MADISON GREEN HOMEOWNER'S ASSOCIATION

PENALTY POLICY AND PROCEDURES

The following Penalty Policy and Procedures have been adopted by the Board of Directors of the Madison Green Homeowner's Association to be consistent and expand upon the "Declaration of Covenants, Restrictions and Easements for Madison Green Cobb County, Georgia" (Covenants). For a full description of the rights and obligations of ownership at Madison Green, refer to the Covenants.

ENFORCEMENT PROCEDURES

The Architectural Review Committee and the Board of Directors of the Madison Green Homeowner's Association are legally empowered to enforce compliance with the "Declaration of Covenants, Restrictions and Easements for Madison Green Cobb County, Georgia" (Covenants) and Association Documents (Covenants, Community Rules and Regulations, Architectural and Landscape Standards, etc.).

The following enforcement procedures shall be used to ensure compliance and to provide the Madison Green Association Property Owners (referred to as Owner in this section) with adequate due process.

DISCOVERY OF VIOLATION

1. Violations may be observed and reported to the Architectural Review Committee, by a member of the Board, the Property Manager, or an Owner or resident. If an Owner or resident wishes to report a potential covenant or rules violation, he or she should submit a written complaint to the Association or Property Manager.
2. If the alleged violation is of a temporary nature (i.e., such as a dog running loose), and cannot be readily confirmed by the Association, no further action will be taken unless at least two (2) Owners and/or residents report the violation in writing or by phone to the Property Manager.
3. If the alleged violation is confirmed by a site visit by a member of the Architectural Review Committee or Property Manager, the Association shall send a written violation notice to the Owner requesting that the violation be corrected.
4. If the violation has resulted in damage to the Common Areas, the Association may order that the damage be repaired at the expense of the offending Owner.

VIOLATION NOTIFICATION PROCEDURE

I. <u>First Notification of Violation</u>:
   i. Warning (in writing) without Monetary Penalty
   ii. Notification of Request for Compliance

Unless the Board of Directors or the Architectural Review Committee declares an emergency, the Board shall provide the Owner with written notice and an opportunity to cure the alleged violation before the Association initiates any enforcement procedures.

The First Notification of Violation shall be sent by certified and will advise the Owner of the nature of the offense, cite the specific provision within the Association Documents, Architectural Design Guidelines and/or rules that the Owner has allegedly violated, specify the remedy required, and state the number of days within which the Owner must complete corrective action (Request for Compliance).

The number of days will typically be fifteen (15) days from the date of mailing of the letter. Alternatively, the notice may also require the Owner to submit to the Architectural Review Committee a written plan for the abatement of the violation within a specified period of time where such violation may not be curable within the 15-day period. Said plan shall be submitted to the Architectural Review Committee within fifteen (15) days of the date of the Association's first notice.

II. Second Notification of Violation

i. Warning (in writing) and application of $100.00 fine for each violation

ii. Upon receipt of the Second Notice of the Violation, the offending Owner is required to appear before the Association's Board of Directors. In addition to imposing the $100.00 fine per violation against the offending Owner, the Board shall have the power to levy additional daily fines ($10.00 per day) against the offending Owner for repeated violations or for any serious injury caused as a result of said violation. Refer to Monetary Penalties section.

iii. A violation shall be deemed to be a Second Violation when the offending Owner's actions cause the Association to send the corresponding number of notices to said Owner

If the violation continues for thirty (30) days after the date of First Notification, or if no substantial progress is made in curing the violation where such remedy would require more than thirty (30) days to cure, a Second Notification of Violation will be sent to the Owner.

The Second Notification will inform the Owner of the time and place of a formal hearing before the Architectural Review Committee, and shall be sent at least fifteen (15) days prior to the hearing. This notice shall also warn the Owner of the Board's power to assess monetary charges and suspend

membership privileges as sanctions for violations of the Association Documents and shall inform the Owner of his/her right to a hearing before the Board to contest the violation.

