

Appendix A

Enforcement Procedures

Section 1. Enforcement Procedures. Whenever the Association Manager determines that an enforcement action is warranted or whenever the Board directs that an enforcement action be taken, the Association Manager shall proceed giving the Owner a Violation Notice as set forth in this Section 2 and Section 3 or 4, as applicable. If the Lot is not Owner occupied and not vacant, a copy of the Violation Notice shall also be given to the tenant or other occupant of the Lot.

Section 2. General Notice Content. Any Violation Notice shall (a) quote and/or include copies of the sections of the Governing Documents at issue, (b) describe in reasonable detail the specific condition, conduct, action or inaction that violates the applicable section or sections of the Governing Documents, and (c) state whether the Violation Notice is based on the observation of a Board member, the Association Manager or a complaint or complaints by a specific Owner or Owners. If the violation consists of an action or conduct that is based on a specific occurrence or event (such as a noise or littering violation), the Violation Notice shall indicate the date or dates and time or approximate times when the violation or violations occurred. If the Violation Notice is for a continuing, ongoing condition of a Lot or any Structure on a Lot or common area, the Violation Notice shall state a deadline for correction of the violation that is not less than 10 days from the effective date of the Violation Notice. The Violation Notice shall also state that the Owner may object to the Violation Notice and be heard by the Board by giving the Association Manager written notice of such objection and hearing request by a deadline date specified in the Violation Notice that is not less than 10 days after the effective date of the Violation Notice.

Section 3. First Violation/Warning Notice. If the Violation Notice is the first notice of such a violation that is not a violation of the Design Guidelines & Procedures, then the Violation Notice shall be a warning notice that will not result in any fine, unless the violation is continuing or ongoing in nature and is not corrected by the specified deadline, or repeated. This type of Violation Notice for a condition that is continuing or ongoing in nature shall specify that a \$50 daily fine will apply after the compliance deadline if the matter is not corrected by then, unless contested by the Owner as provided in Section 5 of these Enforcement Procedures. If the violation is based upon a specific occurrence or event that is not ongoing or continuing in nature, the Violation Notice shall state that any future occurrences of the same or a substantially similar violation will result in a fine or fines in accordance with the schedule of fines in the Rules for a second violation.

Section 4. Other Violation Notices. If there are subsequent violations which are for the same or a substantially similar violation to one subject of a previous warning notice that has already been given under Section 3, and for any violation of the Design Rules & Regulation, the Violation Notice shall specify that a fine or fines will be imposed in accordance with the applicable schedule of fines in Section 4 of the Rules, unless successfully contested by the Owner as provided in Section 5 of these Enforcement Procedures.

Section 5. Objection/Opportunity To Be Heard.

5.1. Notice Requirement. Any Owner that objects to a Violations Notice (in whole or in part) and wants to be heard by the Board must give the Association Manager written notice of such objection and request to be heard by the deadline for giving such notice set forth in the Violation Notice. The objection and hearing request may be given to the Association Manager by email. If notice of an objection and hearing request is not submitted in writing (by email or otherwise) by the specified date, the Violation Notice and any resulting fine or fines shall be final and conclusive for all purposes, and shall not be subject to further appeal to the Board or any Court.

5.2. Meeting/Hearing Date. Upon receipt of a timely objection and hearing request, the Association Manager shall confer with the Board and then notify the Owner of the time and date of a Board meeting to hear the Owner's objection. The hearing may take place as part of any other regular or special Board meeting, or at a special meeting called just for hearing the Owner's objection. The meeting/hearing date shall not be less than 10 days after notice to the Owner. If the Owner cannot attend at the proposed date and time, the Owner shall promptly contact the Association Manager about an alternate date and/or time. The Association Manager shall then confer with the Board and make a reasonable effort to set an alternate meeting/hearing date and time that works for at least a quorum of the Board and the Owner. The Association Manager shall give the Owner not less than 10 days advance notice of any alternate hearing date and time. Under no circumstances shall the Board be required to set a meeting/hearing date that is more than 45 days after the Owner's notice of objection and hearing request is first given to the Association Manager. If the Violation Notice resulted from a complaint by another Owner or Owners, the Association Manager shall also give such Owner or Owners written notice of the hearing date and time.

