

**ROSE HILL HOMEOWNERS ASSOCIATION, INC.'S  
RULES AND COVENANT ENFORCEMENT PROCEDURE**

WHEREAS, Rose Hill Homeowners Association, Inc. is governed by the Declaration of Covenants, Conditions and Restrictions, Articles of Incorporation, Bylaws, and any duly adopted Rules and Regulations; and

WHEREAS, Article VII, Section 1 (a) of the Bylaws of Rose Hill Homeowners Association, Inc. empowers the Board of Directors to adopt and publish rules governing the use of the HOA area, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof; and

WHEREAS, Article VI, Section 6.5 of the Declaration of Covenants, Conditions, and Restrictions of Rose Hill Homeowners Association, Inc. provides that the Board of Directors shall have power to adopt, amend and repeal Rules and Regulations restricting and regulating the use and enjoyment of the property or any portion thereof, which supplement, but may not be inconsistent with the provisions of the Association documents; and

WHEREAS, Article VII, Section 1 (c) of the Declaration of Rose Hill Homeowners Association, Inc. empowers the Board of Directors to suspend the voting rights and right to use of the Common Area and recreational facilities of a member, after notice and an opportunity for a hearing, for a period not to exceed sixty (60) days for infraction of published rules and regulations; and

WHEREAS, The Board of Directors for Rose Hill Homeowners Association, Inc. desires to promulgate and enforce Rules and Covenant Procedure consistent with Article VII, Section 1 (a) of the Bylaws, Article VI, Section 6.5 of the Declaration, Article VII, Section 1 of the Declaration, and consistent with applicable law;

NOW, THEREFORE, BE IT RESOLVED THAT, in support of the above, the Board of Directors of Rose Hill Homeowners Association, Inc. hereby declares and adopts the following Rules and Covenant Enforcement Procedure:

A. Notification of Violation. Whenever the Board of Directors or the Architectural Committee determines that probable cause exists as to a violation of the Association's Declaration, Bylaws (hereinafter collectively referred to as the "governing documents") or any adopted Rules and Regulations, it will send written notice to the person alleged to be in violation, and the Owner of the Lot which that person occupies or is visiting if such person is not the owner. The written notice will be sent to the lot owner at such address which is reflected on the Association's records pursuant to Article III, Section 3 of the Association's Bylaws (an example of such notice is provided as Attachment "A"). The written notice shall state:

1. The Rule or Covenant which has been violated;
2. The owner's conduct or action which violates the Rule or Covenant;

3. The action required to correct the violation; and

4. The type of violation, continuing or non-continuing.

a. A continuing violation consists of action or inaction taken by a lot owner or his or her guest, invitee, or resident which presents an ongoing uninterrupted violation of the Association's governing documents or Rules and Regulations. Examples of continuing violations include but are not limited to parking a junk vehicle upon the common areas, maintaining a trailer or tent on the common areas, and making an architectural change to the lot that is not in conformance with the governing documents or rules and regulations. For a continuing violation, the following procedures shall apply:

i) The initial cease and desist letter shall include a request that the violation be corrected within ten (10) days from the date of the letter, such other time period that the Board determines is reasonable, and a statement advising the lot owner that the failure to correct the violation within the time allotted will result in a hearing being scheduled by the Board of Directors to consider the matter. The letter shall further advise the lot owner that the Board of Directors may impose penalties for the violation, including fines, suspension of use of common areas, suspension of voting rights, action to correct the violation at the expense of the lot owner, and legal action to compel compliance.

ii) If the violation continues after the time period allotted in the cease and desist letter, the Board shall send a second letter to the lot owner advising him or her that a hearing will be held before the Board of Directors at a specified date, time and place. The hearing shall be scheduled at least ten (10) days from the date of the letter. The letter shall advise the lot owner that he or she may present evidence and cross-examine witnesses at the hearing in his or her defense of the alleged violation. In addition, the letter shall provide

notice to the lot owner that the Board of Directors may impose sanctions against the lot owner for the violation. The sanctions imposed may include, but are not limited to the imposition of fines, the suspension of voting rights, the suspension of the use of the common areas and recreational facilities, the decision to take action to correct the violation at the expense of the unit owner, and the initiation of legal action to compel compliance with the Association's Declaration, Bylaws and established rules and regulations. (A sample hearing notice is attached hereto as Attachment "B").

- b. A non-continuing violation is an action or inaction of a lot owner or his or her guest, invitee, or resident which is a single occurrence and is not continuing or on-going in nature and is a violation of the Association's governing documents or Rules and Regulations. Examples of non-continuing violations

include but are not limited to parking a commercial vehicle in the parking lot overnight, making or permitting any disturbing noises or permitting anything to be done that will interfere with the rights, comforts or convenience of other owners, and the repairing of cars or other vehicles on the premises. While such conduct may be performed again and again, the occurrences are not uninterrupted and therefore begin anew each time. For a non-continuing violation, the following procedures shall apply:

- i) The initial cease and desist letter shall state the conduct which violated the provisions of the governing documents or Rules and Regulations. The letter shall include a statement that should further violation of the same provision of the Association's governing documents or Rules and Regulations occur again within the next twelve (12) months, the Board of Directors may take action to enforce the governing documents or Rules and Regulations which have been violated and may

impose sanctions after further notice and hearing.

