

**Stonegate Hill HOA
Standard Operating Procedure (SOP) for
Covenant Violation Fine System**

PROCEDURE:

Community issues and concerns are gathered two ways; either a resident calls the management company to note a concern or the management company identifies a concern by periodic patrols (2 per month) of our community. The concerns are documented (confidentially) by the management company in a database.

Depending on the level of concern, a formal first-notification may be sent by the management company to the homeowner or the management company may request a Board member to validate the concern prior to sending the initial letter. The first letter is intended as a kind reminder of the covenants and will clearly indicate the infraction and an allowable time to rectify the concern (typically 2 weeks).

The covenant violation will be monitored by the management company during the regular patrol of the community. If warranted, a second letter will be sent for unresolved issues with a clear indication of issue and a warning that the next notification will result in a fine, as well as an allowable time to rectify (typically 2 weeks).

The third letter, if needed, will be sent certified by US Postal Service in order to assure that the homeowner receives the notification. This notice will inform the homeowner of the fine and will strongly recommend immediate action be taken to correct the noted issue so that further penalties are avoided. This notice also indicates that the issue may be turned over to the HOA's attorney if corrective action does not occur within the indicated timeframe. The first fine assessed will be in the amount of \$25 and is added to the homeowner's assessment notice.

The out of compliance residence will continue to be monitored during the regular patrols by the management company. For continued disregard by the resident, additional letters will be sent by the management company after every patrol (approximately every two weeks) with a notification of fine escalations in increments of \$25 to a maximum fine of \$200 in accordance with the HOA covenants.

Once the \$200 maximum fine has been assessed, the management company will request approval by the HOA Board to turn the issue over to the Association's attorney.

BACKGROUND: From the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR STONEGATE HILL AT WESTOVER HILLS.

Article 8 - ENFORCEMENT

8.1 BREACH BY OWNER. The failure of any Owner or tenant to comply with any

restriction or covenant will result in irreparable damage to Declarant and other Owners of Lots in the Subdivision; thus the breach of any provision of this Declaration may not only give rise to an action for damages at law, but also may be made the subject of an action for injunctive relief and/or specific performance in equity in any court of competent jurisdiction. In the event enforcement actions are instituted and the enforcing party recovers, then in addition to the remedies specified above, court costs and reasonable attorney's fees shall be assessed against the violator.

8.2 REMEDIES. In addition to the remedies for enforcement provided for elsewhere in this Declaration, the violation or attempted violation of the provisions of this Declaration, or any amendment hereto, or Rules and Regulations promulgated by the Board of Directors, by an Owner, his family, guests, lessees or licensees shall authorize the Board (in the case of all of the following remedies) or any Owner (in the case of the remedies provided in (d) below, to avail itself of any one of more of the following remedies:

(a) The imposition of a special charge not to exceed Two Hundred (\$200.00) Dollars per violation, or

(b) The suspension of Owner's rights to use any Association property for a period not to exceed thirty (30) days per violation, plus attorney's fees incurred by the Association with respect to the exercise of such remedy, or

(c) The right to cure or abate such violation, including the right to enter any Lot upon which such violation exists without liability for trespass, and to charge the expense thereof, if any, to such Owner, plus attorney fees incurred by the Association with respect to the exercise of such remedy, or

(d) The right to seek injunctive or any other relief provided or allowed by law against such violation and to recover from such Owner all its expenses and costs in connection therewith, including, but not limited to attorney's fees and court costs.

8.3 WRITTEN NOTICE. Before the Board invokes the remedies provided in subparagraphs (a), (b), (c), and (d) above, it shall give written notice of such alleged violation to Owner, and shall provide the Owner the opportunity to respond. If, after the response, a violation is found to exist, the Board's right to proceed with the listed remedies shall become absolute. Each day a violation continues shall be deemed a separate violation. Failure of the Association, the Declarant, or of any Owner to take any action upon any breach or default with respect to any of the foregoing violations shall not be deemed a waiver or their rights to take enforcement action thereafter or upon a subsequent breach or default.

8.4 LIEN AGAINST OWNER. All charges assessed against an Owner pursuant to this Article shall constitute a continuing lien upon the Lot of such Owner as fully as if such charge were an unpaid annual or special assessment.