

HILLS OF SHANNON

DECLARATION OF RESTRICTIONS

This policy has been adopted, as amended, by the Hills of Shannon Homeowners Association Inc. ("Association"), at a member meeting on May 14th, 2024 effective as of that date.

DEFINITION OF TERMS USED:

The word "street" shall mean any street, road, drive, or terrace of whatever name, as shown on said plat of HILLS OF SHANNON.

The word "outbuilding" shall mean an enclosed, covered structure not directly attached to the residence to which it is appurtenant. No outbuilding may exceed 80 square ft and may not exceed 8 feet in height unless approved in advance by the Architectural Committee. The homeowner is responsible for following the City of Smithville code(s) regarding property and utility easements on said property.

The word "lot" as used herein may mean any numbered lot as plotted and upon which a residence may be erected in accordance with the restrictions herein set forth. A "corner lot" shall be deemed to be any lot as platted having more than one street contiguous to it.

"Architectural Control Committee" or "Committee" shall mean the Developer, or its successor designated in written instrument properly executed and recorded with the Recorder of Deeds. When Developer shall have sold all lots in all the subdivisions designated as "Hills of Shannon," whether in one or more plats, the homes association representing the lot owners may appoint the Committee.

"Homes Association" or "Association" shall mean an organization representing all owners of lots restricted hereby, with definite rules for the conduct of its affairs and allowing for the participation of all owners.

PERSONS BOUND BY THESE RESTRICTIONS:

All persons and corporations who may own or shall here after acquire any interest in the above described lots here-by restricted shall be taken to hold and agree and covenant with the owner of said lots, and with its successors and assigns, to conform to and to observe the following covenants, restrictions, and stipulations as to the use thereof and the construction of residences and improvements thereon for a period of time ending on December 31, 2030, provided, however, that each of said restrictions shall be renewable in the manner hereinafter set forth.

SECTION I. USE OF LAND:

None of the lots hereby restricted may be improved, used, or occupied for other than private residence purposes, and no two-family homes or multi-family homes, although intended for residential purposes, may be erected thereon. Any residence erected or maintained on any of the lots hereby restricted shall be designed for occupancy by a single family and each such residence shall have not less than one attached and enclosed garage. All the off-street parking surfaces, including driveways, shall be initially constructed, and thereafter maintained with concrete. Home based businesses must be licensed and insured accordingly and must adhere to the City of Smithville zoning code section 400.355.

As of April 16, 2013, a homeowner may have only one rental property in said subdivision. Any homeowner who prior to April 16, 2013, has more than one rental property in said subdivision may retain ownership of property owned as of that date but may not acquire any additional properties for rental properties.

SECTION II. REQUIRED HEIGHT OF RESIDENCES:

Any residence erected on any of the lots hereby restricted shall not be more than two (2) stories in height, provided, however, that any residence more than two (2) stories in height may be erected thereon with the prior consent in writing of the Architectural Control Committee.

SECTION III. FRONTAGE OF RESIDENCES ON STREETS:

Any residence erected wholly or partial on any corner lot shall front or present a good frontage on the street designated by the Architectural Control Committee.

SECTION IV. SETBACK OF RESIDENCE FROM STREET:

(a) No part of any residence, except as hereinafter provided, may be erected, or maintained on any of the lots hereby restricted, nearer to the front street or the side street than is the front building or the side building line shown on said plat of Hills of Shannon of the lot or lots on which said residence may be erected provided, however, that the Architectural Control Committee reserves the right to change any building line shown thereon. No building may be constructed in violation of existing municipal zoning ordinances relating to setback of structures.

(b) Those parts of the residence which may project to the front of and be nearer to the front street and the side street than the front building lines and the side building lines are as allowed by applicable municipal zoning ordinances.

SECTION V. REQUIRED SIZE OF RESIDENCES:

Any residence erected on any lot in the Hills of Shannon shall contain a minimum area of eleven hundred (1,100) square feet of enclosed area. The Architectural Control Committee shall have and does hereby reserve the right to reduce the foregoing minimum required size of residence by no more than ten percent (10%).

The word "enclosed floor area" as used herein shall mean and include, in all cases, areas on the first and second floor of the residence enclosed and finished for all-year occupancy, computed on outside measurements of the residence and shall not mean or include any areas in basements, garages, porches, or attics; provided, however, that certain interior areas of the second floor need not be immediately finished for occupancy if the residence is so designed and built that such area can be finished at a later date without any structural changes being made in the exterior of the residence.

