

## **Article IX – Deed Restriction Violation Procedures & Fine Schedule**

The Procedures and Fine Schedule to be followed by the Board of Directors and/or the Deed Restriction Committee in enforcing Subdivision Deed Restrictions are shown as Attachment B to these Bylaws. These procedures may not be revised, changed, or replaced without the express approval of the Board of Directors, who shall treat proposed revisions, changes, or replacement as a change to the Bylaws, including recording said revision on the History of Bylaws page of these Bylaws. Notice of revised Procedures shall be sent to all Members / property owners to assist their understanding and compliance.

Complete copies of the current Violation Procedures & Fine Schedule shall be available from the Secretary or the Deed Restriction Committee on request, and copies shall be on hand for attendees use during or after any Annual Meeting or Special Meeting of the Association.

### **Attachment B**

#### **Section 1. Assessment.**

Upon it being reported to any Board Member that a deed restriction violation has occurred or is about to occur, the Deed Restriction Chairperson (DR Chair) – or an alternate Board Member – will personally investigate and confirm or reject the reported violation. If a violation is not found, the DR Chair will contact the reporting party and advise him/her of the finding.

#### **Section 2. Confirmation.**

Upon confirming the reported violation, the DR Chair will judge the nature and severity of the violation – noting the section, page, etc., of the appropriate deed restriction for future reference – and what corrective action should take place. These findings will be communicated to all Board members – typically by email.

#### **Section 3. First Notice.**

As soon as possible after confirmation, the DR Chair will contact the property owner, preferably in person or by phone, or by mailbox notice, and advise him/her of the reported violation and request their cooperation in taking corrective action. If corrective action is taken promptly, the DR Chair will contact the property owner again to express the Board's appreciation for voluntarily conforming.

#### **Section 4. Second Notice.**

Within a reasonable period of time (reasonable will depend on the nature and severity of the violation) after the 1st Notice – typically about 8 days – if corrective action has not been taken or substantial effort has not been put forth to make correction, the DR Chair will inform the Board immediately, summarizing the events to date, and make a proposal

for fines to be levied, based on the approved Schedule of Fines of the Association (see Schedule of Fines below).

For completeness in the record, the proposal must reference the deed restriction being violated, the nature and degree of non-conformance, the duration of the violation, previous notices and unmet deadlines, and clearly describe the request being made to the Board, including justification for the fine level proposed. If approved by the Board, the 2nd Notice including fines will be sent to the property owner by U.S. Mail with delivery confirmation, with the starting date for the fines clearly identified. Official minutes shall be kept of the Board's deliberations and decision on such a proposal.

**Section 5. Invoices for Fines.**

If corrective action has not been taken according to the 2nd Notice, the DR Chair will notify the full Board immediately. Invoices for fines will be sent to the property owner each month, and a lien or liens may be made against the property if the fines are not paid in a timely manner.

If a property owner's accounts payable to HCEPOA, which may consist of overdue maintenance fees or fines or both, equals or exceeds \$1,000, a lien shall be placed on the property within Holly Creek Estates and such lien shall not be removed until payment in full has been made.

**Section 6. Record Keeping.**

A record of all of the above shall be kept by the DR Chair and made part of the HCEPOA official files.

**Schedule of Fines**

<b><u>Violation Type</u></b>	<b><u>Examples</u></b>	<b><u>Fine</u></b>
<b>Minor</b>	Property not being maintained in a neat and attractive appearance. Prohibited vehicles parked in residence driveway.	\$25 per day, up to \$100 per day

<p><b>Moderate</b> (or continued 'Minor' Violations)</p>	<p>Habitation of undeveloped lots or outbuildings. Prolonged storage of construction or objectionable materials on property.</p>	<p>\$100 per day, up to \$250 per day</p>
<p><b>Major</b> (or continued 'Moderate' Violations)</p>	<p>Violation of setback lines or easements. Construction without Architectural Committee Approval. Failure to conform to Acreage Minimums in purchase/sale of property.</p>	<p>\$250 per day, up to \$500 per day</p>
<p><b>Severe</b> (or continued 'Major' Violations)</p>	<p>Willful disregard for Deed Restrictions, Refusal to take corrective action. Belligerent, Defiant, Uncooperative Attitude.</p>	<p>\$500 per day, up to \$1000 per day</p>

Property Owners will be contacted by a Board member regarding any reported Deed Restriction violations. Property Owners will have a reasonable period of time to correct the violation and/or make a proposal for correction to the Board. If neither is done, fines may/will be assessed against the property. Property Owners will then have additional time from notice of fines to correct the deed restriction violation and pay such fines. Failure to comply may result in additional fines and a lien being made on the property.



