

SOUTHERN VILLAGE HOMEOWNER ASSOCIATION ENFORCEMENT POLICY

The Southern Village Homeowner Association is charged under the Association's governing documents to protect neighborhood property values by ensuring that architectural guidelines are applied uniformly, consistently and fairly. The following policy has been adopted to further that goal.

- 1) Identification** of a potential event of non-compliance:
 - a) Any homeowner may report a potential incident of non-compliance to the SVHOA's Board of Directors or to the management company.
 - b) The Management Company may observe a potential incident of non-compliance and, in its discretion, report the event to the SVHOA Board of Directors or proceed with an investigation of the potential violation

- 2) Investigation** of a potential event of non-compliance:
 - a) The Management Company shall follow-up on the identification of a potential event of non-compliance by conducting a site visit. The Management Company will make a determination as to whether the reported incident does in fact violate the Association's Covenants or the ARB guidelines.
 - b) The Management Company may ask for direction from either the Board of Directors or from the ARB in making its determination.
 - c) The Management Company will identify all incidents of non-compliance in a monthly report presented at the following Board of Directors meeting

- 3) Identification Letter** to be mailed to property owner, identifying violation, and requesting in conciliatory manner that violation be remedied and offering suggestions as to how remedy might best be accomplished.

- 4) Follow -through Letter.** Within thirty (30) days of the Identification Letter, the Management Company will confirm that the violation has been remedied. If the violation has not been remedied, or, if in the discretion of the Management Company, reasonable progress has not been made to remedy the violation, a second, follow-through letter will be mailed to the homeowner, identifying the violation and referencing the identification letter. This letter should state that the violation should be addressed immediately and if there is some reason as to why the violation cannot be cured, for an explanation.

- 5) **Final Letter:** Within thirty (30) days of the Follow-through letter, the Management Company will confirm that the violation has been remedied. If the violation has not been remedied, or, if in the discretion of the Management Company, reasonable progress has not been made to remedy the violation, the Management Company shall mail a final letter informing the homeowner that the Association shall enforce the covenants and the guidelines by all available legal remedies and providing one more opportunity to resolve the problem.
- 6) **Show Cause Letter:** Within thirty (30) days of the Final Letter, the Management Company will confirm that the violation has been remedied. If the violation has not been remedied, or, if in the discretion of the Management Company, reasonable progress has not been made to remedy the violation, the Management Company shall mail a final “show cause” letter to the homeowner; setting a time, date and location for a show cause hearing. This letter shall provide an additional ten (10) days to remedy the violation. The hearing will be scheduled not less than fourteen (14) days after the Show Cause Letter
- 7) **Show Cause Hearing:** If the violation has not been remedied by the date of the Show Cause hearing, the hearing shall proceed before the Association’s Board of Directors. The Board shall provide the homeowner with the opportunity to explain why the fining provisions of the North Carolina Planned Community Act should not be invoked for prolonged non-compliance with the Association’s Covenants and/or ARB guidelines. The Board of Directors will present an attitude of impartiality and provide the homeowner with not less than fifteen (15) minutes to present his or her case.
- 8) **Fining Letter:** A majority of the Board of Directors shall determine whether a fine is warranted in the specific instance, and shall determine the amount of the fine. The homeowner will be informed of the Board’s decision to fine and the amount of the fine via a letter from the Management Company not more than ten (10) days after the rendering of the decision by the Board. Per the provisions of the North Carolina Planned Community Act, the fine may not exceed \$100.00 per day per violation. The letter will also provide an additional ten (10) days for the homeowner to remedy the violation before the first fine attaches.
- 9) **Fining:** If the violation has not been remedied, fining shall commence on the day identified in the letter to the homeowner. The homeowner shall be sent an invoice for all accrued fines. If the fines remain unpaid after thirty (30) days, the Management Company, on behalf of the Board of Directors

shall file a lien to secure payment of the fine. The Board, in its sole discretion, may elect to foreclose the lien.

- 10) Waiver of Fine:** Should the homeowner ultimately comply with the Covenants and/ or ARB guidelines, the Board of Directors shall, by majority vote, agree to waive all or part of the fines that have accrued.

NOTE: The Default time period between the mailing of letters is thirty (30) days. Certain circumstances may require letters to be mailed on shorter notice. The Board may identify those circumstances and instruct the Management Company to expedite the enforcement process. Alternatively, the management company may inform the Board of circumstances that require an expedited enforcement process and shall receive the approval of the Board prior to shortening the thirty (30) day period between the mailing of letters.