

NEUSE COLONY HOMEOWNERS ASSOCIATION, INC.
Covenant Compliance and Enforcement Resolution

Adopted: Tuesday the 12th of April 2012

Whereas Article V: Section 3 of the NEUSE COLONY DECLARATION as set forth in RESTRICTIVE COVENANTS OF NEUSE COLONY HOMEOWNERS ASSOCIATION, specifies the ASSOCIATION has the authority to adopt and amend by-laws and rules and regulations, by an instrument signed by not less than sixty-six and two-thirds percent of the eligible voting lot owners, and

Whereas Article VII: POWERS AND DUTIES OF THE BOARD OF DIRECTORS (“BOARD”) of the BY-LAWS OF NEUSE COLONY HOMEOWNERS ASSOCIATION, INC. empowers the ASSOCIATION’s BOARD to adopt and enforce the DECLARATION OF COVENANTS, BYLAWS, AND RULES AND REGULATIONS, in order to preserve property values, promote safety, and create a high quality of life through sense of community, and

Whereas Article V: Section 1: Enforcement of the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR NEUSE COLONY HOMEOWNERS ASSOCIATION, Inc (“DECLARATION”) provides for the empowerment of the DECLARANT, BOARD or any OWNER to enforce the DECLARATION, in order to preserve property values, promote safety, and create a high quality of life through sense of community, and there is a need to adopt a fair and consistent compliance and enforcement policy.

THEREFORE, be it resolved that the ASSOCIATION through the BOARD will enforce the DECLARATION according to the following COVENANT COMPLIANCE AND ENFORCEMENT RESOLUTION (“RESOLUTION”). This RESOLUTION applies to rules created or existing for common areas, individual lots, architectural changes, in close accordance with the recorded papers associated with the Restrictive Covenants of Neuse Colony Association on file at the Johnston County Courthouse, Smithfield, North Carolina.

ENFORCEMENT PROCEDURE

1. The BOARD or adjudicatory committee reviews allegations of any perceived violations, which may have occurred or may exist. (Any adjudicatory committee appointed by the executive board shall be composed of members of the ASSOCIATION who are not officers of the ASSOCIATION or members of the executive board, as provided for in Article IX: Committees in the Neuse Colony By-Laws.)
2. The BOARD or the ASSOCIATION Management Company must receive a complaint from an ASSOCIATION member or governmental authority. The complaint identifies the member’s address, if known, and nature of the violation. A written complaint may be requested. All complaints will be anonymous unless a hearing requires testimony.
3. If the BOARD or adjudicatory committee decides to instigate the accusation, the accused ASSOCIATION member shall be given written notification of the alleged violation.
4. The Board may elect to notify local government agencies to facilitate with the investigation by use of, and not limited to, Johnston County Sheriff Department, Johnston County Building Inspector, Johnston County Animal Control, Johnston County Public Health Office, and Johnston County River Keeper.
5. The accused ASSOCIATION member is given 15 days from the date of the written notification to respond and refute the allegation, or remedy the situation, before a hearing is scheduled.
6. If the ASSOCIATION member makes no response within 15 days, and the alleged violation still exists, or a second incident occurs, a hearing will be scheduled and held before the BOARD or adjudicatory committee to determine if a violation was committed or exists.

7. If the accused ASSOCIATION member fails to respond or attend the hearing, and there is evidence the violation does or did exist, the lot owner may be assessed or ASSOCIATION privileges or services may be suspended pursuant to the powers granted to the ASSOCIATION, acting through its BOARD, by the DECLARATION.
8. If, because of the hearing, it is decided that a covenant violation assessment should be imposed, a covenant violation assessment amount determined by the BOARD not to exceed one hundred dollars (\$100.00) per day, may be imposed for each day more than five days after the decision that the violation occurs, in accordance of Article VII: Section 1 (a) of the Neuse Colony By-Laws to establish penalties for the infraction.
9. The COVENANT ASSESSMENT collection is governed by the powers given to the ASSOCIATION as set forth in Article IV: Section 8: Effect of Nonpayment of Assessments of the Restrictive Covenants, Article VII: Section 2(c.3) of the Neuse Colony By-Laws and detailed in the ASSOCIATION'S Collection Policy regarding late fees, 6% per annum penalty, and ability to obtain a secured, perfected lien against the property.
10. The ASSOCIATION member may appeal the decision of an adjudicatory committee to the full BOARD by delivering a written notice of appeal to the BOARD within fifteen days after the date of the decision.
11. The BOARD may affirm, vacate, or modify the prior decision of the adjudicatory body.
12. At any time, if the ASSOCIATION member cures the violation, to the satisfaction of the Board or the adjudicatory panel, covenant violation assessment or suspension of privileges will immediately cease.

Depending as to the severity of the violation, and whether it effects community safety and well being of one or more of the other ASSOCIATION members, local government agencies may be contacted immediately and a covenant assessment may be one time, or ongoing per diem until the violation is remedied, at the BOARD's discretion.

Payments received from an ASSOCIATION member will be credited in the following order: charges for legal fees, court costs, and other costs of collection, followed by all late charges and interest accrued, as applicable, followed by all other charges incurred by the ASSOCIATION as a result of any violation by an owner, his/her family, employees, agents or licensees, of the declaration, articles of incorporation, bylaws, rules and regulations, or resolutions. The assessment for a unit, including any accelerated or special assessment due, as applicable; payments shall be applied toward the oldest month(s) then owed.

The ASSOCIATION sets the covenant violation assessment amount up to \$100 per occurrence, or \$100 per day until remedied, beginning the fifth day after decision a violation has occurred. BOARD may decide on a covenant violation assessment less than this \$100 amount. Any penalties or costs issued by government agencies are set by the agency and are separate from the covenant violation assessment.