

COVENANT ESTATES AT REGENTS HILLS HOMEOWNERS ASSOCIATION

POLICY FOR COLLECTION OF ASSESSMENTS

Annual assessments are due on January 1 of each year or 30 days from the date of invoice for special assessments. The Association will levy a late fee of \$25.00 against a Member if full payment for annual assessments is not postmarked or received by January 15. A late fee of \$25.00 will be levied if full payment for special assessments is not postmarked or received by the thirtieth day following the date of invoice. A late fee of \$25.00 will be levied on the first day of each month the assessments remain unpaid.

The Member shall be liable for all attorney's fees and costs incurred by the Association incident to the levy and collection of assessments and late fees, including appellate proceedings. Any such fine shall constitute a personal obligation of the Member, as well as a lien upon the property.

The Association shall apply all payments to the outstanding balance in the following order: attorney's fees and costs, late fees and interest, fines, special assessments, and regular assessments, with payment being applied to the oldest balance first. No partial payment will waive the Association's right to pursue full payment and/or enforce its Bylaws, Declaration, and Rules and Regulations.

PAST DUE

ACTION

15 days	Assess late fee for assessments not received during the year due.
45 days	Assess additional late fee. Send past due notice to Member.
75 days	Attorney sends past due notice to Member; Assess additional fees and costs of collection of assessments.
105 days	Attorney sends lien notice to Member; Assess additional fees and costs of collection of assessments; Report Member account delinquency to a consumer credit reporting agency.
135 days	Attorney files lien; Assess additional fees and costs of collection of assessments.
165 days	Attorney sends foreclosure notice to Member. Assess additional late fees and costs of collection of assessments.
195 days	Attorney files for foreclosure; Assess additional fees and costs of collection of assessments.

The dates and actions outlined in these rules are guidelines only and the Board reserves the right to accelerate the process or alter the collection process in its sole discretion provided that at all times collection activity will comply with the requirements of state law.

COVENANT ESTATES AT REGENTS HILLS HOMEOWNERS ASSOCIATION

POLICY FOR DEED RESTRICTION VIOLATIONS

The Board of Directors may levy a reasonable fine for any violation of the Association Bylaws, Declaration of Covenants, Conditions, and Restrictions, and Rules and Regulations committed by such Member or any occupant of the property owned by the Member. The Board reserves the right to alter its policy on a case-by-case basis.

Each day the violation continues after written notice thereof shall be deemed a separate and distinct violation and, hence, subject to a separate daily fine of \$50.00, up to a maximum of thirty (30) daily fines per violation; and the Board may require the Member to post a bond or other form of security to ensure future compliance.

The Member shall be liable for all attorney's fees and costs incurred by the Association incident to the levy and collection of fines, including appellate proceedings. Any such fine shall constitute a personal obligation of the Member, as well as a lien upon the property, and all such amounts described herein may be collected in the same manner as other amounts for which the Association has a lien, as further described in Article VIII of the Declaration of Covenants, Conditions and Restrictions.

The Association shall apply all payments to the outstanding balance in the following order: attorney's fees and costs, fees and interest, fines, special assessments, and regular assessments, with payment being applied to the oldest balance first. No partial payment will waive the Association's right to pursue full payment and/or enforce its Bylaws, Declaration, and Rules and Regulations.

Violation -- First Occurrence

Send violation notice to Member via certified mail return receipt requested.

Member will be given a reasonable amount of time from the date of notice to cure the violation (the deadline) by the Board of Directors.

Member will be given 30 days from receipt of notice to request a hearing before the Board.

If the violation is not cured within 30 days, and the owner does not request a hearing within 30 days, a fine will be levied for each day the violation exists after the deadline to cure the violation.

If the owner requests a hearing within 30 days, and the violation stands, a fine will be levied for each day the violation exists after the deadline.

If the violation is not cured within 10 days after the hearing, the matter will be referred to the Association's attorney.

Same Violation -- Subsequent Occurrence Within Six Months of First Occurrence

Send violation notice to Member.

Member will be given 30 days from receipt of notice to request a hearing before the Board.

A fine will be levied for each day the violation exists after the date of the notice.

If the violation is not cured within 30 days from the date of notice, the matter will be referred to the Association's attorney.

Same Violation -- Subsequent Occurrence Later Than Six Months of First Occurrence

Send violation notice to Member via certified mail return receipt requested.

Member will be given a reasonable amount of time from the date of notice to cure the violation (the deadline) by the Board of Directors.

Member will be given 30 days from receipt of notice to request a hearing before the Board.

If the violation is not cured within 30 days, and the owner does not request a hearing within 30 days, a fine will be levied for each day the violation exists after the deadline to cure the violation.

If the owner requests a hearing within 30 days, and the violation stands, a fine will be levied for each day the violation exists after the deadline.

If the violation is not cured within 10 days after the hearing, the matter will be referred to the Association's attorney.

COVENANT ESTATES AT REGENTS HILLS HOMEOWNERS ASSOCIATION

POLICY OF FINES FOR VIOLATIONS OF RULES AND DAMAGES TO ASSOCIATION PROPERTY

In the event of a violation or interference with the enforcement of any of the Rules and Regulations of the Association, or damage to the property of the Association, the Board of Directors, acting on behalf of the Association, in addition to any other remedies provided by the Declaration, Bylaws, or rules and regulations and remedies available pursuant to State statute or other law, may (1) suspend or condition the right of said Lot Owner to use facilities owned, operated, or managed by the Association; (2) suspend said Lot Owner's voting privileges in the Association as a Lot Owner, as further provided in the Declaration and Bylaws; (3) levy a damage assessment against a Lot; and (4) assess a fine against the Lot Owner for the violation and damage in an amount to be determined by the Board of Directors.

Any amounts charged to an owner under these procedures may be collected in the same manner as regular assessments under the Declaration, including lien and foreclosure rights to the extent permitted by law.

The failure of the Association to enforce any provisions of the Declaration, Bylaws, rules, or procedures shall not constitute a waiver of the right to enforce the same thereafter. All remedies in the Declaration, Bylaws, and rules are cumulative and not exclusive.

COVENANT ESTATES AT REGENTS HILLS HOMEOWNERS ASSOCIATION

Important Information Regarding the Sale of Your Home

Should you decide to sell your home in Covenant Estates at Regents Hills, there are a few measures you can take to help make its sale as uneventful as possible. Please review the useful information below.

- Please remember to disclose to the potential buyer that you are a member of a mandatory owners association. If you are using a licensed real estate professional, he or she will be able to help you with the documentation and proper disclosure. If not, you may want to consult a real estate attorney or someone knowledgeable about the real estate disclosure laws.
- The prospective buyer may request a “resale certificate.” A resale certificate is a detailed accounting of the Association. There will be a charge for its preparation. It is helpful to know what charges are associated with transferring your property to a new owner since some of these fees may be negotiable between the buyer and seller. Your agent should contact the management company for its policy regarding the payment and release of this document. You may want to ask about the membership transfer fee.
- We recommend that you advise your closing officer that you are a member of a mandatory owners association. If advised, they should contact the management company prior to closing. Failure to advise them may complicate matters for you and for the purchaser. It could delay your receipt of proper credit for prepaid assessments. While marketing your home, please make payments on assessments to keep your account current. The title company will credit you at closing for any prepaid assessments.

Coordination between the management company, the professionals handling the sale of your home and you will facilitate a smooth closing. Questions concerning the Association and the transfer of ownership may be directed to Community Association Management at 288-2376.