

May 25, 2007

Dear Homeowners:

Attached is a copy of the Enforcement Policy for Violations for your community. While we hope that everyone will follow the guidelines of the community as set forth in the Declaration of Covenants, Conditions and Restrictions (CC&R's), we understand that occasionally a dispute or misunderstanding of the policies may arise. This Enforcement Policy is designed to assist you with your rights as a homeowner.

These CC&R's outline certain expectations of you as a homeowner. For example, before you do an exterior modification, you are required to get prior approval from your Appearance Control Committee. An exterior modification can be big or small – it may include adding a satellite dish or storm door, changing a door or shutter color, adding a tree, modifying an existing deck or patio, having a fence installed, or adding a swing set or basketball goal. You also have an obligation to maintain the exterior of your home in a neat and presentable manner – this includes lawn mowing and weed control.

When the approval process is not followed or when a homeowner violates the CC&R's, there is a violation system in place. Attached is a copy of the violation policy for your community. Before a fine is levied against a homeowner, every attempt is made by your Homes Association to contact you, notify you of the violation and give you an opportunity to voluntarily remedy the situation. If you do not agree with the policy, an appeal process is available to you and outlined in the attached Enforcement Policy for Violations. Please note that fines start at \$250 and \$50 per day for each day that the violation is not corrected. Failure to remedy or pay may result in a lien being levied against your home.

We do not want to have to enforce these remedies. We hope that you will all willingly comply with the covenants of your homeowners association and respond in a positive manner if notified of an infraction. *Our goal is to ensure that every homeowner will enjoy and benefit from community association living, that the property values will be enhanced and that all policies are fairly and uniformly enforced.*

This information is being distributed on behalf of your Board of Directors and the Homeowners Association by the Tiehen Group, Inc.

**RESOLUTION OF THE
THE PRESERVE AT STRATTON OAKS HOMES ASSOCIATION
BOARD OF DIRECTORS
RULES REGARDING ENFORCEMENT POLICY
FOR VIOLATIONS OF GOVERNING DOCUMENTS**

WHEREAS, The Preserve at Stratton Oaks Homes Association has the authority pursuant to its Declaration of Covenants, Conditions and Restrictions and Bylaws (“Governing Documents”) to establish, in its reasonable discretion, rules and regulations concerning violations of the provisions of the Governing Documents; and,

WHEREAS, the Board of Directors of the Association (“Board”) finds there is a need to establish procedures for the enforcement of the Governing Documents and for the elimination of violations which may be found to exist within the Association;

NOW THEREFORE BE IT RESOLVED, that the following rules, procedures and practices are established for the enforcement of violations of the Governing Documents and for the elimination of violations of such provisions found to exist in, on or about any property within the Association, and the same are to be known as the “Governing Document Enforcement Policy” (“Policy”) of the Association:

1. Establishment of a Violation.

- a. Architectural. Any improvement of any kind or nature erected, placed or altered on any Lot which has not been first approved by the Committee, as defined in the Declaration of Covenants, Conditions and Restriction or which does not in all respects conform to the Governing Documents is deemed a “Violation” under this Policy for all purposes.
- b. Use Restrictions. Any activity or condition allowed to continue on any Lot that is in direct opposition to the Use Restriction or other Governing Documents which is not expressly authorized by the Board is deemed a “Violation” under this policy for all purposes.
- c. Other Violations. Failure to otherwise comply with any of the terms of the Governing Documents shall constitute a “Violation” under this policy for all purposes.

2. Notice of Violation.

- a. Initial Notice. Upon verification of the existence of a Violation, the management staff of the Association (“Management”) will send the Member a written notice of discovery of the Violation (“Initial Notice”). The Initial Notice will inform the recipient as follows:

- i. The nature, description and location of the Violation, including the fines to be subsequently levied if the Violation is not remedied; and
 - ii. A request to remedy the Violation; and
 - iii. Notice that if the Violation has already been corrected to disregard the notice; and
 - iv. Notice of the Member's right to request a hearing regarding the Violation. Upon request, a hearing date, convening time and place will be established for all parties involved to present any statements, evidence or witnesses in their behalf. Failure to request a hearing within ten (10) calendar days from the date of the initial notice shall be deemed a waiver of right to a hearing or to appeal any fines and/or sanctions or costs which may be imposed by the Board of Directors. The minutes of the Board of Directors shall contain a statement of the results of the hearing.
- b. Second Notice of Violation. If the Member (i) fails to remedy the Violation or (ii) fails to submit plans and specifications for the offending improvement to the Committee (if such plans and specifications are required), or (iii) is denied approval of the plans and specifications submitted by the Member, and the Violation is continuing for more than ten (10) days from the date of the Initial Notice, Management shall send the Member a Second Notice of Violation informing the recipient as follows:
- i. The nature, description and location of the Violation and the failure of the Member to correct the Violation, as previously requested; and
 - ii. Notice that the Member will be assessed a Two Hundred and Fifty Dollar (\$250) fine resulting from the failure to correct the Violation, as previously requested; and
 - iii. Notice that if the Violation is corrected or eliminated within ten (10) days from the date of the Second Notice of Violation, no further action will be taken; and
 - iv. If necessary, work on any improvement must cease immediately and may not resume without the expressed written approval of the Committee; and
 - v. Failure to remedy or cease work on any subject improvement will result in the Association electing to pursue any one or more of the remedies available to the Association under the Governing Documents or this Policy.

