

WELDON DOWNS TOWNHOME ASSOCIATION, INC
RULES ENFORCEMENT POLICY

RESOLUTION APRIL 2013

WHEREAS, the Declaration of Restrictions and Covenants (“Declaration”) charges the Weldon Downs Townhome Association, Inc., (“Association”) with protecting community harmony by providing mechanisms to address conditions that disrupt that harmony; and

WHEREAS, the Declaration charges all unit owners and residents with compliance with the Declaration, Bylaws, Rules and Regulations (“Governing Documents”) of the Association as amended; and

WHEREAS, the Declaration sets forth reservations, conditions and restrictions upon all lots within the Weldon Downs community; and establishes that the Board of Directors of the Association (“Board”) is responsible for the architectural control of the Weldon Downs community; and

WHEREAS, the Bylaws grants the Board with the authority to exercise all powers, duties and authority vested in the Association; and

WHEREAS, Section 47F-3-102.1 of the North Carolina Planned Community Act (“Act”) authorizes the Board to adopt and amend rules and regulations necessary for the governance and operation of the Association; and

WHEREAS, Section 47F-3-102.12 of the Act authorizes the Association to impose fines for violations of the declaration, bylaws and rules and regulations of the Association; and

WHEREAS, the Board of Directors intends to protect community harmony by enforcing the Governing Documents by establishing procedures which ensure due process and consistency; and

NOW AND THEREFORE, LET IT BE RESOLVED, by the Board of Directors that the following policies and procedures for rules enforcement will be followed.

RULES ENFORCEMENT POLICY

The Weldon Downs Board of Directors will adhere to the following due process procedures before imposing any fines or taking any action affecting one or more specific property owners.

Definitions:

1. **“Association”** refers to the Weldon Downs Townhome Association, Inc.
2. **“ACC”** refers to the Association’s Architectural Control Committee.
3. **“Governing Documents”** refers to the Articles of Incorporation, Declaration of Restrictions and Covenants for Weldon Downs Townhome Association and By-laws of the Weldon Downs Townhome Association.
4. **“Rules and Regulations”** refers to conditions, restrictions and reservations stipulated in

the Governing Documents and Architectural Control Standards and Board Policies, as may be adopted and/or amended from time to time by the Board.

Scope:

1. This Rules Enforcement Policy applies to all Rules and Regulations of the Association, except for nonpayment of annual and/or special assessments.
2. Assessment obligations will be enforced in accordance with procedures stipulated in the Governing Documents and the North Carolina Planned Community Act, as amended.

I. Complaints:

1. If the Association receives a complaint regarding a violation of the Rules and Regulations, or the Board of Directors becomes aware of a violation through any means, the Board liaison to the ACC or other person so designated by the Board will record the date, time, and method by which the complaint was received (i.e. telephone, electronic mail, in person), the name of the complainant, or how and when the Board otherwise became aware of the violation.
2. If it appears that the Rules and Regulations may have been violated, the Board may proceed as stated below.

II. Informal Notice:

1. The Association's first notice will be an informal contact with the property owner by a Board member or designated representative either in person or by telephone . This informal contact will include notification of the alleged violation and the applicable rule or provision of the Governing Documents. If, an informal contact cannot be made with reasonable effort within two (2) days, formal notification procedures will begin.
2. The informal notice of the violation will be regarded as a warning, unless otherwise stipulated in the Associations' Rules.
3. If, after a date usually not less than five (5) days from the date of the informal notice the violation is not cleared or is repeated, formal notification procedures will then be instituted.

III. Formal Notice:

1. The Association's first formal notice will be issued in writing and delivered by hand or by certified United States mail to the property owner at the address which the owner has provided to the Association. The Association will deem notification effective if any member fails or refuses to sign for any certified mailing from the Association.

2. The letter will specify the alleged violation, the action required to remedy the violation and a date usually not less than fifteen (15) days after the date of the formal notice by which the alleged violation must be remedied. Provided, however, when the violation may constitute a health, safety or fire hazard, notice may be made to remedy the violation with twenty-four (24) hours.
3. The letter will state the lot owner may request, in writing, a hearing before the Board by or before the remedy deadline stated in the letter to avoid the imposition of fines. The hearing procedures set forth in Section IV of the policy will be followed.
4. The letter may be combined with the notice of hearing referenced in Section IV of the policy if the violation is of a serious nature or an emergency or if previous notices of violation have been sent to the owner.
5. If a hearing is not requested and the lot owner does not remedy the violation, the owner will be deemed to have waived the opportunity for a hearing and fines may be assessed. The Board may issue a second and final formal notice that will demand the lot owner comply immediately to correct the alleged violation or will be assessed fines in accordance with Resolution April 2013 - Schedule of Fines; and the commencement of legal action against the lot owner to enjoin the violation(s) or to recover monetary damages or both.

IV. Hearing Procedures:

1. A lot owner may request a hearing before the Board in writing by or before the remedy deadline. The Board of Directors will set the time, date, and place of the hearing at its discretion.
2. The Association will deliver a written notice of the time, date, and place of the hearing to the lot owner by hand or by United States mail, return receipt requested, at least fifteen (15) days in advance of the hearing date.
3. The Hearing Notice will specify that:
 - A. the lot owner and resident, if applicable, will be given an opportunity to be heard;
 - B. the alleged violation, citing the provision of the Governing Documents or rules which allegedly have been violated;
 - C. the possible fines that may be assessed in accordance with Resolution April 2013 - Schedule of Fines;

D. the Association may take legal action against the lot owner to enjoin the violation(s) or to recover monetary damages or both.

4. The hearing will be conducted in private unless the lot owner requests that the hearing be open to owners and residents and further provided that the Board may impose a reasonable limit on the number or such persons who can be accommodated in the hearing room.

5. At the hearing, the the lot owner will be provided with a reasonable amount of time to present any and all defenses to the rules violation. After hearing all evidence and testimony, the Board will discuss the issues in Executive Session. Upon conclusion of the Executive Session, the board will reconvene in Open Session and vote on the matter. The Board will provide the lot owner with a notice of the hearing result, either by hand or certified United States mail, return receipt requested within four (4) business days of the hearing.

6. In the event that the lot owner does not appear at the hearing and fails to request in advance the rescheduling of the hearing, the Board will conduct the hearing despite his/her absence. The Board, within its discretion, may grant a continuance to a different time or date, in which case no further notice will be required.

7. The Board will keep a record of the hearing either by minutes taken during the hearing by the secretary of the Board of Directors. Such record will be kept in accordance with generally accepted business practices.

V. OTHER REMEDIES

1. If the lot owner does not remedy the violation after the second and final formal notice, the Board of Directors reserves the right to turn the matter over to an attorney for appropriate legal action.

2. The Board reserves the right to assign all of its powers and responsibilities herein to a special committee of its choice. Lot owners may appeal the decision of a committee to the Board by delivering written notice of appeal to the Board within fifteen (15) days after the date of the decision. The Board may affirm, vacate or modify the prior decision.