

Sudden Valley Community Association

Compliance Program

REVISION LOG**Technical Documentation Control and Signoff Form**

This is a controlled document. Any content change to this document must be reviewed and approved by the appropriate authority prior to use and issue.

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Chapter 1 INTRODUCTION

Purpose

Compliance procedures can have a significant impact on property values and owner enjoyment. The following procedures have been established to provide a consistent and equitable process under which compliance enforcement shall be conducted in Sudden Valley.

Definition – Compliance

For the purpose of this document, compliance is defined as:

Conformity with the Governing Documents of the community and/or abiding by the rules and regulations established or modified by the Association.

The requirements start with Plat Maps and building requirements, and flow down through Articles of Incorporation, By-laws, CC&Rs, and Rules and Regulations established by Board Resolutions.

SVCA Compliance Goal

The Compliance Program is implemented to achieve an orderly and attractive community by ensuring community standards are being maintained consistent with established Rules and Regulations equally and fairly throughout all gates in the community.

Educating members on requirements associated with Association Rules and Regulations is the priority. Staff is dedicated to working with our membership to identify, address and resolve non-compliant conditions.

Implementing Community Compliance

Compliance is achieved through two methods:

- 1) Year-round monitoring following an established annual schedule.
- 2) In response to a signed complaint from a member.

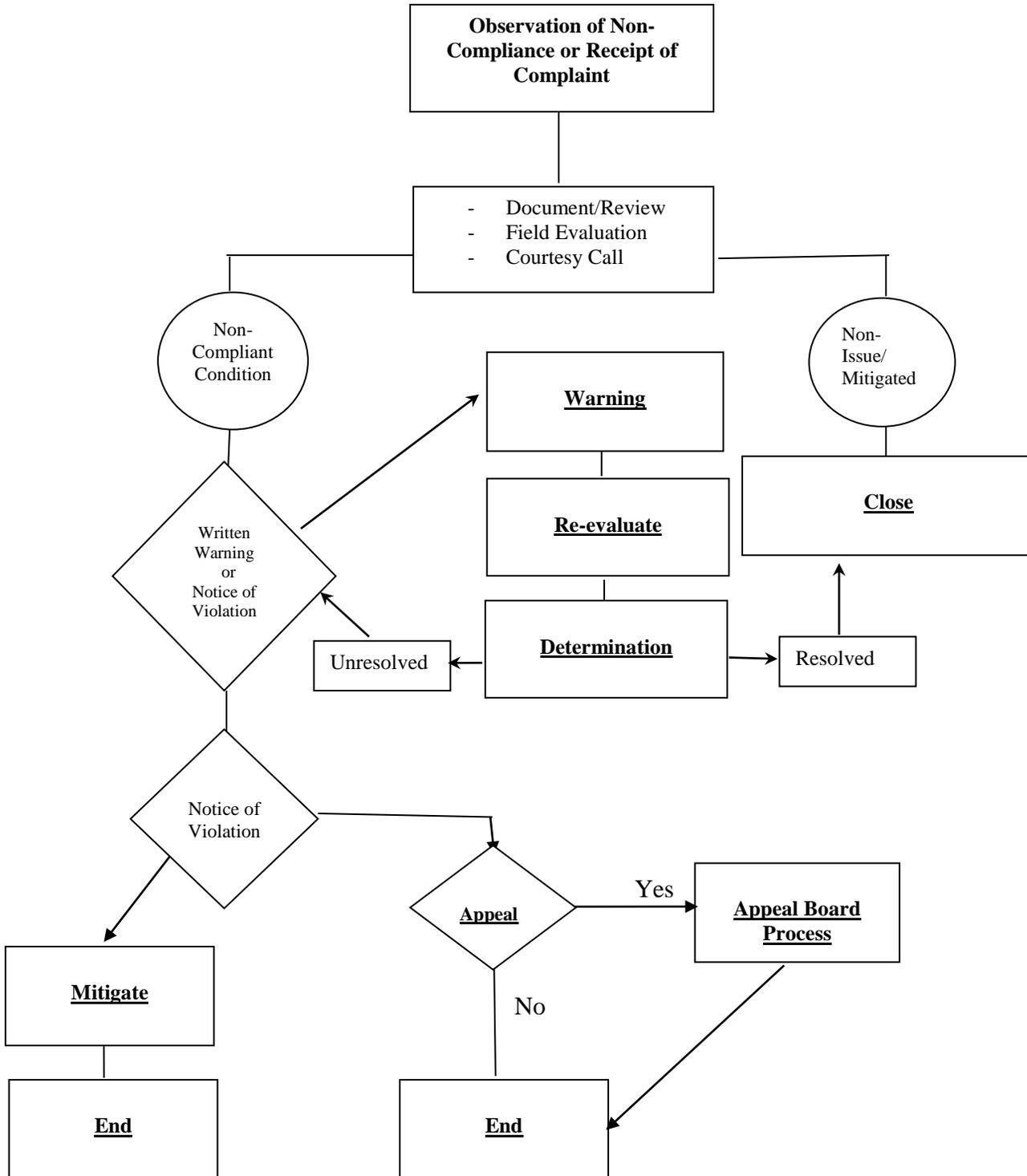
Scheduled Compliance – Following an established annual schedule, SVCA Staff tours the community at non-scheduled intervals to observe, identify, and communicate observations of non-compliant conditions. With the exception of egregious safety issues, all observations are communicated to owners with warnings slips or letters stating the observation, the regulation in conflict and requesting corrective action.