- ii) If a second violation of the same provision of the Association's governing documents or Rules and Regulations recurs within twelve (12) months, the Board shall send a second letter to the owner which shall state:
  - a. The Rule or Covenant which has been violated;
  - b. The lot owner's conduct or action which violates the Rule or Covenant;
  - c. The action required to correct the violation;
  - d. The type of violation, continuing or non-continuing;
  - e. A hearing has been scheduled at a specified date, time and place before the Board of Directors to consider the matter. Said hearing shall be scheduled at least ten (10) days from the date of the letter. The lot owner shall be advised that he or she may present evidence and cross-examine witnesses to defend himself or herself against the alleged document provision or Rule or Regulations violation.
  - f. At the hearing, the Board of Directors may impose sanctions against the lot owner, which may include, but may not be limited to the imposition of fines, the suspension of the use of the common areas and recreational facilities, the decision to take action to correct the violation at the expense of the owner, the suspension of voting rights, and legal action to compel future compliance with the provisions of the governing documents and Rules and Regulations.

(A sample second letter/hearing notice is attached hereto as Attachment "C").

B. Hearing. At any Rules or Covenant enforcement hearing, the lot owner or the alleged violator shall have a right to present evidence and to present and cross-examine witnesses. Proof of notice of the hearing shall be made a part of the hearing record. This proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer or director who delivered the notice. The notice required is deemed satisfied if the violator appears at the meeting. The minutes of the meeting shall contain a summary of the evidence presented and a written statement of the decision of the Board of Directors and the sanctions, if any, imposed.

If the Board determines that a violation of the governing documents, rules or regulations has been committed, the Board will send a letter to the lot owner within fifteen (15) days of the hearing stating the decision of the Board, including any action required to correct the violation and any sanction imposed by the Board.

If the Board of Directors determines that there has been no violation, the lot owner shall be so advised by a letter from the Board within fifteen (15) days of the hearing. Sample notices of the Board's decision are attached hereto as Attachments "D1" and "D2".

C. Sanctions. If the Board of Directors determines that a violation has occurred, the Board may, upon its own discretion, impose one or more of the following sanctions:

1. Cease and Desist Order directing that the violation stop and that corrective action be taken;
2. Fines;
3. Suspension of Association voting rights;
4. Suspension of use of Common Areas and recreational facilities (not to exceed sixty (60) days); and
5. If the violation consists of the owner's failure to maintain the exterior of his or her lot or improvements thereon, or other violation on the exterior of a dwelling, take appropriate measures to correct the violation at the expense of the owner and the cost of same shall become a lien against the lot pursuant to Article IX of the Association's Declaration.
6. Legal action to enjoin the violation.

D. Schedule of Fines. If the Board of Directors determines that the lot owner is committing a continuing violation of the Association's governing documents or Rules and

Regulations and that the violation has not been corrected by the date specified by the Board of Directors in the initial cease and desist letter sent to the lot owner or tenant, the following schedule will apply. Fines will continue to accumulate on the dates outlined below until the violation is corrected:

| Continual Violations           | Fine                  |
|--------------------------------|-----------------------|
| 30th day beyond Board deadline | \$ 50.00              |
| 60th day beyond Board deadline | \$ 100.00/ Additional |
| 90th day beyond Board deadline | \$ 100.00/ Additional |
| <hr/>                          |                       |
| Total after 90 days            | \$ 250.00             |

Such fines and subsequent occurrences of same/similar violations shall be cumulative.

If the Board of Directors determines that the lot owner has committed a non-continuing violation of the Association's governing documents or Rules and Regulations within the twelve (12) months subsequent to the initial cease and desist letter sent to the lot owner or tenant by the Board of Directors, then the Board of Directors may impose a fine in the amount of \$25.00 to \$200.00 upon the lot owner, depending upon the violation and the number of violations of the same Rule or Covenant that have been committed by the lot owner.

E. Collection of Fines. The Board of Directors shall collect all fines as authorized by the governing documents. All monies collected by the Association from a lot owner for any reason, including monies collected for regular and special assessments, shall first be applied to fines until satisfied and the balance, if any, toward assessments.

Adopted this     day of             , 2003, by the Board of Directors of Rose Hill Homeowners Association, Inc.

ATTEST:

Secretary I  
Rose Hill  
Homeowners Association, Inc

President  
Rose Hill  
Homeowners Association, Inc.