

## **Stone Park Homeowners' Association Covenant Enforcement Policy**

As Board Members in a covenant-protected Community, we recognize the real and perceived value of our Community centers around reasonable and consistent property standards. We further recognize a very important part of the consideration prospective property owners make when selecting a Community in which to live and invest in, is the condition, quality and curb appeal of the Community they are considering.

To standardize the quality and level of maintenance and care afforded a Community, the original Community Developer establishes Declarations. As a Community, we supplement those Declarations with more specific standards of care and behavior with rules and regulations and/or architectural control guidelines.

In a perfect world, Owners would fully and timely comply with all of the requirements and responsibilities necessary in our Community. We understand, realistically, covenants and other standards of behavior are necessary for those few individuals who choose not to conform to and comply with the documents those individuals originally agreed to abide by.

Enforcement action and monetary penalties are sometimes necessary to garner cooperation and follow through from Owners who chose to violate the laws of our Community. Inaction regarding violations of our governing documents can lead to conditions that cost all Owners far more than the reasonable fines and penalties the Association may consider.

Based upon these very important circumstances, we agree to approve the following enforcement policy for any and all violations of our Declarations/Covenants, rules, regulations or guidelines that we have not previously addressed in writing:

### **1. GENERAL**

Failure to notify or enforce any of the Rules and Regulations will not be deemed a waiver of any of the Rules and Regulations.

All of our Rules and Regulations will be severable, and if one or more are found to be invalid, all others will remain in full force and effect.

Any non-compliance with the Rules and Regulations by any Owner, renter or guest will be the responsibility of the Owner.

## 2. COMPLAINT

- 2.1. Complaints by Owners or residents shall be in writing and submitted to the Board of Directors. The complaining Owner or resident shall have observed the alleged violation and shall identify the complainant (“Complainant”), the alleged violator (“Violator”), if known, and set forth a statement describing the alleged violation, referencing the specific provisions which are alleged to have been violated, when the violation was observed and any other pertinent information. Non-written complaints or written complaints failing to include any information required by this provision may not be investigated or prosecuted at the discretion of the Association.
- 2.2. Investigation. Upon receipt of a complaint by the Association, if additional information is needed, the complaint may be returned to the Complainant or may be investigated further by a Board designated individual or committee. The Board shall have sole discretion in appointing an individual or committee to investigate the matter.
- 2.3. Initial Warning Letter. If a violation is found to exist, a warning letter shall be sent to the Violator explaining the nature of the violation. The Violator will have 14 days from the date of the letter to come into compliance.
  - 2.3.1. Serious/Immediate Risk Violations. When a violation concerns a serious immediate situation for person or property the board will seek to obtain prompt action by the alleged violator to correct and avoid any recurrence. Examples include fireworks, unfenced pools, menacing dogs, et cetera. The board will seek to contact the owner or other violator, and a hearing scheduled as soon as possible.
- 2.4. Continued Violation After Initial Warning Letter. If the alleged Violator does not come into compliance within 14 days of the first warning letter, this will be considered a second violation for which a fine may be imposed following notice and opportunity for a hearing. A second letter shall then be sent to the alleged Violator, providing notice and an opportunity for a hearing, and explaining if a violation is found to exist, a fine may be imposed pursuant to this Policy. The letter shall further state that the alleged Violator is entitled to a hearing on the merits of the matter provided that such hearing is requested in writing within 14 days of the date on the second violation letter.
  - 2.4.1. The second letter is sent by certified mail, return receipt requested, at the member’s expense. As stated in Section 6.1 of this Resolution, all related costs are charged to the member’s homeowner’s assessment account.

