

# LANDEN MEADOWS HOMEOWNERS ASSOCIATION, INC

## Policy Resolution #2: Policy Resolution Relating to Violation Processing and Fines

**As Amended: 8/1/14**

**Effective: 9/1/14**

WHEREAS, the Landen Meadows Homeowners Association, Inc. ("Association") is empowered to exercise all of the powers, duties and authority vested in or delegated to this Association by provisions of the Bylaws, Articles of Incorporation, and the Declaration of Covenants, Conditions and Restrictions, and other state and federal laws.

WHEREAS, Article IV, Sections 8 and 9 of the Landen Meadows Homeowners Association, Inc. Declaration of Covenants, Conditions, and Restrictions states that the Homeowners' Association shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges.

WHEREAS, Article 47F-3-102 Section 12 of the North Carolina Planned Community Act and North Carolina House Bill 1541 state that the Association may impose reasonable fines or suspend privileges or suspend services provided by the Association for reasonable periods for violations of the Declaration of Covenants, Conditions & Restrictions, Bylaws, Architectural Guidelines, and landscape and other rules of the Association.

WHEREAS, Article VII of the Declaration of the Covenants, Conditions, and Restrictions states that each Lot is subject to the General Use Restrictions.

WHEREAS, Article XIII of the Declaration of Covenants, Conditions and Restrictions states that the Architectural Control Committee or the Board of Directors must approve all exterior changes to all Lots and that there are Architectural Guidelines that all Lots must comply with.

WHEREAS, Article V Section 1 of the Landen Meadows Homeowners Association, Inc. Bylaws states that the business and affairs of the Association shall be managed by its Board of Directors.

WHEREAS, there is a need for the Board of Directors to give direction regarding the process associated with the enforcement of the Covenants, Conditions and Restrictions, Bylaws, Architectural Guidelines, and landscape and other rules of the Association, and the action of imposing fines against Lots that are in violation of each.

WHEREAS, it is the intent that this policy be applicable for the processing of violations of the Covenants, Conditions and Restrictions, Bylaws, Architectural Guidelines, and landscape and other rules of the Association and the imposing of fines against Owners of Lots that are in violation. This resolution will be in effect from the date listed above until it is rescinded, modified or amended by a majority of the Board of Directors.

NOW THEREFORE, BE IT RESOLVED THAT the following policy shall be adopted by the Board of Directors regarding the process of enforcement of the Covenants, Conditions and Restrictions, Bylaws, Architectural Guidelines, and landscape and other rules of the Association.

1. Any Owner of a Lot that is in violation of the Covenants, Conditions and Restrictions, Bylaws, Architectural Guidelines, or landscape or other rules of the Association shall be issued a violation notice by the Association's Management Company, Architectural Control Committee, or a rules committee of the Association. The notice will identify the nature of the violation and specific provision of Declaration, Bylaws, or rules and regulations that the offending activity violates.
2. For certain violations, the Owner will be mailed a First and Final Notice indicating a specified number of calendar days to correct the violation. After the specified numbers of days have elapsed, a re-inspection of the Lot will be performed by the Association's Management Company, Architectural Control Committee, or a rules committee of the Association to determine if the violation has been corrected.