SECTION VI. FREE SPACE REQUIRED:

No residence, including attached garages, attached green-houses, or porches, shall occupy a greater portion of the lot than is allowed by applicable municipal zoning.

SECTION VII. RIGHT TO APPROVE PLANS:

No building shall be erected, placed or altered on any building lot in this subdivision until the building plans, specifications and plot plan showing the location of such building have been approved, in writing, as to conformity and harmony of external design with existing structures in the subdivision, and as to location of the building with respect to topography and finished ground elevation by the Architectural Control Committee.

Upon any such request for approval, the party requesting such approval shall submit simultaneously with said request the following documentation:

- (a) Four (4) exterior elevations delineating front elevation, back elevation, and both side elevations.

- (b) A site plan of the house as it will sit on the lot.
- (c) Floor plan.
- (d) A list of all exterior materials to be used, including roof, masonry, siding, and windows, materials, or types.
- (e) A landscape plan showing proposed planting for the yard.
- (f) A schedule of exterior colors to be used.

The documentation listed above is intended only as a minimum requirement and the Architectural Control Committee shall be free to request any and all other documentation that said Committee in its sole discretion deems necessary. All such documentation shall be submitted in duplicate and shall be signed by the party requesting its approval.

In the event said Committee, or its designated representative, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, such approval will not be required, and this covenant will be deemed to have been fully complied with.

SECTION VIII. MAINTAINING SIGHT DISTANCE:

No vegetation, fence or wall which tends to block the view of traffic shall be placed or permitted to remain on any corner lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended.

SECTION IX. REQUIRED BUILDING MATERIALS:

Exterior walls of all buildings, structures, and appurtenances thereto shall be of brick, stone, wood siding, stucco, wood paneling, plate glass, masonite, or a combination thereof. As of April 16, 2013, no vinyl or metal siding is allowed to be used at any time unless used to repair existing exterior walls. Windows, doors, and louvers shall be glass and wood, vinyl, or colored metal. Roofs shall be covered with grey shingles carrying a minimum twenty-five (25) year guarantee. Any roof currently not having grey shingles, when needing to be replaced, will have grey shingles with a minimum 25-year guarantee applied. Any building products which may hereafter come into general usage for dwelling construction in this area after the date of these restrictions shall be deemed acceptable if approved in writing by the Architectural Control Committee. All wood, stucco, and masonite exteriors shall be covered with a workmanlike finish of paint and/or stain, unless another finish is approved in writing by the Architectural Control Committee.

No building shall be permitted to stand with its exterior in an unfinished condition for longer than three (3) months after commencement of construction. The term "commencement of construction," as used herein and in the preceding paragraph, shall mean the pouring of foundation walls. In the event of fire, windstorm, or other damages, no building(s) shall be permitted to remain in a damaged condition longer than three (3) months after commencement of construction. Any owner of a structure in violation of this section may, in the discretion of the Architectural Control Committee, be assessed a fine payable to the Association of not less than One Dollar (\$1.00) nor more than One Hundred Dollars (\$100.00) per day for every day the violation continues.

The fine provided for herein, if not paid when assessed, shall become a lien upon the real estate upon which the structure in violation of this section is located, provided, however, that such lien shall be inferior and subordinate to the lien of any valid first mortgage now existing or which may hereafter be placed upon said real estate. Such liens may be enforced by the Association in any court in Clay County, Missouri, having jurisdiction of suits for the enforcement of such liens.

SECTION X. SODDED YARDS:

The entire front, rear and side yards of every lot in the Hills of Shannon subdivision and the unpaved portions of street easement contiguous thereto, shall be sodded with grass at the earliest time after construction of a dwelling on said lot as the weather will permit, and in no instance will seeding or plugging be considered a

substitute for such original sodding without the consent in writing of the Architectural Control Committee. Lawns must be maintained in according to local codes and ordinances.

SECTION XI. OUTBUILDING PROHIBITED:

No building or other detached structures appurtenant to the residence may be erected on any of the lots hereby restricted without the prior consent in writing of the Architectural Control Committee.

SECTION XII. FENCES, WALLS, SHRUBS AND ABOVE-GROUND POOLS:

No fence, wall, hedge, or swimming pool will be erected, constructed, planted, or maintained upon any of the lots hereby restricted without the prior written approval as to design, shape, location, type, and height by the Architectural Control Committee. No fence shall be constructed using a material other than wood, wrought iron or masonry. The Architectural Control Committee shall not approve any fence, wall, hedge, or shrub that violates Section VII hereof. Homeowners must comply with the City of Smithville rules and acquire ALL necessary permits needed (including blow-up pools). All pools are subject to Architectural Control Committee inspection to ensure pool up-keep is in order.

