

Colonial Townes Homeowners Association Policy on Covenant Compliance

The Board of Directors of the Colonial Townes Homeowners Association seeks compliance of the Covenants of the Association in a fair and consistent manner. As in any community relationship, it is important to maintain communication between the homeowner(s) and the Management Company when non-compliance notification is received to resolve a community concern.

The Community Manager, working with the Board of Directors, investigates to determine if a non-compliance issue has occurred, and if so, notifies the homeowner(s) with a letter of non-compliance. The letter explains the nature of the non-compliance, the action(s) required to remedy toward compliance, and establishes a due date to complete corrective action(s). The procedures for addressing non-compliance issues and the potential assessment of fines as allowed by the Covenants and the North Carolina Planned Community Act (NC Statute 47-F) are as follows:

FIRST LETTER OF NON-COMPLIANCE

- First letter informs the homeowner about the non-compliance and the necessary corrective action(s).
- Expected timeline to complete corrective action(s) by the homeowner is stated; either immediately or up to 30 days.
- Fines are not assessed.
- Homeowner(s) are responsible for communicating directly with management regarding resolutions or any anticipated delay to achieve compliance. Additional time may be provided if justified.

SECOND LETTER OF NON-COMPLIANCE

- When the corrective action deadline has passed without a positive response or correction, a second letter is sent that references the date of the first letter, the issue of non-compliance, and the corrective action(s) required, and by when. Moreover, the homeowner is notified that a fines hearing will be scheduled for the continued lack of non-compliance as corrective action was not taken.
- Expected timeline to complete corrective action(s) is stated, either immediately or up to 30 days.
- Homeowner(s) are responsible for communicating directly with management regarding resolution of the violation or any anticipated delay to achieve compliance. Additional time may be provided if justified.

FINAL NOTICE AND NOTICE OF FINES HEARING FOR NON-COMPLIANCE

- A "Fines Hearing Notice" is sent to the homeowner(s) once the second correction deadline has passed and there has not been a positive response or correction.
- The final notice outlines the nature of the continued non-compliance, the time and place of the hearing, and the right of the board to impose fines up to \$100.00 per day, per violation.
- At the hearing, the homeowner will have the opportunity to meet with the Directors, explain why s/he is in compliance (or not), actions that have been implemented, and/or why a fine should not be assessed. Following the meeting with the homeowner, the Board will make a final decision regarding the violation and assessment of fines through notification of the Board's final decision by letter to the homeowner.

LATE FEES & INTEREST CHARGES

- Fine assessments are due thirty (30) days from the date of the letter informing homeowner that a fine has been assessed.
- Fines not paid within thirty (30) days will be charged \$10.00 per month late fee.
- Unpaid fine(s) may result in a lien levied against the property.

The Colonial Townes Homeowners Association Directors