

Tellico Harbor Property Owners' Association

Rules & Regulations – Section 2

Personal Charge Procedures/Schedule - Rev. 3

Pursuant to the Declaration of Covenants, Conditions, and Restrictions ("DCC&Rs") of Tellico Harbor Property Owners' Association (the "Association") Article X, the following written rules and regulations are adopted in order to further and foster compliance by property owners with the provisions and requirements of the DCC&Rs, the Bylaws and Rules & Regulations (hereinafter collectively the "governing documents") of the Association. These rules are intended to provide additional incentive for compliance by owners who violate the requirements and provisions of the governing documents, not supplant or amend them, and in the event of an inconsistency or conflict between these rules and the governing documents of the Association, the governing documents provisions will supersede and apply. These rules and regulations shall apply to any alleged violation of the Association's Declaration of Covenants, Articles of Incorporation, Bylaws and Policies, Procedures, Rules and Regulations, except and excluding non-payment of assessments or other sums.

1. Violations, Investigation and Personal Charges (Fines)

A. Introduction: Article X of the DCC&R's provides that the Association has the right to levy a Personal Charge, enforceable in the same manner as Assessments, against the Owner and his/her lot for such sums as are necessary to enjoin any violation or to remove any unauthorized addition or alteration or to restore the affected property to good condition and repair.

B. Investigation/Notice of Violation:

- \* 1. Reporting Violations: All violations shall be submitted in writing by mail or email to the Board or the Covenant Compliance Committee (CCC). See attachment 2. The complaint must include a description of the violation(s) and the name and address of the violator, ways you have attempted to resolve the issue if any, your name, address, email address and phone number. All reporters' information shall remain confidential unless required by law to be disclosed. Any reports without the above listed information may not be pursued and the Board will not take action on anonymous complaints.
2. Investigation: When a possible violation is reported to or otherwise becomes known to the Association, it will be investigated by the Board or its designated representative(s), i.e., the Covenant Compliance Committee (CCC), and a determination made as to whether a violation has actually occurred. The Board/CCC will attempt to contact the owner as a courtesy to verbally give notice of the alleged violation and attempt to resolve the violation with the owner. Subsequently, if the situation is not resolved within 3 days of the courtesy call/notice, or a date mutually agreed upon by the owner and Board/CCC, the Board/CCC will send a warning letter to notify the owner of the alleged violation. The notice will be sent by regular US Postal Service mail (Delivery Confirmation) to the most recent address for the owner on file with the Association. It may also be sent via email if the owner's email address is known to the Association. The warning letter shall be deemed received by the owner three (3) days after mailing/emailing. The violation notice shall specify the nature of the offense and include a way to contact the CCC to discuss the violation if there are questions. It will also include notice of the Schedule of Personal Charges that will be assessed if the violation is not corrected within 10 days from the date of the letter or some other date mutually agreed to by the owner and the

CCC. If such arrangements are made and extension of the expiration date beyond 10 days has been granted, a new warning notice letter indicating the agreed to expiration date will be sent. Should an owner object to the complaints of the Association, the owner shall have 5 days after the violation notice is received to contact the CCC to discuss the violation. If the notice was sent in error, the Association will send a retraction letter and the offense will be taken off the lot records. If both parties can't come to agreement on the matter, it then can be appealed by the lot owner to the Board at an Appellant Hearing. Request for appeal to the Board must be submitted in writing. Request for an Appellate Hearing does not delay or prevent the imposition of Personal Charges in accordance with those defined in Attachment I. See Rules and Regulations – Appellate Hearing for procedures regarding appeals.

3. Notice of Personal Charge: If the owner who is sent a notice of a violation does not comply and correct the violation in a timely manner, the Association may assess fines against the owner and the lot according to the Personal Charge Schedule set forth in Attachment I. If a violation continues beyond the deadline expiration date, normally 10 days from the date of the warning letter, a written notice of Personal Charge levied against the owner will be sent via regular US Postal Service mail (Delivery Confirmation) and email (if owner's email address is known to the Association) or hand delivered and signed for by the owner. Failure to correct the violation will result in additional daily fines until the violation is corrected. All Personal Charges must be paid within 30 days of billing and will follow the policies and procedures on collections.
4. Schedule of Personal Charges (Fines): If an owner violates any provision(s) of the governing documents and does not comply by the deadline given by the Association, fines in accordance with Attachment I may be imposed with additional daily fines accruing at the rate of \$25 per day until compliance occurs. Such fines may be assessed by the Association against any owner and/or his/her lot, starting immediately after the notice deadline period expires without the complete and total correction of the violation(s) by owner within that period. Such fines are automatically imposed starting on the day following the deadline expiration date and no additional notice will be given and will continue until the violation has been totally and completely corrected.
5. Suspension of Owner's Rights: Owner's voting right and rights to use of recreational facilities by the owner, owner's family, tenants and guests may be suspended or limited in addition to fines being levied per provisions in the DCC&R's.
6. Owner's Responsibility: It is the owner's responsibility to notify the Board/CCC when the violation has been fully and completely corrected.

