

RESOLUTION M-01

POLICY AND COMPLIANCE PROCEDURES FOR DECLARATION OF RESTRICTIONS AND ARC GUIDELINES VIOLATIONS

1. **Purpose.** This Resolution establishes policy, assigns responsibilities, and provides procedures to be followed by the Architectural Review Committee (hereinafter referred to as "ARC"), General Manger (hereinafter referred to as GM), the Ocean Pines Association (hereinafter referred to as "OPA") and the Board of Directors (hereinafter referred to as Board) for enforcing compliance with the Association's Declarations of Restrictions (sometimes hereinafter referred to as "DRs") and the ARC Guidelines.

2. **Authority.** OPA derives its authority to establish, enforce, and interpret rules and regulations through its Articles of Incorporation, DRs and ARC Guidelines. These documents address the basic rules necessary to promote the common welfare of OPA members. They assign to the Board responsibility for enforcement of these rules and the authority to delegate part of this task to OPA staff and committees.

3. **Policy.** The appeal of Ocean Pines depends on the cooperation of residents, property owners, and any other legally Responsible Parties in creating and maintaining clean and aesthetically pleasing homes and surroundings. Therefore, the privilege of membership and residing in OPA comes with responsibilities.

a. It is the policy of OPA to exercise the authority provided above to rigorously and proactively enforce its DRs and other rules and restrictions. The enforcement authority shall be exercised, to the extent possible, in a uniform and fair manner based on the approved process and procedures outlined in this resolution. Further, enforcement shall be conducted with due regard to:

- (1) courteous and respectful interchanges that encourage voluntary compliance,
- (2) timely and effective notification of all pending actions affecting the issue under consideration and
- (3) the opportunity to attend an ARC meeting to appeal a violation determination.

b. It is acknowledged that in a homeowner's association as large as Ocean Pines not all violations will be discovered or processed. The failure, however, to address any given violation shall not restrict or otherwise waive the OPA's ability from acting on other violations of the same nature or otherwise.

4. **Responsibilities**

a. The Board: The Board is responsible to the membership for the overall compliance program.

b. The GM: The GM is designated as the individual under whose authority the compliance program is to be administered. The GM may delegate any or all of the responsibilities herein included to one or more subordinate OPA staff members. Commensurate with this Resolution M-01, it is understood that the GM is given pre-authorization by the Board to take actions deemed necessary to address health and safety violations and to report such actions taken to the Board, as soon as reasonably possible, by electronic means and to include a summary of the action at the next regularly scheduled Board meeting.

c. Department or Compliance, Permitting and Inspection ("CPI"): CPI shall be the point of contact for violations. CPI activities shall include, but not be limited to, the inspection of properties, receipt and investigation of Complaints, determining if a violation exists, preparation and issuance of notices of

Party for inspections requiring entry onto a lot, to the extent entry on to a lot is needed. When entering onto a lot to conduct an inspection, the purpose of entry shall be limited to observation and/or documentation.

c. Responsible Party Notification: The following steps will be followed by the OPA when a Complaint is received:

Step 1. Receipt of Complaint: A Complaint is received.

Step 2. Review of Complaint and Violation Determination: A Complaint is reviewed by the CPI to determine if the Complaint is a violation of the Declaration of Restrictions or ARC Guidelines. In determining whether a violation exists, CPI may consult with the ARC, the GM or OPA's legal counsel, with the consent of the GM. Upon determining that that the Complaint constitutes a violation, CPI will proceed with Step 3. If CPI determines that a violation does not exist, such determination will be reflected in the record of the Complaint.

Step 3.

a. Notice of Violation: If CPI determines that the Complaint constitutes a violation, CPI will send a notice of violation ("Notice of Violation") to the Responsible Party stating: (1) the nature of the violation (with evidentiary photos, if appropriate and exist); (2) if the violation is not corrected or Substantial Progress towards correcting the violation is not underway within thirty (30) days of the date of the Notice of Violation that OPA will proceed with legal action to seek a Court Order to force compliance; (3) the Responsible Party may appeal CPI's determination or request a variance by attending an ARC meeting within thirty (30) days of the date of the Notice of Violation; (4) information on how to contact CPI in order for CPI to verify that the violation has been corrected; and (5) if the violation involves grass, weeds, refuse and /or debris a cost estimate and the contact information necessary for the Public Works Department for the Responsible Party to authorize OPA to correct the violation and bill the Responsible Party.

b. The Notice of Violation shall also include the schedule of ARC meetings which will be held within thirty (30) days of the Notice. The Notice shall further give the Responsible Party the option of contacting ARC, within ten (10) days of the date of the Notice, to obtain an agreed alternate date for an ARC appeal. The means by which ARC can be contacted shall be included in the Notice.

Step 4. Appeal or Variance Hearing. The Responsible Party shall have the right to appeal CPI's determination or request a variance provided that the Responsible Party attends an ARC meeting within thirty (30) days of the date of the Notice of Violation or such other date agreed to by ARC. If the Responsible Party attends an ARC meeting to request an appeal of CPI's determination or a variance, ARC will provide the Responsible Party the right to be heard on the request at that meeting. After affording the Responsible Party the opportunity to be heard, ARC will render a decision on the appeal or variance request.

a. In considering the appeal of CPI's violation determination the ARC may: (1) confirm CPI's determination; (2) overturn CPI's determination; or (3) grant the Responsible Party an extension to remedy the violation.