SECTION XIII. PETROLEUM TANKS PROHIBITED:

No tank or the storage of fuel may be maintained on any of the lots hereby restricted.

SECTION XIV. OUTSIDE ANTENNAS OR TOWERS PROHIBITED:

No radio or television antennas or tower or satellite dishes may be kept or maintained on any of the lots hereby restricted except within the confines of a dwelling unit erected thereon without the consent in writing of the Architectural Control Committee. No dish antennas are allowed without the consent in writing of the Architectural Control Committee. No solar panels are allowed without the consent in writing of the Architectural Control Committee.

SECTION XV. RESTRICTIONS OR MAINTANING PETS:

No wild, semi-wild or domestic mammals, reptiles or birds may be kept or maintained upon any of the lots hereby restricted without the prior consent in writing of the Architectural Control Committee, except that dogs and cats are restricted to the City of Smithville ordinances.

SECTION XVI. BILLBOARDS PROHIBITED:

Except for entrance signs, signs for traffic control or street designation or safety, signs for community "theme areas", "for sale" signs, such promotional sign or signs as may be installed and maintained by the Association, no signs, billboards, objects or advertising devised of any character shall be erected, posted, displayed or permitted to remain upon any of the lots hereby restricted or upon any improvement located upon such lot. No signs are to be placed in front of the main subdivision sign on the east side of the entrance. Any sign placed in this area will be subject to immediate removal and discarded without notice.

SECTION XVII. AUTOMOBILE REPAIRING AND STORAGE OF AUTOMOBILES, BOATS, TRAILERS, ETC:

No automotive repair or rebuilding, whether for hire or otherwise, shall occur on any of the lots hereby restricted, except minor automotive repairs on a non-commercial basis and not for hire may be conducted.

No inoperative motor vehicle of any kind or nature, boat, trailer, delivery vehicle or damaged, unlicensed, rusted or abandoned vehicle of any other type of description maybe stored or parked upon any of the area or lots hereby restricted for more than two (2) days, except that such storage or parking shall be permitted

within the confines of any building built on any of the lots hereby restricted. No vehicle larger than 14,000-pound gross vehicle weight rating (GVWR) is permitted to park on driveway, street, or any part of the Subdivision. No boat, camper, recreational vehicle shall be stored on driveway, except for the dates between March 1st - November 15th except for the purposes of preparing or repairing said vehicles, not to exceed 7 consecutive days outside of these dates. No boat, camper, recreational vehicle, or trailer shall be stored on the street at any time. All vehicles and trailers shall be in good condition. Nothing in this section, however, shall be so construed as to prohibit the regular parking of not more than four (4) automobiles in running condition and in a reasonable state of repair and preservation on any driveway permitted to be maintained on any of the lots hereby restricted. Any vehicle that puts the number of vehicles over (4) shall be required to be stored/parked within the confines of any building built on the lot for this purpose. No RV's larger than 35 feet in length shall be stored in the driveway and parked in a manner that complies with city ordinances. Section XVII shall be subject to change with notice to the members but does not require a community vote as determined to be necessary to maintain the quality of Hills of Shannon by the board.

SECTION XVIII. AIR CONDITIONERS:

No air conditioning apparatus or unsightly projections shall be attached or affixed to the front of any residence.

SECTION XIX. OFFENSIVE ACTIVITIES:

No noxious or offensive activities shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance to the neighborhood and/or violate city ordinance.

SECTION XX. MISCELLANEOUS PROVISIONS:

- (a) Exterior Clothes Lines and Poles: No exterior clothes lines or poles may be erected or maintained on any of the lots hereby restricted.
- (b) Exterior Christmas Lights and/or Decorations: No exterior Christmas lights and/or decorations may be erected or maintained on any of the lots hereby restricted except during a seventy-five (75) day period beginning November 1st of each calendar year.
- (c) Dogs Running at Large: Dogs shall be confined to the lot of the owner(s) thereof. All household pets permitted by Section XV shall be confined and not allowed to run at large on the property hereby restricted.
- (d) Exterior Sporting Equipment: No exterior basketball goals, tether poles, trampolines, volleyball or badminton posts or nets or similar sporting equipment shall be erected or maintained on any of the lots or tracts hereby restricted, without the prior written consent by the Architectural Control Committee. Any such equipment must be properly maintained at all times by the homeowner.
- (e) All exterior basement foundations and walls which are exposed in excess of twelve (12) inches above the final grade level shall be painted the same color as the house or covered with siding compatible with the structure.

