, cites the applicable Covenant, provides for the number of days homeowner has to remedy the violation and reminds homeowner that a **First Notice of Violation** was already given.
- 4 After the specified number of days have elapsed per the **Second and Final Notice of Violation** a determination will be made as to if the homeowner has complied with a satisfactory remedy. If the remedy was satisfactory the homeowner's *good standing* status is restored.
- 5 If the homeowner cannot remedy the violation within the deadline specified in the **Second and Final Notice of Violation** the homeowner may ask for an extension of time before the deadline. If the homeowner did not ask for a deadline extension per the **Second and Final Notice of Violation** the case will automatically be turned over to the HOA attorney.
- 6 If the homeowner submitted a written request for a deadline extension the Board will review the facts surrounding the case. If the request is unreasonable the Board may elect to reject the request and the case will be turned over to the HOA attorney. If the extension is granted by the Board this become the final deadline for the homeowner to comply.
- 7 If a deadline extension had been granted then after the extension deadline has expired a determination will be made as to if the homeowner has complied with a satisfactory remedy. If the remedy was satisfactory the homeowner's good standing status is restored. If the violation has not been resolved to the satisfaction of the Board the case will be turned over to the HOA attorney.
- 8 When a homeowner has not remedied a violation within the deadline date provided in the **Second & Final Notice of Violation** or a Board approved deadline extension date the case is turned over to the HOA attorney. The HOA attorney will send the homeowner a **Demand Letter**. The cost of the letter is approximately \$250 and will be payable by the homeowner in violation. Once the case has been turned over to the HOA attorney all communication from the homeowner must go through the attorney.
- 9 After the specified number of days have elapsed per the **Demand Letter** a determination will be made as to if the homeowner has complied with a satisfactory remedy. If the remedy was satisfactory the homeowner's *good standing* status is restored.
- 10 When a homeowner has not remedied a violation within the deadline date provided in the **Demand Letter** the HOA attorney will send the homeowner a **Pre-Lawsuit Mediation Letter**. The cost of the letter is approximately \$250 and will be payable by the homeowner in violation.
- 11 The **Pre-Lawsuit Mediation Letter** containing the offer of mediation will provide a deadline date for the homeowner to accept mediation. If the homeowner does not contact the HOA attorney within the specified deadline to accept mediation the attorney will file a lawsuit against the homeowner.
- 12 Mediation is a procedure in which the homeowner and HOA discuss the dispute with the assistance of a trained impartial third person who assists in reaching a settlement. The cost for mediation is split between the homeowner and the HOA. If the homeowner retains an attorney the homeowner is responsible for their attorney fees.
- 13 If an agreement can be made to the satisfaction of the HOA and the homeowner complies with the agreement stipulations then the homeowner's good standing status is restored. An agreement may include, among other things: (a) action the homeowner must take, or (b) fines to be paid by the homeowner, or (c) costs incurred by the HOA to be reimbursed by the homeowner, etc.
- 14 If an agreement cannot be made the HOA attorney will file a lawsuit against the homeowner. The HOA will not only demand the homeowner remedy the violation but will seek full reimbursement for all costs associated with the HOA action. The lawsuit objective is a court ordered judgement to compel the homeowner to remedy the violation. The HOA attorney will seek full reimbursement from the homeowner for all costs associated with the lawsuit.

Good Standing Status Restored The homeowner's *good standing* status is restored when the homeowner takes corrective action to resolve the complaint lodged against their property.