

CANDLEWOOD RIDGE/CARRIAGE WOOD HOMEOWNERS' ASSOCIATION

Guidelines for Enforcement/Handling of Property Maintenance Non-Compliance:

The following steps are designed to ensure the reasonable handling and enforcement of maintenance non-compliance, and should be followed in every case of a reported or otherwise discovered non-compliance situation unless, due to an emergency or extraordinarily egregious situation, the Board by majority vote determines that more rapid handling, notices and fining are necessary:

1. Upon receiving a report or member complaint, the Board or assigned Committee should conduct a reasonable investigation and determine if an owner/member has or is violating the CC&Rs and/or R&Rs. Any owner/member wishing to register a report or complaint about possible non-compliance in the community should be asked to do so in writing signed by that owner and sent to the Board of Directors. The investigation of the possible non-compliance may include, but not necessarily be limited to:

- (a) a personal visit to observe the reported violation,
- (b) photographing the site involved,
- (c) interviewing the reporting or complaining owner/member and/or the owner against whom the complaint or report was made.

2. First Letter: Upon the Board or assigned Committee determining that a violation has or is occurring, a first letter should be sent to the offending owner/member

- (a) describing the nature of the violation,
- (b) describing what is required to correct the violation,
- (c) providing a reasonable deadline, given the nature of the violation, within which to accomplish compliance and full correction of the violation,
- (d) and enclose a copy of the CC& R and/or Rule involved.

At the end of the deadline for compliance given in the First Letter, the Board or assigned Committee member(s) should revisit the site to determine whether correction has occurred and the owner is in compliance. If correction has been made, send a thank you letter and close the file. If correction has not been made, is incomplete, or compliance has not otherwise been accomplished, then a Second Letter should be sent to the offending owner/member.

3. Second Letter: The Second Letter to offending owner/member should:

- (a) describe what remains to be done to comply, based upon the re-inspection of the site,
- (b) describe new violations observed, if any,
- (c) again request correction and compliance,

- (d) give a reasonable deadline for compliance based upon the nature of the items remaining to be done in order to be in compliance,
- (e) warn owner/member, in courteous language, that if timely compliance does not occur after this Second Letter, that fines will be imposed and accrue for non-compliance, and that the Association's attorney will be asked to assist with enforcement,
- (f) refer to and enclose a copy of the Rule containing the Fines schedule/information.

At the end of the deadline for compliance given in the Second Letter, the Board or assigned Committee member(s) should revisit the site to determine whether correction has occurred and the owner is in compliance. If correction has been made, send a thank you letter and close the file. If correction has not been made, is incomplete, or compliance has not otherwise been accomplished, then a Third Letter should be sent to the offending owner/member.

4. Third Letter: If non-compliance, in whole or in part, still exists, a third and final letter should be sent to the offending owner/member and it should state:

- (a) what remains to be done to comply, based upon the re-inspection of the site,
- (b) a warning to owner that 10 days from date of this Third Letter fines will begin and continue to accrue until full compliance occurs, and that such fines will become an assessment and lien on his/her property in the same manner as regular assessments, and will have to be paid regardless of compliance later occurring, and a formal lien for such fines will later be recorded with the county,
- (c) that no more letters will be sent by the Association on this matter,
- (d) that upon the day fines are warned to commence, if compliance has not yet been accomplished in full, the matter will be turned over to the Association's attorney to commence proceedings to obtain a court order requiring compliance and a judgment for the costs and attorneys' fees which will be incurred by the Association in enforcing the CC&Rs and/or Rules.

5. The Board or assigned Committee will establish and use form letters for the First, Second and Third Letters referred to in these Guidelines. When a letter is needed, the original letter will be mailed to the homeowner and a copy forwarded to the Recording Secretary placement in the separate file kept for the particular owner's matter.

The file on each non-compliance matter will include all pictures taken and dated, a copy of all correspondence and emails by and between the Association and the homeowner, and telephone conversation information/notes and messages.

>MOTION: Upon motion duly made, seconded, and passed (unanimously) by a majority vote of 7 to 0 it was resolved, that effective immediately, the Guidelines for Handling Property Maintenance Non-Compliance is adopted as a policy of the Association.

The Motion was passed at the HOA Board Meeting on 20 July, 2004, and included in the minutes for the meeting.