3. If the violation has not been corrected, the Board of Directors, its Attorney or Management Company, Architectural Control Committee or rules committee shall issue the Owner a hearing notice to appear before the Board of Directors, Architectural Control Committee or rules committee ("Hearing Panel") to discuss the violation and offer any explanation or evidence regarding the alleged violation.
4. Other violations immediately trigger a hearing notice to the Owner, in which case the violation notice also serves as the hearing notice.
5. The hearing notice to the Owner will be postmarked at least 10 calendar days prior to the hearing date and mailed via regular and/or certified mail. The hearing notice will specify (1) the violation, (2) the specific provision of the Declaration, Bylaws, or rules and regulations the offending activity violates, (3) the date, time and location of the hearing and (4) the requirement that if the Owner intends to bring a third party representative to the hearing, the Owner must notify the chairman of the Hearing Panel and/or management company of that fact at least two days prior to the scheduled hearing date.
6. In lieu of attending the hearing the Owner may, no later than 2 days prior to the hearing date, submit written information to the chairman of the Hearing Panel or Management Company to be considered by the Hearing Panel at the scheduled hearing. If the Owner fails to appear at the scheduled hearing and provides no written information by this deadline, the Hearing Panel will rule on the matter based solely on information provided by the Association's Management Company, Architectural Control Committee, or a rules committee of the Association.
7. At the hearing, the Owner will be given up to 10 minutes to present his/her position to the Hearing Panel. Up to 10 additional minutes will be allowed for Hearing Panel members to ask questions of the Owner. A member of the Hearing Panel will monitor and enforce these time limits. At the conclusion of the hearing, the Hearing Panel members will reconvene into executive session and decide by a majority vote of its members in attendance as to whether the Owner of the Lot is in violation and, if in violation, levy the appropriate fines.
8. The Board of Directors, the Association's Attorney or Management Company, Architectural Control Committee or rules committee shall send a written notice to the Owner communicating the results of the hearing.
9. Fines will be levied according to the Violation Fine Schedule listed as Exhibit A to this Policy Resolution. Fines will begin to accrue within a specified time frame from the date of the written notice communicating the results of the hearing to the Owner. The Owner may avoid the daily fine if 1) the violation is corrected and the Hearing Panel Chairman receives written notification from the Owner of that fact within the designated time frame and 2) correction of the violation is subsequently verified by the Association's Management Company, Architectural Control Committee, or rules committee of the Association. However, even if the violation is corrected within the time frame, the Hearing Panel may still impose the initial fine for the violation.
10. Fines will accrue according to the Violation Fine Schedule until (1) the violation is corrected, (2) the Owner notifies the chairman of the Hearing Panel in writing of the correction and (3) the Association's Management Company, Architectural Control Committee, or a rules committee of the Association verifies the violation has been remedied. Once verified, fines will be terminated effective with the received date of the Owner's letter notifying the chairman of the Hearing Committee the violation has been remedied.
11. Under North Carolina law, violation fines become an assessment. Failure by the Owner to pay fines will be handled according to section NCGS 47F-3-107 of the North Carolina Planned Community Act, which governs unpaid assessments. A lien may be filed securing payment of past due fines and the lien may be ultimately foreclosed.
12. If the Owner engages the services of an attorney to represent him/her at the violation hearing and/or subsequently as part of this violation fine process, and as a result the Hearing Panel deems it is in the best interest of the



LANDEN MEADOWS HOMEOWNERS ASSOCIATION, INC.  
EXHIBIT A  
SCHEDULE OF FINES

Violation	Initial Fine Amount	Subsequent Fine Amount	Fine Frequency
Lawn Maintenance Violations (i.e. Unkempt lawn, failure to mow the lawn, weeds)	\$50.00	\$50.00	Per Week
Architectural Violations (Unapproved ARC Change or Failure to submit for ARC Change)	\$100.00	\$100.00	Per Week
Exterior Maintenance Violations (i.e. shutters, painting, unkempt appearance, pressure washing)	\$50.00	\$50.00	Per Month
Nuisance Violations	\$50.00	\$50.00	Per occurrence/day
Garbage Receptacles unscreened	\$25.00	\$25.00	Per occurrence/day
Unapproved use of common area	\$25.00	\$25.00	Per occurrence/day
Satellite violation	\$25.00	\$25.00	Weekly
Sign violations (contractor signs, garage sale signs after day of sale)	\$25.00	\$25.00	Per occurrence/day
Improper storage	\$25.00	\$25.00	Per occurrence/day
Improper vehicle (i.e., trailer, RV)	\$100.00	\$100.00	Per Week
Recreational Equipment improperly stored	\$25.00	\$25.00	Per occurrence/day
Animal violations, including improper pet enclosures, etc.	\$25.00	\$25.00	Per occurrence/day
Trees	\$100.00	\$100.00	Per Week

Note: Per the governing documents of Landen Meadows HOA, total fines will not exceed \$250.00 per month.