

# EXHIBIT "B"

## WINTERWOOD ESTATES HOMEOWNER'S ASSOCIATION

### COVENANT COMPLIANCE POLICY COVENANT ENFORCEMENT POLICY and FINING SCHEDULE

Pages 1-4 dated August 16, 2004



## **WINTERWOOD ESTATES HOMEOWNERS ASSOCIATION COVENANT COMPLIANCE POLICY**

**The Covenants.** Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Winterwood Estates ("the Covenants") were recorded on 16<sup>th</sup> day of August, 2004. The Covenants affect all Lots within Winterwood Estates ("the Property").

**The Common Plan Purpose** is the underlying intent embodied in the Covenants that provides the desired characteristics of Winterwood Estates. Winterwood Estates is an attractive, pleasant neighborhood, of well-designed homes and nicely landscaped yards that add value to our homes and enrich the lives of those who live here. Retaining these neighborhood characteristics is important.

These neighborhood characteristics are a product of community wide standards embodied in the Association's Governing Documents. Governing Documents are the Covenants, the Articles of Incorporation, the Bylaws, design standards, rules and regulations, and any amendments to these documents. The Governing Documents have detailed expectations about each Owner's responsibility to preserve the Common Plan Purpose.

**The Importance of Voluntary Compliance.** The foremost meaning for preserving and advancing the Common Plan Purpose is for each Owner to voluntarily perform the responsibilities in the Governing Documents. The Property has achieved its existing neighborhood character largely because individual Owners take seriously the responsibilities that come with ownership within the community. The Association believes the actions of responsible Owners will continue to support the Common Plan Purpose.

### **COVENANT ENFORCEMENT POLICY**

**Section 1.** It is therefore resolved by the Association's Board of Directors ("the Board") that the following Covenant Enforcement Policy ("the Policy") is adopted to guide actions by the Board and the Owners regarding the enforcement of the Covenants.

**1.1. Authority Reserved to Board And to Each Owner.** This Policy is a general approach. It exists to advance the purpose of maintaining compliance with the Covenants. It is not meant to impair the Board's ability to pursue this purpose. The Board retains whatever authority it otherwise has, to employ any available means or remedy in pursuit of this purpose.

**1.2. Maintaining Awareness.** To reduce the chance that an Owner will violate a Covenant through ignorance or inadvertence, the Board may take actions to periodically remind Owners of the responsibilities the Covenants assign to each Owner.

**1.3. Identifying a Possible Violation.** A possible violation of the Covenants may be identified by an Owner's written complaint, or by other reasonably reliable means. For example, the Board may periodically monitor Covenants compliance by walk or drive-by inspection. Upon doing so, the Board may make a written record of each Covenant violation observed from the street. For each home identified, the description will include a reference to the specific Covenant, rule or regulation being violated. This description may be used by the Board in issuing Compliance Requests described below.

**1.4. Written Complaint.** If the Board provides an Owner with a notice of an alleged violation:

1.4.1. That notice will contain (i) a reference to the Covenant restriction or rule that the Owner allegedly violated; (ii) a short statement of the evidence of the rule violation; (iii) a short statement of the action that the Board intends to take, including the amount of any fine, subject to the Owner's Right to Notice and an Opportunity to be Heard; and (iv) a statement that if the Owner wishes to contest or explain the violation, he or she must submit a written request for a hearing to the Board.

1.4.2. If an Owner does not request a hearing, the Board may take the action stated in the notice, including the imposition of any fine listed in the notice.

1.4.3. Upon the timely request for a hearing from an Owner, the Board must set a hearing date no less than thirty (30) and no more than sixty (60) days from the Board's receipt of the request. The Board must notify the Owner of the hearing at least ten (10) days before the hearing and may include with the notification a copy of the Association's rules of procedure for conducting a hearing. In the absence of such a copy, the Board or its designated agent shall preside over the hearing. Each party shall be given twenty (20) minutes to present relevant information with respect to the alleged violation. Each party may be represented by counsel. Each party may review the evidence supporting the alleged violation.

1.5. The Board shall permit the Owner to be represented by counsel at the hearing.

1.6. The designated chair of the hearing may adjourn or continue the hearing, if necessary, to gather additional information that the Board needs in order to make a decision.

1.7. The Board will provide the Owner with a written decision, including a statement of the reasons for the decision, within thirty (30) days after the hearing.

