

Pebble Creek II Townhomes Association Policy on Covenant Enforcement

It is the policy of the Board of Directors of the Pebble Creek II Townhomes Association to enforce the Covenants of the Association in a fair and consistent manner.

Grandchester Meadows, Inc. (the Management Company) will notify homeowners when violations or suspected violations are found. All reported complaints and violations are investigated by Grandchester Meadows, Inc. . If a violation is discovered the homeowner is notified, in writing, by Grandchester Meadows, Inc. and asked to correct or eliminate the problem.

A letter of non-compliance will be sent to the homeowner explaining the nature of the Covenant violation and what the homeowner must do to correct or eliminate the violation. Homeowners will be given a deadline to come into compliance. The procedures for violations and the assessment of fines, as allowed by the Covenants are as follows:

FIRST LETTER OF NON-COMPLIANCE OR VIOLATION

- The first letter will inform the homeowner of the violation and how to correct or eliminate it.
- Homeowners will generally be given 15-30 days to bring violation into compliance.
- No fine is assessed.
- *The homeowner is responsible for communicating directly with RS Fincher any delay regarding violation compliance. Additional time may be allowed if justified.*

SECOND LETTER OF NON-COMPLIANCE OR VIOLATION

- After 15-30 days a reminder letter is sent.
- An additional fifteen (15) days from date of then first letter is provided to the homeowner to bring violation into compliance.
- The homeowner is told that if the violation is not eliminated within 15 days the Association will impose fines against them.

THIRD & SUBSEQUENT LETTERS OF NON-COMPLIANCE OR VIOLATION

- The homeowner is assessed a fine of \$50.00 for continued non-compliance or violation.
- The homeowner will be given an opportunity, at the homeowner's request, to meet with the Board and explain why they believe they are not in violation of the Covenants or why they should not be fined for the apparent violation. The Board members make their decision after meeting with the owner. The Board's decision is final.
- If the violation continues, the homeowner will be fined \$100.00 per week of continued violation or non-compliance.

LATE FEES & INTEREST CHARGES

- Fine assessments are due thirty (30) days from date of letter(s) informing homeowner that a fine has been assessed.
- Fines not paid within thirty (30) days will be charged an 8% per annum late fee.
- Unpaid fine(s) may result in a lien being levied against the property.

Approved November 2006
Pebble Creek II
Townhomes Association
Board of Directors