- 2.4.2. Irreversible Violations. When a violation has occurred, which cannot be mended, the board will seek to notify the owner of a hearing that may determine the amount of a possible fine, or other action, for the violation. Examples include unapproved additions, landscaping, et cetera. The board will seek to contact the owner or other violator to schedule a hearing as soon as possible.
  - 2.4.3. Repeat Violations. If a violation recurs after a fine or other action has been imposed, no warning notice will be made and such violation may trigger a notice of hearing before the Board of Directors. Such hearings may be scheduled as soon as possible. At such hearing, an escalating fine schedule or other action may be imposed, the general guideline to be at least a doubling of the prior penalty.
- 2.5. Notice of Hearing. If a hearing is requested by the alleged Violator, the Board, committee or other person conducting such hearing as may be determined in the sole discretion of the Board, may serve a written notice of the hearing to all parties involved at least 14 days prior to the hearing date.
- 2.5.1. The notice of hearing is sent by certified mail, return receipt requested, at the member's expense. As stated in Section 6.1 of this Resolution, all related costs are charged to the member's homeowner's assessment account.
- 2.6. Hearing. At the beginning of each hearing, the presiding officer, shall introduce the case by describing the alleged violation and the procedure to be followed during the hearing. Each party or designated representative, may, but is not required to, make an opening statement, present evidence and testimony, present witnesses, and make a closing statement. The presiding officer may also impose such other rules of conduct as may be appropriate under the given circumstances. Neither the Complainant nor the alleged Violator is required to be in attendance at the hearing. The Board shall base its decision solely on the matters set forth in the Complaint, results of the investigation and such other credible evidence as may be presented at the hearing. Unless otherwise determined by the Board, all hearings shall be open to attendance by all Owners. After all testimony and other evidence has been presented at a hearing, the Board shall, within a reasonable time, not to exceed 45 days, render its written findings and decision, and impose a fine, if applicable. A decision, either a finding for or against the Owner, shall be by a majority of the Board members present at the hearing. Failure to strictly follow the hearing procedures set forth above shall not constitute grounds for appeal of the hearing committee's decision absent a showing of denial of due process.
- 2.6.1. If an alleged Violator fails to request a hearing, the owner is deemed to have waived their right to a hearing, and the Board may proceed to impose a sanction for the Violator's infringement.

- 2.7. Appeals. The Violator may file a written appeal to the Board of Directors of any adverse decision of the hearing committee or individual within 14 days of the decision.

### 3. ENFORCEMENT

- 3.1. The Board of Directors may contact law enforcement authorities, any regulatory or licensing authorities or other third parties regarding the alleged violation, but any action or decision by those parties shall not bar the Board of Directors from proceeding with covenant enforcement action.
- 3.2. It shall be the general policy of the Association to issue fines only after giving the landowner every opportunity to correct the violation and providing due process for a hearing prior to issuing the fine. The Board may impose a fine in addition to taking any other legal action it deems necessary to enforce the Covenants and/or rules and regulations of the Association. Notwithstanding this procedure, the Board may take legal action to enforce the Covenants and/or rules and regulations at any time.

### 4. FINES AND SANCTIONS

- 4.1. Any fine shall be a personal obligation of the owner, contractor, guest, family member and/or resident and may be recorded against the property creating a lien against the property, which may be foreclosed. The Board may notify any lender or credit agency of such obligation and lien.
- 4.2. For all violations (other than the immediate towing of violating vehicles), the fine for a first violation of a Rule or Regulation will be no more than \$50. The fine for a second offense of the same nature will be no more than \$100 above the amount of the previous fine. Subsequent fines for similar offenses will increase by no more than \$100 above the amount of the previous fine per subsequent offense, unless in its sole discretion, a greater amount is deemed appropriate by the Board. Fines assessed against the Owner will become assessments collectable against the property pursuant to the Declarations and Nebraska Law and will be collected in the customary manner and pursuant to the business practices of the Association.
- 4.3. In all instances, the imposition of an amount less than the maximum possible fine will not preclude the Board from imposing the maximum fine allowable under this section for subsequent offenses

5. RECOVERY OF EXPENSES AND ATTORNEY FEES

5.1. In any court action or other proceedings to enforce or defend the covenants, the rules or otherwise to address a violation by an alleged violator, the Board shall be entitled to assess and recover its expenses, including that of reimbursement for expenses as well as attorney fees and costs against the owner, alleged violator and/or other party in addition to all other rights and remedies.

6. DEVIATIONS

6.1. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

7. AMENDMENT

7.1. The Board of Directors may amend this policy from time to time.

The undersigned, being the President of the Stone Park Homeowners' Association, a Nebraska nonprofit corporation, certifies that the foregoing resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on February 12, 2008, and in witness thereof, the undersigned has subscribed his name.

Stone Park Homeowners' Association  
a Nebraska nonprofit corporation, by:

A handwritten signature in black ink, appearing to read "M. R. R.", is written above a horizontal line.

President