**Section 2. Remedies.** The Board is authorized to resort to various remedies to restore compliance with the Covenants, including:

2.1. Imposing a fine;

2.2. In the event an Owner shall fail to maintain the exterior of the premises and the improvements situated thereon in a manner satisfactory to the Board, the Board shall have the right, including through its professional managers, agents and employees, to enter upon said parcel and to repair, maintain and restore the lot and the exterior of the buildings or any other improvements thereon if the Owner thereof shall fail to respond in a manner satisfactory to the Board within sixty (60) days after mailing of adequate notice, by certified or registered mail, to the last known address of the Owner.

The cost of such repair, maintenance or restoration shall be assessed against the Owner, and the Association shall have the right to cause to be recorded a notice of lien for labor and materials furnished, which lien may be enforced in the manner provided by law.

(See Covenants Article X, Section 5);

2.3. Assessing the Owner for related fines, costs and fees for enforcement;

2.4. Charging the Owner for all related legal fees and costs the Association incurred;

2.5. Recording a notice of an assessment lien against a non-compliant Owner's property;

2.6. Assessing the Owner for all fines, costs and fees described above;

2.7. Placing a lien on the Owner's property for all items assessed;

2.8. Bringing a lawsuit to foreclose the lien against the property; and

2.9. Bringing a lawsuit for a court order requiring compliance, as well as a judgment for all damages, attorney's fees and costs incurred.

**Section 3. Fines.** The Board may impose a fine(s), subject to the Owner's Right to Notice and an Opportunity to be Heard pursuant to its established fine schedule for each violation of the Covenants or rules. The fine schedule is attached hereto as Exhibit A-Fining Schedule.

**Section 4. Issuing a Stop Work Order.** The Board may issue a Stop Work Order to any person engaged in an Unauthorized Activity. An Unauthorized Activity is any activity that requires the prior written approval of the Board, but no prior approval has been given.

**Section 5. Unauthorized but Completed Activities.** Where any person completes work on an Unauthorized Activity before receiving a Stop Work Order, the Board may issue a compliance request that requires the Owner to submit a complete application for approval of the improvement that resulted from the Unauthorized Activity.

**Section 6. Paying Fine does not "Cure" a Violation.** Paying a fine does not relieve an Owner from responsibility to cure a violation. Likewise, exercise of any hearing or appeal rights does not waive or suspend a duty to immediately cure a violation.

**Section 7. Voluntary Compliance Agreement.** The Board may reach a Voluntary Compliance Agreement with an Owner in which the Owner admits the violation exists, agrees to take specific actions to cure the violation within a specific time frame acceptable to the Board and agrees that failure to perform the specified actions within the specified time frame will entitle the Board to impose a fine or fines in a specified amount.

**Section 8. The Board's Limited Discretion to Waive Fines.** Fine(s) imposed under this Policy may be partly or entirely waived by the Board upon its determination that special circumstances exist in the particular instance to warrant the granting of such a waiver.

**Section 9. Protection of Board Members.** Persons exercising authority of the Board or a Committee are not liable for action or inaction done in good faith. Association action under this Policy shall not create any liability of the Board, Association, or Committee, or any employee or member of the Board, Association, or the Committee.

**Effective Date.** The Enforcement Policy set forth in this Policy shall take effect on the 20th day of October, 2010.  
**Approved by** the Board of Directors of Winterwood Estates on the 31st day of August, 2010.

Exhibit A – Fining Schedule

Section 1. Violation Class and Amount.

Each violation of the Governing Documents (a "Violation") will be fined based upon the Amount which corresponds with its Violation Class as set forth in the following table:

Violation Class	Amount
A	\$10.00 per day
B	~
C	~
D	~
E	~

Section 2. Violations.

The following Violations will be fined based on their Violation Class and Frequency Number:

Violation	Refer to:	Class
Dwelling Specifications	Article VIII.1	A
Dwelling Setback Line	Article VIII.2	A
Easements	Article VIII.3	A
Building Exteriors	Article VIII.4	A
Roofing Materials	Article VIII.5	A
Fencing	Article VIII.6	A
Outbuildings and Other Requirements	Article VIII.7	A
Home & Landscape Maintenance	Article VIII.8	A
Screenings	Article VIII.9	A
Tree Removal	Article VIII.10	A
Use of Electronic Transmitters or Receivers, Antennas	Article VIII.11	A
Pets & Livestock	Article VIII.12	A
Business From Home and Working From Home Requirements	Article VIII.13	A
Use of Vehicles	Article VIII.14	A
Signs/Notices	Article VIII.15	A
Garbage & Refuse Removal	Article VIII.16	A

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