5.3. Conduct of Hearing. The hearing for an Owner's objection shall be conducted in an informal manner, rather than in the manner required for any judicial proceeding and without application of rules of evidence applicable in a judicial proceeding. The Board shall give the objecting Owner an opportunity to present his or her objection to the Violation Notice, including any witnesses that support such objection. The Board may also hear from the Association Manager and any other Owner or person with knowledge about the alleged violation. At the meeting/hearing, the Board may impose reasonable time limits and rules of conduct for presentations or testimony. Interruptions, incivility or other disruptive behavior is not allowed. The Board may directly question anyone speaking about the alleged violation. Any other cross examination of anyone speaking shall be at the discretion of the Board. An objecting Owner may have an attorney attend and participate in the meeting/hearing only if the objecting Owner gives the property manager at least five days advance written notice of such attorney's attendance. Such notice may be given to the Association Manager by email. Advance notice is required so that the Board can have an Association attorney present if deemed necessary by the Board.

5.4. Board Decision. After hearing from anyone wishing to speak at the meeting/hearing, the Board shall move to executive session to consider the matter. The Board may have the Association Manager and/or the Association attorney present in the executive

session. The objecting Owner and any other Owners or persons shall not be part of the executive session. The Board may decide to uphold, modify or revoke the Violation Notice as the Board deems appropriate. Modification may include extensions of time to correct a violation, modification or clarification of the action required to correct a violation, and/or modification of any fine or fines. The Board may or may not announce its decision at the conclusion of the meeting/hearing. The Board shall have a member of the Board, the Association Manager or an Association attorney give the objecting Owner written notice of the Board's decision within 14 days of the meeting/hearing. If corrective action is still required, the decision shall include a deadline for such action. The decisions of the Board shall be final and not subject to further Board appeal or any judicial appeal.

Section 6. Attorney Fees. In addition to attorney fees and costs recoverable under any other provision of the Governing Documents (but without duplication), the Association is entitled to recover all costs and reasonable attorney's fees incurred in connection with enforcement of the Governing Documents, whether or not the enforcement activities result in any hearing before the Board or any judicial action. Any attorney's fees incurred in connection with the issuance of a Violation Notice or objection hearing may be specified as an additional assessment against the subject Owner and Lot in the Violation Notice or any written decision of the Board concerning a Violation Notice.

Section 7. Continuing Violation/Daily Fines. If a violation is of a continuing or ongoing nature and it is not corrected by the deadline set forth in the Violation Notice, or the hearing decision if there is a time objection and request for a hearing and the Violation Notice is not revoked, the applicable fine per the schedule of fines shall continue on a daily basis until the violation is corrected with a need or requirement for any further Violation Notice.

Section 8. Payment of Fines. If a timely notice of objection and hearing request is not given for a Violation Notice, the subject fine or fines shall be due and payable on the first day of the first calendar month after the deadline for submitting a written objection and hearing request to the Association Manager. If there is a timely notice of objection and hearing request is given to the Association Manager and all or any part of the fine or fines are upheld by the Board, the fine or fines upheld by the Board shall be due and payable on the first day of the first calendar month after the Board's decision is confirmed in writing to the objecting Owner. If there is a daily fine that continues after the initial correction date, the additional daily fines are due and payable on the first of the month after they are incurred for as long as the daily fine continues. Any fine amount not paid by the 15th day of the month due shall be subject to the same late charge as a delinquent common expense assessment.

Section 9. Enforcement of Violation Notice or Board Decision. If a corrective action required by a Violation Notice for which a timely Objection Notice is not given or by Board decision is not completed by the required date, the Board may then (a) correct the violation (including entry of the Owner's Lot as reasonably necessary) and assess the cost of such action against the subject Owner and Lot, or (b) file a legal action against the Owner to obtain a Court order directing the Owner to either complete the corrective action or not interfere with or obstruct corrective action by the Board. All fines levied under these Enforcement Procedures, all attorney fees and costs incurred by the Association in connection with these Enforcement

Procedures, and all costs and expenses incurred by the Association to take or compel the subject Owner to take any corrective action, including reasonable attorney fees and other legal costs, are assessments which are a personal obligation of the subject Owner and a lien against the subject Owner's Lot, and which can be collected or enforced in the same manner as any other assessments. In addition, all costs and attorney's fees incurred on any appeal and/or in the enforcement of any judgment shall be recoverable by the prevailing party.