

The Reserve at Pinewood Lakes Policy Paper No. 7 - rev 10-07-21
CC&R “Project Documents” Violation Enforcement

Effective Date: January 28, 2021

Last Revision Date: 09-13-21

Ratified: May 3, 2022

CC&R References: CC&Rs: §3.32, §8.9, §9.1, §16.2, §16.3 and §16.4

CC&R Enforcement Policy

Preface: The purpose of this policy is to provide a consistent and uniform method for the Board and the HOA Management Company to enforce the requirements of the CC&R's and Project Documents.

Background:

Specific CC&R language related to these issues is stated below:

§3.32 “Project Documents” shall mean the basic documents creating and governing the property including, without limitation, this Declaration, any Supplemental Declarations, Articles of Incorporation, and Bylaws of the Association, the Association Rules, regulations or policies adopted under such documents by the Association, the Design Committee and/or the Modifications Committee.

§8.9 Limited Assessments. Notwithstanding the above provisions with respect to Regular and Special Assessments, a Board may levy a Limited Assessment against a Member as a remedy to reimburse the Association for costs incurred in bringing the Member and/or such Building Lot into compliance with the Project Documents

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§9.1 Right to Enforce. The Master Association has the right to collect and enforce assessments pursuant to the provisions hereof. Each Owner of a Building Lot, upon becoming an Owner of such Building Lot, shall be deemed to covenant and agree to pay each and every assessment provided for in this Declaration and agrees to the enforcement of all Assessments in the manner herein specified. In the event an attorney or attorneys are employed for the collection of any Assessment, whether by suit or otherwise, or to enforce compliance with or specific performance of the terms and conditions of this Declaration, each Owner agrees to pay reasonable attorney fees in addition to any relief or remedy obtained against said Owner. The Board or its authorized representative may enforce the obligations of the Owners to pay such Assessments by commencement and maintenance of a suit at law or in equity, or the Board may exercise the power of foreclosure and sale pursuant to Section 9.3 to enforce the liens created hereby. A suit to recover a money judgement from an unpaid Assessment shall be maintainable without foreclosing or waiving the lien herein provided.

§16.2. Mandatory Procedures for All Other Claims. Any Bound Party having a Claim ("Claimant") against any other Bound Party ("Respondent") shall not file suit in any court or initiate any proceeding before any administrative tribunal seeking redress or resolution of such Claim until it has complied with the following procedures:

§16.2.1 Notice. The Claimant shall notify each Respondent in writing stating plainly and concisely:

- (a) the nature of the Claim, including date, time, location, persons involved, Respondent's role in the Claim and the provisions of this Declaration Project Documents, the association Rules, or other authority out of which the Claim arises;*
- (b) the basis of the Claim (i.e., the provision of the Declaration, the Project Documents, Association Rules triggered by the Claim);*
- (c) what Claimant wants Respondent to do or not do to resolve the Claim; and*
- (d) that Claimant wishes to resolve the Claim by mutual agreement with Respondent, and is willing to meet in person with Respondent at a mutually agreeable time and place to discuss in good faith ways to resolve the Claim.*

§16.2.2 Negotiation. Each Claimant and Respondent (the "Parties") shall make every reasonable effort to meet in person and confer for the purpose of resolving the Claim by good faith negotiation. Upon receipt of a written request from any Party, accompanied by a copy of the Notice, the appropriate Board may appoint a representative to assist the Parties in resolving the dispute by negotiation, if in its discretion the Association believes the Association's efforts will be beneficial to the Parties and to the welfare of Pinewood Lakes.

§16.2.3 Mediation. If the Parties do not resolve the Claim through negotiation within thirty (30) days of the date of the Notice (or within such other period as may be agreed upon by the Parties) ("Termination of Negotiations"), Claimant shall have thirty (30) additional days within which to submit the Claim to mediation under the auspices of Idaho law. If Claimant does not submit the Claim to mediation with thirty (30) days after Termination of Negotiations, Claimant shall be deemed to have waived the Claim, and Respondent shall be released and discharged from any and all liability to Claimant on account of such Claim; provided, nothing herein shall release or discharge Respondent from any liability to Persons not a Party to the foregoing proceedings.