The notice shall be sent by registered mail or delivered by hand to the Owner at his/her address as listed in the Association's records. Notice will be deemed effective if any Owner fails or refuses to sign for any registered or certified mailing from the Association.

HEARING

The Architectural Review Committee may reschedule any hearing within its discretion upon good cause shown by the Owner. Notice of the rescheduled hearing date will be provided to the Owner at his or her address of record. The Owner shall have the right to be heard at the hearing and represented by counsel and to present any evidence deemed relevant to the violation. Failure to attend the hearing shall constitute a waiver of the opportunity to be heard.

Following the hearing, the Architectural Review Committee shall meet in executive session to determine whether it has received satisfactory proof of the alleged violation, and if so, what sanctions should be imposed against the Owner to prompt correction of the violation. The Architectural Review Committee's sanctions may include any combination of the following corrective measures.

CORRECTIVE MEASURES

1. Legal Recourse
    a. Referral of the matter to the Association's legal counsel for appropriate action to secure compliance with the Association Documents.

2. Association Correction of Violation
    a. As applicable and in accordance with Article VII of the Covenants, the Architectural Review Committee may vote to recommend to the Board that it consider whether to have the Association enter the lot to correct the violation and to impose a special assessment against the lot for the full cost incurred by the Association in correcting the violation.

3. Monetary Penalties
    a. In accordance with Article VII of the Covenants, the Architectural Review Committee (ARC) or Board may assess the following monetary charges against the Owner's lot:
        i. Application of $100.00 fine for each violation (applied at Second Notification) and,

ii. Ten dollars ($10.00) per day for up to ninety (90) days for each violation, until the Owner ceases and corrects the activity which caused the violation to occur.

b. In the event that a continuing violation persists at the end of the ninety (90)-day period, the ARC or Board reserves the power to re-initiate the violation procedures set forth in this Policy and pursue other legal and equitable remedies.

c. Notice of the ARC or Board's decision about the imposition of additional monetary charges or the suspension of the Owner's privileges shall be delivered to the Owner by hand or by registered mail, return receipt requested within seven (7) days of the decision.

4. Repeat Offense of Same Violation

   a. If an Owner repeats a violation within one (1) year of the date that the ARC or Board first issued a citation to the Owner for the identical violation, the Board may proceed directly to the second notice whereby the Owner will be notified of another hearing before the Architectural Review Committee.

ADDITIONAL INFORMATION

- The procedures set forth herein do not preclude the Association from taking accelerated measures in the case of a violation that constitutes an emergency, provided that the Owner in violation has been provided such adequate notice as circumstances permit, and the Association's actions are consistent with the Association Documents. Any action taken by the Association's Board of Directors under this section shall not deprive either party of any remedies otherwise available by law.

- Owners may appeal decisions of the Architectural Review Committee to the Board of Directors within fifteen (15) days of the case and the Board shall determine whether or not it will hear the appeal. The Board of Directors may affirm, modify or reverse any decision of the Architectural Committee in order to render a final decision.

- The Board and Architectural Review Committee reserve the power to hold Owners legally responsible for ensuring that the members of their household and tenants, guests or invitees comply with the Association Documents.

- The provisions outlined in this section may be applied to all violations of the Association Documents, but do not preclude the Association from exercising other enforcement remedies and procedures authorized by the Association Documents or Georgia law, including, but not limited to, the initiation of suit for injunctive relief or self-help remedies.

- The above procedures also apply to the failure of an Owner to maintain his or her lot in good order and repair, and free of debris as required by Article VII of the Covenants. All Owners must maintain their lots in accordance with the general maintenance standards as outlined in the Architectural and Landscape Standards and Community Rules. In the event of non-compliance with maintenance standards, the Board may, after fifteen (15) days written notice to the Owner (or such longer notice as may be determined by the Board), authorize the Association to enter upon the Owner's lot and to perform any required maintenance at the Owner's expense.