C. Legal Action:

1. Personal Charges may continue to be assessed while any legal action is in process if an owner continues to violate the requirements or restrictions of the governing documents. Any violation shall entitle the Board to recover from the owner or violator, or both, its reasonable attorney's fees, court costs, interest, and any other collection expense, regardless of whether litigation is instituted or is successfully concluded. The Board may seek to recover such fees and costs by all legal remedies, including without limitation, charging such fees and costs to the owner's account with the Association.

2. Notwithstanding anything to the contrary herein, in the Board's discretion, legal action may be initiated against the violating lot owner at any time after a compliance deadline is given to owner, and nothing in these Rules is intended to waive or otherwise modify the Association's legal right(s) to take other enforcement measures in order to secure or achieve compliance.

D. Parties to Violations. Owners shall be responsible for violations committed by their contractors, guests, family members, and tenants, e.g., pets kept by tenants or signs placed by real estate agents. The Board may proceed against both the owner and the alleged violator, simultaneously or separately, and actions against one shall not bar action against the other. The Board may contact the police, any regulatory or licensing authorities or other third parties regarding the alleged violation, but any action or decision by those parties shall not bar the Board from proceeding.

2. Collection of Fines

- A. The Association will bill the violating property owner the applicable fines at such time and for such periods as the Association considers reasonable.
- B. If, after the fines accrue they remain unpaid and outstanding for more than 30 days from date of the first such billing, a late fee shall commence and apply to the unpaid fines at the rate of \$25 per month.
- C. All fines imposed by the Association upon an owner or owners which remain unpaid for 90 days shall automatically constitute a lien on the Lot and all its improvements, and may be handled and foreclosed upon in the same fashion as if it were a lien for unpaid assessments under the Association's governing documents. The Association may file a formal lien with the county in order to further protect its interests regarding the unpaid fine(s). The amount of the lien shall include interest, late fees and all costs and expenses, including attorneys' fees, incurred by the Association in the imposition and collection of such unpaid fine(s).
- D. The intent of the procedures and schedule of charges is to promote healthy and safe conditions that serve our neighborhood. Thus, the spirit of charges is to encourage reasonable compliance, not to place onerous burdens on owners. In this spirit, the Board, in its discretion, may waive fines, attorney fees, court costs, interest, late fees and/or other collection expenses. Further, the Board, at its discretion, may suspend the imposing of fines if circumstances warrant such action.
- E. All fines and fees collected under this policy resolution will be credited to the Associations general account.

3. Request for Appellate Hearing

See Rules and Regulations - Section 1 - Appellate Hearing

4. Rule Enforceability

- A. If any portion of these rules is determined to be legally unenforceable, it shall not negate the enforceability of the remaining portions of the rules. Technical irregularities or defects in the complaint, notice or other compliance with this rule shall not invalidate any

proceedings. These rules shall be liberally construed to accomplish prompt, effective enforcement of the Association's governing documents.

- B. These Rules, Regulations, Policies and Procedures are established to promote the health, safety, and welfare of Tellico Harbor residents and owners and to support the Association's desire to preserve and enhance the property values within the development. These Rules and Regulations will take effect immediately upon passage and enactment.

DATED AND ENACTED September 11, 2007

James R. Horton (President)



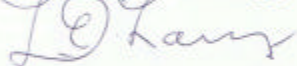
Tom DuChemin (Vice-President)



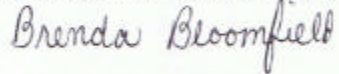
Bob Mestach (Treasurer)



Larry Lanz (Director at Large)



Brenda Bloomfield (Acting Secretary)



ATTACHMENT 1

Tellico Harbor Property Owners Association

SCHEDULE OF PERSONAL CHARGES

1 <sup>st</sup> Violation-----	\$50
2nd violation of the same nature-----	\$100
Subsequent violations of the same nature-----	Double previous amount

Personal Charge Per Day\* following the deadline expiration date-- \$25

\*NOTE: Personal Charges will accrue at \$25 per day for all violations not totally and completely corrected by the deadline expiration date stated in warning notice letter or a deadline expiration date mutually agreed to by the Board/CCC and lot owner/violator. Accrual is automatic and no additional notice will be given.

If the Association is required to initiate legal action or involve an attorney in the corrective process, the following Personal Charge will apply in addition to those outlined above:

A Personal Charge equal to the sum of any incurred attorney fees, court costs and any other collection expense, regardless of whether litigation is instituted or is successfully concluded - **plus** - an administrative fee of \$250 per violation

If the Association is required to correct the violation, the following Personal Charge will apply in addition to those outlined above:

A Personal Charge equal to the sum required to reasonably correct the violation, remove any unauthorized addition or alteration and/or restore the affected property to good condition and repair - **plus** - an administrative fee of \$250 per violation.

ATTACHMENT 2



TELLICO HARBOR PROPERTY OWNERS' ASSOCIATION  
 2000 Cherokee Dr.  
 Maryville, TN 37801

**Complaint Form**

Submitted by:

Signature:	Date:
Name:	Your Lot #:
Address:	<u>For office use -leave blank</u>
Phone:	Received:
E-mail:	Resolved:

Information Concerning Violation:

Name:	Lot #:
Address:	Phone:

Nature of Violation:

Describe solutions offered or actions taken to try to resolve this issue amicably and without Board intervention. (Please attach copies of relevant documentation):