c. Failure to Remedy. Failure to (i) cease all work immediately upon receipt of the Second Notice of Violation, or (ii) remedy the current violation existing upon the Lot within ten (10) days from the date of the Second Notice of Violation, shall constitute a continuing Violation and result in one or more of the following: (a) an additional fine of Two Hundred and Fifty Dollars (\$250) being levied by the Association against the Member, (b) correction of the offending improvement by the Association at the expense of the Member (all costs therefor will be charged to the Member, which costs shall constitute a lien against the subject Lot; or (c) any other remedy under law or at equity, the Governing Documents or this Policy, including but not limited to injunctive relief. Management shall send to the Member a formal Notice of Fine informing the recipient of the continuing Violation and the remedy chosen as a result thereof.

d. Fine Structure.

- i. Initial Notice of Violation = no fee
- ii. Second Notice of Violation = \$250.00
- iii. Failure to Remedy = \$250.00
- iv. Notice of Fine = \$50.00 per day until resolved
(accrues date notice is issued)

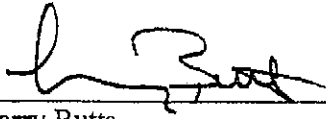
Any fines and costs imposed are due within 15 days of the receipt of the notification of the Board of Directors results. Overdue amounts will be charged a late fee of Twenty Dollars (\$20.00) per month, plus any cost associated with collection and may be collected by any and all collection methods permitted by law, including the placement of a lien against the Owner's property. Failure to pay any fines, costs or late fees will also result in loss of "Member in Good Standing" status and suspension of privileges including voting.

3. Corrective Action. Where a Violation is determined to exist and referred to the Board of Directors, pursuant to any provision of this Policy, Management, with the approval of the Board, may undertake to cause the Violation to be corrected, removed or otherwise abated by qualified contractors if Management, in its reasonable judgment, determines the Violation may be readily corrected, removed or abated without undue expense and without breach of the peace. Where Management decides to initiate any action by qualified contractors, the following will apply:

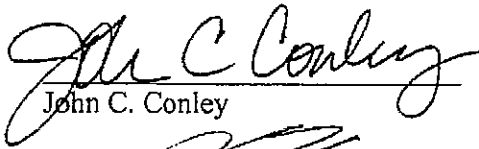
- a. Management must give the Member and any third party directly affected by the proposed action prior written notice of undertaking of the action. The forgoing notice may be given at any time.
- b. Cost incurred in correcting or eliminating the Violation will be referred to the Association and recovered from the Member.

- c. The Association, and its agents and contractors will not be liable to the Member or any third party for any damages or costs alleged to arise by virtue of action taken under this Policy where the Association and its agents have acted reasonably and in conformity with this Policy.
4. Referral to Legal Counsel. Where a Violation is determined to exist and is referred to the Board pursuant to any of the provisions of this Policy and where Management deems it to be in the best interests of the Association, the Board may, at any time during the enforcement process, refer the Violation to legal counsel for action seeking injunctive relief against the Member to correct or otherwise abate the Violation, or to pursue any other legal or equitable remedy that may be available to the Association. Unless otherwise prohibited by law, the Association's costs thereof, whether or not the Violation is litigated, shall be charged to the violating Member and shall constitute a lien against such Member's Lot.
5. Notices.
 - a. Any notice required by this Policy to be given, sent, delivered or received in writing will be deemed to have been given, sent, delivered or received as of the date the notice is deposited into a receptacle of the United States Postal Service with postage prepaid and addressed to the most recent address of the recipient according to the records of the Association or the date such notice is hand delivered to the Member.
 - b. Where the interests of a Member are handled by a representative or agent of such Member, any notice or communication from the Association or Management pursuant to this Policy will be deemed full and effective for all purposes if given to such representative or agent.
6. Cure of Violation During Enforcement. A Member may correct or eliminate a Violation at any time during the execution of any procedure prescribed by this Policy. Upon verification by Management that the Violation has been corrected or eliminated, the Violation will be deemed to no longer exist. The Member will remain liable for all costs and fines under this Policy, which costs and fines, if not paid upon demand, will constitute a lien upon the subject Lot.

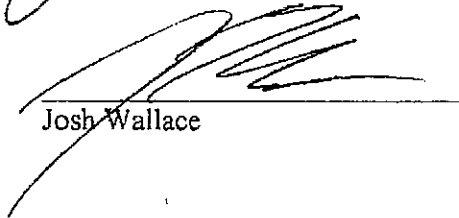
This is to certify that the foregoing resolution was adopted May 1, 2007, by the Board of Directors of The Preserve at Stratton Oaks Homes Association, effective immediately until such date as it may be modified, rescinded or revoked.



Larry Butts



John C. Conley



Josh Wallace