

THE COVE CREEK CLUB, INC.

POLICY RESOLUTION No. 1

DUE PROCESS RESOLUTION

WHEREAS, Article 4, Section 4.2 of the Bylaws of The Cove Creek Club, Inc. ("the Association") grants the Board of Directors ("the Board") the powers and duties necessary for the administration of the affairs of the Association; and

WHEREAS, Article 4, Section 4.2 (a) of the Bylaws grants the Board the authority to enforce the covenants, conditions, restrictions, uses, limitations, obligations and all other provisions set forth in the Declaration of Covenants ("Declaration") and the Bylaws; and

WHEREAS, Article 4, Section 4.2(b) of the Bylaws authorizes the Board to establish, make and enforce compliance with the designations, rules, conditions, restrictions, limitations and all other provisions necessary for the orderly operation, use and maintenance of the Community and the personal conduct of all Members and their guests; and

WHEREAS, Article 4, Section 4.2(r) of the Bylaws empowers the Board to suspend the enjoyment rights of any Member for any period during which any assessment or other funds due to the Association are delinquent, and for such other reasonable period as it considers appropriate for any infraction of its published rules and regulations; and

WHEREAS, for the benefit and protection of the Association and of the individual members, the Board deems it necessary and desirable to supplement the existing enforcement provisions set forth in the Declaration, Bylaws and Rules and Regulations ("Governing Documents") and to establish procedures which, by this Resolution, shall include the levying of fines, governing alleged violations of the provisions of the Governing Documents;

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT pursuant to the above referenced provisions, the Board adopts the following procedures for the enforcement of the Governing Documents and for the imposition of fines and sanctions for violations of those Governing Documents.

1. **Initial Notice.** In the event the Board of Directors determines that there is probable cause that any provision of the Declaration, the Bylaws, Articles of Incorporation or the rules and regulations of the Association is being or has been violated, written demand to cease and desist the violation shall be sent to the Owner, and if applicable, tenants, residents or guests therein. The notice shall include the specific nature of the alleged violation, the action required to abate the violation, and shall state a time period of not less than ten (10) days during which the violation may be abated without further sanction if the violation is a continuing one. If the violation is not continuing, the written demand will state that any further violation of the same rule or regulation may result in the imposition of sanction after notice and a hearing, if requested.

2. **Hearing.** If the violation continues past the period allowed in the initial demand for abatement without penalty or if the same rule or provision is subsequently violated, the Board of Directors may levy sanctions against the Owner, including but not limited to, revocation of Owner's access to community facilities after determining there is probable cause that a violation of the Governing Documents exists. In the event the Board of Directors determines that such probable cause exists, it shall provide written notice to the defaulting Owner specifying the nature of the alleged violation, the proposed sanction to be imposed, and of the opportunity for a hearing before the Board of Directors upon written request made within ten (10) days of the sending of the written notice. In the event that a hearing is requested and held, proof of notice of the hearing shall be placed in the Board of Directors meeting minutes. At the hearing, which shall be held within fifteen (15) days of the written request, each party shall be given an opportunity to be heard and to present all claims and/or defenses and witnesses that the alleged Owner or the Board of Directors wish to produce. Any party at the hearing may be represented by counsel.

3. **Fines.** After a duly conducted hearing, or if no hearing is timely requested, the Board of Directors, shall determine whether there is sufficient evidence of a violation(s). If the Board of Directors determines that there is sufficient evidence of a violation(s) in addition to other sanctions including but not limited to revocation of Owner's access to community facilities, it may levy a fine in an amount which takes into account each violation to date, the time period of the violation(s), any damage(s) to the community or members of the community.

4. **Collection of Fine.** Any fines levied shall be placed on the Owner's assessment account and be subject to collection action in the same manner and under the same terms as any other Assessment in accordance with Article IV of the Declaration.

5. **Other Enforcement Action.** Nothing in this Resolution shall prohibit or otherwise limit the Association's right to pursue other enforcement/legal actions available to it to correct or abate any violation of the Declaration, By-Laws, Articles of Incorporation, or rules and regulations. In addition, the Board of Directors is authorized to institute legal action by filing a petition or complaint to obtain specific enforcement and to collect the fine assessed by the Board plus the costs of litigation against any person or persons determined to be in violation.

RESOLUTION ACTION SHEET

Resolution Number: 1
Resolution Title: One Process Resolution
Date of Adoption: August 19, 2014

The above-referenced Resolution was adopted by the Board of Directors as of the date set forth.

Signatures:

Vote: (Y/N)

Charles R. Jank
Director

Y

[Signature]
Director

Y

Mark A. McElroy
Director

Y

[Signature]
Director

Y

[Signature]
Director

Y

ATTEST:

[Signature]
Secretary

8/19/2014
Date