

OYSTER HARBOUR HOMEOWNER'S ASSOCIATION'S
PROCEDURE FOR ENFORCEMENT OF
GOVERNING DOCUMENTS

RESOLUTION NO. 6.23.11.2

WHEREAS, the Board of Directors of Oyster Harbour has been delegated the duty to enforce all of the violations of the governing documents, consisting of the Articles of Incorporation, the Declaration (Covenants, Conditions & Restrictions), Bylaws and rules and regulations of the Association.

WHEREAS, in accordance with Section 47F-3-102(12) of the North Carolina Planned Community Act, the Association has the authority to impose reasonable fines or suspend privileges or services provided by the Association for reasonable periods for violations of the governing documents and rules and regulations of the Association.

WHEREAS, Section 47F-3-107.1 of the North Carolina Planned Community Act sets forth the process and manner that shall be followed in order to carry out due process in the imposition of fines and penalties in the event of a violation by a lot owner of the governing documents.

WHEREAS, there is a need for the Board of Directors to give direction regarding the process associated with the enforcement of the governing documents, and the members need to understand their respective rights under the governing documents.

NOW THEREFORE, BE IT RESOLVED THAT, the following policy shall be adopted by the Board of Directors regarding the procedure of enforcement of the governing documents and rules and regulations of the Association.

(Note: This procedure is a summary of the governing documents of Oyster Harbour and is provided for the convenience and information for the members. If there is any conflict with the governing documents the language in the governing documents control. The association documents can be found on Oyster Harbour's website.)

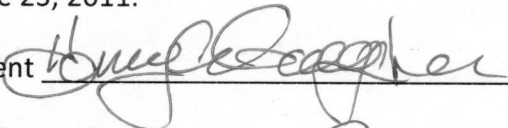
PROCEDURE

1. Any lot owner that is alleged to be in violation of the governing documents shall be issued a violation notice by the Association's management company.
2. The lot owner that is alleged to be in violation of the governing documents or rules and regulations will be given a specified number of calendar days to correct the alleged violation.

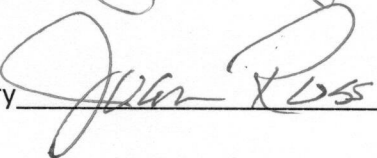
3. After a specified number of days to correct the violation have elapsed, a re-inspection of the Lot will be performed by the Association's Management Company or Architectural Review Committee, depending on the governing document item that was alleged to be violated.
4. If the violation has not been corrected, the lot owner shall be issued a hearing notice, in accordance with Section 47F-3-107.1, to appear before either the Board of Directors or an adjudicatory panel to discuss the violation and the lot owner at that time may offer any explanation or evidence regarding the alleged violation.
5. The hearing notice must be mailed to the lot owner not less than 10 days prior to the hearing.
6. Either the adjudicatory panel or the Board of Directors that preside over the hearing will decide by a majority vote of those present as to whether or not there was a violation; a statement of facts supporting the decision; and levy any fine or suspension if appropriate.
7. A written notice of the decision of the group presiding over the hearing must be mailed to the lot owner.
8. If the hearing was held by an adjudicatory panel, the lot owner will be given 10 days from the date of the written hearing decision letter to appeal the decision to the Board of Directors. If the lot owner appeals the decision, the imposed fines or suspensions will be abated until the matter is decided by the Board of Directors.
9. If it is appealed to the Board of Directors, the Board of Directors or the management company will send the lot owner written confirmation of the appeal, and a notice of the date and time it will be heard by the Board of Directors, at least 10 calendar days prior to the hearing with the Board of Directors.
10. The Board members by a majority of the members present at the hearing will decide if the adjudicatory panel ruled correctly under the facts and circumstances and if any penalty that was imposed was fair and reasonable and whether or not the ruling should be affirmed or overturned.
11. The Board of Directors or the management company shall send a written notice to the lot owner detailing the results of the appeal hearing.
12. There will be no appeal from the decision of the Board of Directors.
13. If any member of the Association desires to volunteer to be appointed to an adjudicatory panel, that member should send their name and e-mail address to a board member. If appointed to an adjudicatory panel, the information obtained at the hearing must be kept confidential and cannot be discussed with anyone either before or after the hearing.

BE IT FURTHER RESOLVED that a copy of this resolution shall be sent to all lot owners at their last known address.

This resolution was adopted by the Board of Directors on June 23, 2011 and shall be effective on June 23, 2011.

President 

Date: 6-23-11

ATTEST:
Secretary 

Date: 6-23-11