SHADOWBROOK RIDGE HOMEOWNERS ASSOCIATION COMMUNITY RULES AND COVENANT ENFORCEMENT POLICY

The Board of Directors of Shadowbrook Ridge Homeowners Association ("The Association") has set the following Rules for all homeowners. They are intended to help Shadowbrook Ridge stay a pleasant, inviting and friendly community.

These Rules are not a replacement for the Covenants (officially called the Declaration of Protective Covenants, Conditions, Easements and Restrictions of Shadowbrook Ridge, which you received when you purchased your home). These Rules are supplements to the CC&R's and more clearly define the community rules where these convents grant the Association the authority to do so.

These Rules will change periodically as the needs of the community change. Please check with the Community Association Manager if you have questions about these Rules.

COMMUNITY RULES

- 1. Common Area Use: Common Areas, including parks and native growth protection areas are for the use and enjoyment of all homeowners. They are maintained by the Association. Everyone is expected to pick up their trash and deposit them into an available trash receptacle. Pet waste must be cleaned up immediately with a proper bag and thrown away. No one may allow animals to roam off-leash in Shadowbrook Ridge. Open fires are not permitted. Loud and boisterous activity is not permitted in the Common Areas after dark. You may not plant, prune or cut trees, shrubs or any other vegetation in the Common Areas. No personal items may be stored in the Common Areas.
- Fences: Shadowbrook Ridge's Covenants limit the type of fences which may be built in the community. You must apply to the Architectural Control Committee (ACC) for permission to build any fence. Please be a good neighbor by notifying your neighbors that you plan to build a fence.
- 3. <u>Holiday Lights</u>: All exterior holiday lighting and decorations must be taken down within 30 days after the date of the holiday.
- 4. <u>Landscaping</u>: Installation of, or changes, to landscaping requires ACC approval. Shadowbrook Ridge maintains a high standard of landscape maintenance to keep the community looking neat and demonstrate pride of ownership. At a minimum, homeowners must keep their lawns mowed, watered and fertilized. Beds must be weeded regularly. Leaves and storm debris must be raked and cleaned up within a reasonable time period. Firewood, bicycle, toys, trash containers, equipment and other items may not be stored in the front yard.
- 5. <u>Parking</u>: Parking space is limited in Shadowbrook Ridge. Please respect your neighbors and limit parking to your garage and driveway as much as possible. No vehicles may ever park on the yard. Street parking is not allowed within 10 feet of a USPS Mailbox; within 5 feet of a driveway; or within 20 feet of a corner. No commercial vehicles, with

the exception of law enforcement vehicles, may be parked on Shadowbrook Ridge community streets or in driveways. Commercial vehicles must be parked in homeowner's garage or off-site. Storing vehicles on Shadowbrook Ridge streets is prohibited. Vehicles must be in working condition and used on a regular basis. See Article 10, Section 22 of the Covenants for additional detailed parking restrictions. Violation of parking rules and Covenants on Shadowbrook Ridge streets may result in HOA violations or law enforcement action, or both.

- 6. Pets: Pets are limited in Shadowbrook Ridge. See Article 10, Section 8 of the Covenants for detailed restrictions on pets. All pet owners are responsible for picking up pet waste immediately and depositing it in their own trash cans, or the community trash cans located in the Shadowbrook Ridge Park using appropriate pet waste bags. All animals not confined in their yards must be on a leash. These are no off-leash areas in Shadowbrook Ridge. Excessively barking dogs or other excessively noisy animals will be considered a nuisance as described in Article 10, Section 7.
- 7. Street Trees and Planting Strips: Homeowners must water and care for the planting strips and street trees on or adjacent to their property. See Article 7, Section 2 and Article 10, Section 24 of the Covenants for details.
- 8. <u>Property Improvements</u>: All changes, improvements, or modifications to the exterior of any home or property require approval of the ACC. See Article 10, Section 2 through 6 of the Covenants for details.
- 9. <u>Signs</u>: Signs are limited in Shadowbrook Ridge in order to maintain a consistent look throughout the community. Only one sign, not more than 24 inches by 24 inches, may be displayed on any Lot. Signs must be hung from a white painted 4" x 4" mast-arm style post, which must be at least 4 feet from the ground to the top of the post. Hand painted signs or plastic signs with hand written words or numbers are not permitted. No signs whatsoever may be posted in any Common Area or on mailboxes. Please contact the Community Association Manager for more information on where to rent an acceptable sign.
- 10. <u>Unsightly Conditions or Nuisances</u>: No unsightly conditions may exist on any Lot. Unsightly conditions include, for example, but without limitation, drying laundry, litter, trash, junk or other debris, inappropriate broken or damaged furniture or plants; non-decorative gear, equipment, cans, bottles, ladders, trash barrels and other such items. No clothes lines or other overhead wires or string shall be hung or affixed to any Lot. Please respect your neighbors. Quiet hours in Shadowbrook Ridge are from 10:00 p.m to 7:00 a.m.
- 11. Rentals: Rentals are limited in Shadowbrook Ridge. All tenants are held to the same standard as homeowners and shall strictly comply with the Covenants and these rules. Homeowners will ultimately be held responsible for any Covenants or rules that are not followed by their tenants.

