



COVENANT VIOLATION ASSESSMENT RESOLUTION

April 28, 2009

The Board of the Linda Vista Homeowners Association hereby adopts the following policy regarding covenant violation assessments for continuing violations of covenant provisions. The assessments are adopted for the purposes of promoting the recreation, health, safety and welfare of the residents of the Association and, in particular, for the administration and enforcement of the covenants. Covenant violation assessments shall be fixed at a uniform rate for all lots. Covenant violation assessments are intended to recover the Association's costs of covenant enforcement including legal fees, postage, printing, paper/envelopes and other out of pocket costs for enforcement efforts. Volunteer board members currently perform covenant enforcement activities, and although their time is contributed to the Association, their time is limited and valuable, and when used for covenant enforcement activities it is less available for other revenue producing activities (such as applying for grants) and cost reduction activities (such as performing park maintenance currently outsourced to contractors). Accordingly, the Board recognizes an opportunity cost for Board time spent performing covenant enforcement activities, and this opportunity cost may also be recovered through covenant violation assessments.

Covenant violation assessments will be applied primarily to boats/recreational vehicles/trailers and landscaping covenant violations but may be applied for any other covenant non-compliance as set forth by the Board. A covenant violation will be considered a "continuing violation" that permits a covenant violation assessment in the following circumstances:

An Owner has received two Notices of Covenant Violation letters within the same calendar year (January 1 through December 31) for the same or a similar violation. The following examples illustrate application of this principle:

- a. One letter for a camper trailer violation and a second for a boat/trailer violation would result in a covenant violation assessment if any recreational vehicle or trailer non-compliance occurs during the remainder of the calendar year.
- b. For landscaping violations, one letter for lack of irrigation and a second letter for lack of mowing would result in a covenant violation assessment if any landscaping non-compliance occurs during the remainder of the calendar year.
- c. One letter for an RV violation and a second letter for a landscaping violation would NOT result in a covenant violation assessment for one additional event of non-compliance of either type.
- d. If a second Notice of Covenant Violation is sent to a homeowner address for the same or a similar covenant violation (in a single calendar year), a covenant violation assessment applies for any continuing non-compliance, or for another event of similar non-compliance. In other words, it makes no difference if

the trailer (for example) is moved from the home temporarily or if it has continuously been at the homeowner property.

e. If a homeowner cures the violation for a temporary period after a Notice of Covenant Violation Assessment, but the same or a similar covenant violation occurs in the same calendar year, an additional covenant violation assessment applies immediately (no additional "warning" letters).

f. If an Association covenant enforcement representative is aware that a new homeowner is located at an address that received a first notice during prior ownership, then a second notice in a calendar year would not result in a covenant violation assessment (a third notice to this address would however). The covenant violation assessment letter would include a provision for a new homeowner to request a waiver of the assessment in writing if this is their first notice of a violation. This waiver provision applies only to the owner of the property, not to a new tenant with the same landlord.

All covenant violation assessments apply to the person or entity who is the recorded Owner of a fee or undivided fee interest in the Lot where the violation occurs. The assessment will be sent to the Linda Vista address and any additional address on Missoula County records that is different. A copy of this resolution will accompany the covenant violation assessment.

The Covenant Violation Assessment is payable to the Association's Treasurer thirty (30) days after the Notice of Covenant Violation Assessment is mailed and the appropriate instructions to this effect will be present on the Notice of Covenant Violation Assessment. When Covenant Violation assessments are sent by a covenant enforcement representative, an electronic or paper copy will be delivered to the Treasurer for collection monitoring. If the Covenant Violation Assessment is not paid within 30 days, then it becomes delinquent, accrues interest the highest rate permitted by law and allows the Board to pursue collection remedies. Collection remedies may include turning the matter over for collection or pursuing lien rights. All costs incurred by the Association to collect an assessment(s), including reasonable attorney and collection agency fees, will be additional assessments and liens on the property, as allowed by the Covenants.

The initial Covenant Violation Assessment amount is set at \$100 for the first violation/assessment in any calendar year and \$200 for each subsequent violation/assessment in the same calendar year. The Board may adjust this amount at any time at its discretion. All costs incurred by the Association to collect an assessment(s), including reasonable attorney fees, will be additional assessments on the property, as allowed by the Covenants.

This resolution was adopted unanimously by the Board of the Upper Linda Vista Homeowners Association on April 28, 2009. The resolution's policies are effective on May 1, 2009.