

RESOLUTION OF THE BOARD OF DIRECTORS OF LIONSGATE AREA HOMES ASSOCIATION

Covenant Enforcement

WHEREAS, the Declaration of Restrictions for LionsGate Area Homes Association, as amended from time to time, (hereafter "Declaration") grants the Board of Directors of LionsGate Area Homes Association ("Association") with the power to enforce all covenants, restrictions, easements and changes contained in the Declarations;

WHEREAS, the Board of Directors desires to promote the health, safety and general welfare of all residents within the Association and to enhance and protect the value, desirability, and attractiveness of all property within the community known as LionsGate by adopting guidelines and procedures to address concerns and complaints about the enforcement of the Declarations and its covenants, restrictions, easements and changes;

LET IT BE RESOLVED that the following covenant enforcement procedures will be followed:

1. **Effective Date.** These rules and procedures shall become effective ten days after notice of their enactment is mailed to all owners. These rules and procedures replace all previous resolutions relating to covenant enforcement.
2. **Complaints.** The Board of Directors will investigate all Declaration violations that are reported to the Board of Directors (or the Association's property manager) in writing and signed by the complainant within thirty (30) days after those complaints are sent to the Board. Inquiries or complaints which, in the opinion of the Board, lack sufficient detail may be returned without further investigation. The Board may investigate inquiries about violations from Board Members.
3. **Notification to Owners.** If the investigation shows the report of violation is accurate, the Board shall give written notice by registered mail, return receipt requested, to the owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions which shall be taken by the owner to remedy such violation or breach. The notice shall give the owner thirty (30) days to cure the violation or to submit a plan to remedy the violation. Alternatively, the owner may request a hearing with the Board of Directors to appeal the notice of violation. Once an appeal is received, the Board shall hold an appeal meeting within thirty (30) days to review the matter with the property. If the appeal meeting does not take place within thirty (30) days, the matter is considered dropped. The Board's decision on the appeal is final.

4. **Fines.** If the owner does not request a hearing or if the Board determines that a violation or breach exists after a hearing, the Board may levy a fine up to the amount as indicated herein:
- 4.a. New Roof installation which is non-compliant - \$10,000;
 - 4.b. Non-approved Exterior house paint color or lack of painting - \$5,000;
 - 4.c. Concrete deterioration of sidewalk/driveway/patio - \$5,000;
 - 4.d. Fence in disrepair or installed without approval of ARC - \$5,000;
 - 4.e. Non-approved lease agreement executed without approval from the Board of Directors - \$2,500;
 - 4.f. Landscaping installed without approval by the Association's Architectural Review Committee ("ARC") or in need of replacement as determined by a professional landscape company- \$1,000;
 - 4.g. Basketball goal installed without approval of the ARC - \$500; and
 - 4.h. Other miscellaneous violations - \$500.

The Board may determine the fine amount based on the estimated cost of the project after at least two bids from a professional contractor has been received. The fine shall not exceed the amount structured herein. The minimum of any fine levied shall be \$100 and shall not exceed \$10,000.

5. **Collection Provisions.** All fines, costs and expenses necessary to enforce this policy shall be an assessment against the owner's property and subject to all lien and collection powers of the Association.
6. **Unresolved Violations.** After the expiration of 60 days following notice of a violation which no hearing is requested or alternatively after an appeal meeting, the Board may:
- 6.a. Suspend the rights and privileges of the owner relating to use of any common property within the Association and suspend the voting rights of the owner.
 - 6.b. Pursue all rights of action available at law or in equity including, but not limited to the remedy of injunctive relief and obtaining a monetary judgment for all costs, expenses, including reasonable attorney fees, and damages.
 - 6.c. Through the Association's agents and employees, enter at all reasonable times upon any lot to which a violation, breach or other condition to be remedied exists, and take the actions specified in the notice to the owner to abate, extinguish, remove or repair such violation, breach or other

condition which may exist thereon contrary to the provisions hereof. Such entry or action, or both, shall not be deemed to be a trespass or wrongful act. All costs and expenses, including reasonable attorney fees incurred by the Association or on its behalf in enforcing such violation, shall be a binding personal obligation of such owner enforceable at law, as well as a lien on such owner's lot enforceable to the provisions of the Declaration.

Adopted by the Board of Directors this 8 day of Sept., 2010.

Mark Spruetz
President – Board of Directors
Printed Name: MARK SPRAETZ

Bill Baese
Secretary – Board of Directors
Printed Name: BILL BAES