

# **Sorrento Skies Property Owners Association**

## **Policy Resolution Relating to Covenant Violation Processing and Fines**

**Enacted: 5/13/2022**

**Effective: 5/13/2022**

WHEREAS, the Sorrento Skies Property Owners Association. (“Association”) is empowered to exercise all of the powers, duties and authority vested in or delegated to this Association by provisions of the Bylaws, Articles of Incorporation, and the Amendments to Declarations of Restrictions, and other state and federal laws.

WHEREAS, Article 47F-3-102 Section 12 of the North Carolina Planned Community Act and North Carolina House Bill 1541 state that the Association may impose reasonable fines or suspend privileges or suspend services provided by the Association for reasonable periods for violations of the Covenants, Conditions and Restrictions, Bylaws, Architectural Guidelines and other rules of the Association.

WHEREAS, Subparagraph 1 of Paragraph 1 of the Amendment to Declarations of Restrictions states that each Lot is subject to Use Restrictions.

WHEREAS, Article III of the Bylaws states that the business and affairs of the Association shall be managed by its Board of Directors.

WHEREAS, there is a need for the Board of Directors to give direction regarding the process associated with the enforcement of the Covenants, Conditions and Restrictions, Bylaws, Architectural Guidelines, and other rules of the Association, and the action of imposing fines against Lots that are in violation of each.

WHEREAS, it is the intent that this policy be applicable for the processing of violations of the Covenants, Conditions and Restrictions, Bylaws, Architectural Guidelines and other rules of the Association and the imposing of fines against Owners of Lots that are in violation. This resolution will be in effect from the date listed above until it is rescinded, modified or amended by a majority of the Board of Directors.

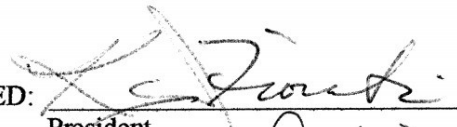
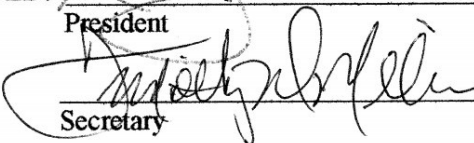
NOW THEREFORE, BE IT RESOLVED THAT the following policy shall be adopted by the Board of Directors regarding the process of enforcement of the Covenants, Conditions and Restrictions, Bylaws, Architectural Guidelines and other rules of the Association. This policy supersedes all previous policies regarding Restriction enforcement and violation processing

1. Any Owner of a Lot that is in violation of the Covenants, Conditions and Restrictions, Bylaws, Architectural Guidelines or other rules of the Association shall be issued a violation notice by the Association’s Management Company. The notice will identify the nature of the violation and specific provision of governing documents that the offending activity violates.
2. The Owner will be given 15 calendar days to correct the violation. If the Owner cannot correct the violation within the allotted 15 days, they should contact the Board of Directors, via email, prior to the end of the 15 day period and request an extension of time. The request should state the reason the violation cannot be corrected within 15 days and the additional time needed to correct the violation. Approved extension requests will be communicated to the Owner and the Management Company.

3. After the initial 15 calendar days or an approved extension period has elapsed, a re-inspection of the Lot will be performed by the Management Company or the Board of Directors to determine if the violation has been corrected.
4. If the violation has not been corrected, the Management Company shall issue the Owner a 2<sup>nd</sup> violation notice giving the owner a final warning and 15 additional calendar days to correct the violation.
5. After 15 calendar days from the date of the 2<sup>nd</sup> violation notice have elapsed, a re-inspection of the Lot will be performed by the Association's Management Company or Board of Directors to determine if the violation has been corrected. If the violation has not been corrected the Association's Management Company will issue a hearing notice to the owner of the Lot to appear before the Board of Directors to discuss the violation and offer any explanation or evidence regarding the alleged violation.
6. The hearing notice to the Owner will be postmarked at least 10 calendar days prior to the hearing date. The hearing notice will specify (1) the violation, (2) the specific provision of the governing documents the offending activity violates, (3) the date, time and location of the violation hearing and (4) the requirement that if the Owner intends to bring a third-party representative to the hearing, the Owner must notify the Association's Management Company of that fact at least three days prior to the scheduled hearing date.
7. In lieu of attending the hearing, the Owner may, no later than 3 days prior to the hearing date, submit written information to the Association's Management Company to be considered by the Board of Directors at the scheduled hearing. If the Owner fails to appear at the scheduled hearing and provides no written information by this deadline, the Board of Directors will rule on the matter based solely on information provided by the Association's Management Company.
8. At the hearing, the Owner will be given a maximum of 5 minutes to present his/her position to the Board of Directors. Up to 5 additional minutes will be allowed for the Board of Directors to ask questions of the Owner. The Association's Management Company will monitor and enforce these time limits. At the conclusion of the hearing, the Board of Directors will reconvene and decide by a majority vote of its members in attendance as to whether the Owner of the Lot is in violation and, if in violation, levy the appropriate fines.
9. The Management Company shall send a written notice to the Owner communicating the results of the hearing within 5 calendar days of the violation hearing.
10. Fines will be levied according to the Violation Fine Schedule listed as Exhibit A to this Policy Resolution. Daily fines will begin to accrue 10 days from the date of the written notice communicating the results of the hearing to the Owner. The Owner may avoid the daily fine if 1) the violation is corrected, and the Association's Management Company receives written notification from the Owner of that fact within the same 10-day time period and 2) correction of the violation is subsequently verified by the Association's Management Company or Board of Directors. However, even if the violation is corrected within the 10-day timeframe, the Board of Directors shall still impose the initial fine for the violation.
11. Fines will be billed monthly. Daily fines will accrue according to the Violation Fine Schedule until (1) the violation is corrected, (2) the Owner notifies the Association's Management Company in writing of the correction and (3) the Association's Management Company or Board of Directors

verifies the violation has been remedied. Once verified, fines will be terminated effective with the date of the Owner's written notification that the violation has been remedied.

12. Under North Carolina law, violation fines become an assessment. Failure by the Owner to pay fines will be handled according to Paragraph 11 of the Amendment to Declarations of Restrictions. A lien may be filed securing payment of past due fines and the lien may be ultimately foreclosed.
13. If the Owner engages the services of an attorney to represent him/her at the violation hearing and/or subsequently as part of this violation fine process, and as a result the Board of Directors deems it is in the best interest of the Association to refer the matter to its attorney, and the Board of Directors finds the Owner in violation, any attorney fees incurred by the Association will be charged to the Owner.
14. The Association reserves the right to bring an owner immediately to a hearing to address circumstances that are deemed to threaten or interfere with the operation of the Common Elements.

APPROVED:  Date 5/13/2022  
President  
 Date 5/13/22  
Secretary

Sorrento Skies Property Owner's Association

**VIOLATION FINE SCHEDULE**

<u>VIOLATION</u>	INITIAL FINE	SUBSEQUENT DAILY OCCURRENCE FINE
All violations	\$100	\$25
Approved by:		
President: <u><i>[Signature]</i></u>		Date <u>10/3/22</u>
Secretary: <u><i>[Signature]</i></u>		Date <u>10/3/22</u>