The following rules provide clarification and definition of the Shadowbrook Ridge rental policy under the authority granted by the Shadowbrook Ridge Covenants. See Article 10, Section 23 for details.

- a. No more than seven (7) housing units shall be rented concurrently in the Shadowbrook Ridge Association at any given time (Approximately 5% of the total number of homes in the community). Reasonable consideration by the Board will be given to hardship cases in the event the rental capacity is its maximum at the time of hardship request for Rental Approval.
- b. The homeowner, only after obtaining written Rental Approval by the Shadowbrook Ridge Board, shall pay a fee to the Association in the amount of \$500. The full amount will be added to the Homeowner's Association account and shall be payable within 30 days of notification of Rental Approval. Failure to make a timely payment of this fee will result in revocation of the Rental Approval and will return the homeowner to the end of the rental waiting list if one exists. The owner will be required to reapply to gain rental status when space is available.
- c. The Board reserves the right to revise the restriction on the number of rental housing units it deems appropriate. A homeowner's approved rental status will not change due to a revision in the Rental Limitation.
- d. Any homeowner renting their Shadowbrook Ridge home without prior written approval of the Homeowners Association shall be subject to fines as outlined in the Five-Step Approach and Fine Schedule found in the Enforcement section of this document. These fines will be assessed to the HOA account of any Lot in violation until such a time as a rental application is submitted and approved. Further, if the Board has good reason to believe that a home is being rented out without approval of the Homeowners Association, the burden of proof will fall upon the homeowner to provide the Board with proof of owner occupancy any time before, or after the Five-Step Approach and Fine Policy has been initiated.
- e. At no time shall the mere application for Rental Approval by a homeowner be considered approval by the Board. All applications will be considered based on the provisions outlined in the Covenants, including a clean ACC review of the property. In addition, a Homeowner's Association account must be in good standing. Should the number of approved rental homes be at capacity, the application will be added to a rental waiting list if one exists. Owners will be placed on this list on a first-come, first-served basis. See Article 10, Section 23 for additional information.
- f. A copy of the owner/tenant rental agreement is required for Board review as a condition of Rental Approval as specified in Article 10, Section 23.7. The Board reserves the right to require revisions to the rental agreement to reflect provisions of the Covenants and Community Rules. Written approval of the owner/tenant lease agreement by the Board is required prior to occupancy by each new tenant.
- g. At any time during the tenancy, should the homeowner, it's tenants, occupants, or guests fail to adhere to the provisions of the CC&R's,

Community Rules, the ACC regulations, or the Resolution on Rental Approval, the Board reserves the right to revoke such approval by written notice to the homeowner and assess fines for non-compliance as outlined in item(s) E and F of this Resolution and the "Enforcement of Covenant and Rules." Thereafter, with the revocation of Rental Approval the homeowner shall be required to reapply for Rental Approval in accordance with the CC&R's, be placed at the end of the rental waiting list, and will subject once again to the approval fee of \$500.

ENFORCEMENT OF COVENANT & RULES

<u>Voluntary Compliance</u>: The primary way high community standards are preserved at Shadowbrook Ridge is for all homeowners to voluntarily follow the Rules and be good neighbors. As a result, the Board should not have to take enforcement action often to restore compliance with the Rules and Covenants.