SECTION XXI. EASEMENTS:

Easements for entry monuments, common areas, installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat of Hills of Shannon subdivision.

SECTION XXII. COMMON AREAS:

Tracts "A" and "B," as shown on the plat of the Hills of Shannon, First Plat, are set aside for use of entrance features and other entrance facilities including monuments, signage, plantings, and landscaping. Following the transfer from the Developer to the Homes Association of one or more phases of the platted

subdivision, dues shall commence thereafter on February 1st of the following year and shall not exceed a total of \$170.00 per year. Any changes to the amount of yearly assessment shall require 60% approval of all homeowners.

(a) Title to Common Areas: Developer may retain the legal title to the common areas until such time as in the opinion of the Developer a Homes Association for said subdivision is formed and is able to maintain the same, but notwithstanding any provision herein, the Developer hereby covenants for itself, its successors and assigns, that it shall convey the common areas subject to utility easements and these Restrictions not later than the time when the Developer or its successor has sold all of the lots in the subdivision. The Homes Association shall accept the conveyance of such common areas.

(b) Easement on Common Areas: The right and easements of enjoyment created hereby, as to the common areas, shall be subject to the right of the Homes Association to assign or convey sewage, water, drainage, and other utility easements over, through, or under all or any part of such common areas.

(c) Rules and Regulations Pertaining to Common Areas: The following rules, regulations and restrictions shall apply to the common areas as the same may be applicable. In the enforcement of each such rule, regulation and restriction, lot owners shall be fully responsible for the acts of each resident of their home and each of their social and/or business invitees.

- (1) No automobile or any other motorized vehicle shall be driven, ridden, or parked in any common area except at those places within such common areas specifically designated for that use.
- (2) No refuse shall be discarded in or about the common areas.
- (3) No structures or vegetation are permitted to be built or planted on the common areas without prior written approval of the Architectural Control Committee.
- (4) The Homes Association shall have the right to make additional regulations and rules pertaining to the use of the common areas.

SECTION XXIII. DURATION OF RESTRICTIONS:

Each of the restrictions as herein set forth shall continue and be binding until December 31, 2030, and shall automatically be continued thereafter for successive intervals of ten (10) years each, provided, however, that the owners of the fee simple title to more than two-thirds (2/3) of all of the lots hereby restricted may release all of the land which is hereby restricted from any one or more of the restrictions herein set forth at any time by executing and acknowledging an appropriate agreement or agreements in writing for such purpose and filing the same for record in the office of the Recorder of Deeds of Clay County, Missouri.

SECTION XXIV. RIGHT TO ENFORCE:

- (A) The restrictions herein set forth shall run with the land and shall bind the present owner, its successors and assigns, and all parties claimed by, through or under the present owner shall be taken to hold, agree and covenant with the owner of the lots hereby restricted and with its successors and assigns, and with each of them, to conform to and observe said restrictions as to the use of said lots and the construction of improvements thereon. No restriction herein set forth shall be personally binding upon any corporation, person, or persons except in respect to breaches committed during its, his, her or their seizing of, or title to said land. The owner or owners of any of the lots hereby restricted, and the Hills of Shannon Homes Association through its Board of Directors shall have the right to make use of and obtain an injunction, prohibitive or mandatory, to prevent the breach of, or to enforce the observance of the restrictions above set forth, in addition to any ordinary legal action for damages, or any owner or owners of any lot hereby restricted or the Hills of Shannon Homes Association to enforce any of the restrictions herein set forth at

the time of its violation shall, in no event, be deemed to be a waiver of the right to do so thereafter. The Association, by appropriate agreement made expressly for that purpose, or by means of express words to that effect contained in a deed to any lot restricted hereby, assign or convey to any person or corporation, all of the rights, reservations and privileges herein by or granted to it in respect to all or any part of said lots, and upon such assignment or conveyance being made, its assigns or grantees may at their option exercise, transfer or assign those rights or any one or more of them at any time or times in the same way or manner as those directly reserved by or granted to them in this instrument.