§16.3 Allocation of Costs of Resolving Claims. Each Party shall bear all of its own costs incurred prior to and during the proceedings described herein, including the fees of its attorney or other representative. Each Party shall share equally all charges rendered by mediator(s).

§16.4 Enforcement of Resolution. If the Parties fail to abide by the terms of such mediation agreement, then any other Party may file suit or initiate administrative proceedings to enforce such agreement without the need to again comply with the procedures set forth in Section 16.2. In such event, the Party taking action to enforce the agreement shall be entitled to recover from the non-complying Party (or if more than one non-complying Party, from all such Parties pro rata) all costs incurred in enforcing such agreement, including, without limitation, attorney's fees and court costs.

Enforcement Procedure:

1. **Courtesy Notification Letter.** If the HOA Management Company notices a violation of the Project Documents or a resident notifies the HOA Management Company in writing of an alleged violation of the Project Documents, the HOA Management will issue a Courtesy Notification Letter notifying the resident of the alleged violation. The Courtesy Notification Letter is intended to be a friendly reminder that the Resident is not complying with the Project Documents with the hopes that this will resolve the issue. If the resident believes the Courtesy Notification Letter was issued in error, they may appeal the issue as outlined below.
2. **Violation Letter.** If the violation is not resolved within a 30 day period following receipt of the Courtesy Notification Letter or if, during a 6-month period following issuance of a Courtesy Notification Letter, the HOA Management Company notices another similar violation of the Project Documents or a resident notifies the HOA Management Company in writing of another similar violation of these Project Documents, the HOA Management will issue a Violation Letter notifying the resident of the alleged violation. The Violation Letter is intended to be a formal Notification of the violation and a warning that if the issue is not corrected the resident may be subject to a Limited Assessment against their property. If the resident believes the Violation Letter was issued in error, they may appeal the issue as outlined below.
3. **Formal Complaint Letter. "Notice".** If the violation is not resolved within a 30 day period following receipt of the Violation Letter or if, during a 6-month period following issuance of a Violation Letter, the HOA Management Company notices another similar violation of the Project Documents or a resident notifies the HOA Management Company in writing of an alleged similar violation of the Project Documents, the HOA Management will notify the Board of the violation and will review the issue with the Board. If after review of the issue, the Board concurs that a violation(s) of the Project Documents has occurred, the Board will proceed forward to resolve the issue in accordance with sections §16.2 thru §16.4 of the CC&R's. This will involve issuing a Formal Complaint Letter, "Notice", in accordance with sections §16.2.1 and §16.2.2 of the CC&R's. The Formal Complaint Letter will be sent by certified mail with at least thirty (30) days' notice of a meeting with the resident and the Board in hopes of resolving the issue. If a resolution of the issue is not achieved, the Board may at its discretion, with a majority vote, authorize Mediation in accordance with §16.2.3 of the CC&R's. All costs incurred in

proceeding forward with Mediation shall be allocated between the HOA and the resident in accordance with section §16.2.3 of the CC&R's.

The resident share of the costs may be billed to the resident under a Limited Assessment as outlined in sections §8.9 and §9.1 of the CC&R's.

In the event the resident begins resolving the violation prior to the meeting, no costs will be billed to the resident as long as the resident continues to adhere in good faith to the requirements of the Project Documents.

Appeals:

If the resident believes the Courtesy Notification Letter, or the Violation Letter was issued in error; the resident should notify the HOA Management Company of the issue. If an agreement cannot be reached between the HOA Management Company and the resident of whether it is a violation of the Project Documents, the HOA Management Company will forward the issue to the Board to make a final decision. If on appeal, the Board decides the Resident did not violate the requirements of the Project Documents, the Letter will be rescinded.

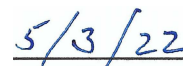
The process outlined in this Policy # 7 does not, in any way, preclude The Reserve at Pinewood Lakes HOA Board from exercising all remedies available in the Pinewood Lakes CC&Rs regarding violations.

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Ratified May 3, 2022 by The Reserve at Pinewood Lakes HOA Board.



William Kinard, President



Date