- A. <u>Board Authority</u>: Occasionally some homeowners will fail to comply with the Rules and Covenants, so something more is needed to bring them into compliance. This Policy is meant to guide the Board in action to restore a homeowner's compliance with the Rules and Covenants through a process that is fair, efficient and effective.
- B. <u>Enforcement Procedures</u>: The following Enforcement Policy (the "Policy") has been adopted by the Board to enforce the Covenant and Rules.
 - 1. Discretion of Board: This Policy is a guideline for the Board and the homeowners, describing the typical way the Community Association Manager and the Board may maintain compliance with the Covenants and Rules. The Board retains discretion to determine whether it will enforce against any violation, whether and the extent to which the Association will spend money, issue notices, impose fines or conduct hearings to seek compliance.
 - 2. Identifying a Possible Violation: Shadowbrook Ridge has primarily a complaint-based enforcement system. Possible violations may be identified by periodic inspections by the Community Association Manager or the Board, by a homeowner's written complaint, or by other reasonably reliable means. The Manager and the Board have no obligation to perform inspections.
 - 3. Written Complaint: Homeowners are encouraged to take responsibility for the condition of the Association. Any homeowner may bring a possible violation to the Board's attention through a written complaint, e-mailed, faxed or mailed to the Community Association Manager. The complaint must identify the property address or homeowner, and must specifically describe the violation and date of the violation. Complaints may, but are not required to, be kept confidential.
 - 4. Five-Step Approach and Fine Schedule: The board will apply a five-step approach for handling violations, unless a violation constitutes a health and safety hazard in the Board's sole subjective determination. In that case, the

Board may impose a fine within seven days after sending a notice, as if Steps One and Two were completed.

- a. Step One: Written Request to Owner. After the first violation, the Community Association Manager will send or deliver a courtesy notice for the Owner at the property address, requesting voluntary restoration of compliance with the Covenant or Rule being violated. In the event that the owner's address is different from the home address, a letter will be sent to both addresses.
- b. Step Two: Second written request and notice that Owner could be fined. If the violation is not corrected within fourteen (14) days of the first request, or a similar violation occurs again within a year, a second notice will be sent to the Owner advising that the following fine may be imposed in fourteen (14) days if the violation still continues:
 - \$200 per incident for all violations except rental violations.
 - \$300 per incident for rental violations as described in Section 11.
- c. Step Three: Fines. If the owner fails to correct the violation identified in a second written notice within fourteen (14) days, the following fines will be imposed until the violation is cured:
 - \$200 per incident, plus \$200 each subsequent month if not compliant (for all violations except rental violations). An invoice showing the fines will be sent to the Owner.
 - \$300 per incident, plus \$300 each subsequent week if not compliant for rental violations. An invoice showing the fines will be sent to the Owner.
- d. Step Four: Lien. If after an additional thirty (30) days following the imposition of the fine implemented in the previous step, the owner fails to correct the identified violation, a lien may be placed on the home. The filing fee for the lien is \$200 (\$100 for adding the lien, and \$100 in advance for the removal of the lien).
- e. Step Five: Summary Judgment. If after 12 months following a lien filing an owner's HOA account deficit exceeds \$1,000, the Homeowners Association may enter into a Summary Judgment filing with the local jurisdiction with the internet of collecting against the delinquent account directly from the homeowner. A successful judgment collection will be used to pay any attorney and other related collections costs, the related lien fees, and any homeowner's account deficit. The lien filed against the property by the HOA will be satisfied and removed at this point.

The steps outlined above are not an exclusive remedy. The Board may resort to other remedies in addition to, or instead of the aforementioned process. Fines become special assessments, which may be collected as described in the Covenants. Paying a fine does not relieve a person from the responsibility to cure a violation.

5. Stop Work Order. In addition to imposing a fine, if appropriate based upon the nature of the violation, the Community Association Manager may issue a Stop Work Order to any person engaged in any unauthorized activity. An unauthorized

activity is any activity which requires prior written approval of the Board of the ACC, which has not received prior written approval. A Stop Work Order shall:

- a. Identify the property's address
- b. Describe the unauthorized activity
- c. Identify the specific prior approval requirement being violated
- d. State that the unauthorized activity shall immediately cease, and describe any additional sanctions to be imposed
- e. State that the delivery of the Stop Work Order serves as a determination that a violation has occurred.
- f. State that this determination is final unless it is appealed to the Board, in writing, within 10 days of the date that the Stop Work Order was issued.
- g. State that failure to immediately comply with the terms of the Stop Work Order will cause a \$350 fine to be imposed and that for each week thereafter in which noncompliance with the Stop Work Order takes place, a separate \$350 fine will be imposed.
- 6. Assessment related fees. Assessment payments not made within 10 days after the due date are subject to imposition of a \$50 late fee per month. In addition, the Homeowners Association may charge interest. Furthermore, Steps Four and Five of the Five-Step Approach and Fine Schedule may apply if the homeowner's account remains in deficit for a prolonged period of time.
- 7. Return Check Fee: \$25 per incident.
- 8. Transfer Fee: Buyer pays \$300 per transfer of home ownership.

Effective as of September 1, 2009.

Board of Directors SHADOWBROOK RIDGE HOMEOWNERS ASSOCIATION