(B) **Enforcement, Attorney's Fees, and Fines/Sanctions.** The provisions of this Policy shall not limit, or be a condition precedent to, the Association's right to enforce the Association's Documents by any means available to the Association, including, but not limited to, commencement of a lawsuit to force compliance or seeking injunctive relief or damages. The Association shall be entitled to reimbursement of all reasonable attorney's fees and costs incurred by the Association in connection with any enforcement action, including any proceeding under this Policy. Without limiting the Association's remedies under the Association's Documents, the Association may assess fines and suspend membership privileges in accordance with this Policy, (see Exhibit A). If the violation involves damage to Association property by a family member or guest of the Homeowner, the Homeowner Shall pay the costs of repair or replacement. The Board may revoke or suspend a Homeowner's privileges. The procedures set forth in this Policy shall not be necessary to impose any sanction or penalty for nonpayment of a delinquent assessment or Default Assessment.

Exhibit A

1. **Power.** The Board of Directors shall have the power and duty to hear and make decisions regarding violations and written complaints filed with the Board and impose fines or other sanctions, pursuant to this Policy. The Board may determine enforcement action on a case by case basis, and take other actions as it may deem necessary and appropriate to assure compliance with the Declaration of Restrictions, Homes Association Declaration ("Declaration"), the Association's Articles of Incorporation, Bylaws, and rules and regulations promulgated thereunder (hereafter collectively the "Association's Documents"), and to create a safe and harmonious living environment.

These enforcement provisions may be in addition to other specific provisions outlined in the Association's Documents, and the Association is not required to follow these enforcement provisions before seeking such other remedies. The Association may choose a legal remedy or seek assistance from other enforcement authorities, such as police, fire, or animal control, as it deems appropriate.

2. **Complaint.** A determination on whether the Association's Documents have been violated and any enforcement measures and remedies that may apply is initiated by the Association directly or by a Homeowner contacting a member of the Association's Board of Directors or the property manager either
 - (a) orally,
 - (b) in writing,
 - (c) through electronic mail or
 - (d) through electronic forms or links provided on the Association's website. Homeowners are encouraged to provide as many specifics as are available as to time, date, location, and persons involved.
3. **Notice of Violation, Demand for Abatement.** Upon receipt of a complaint, the Association shall determine if the alleged violation of the Documents is attributable to a homeowner of the Association ("Homeowner") or the Homeowner's family member(s) or guest(s) and whether the allegations are sufficient to constitute a violation of the Association's Documents and that action by the Association is warranted.

Association Action. If the Association determines that the allegations in the complaint are sufficient to constitute a violation of the Association's Documents and that action is warranted, the Association shall take the following action:

The Association will send a notice ("Demand for Abatement") to the Homeowner, by electronic mail or first-class mail addressed to the appropriate address on file in the records of the Association at the time for such notice. The notice shall advise the Homeowner of the following:

- (a) the alleged violation;
- (b) the action required to abate the violation;
- (c) Except as prescribed in Section 4, a time period not less than ten days, during which the violation may be abated without further sanction, if such violation is a continuing one, or a statement that any additional similar violation may result in the immediate imposition of a sanction, if the violation is not continuing.

4. Fines/Sanctions.

a. Violation in a rolling 12-month period. (Each violation is treated separately)

- (i) Installing a fence, substantial exterior painting of a home, complete or significant installation of roof shingles, or substantial landscape changes without Architectural Committee Approval (ARC).

Effective [TBD], any violation in (i) will be allowed ninety (90) days to address the violation. The homeowner resolution to the violation must be documented and submitted to the HOA within forty-five (45) days. Failure to comply will result in the following fines:

Fine Amounts

Courtesy Notice/Warning: \$0

First notice of violation(s), other than as noted in (i) above: \$50
Second notice of violation(s): \$75

Third notice of violation(s): \$150 per month

Violations other than noted in (i) would be reviewed every ten (10) business days.

- b. **Repeated Violations.** A homeowner who accumulates more than 3 violations within a rolling 12-month period will be deemed to have been a habitual offender. The Board shall determine, in the reasonable exercise of its discretion, whether continuing violations, repeated violations, habitual offenses, or violations with an indefinite commencement or termination date, are deemed Repeated Violations ("Repeated Violations"). Without limiting the Board's ability to fine or suspend membership privileges in accordance with this Policy, Repeated Violations shall all be subject to a fine of \$150 per month until the violation is corrected, and suspension of membership privileges as determined by the Board. Further, in the event of a determination by the Board of a willful, wanton or flagrant disregard for the provisions of the Association's Documents, or based on the severity of the violation, the Board may impose such additional fines as are deemed reasonable by the Board without regard to the schedule set forth above.
- c. **Obligation to pay fines.** The record Homeowner of real estate subject to the Declaration shall have the primary obligation to pay fines imposed for their actions and actions of their tenants, family members, and guests. Fines imposed pursuant to this Policy shall become a Default Assessment imposed against the record Homeowner's real estate and enforceable as provided in the Bylaws and the Declaration of Restrictions.

5. Notice of Hearing. At any time within twelve months of date of the Demand for Abatement, if the violation continues past the period allowed in the Demand for Abatement without penalty or if the same violation subsequently occurs, the Board or its agent may mail the Homeowner a written notice of a hearing ("Notice of

Hearing") to be held by the Board. The Notice of Hearing shall contain:

- (a) the nature of the alleged violation;
- (b) the time and place of the hearing, which time shall not be less than ten days from the date of the Notice of Hearing;
- (c) an invitation to attend the hearing and produce any statement, evidence, and witness on his or her behalf, and
- (d) may contain the following statement: **The Board may determine that the Homeowner's failure to respond to this Notice of Hearing or failure to appear at the hearing constitutes a no-contest plea to the complaint or Demand for Abatement and enforce the provisions of the Association's Documents.**

6. **Hearing.** The hearing shall be held pursuant to the Notice of Hearing affording the alleged violator a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of notice and invitation to be heard shall be placed in the minutes of the hearing. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator appears at the hearing. If the Homeowner does not appear but a written response is filed, the Board shall render its decision based on the information contained in the complaint and the written response, considering all the relevant facts and circumstances. If neither an appearance nor a written response is made, the Board need not conduct a hearing or make any further findings except that it may determine that the Homeowner's failure to appear or respond constitutes a no-contest plea to the complaint, and impose the sanctions provided for herein or enforce the provisions of the Association's Documents, or both. The Board may:
- (a) exercise its discretion as to the specific manner in which a hearing shall be conducted;
 - (b) question witnesses and review evidence; and
 - (c) act as it may deem appropriate or desirable to permit the Board to reach a just decision.
7. **Decision.** If the Homeowner appears at the hearing or provides a written response, after all testimony and other evidence has been presented to the Board at a hearing, the Board shall render its decision(s), taking into consideration all the relevant facts and circumstances. The decision of the Board shall be final. Except as provided herein, the Board's decision shall have an effective date no sooner than the day after the hearing. If the Board does not inform the Homeowner of its decision at the time of the hearing, or if no hearing is held, the Board will provide a written decision to the Homeowner's address of record via first class mail within ten (10) days after the hearing. The minutes of the hearing shall contain a written statement of the results of the hearing and sanction, if any, imposed.
8. **Violations or Offenses that Constitute a Present Danger.** If, in its sole discretion, the Board deems that any violation is or may be an immediate or substantial threat to the health, safety or welfare of the community or an individual, the Board may impose any appropriate sanction as necessary to abate the threat to health, safety or welfare of the community or individual without prior compliance with Sections 1 through 7 above.
9. **Business Judgment Rule.** The decision of the Board to pursue enforcement action in any case shall be left to the Board's discretion, subject to the duty to exercise its business judgment, and shall not be arbitrary or capricious in taking enforcement action. Without limiting the generality of the foregoing, the Board may determine that, under the circumstances of a particular case:
- i. the Association's position is not strong enough to justify taking any or further action;
 - ii. the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with

- applicable law;
- iii. although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Association's resources; or
- iv. that it is not in the Association's best interests, based on hardship, expense or other reasonable criteria, to pursue enforcement action.

10. Miscellaneous.

- (a) Failure by the Board to enforce any covenant, restriction or rule, or any other provision of any of the Association's Documents shall in no event be deemed a waiver of the right to do so thereafter or preclude the Association from enforcing any other covenant, restriction, or provision of the Association's Documents.
- (b) The provisions of this Policy shall be independent and severable. The invalidity of any one or more of the provisions hereof by judgment or court order or decree shall in no way affect the validity or enforceability of any of the other provisions, which other provisions shall remain in full force and effect.
- (c) Action taken by the Association in accordance with this policy, or a decision to not act, shall not affect a Homeowner's right to bring his own enforcement action under the provisions of the Declaration.

11. Revisions. Exhibit A can only be modified by two thirds vote by members of the association who are currently in good standing and not in violation of the Bylaws or Declaration of Restrictions.