Complaint Compliance – Written compliance complaints submitted to the Safety, Security and Compliance Manager (SSCM) will be evaluated to determine an appropriate response, which includes a courtesy response to the member that submitted the complaint. With the exception of egregious safety issues, all notifications will start with a phone call, warning slip or warning letter stating the observation, the regulation in conflict, and a request for a corrective action. Under no circumstance shall the name of the complainant be given out (unless subpoenaed).

Chapter 2 Compliance Process

Decision Tree – Compliance Process

The following decision tree is utilized by the Association in addressing compliance concerns.



Documentation Retention

Documentation of each step is vital to our procedure, particularly if an issue should escalate to the court system. Compliance actions are maintained electronically on the Sudden Valley “H” drive by address and in the “C3” system.

Chapter 3 Compliance Focus Program**Criteria**

The SVCA SSCM is responsible for the development and annual update of the Compliance Focus Topics Schedule. The following criteria are utilized when developing the annual schedule:

- Schedule is equally applied to all locations/gates
- Topics are set by quarter, seasonally adjusted
- Topics are based on specific, established governing requirements

The schedule is adjusted in December following the AGM to allow for incorporating changes to rules and regulations that may have been approved by the membership.

Community Notification

Compliance activities will be communicated regularly to the membership using the Views, Sudden Valley Web Page and Eblast. Compliance metrics will be included in the General Manager’s monthly report to the BOD. All such reporting shall be generic in nature and not disclose the names or addresses of any owner or resident.

Security Role in Compliance

Given Security drives through the community each day they are uniquely positioned to observe and report on compliance issues. While this is not their primary role they will be advised of the quarterly compliance topics and to report observations to the SSCM. In addition, any non-compliant conditions noticed by Security in the performance of their patrols shall be forwarded to the SSCM.

Warning Slips

Security and SVCA Staff may utilize Warning Slips to indicate violations to owners. These slips will list the reason for the issuance of the warning, the specific rule violated and provide contact information should an owner have questions.

Compliance Process

Compliance will be conducted to promote harmonious community living. Members are to be approached in a friendly manner and reminded that compliance requirements are not personal attacks. A willingness to work with the community shall be established with the goal of adherence to the community’s rules.

Compliance enforcement generally follows the following process:

- Tour the Association per the annual schedule or monitor a specific location in response to a written complaint
- Identify specific non-compliant observations
 - o Date / time
 - o Location
 - o Photographic record
- Determine appropriate level of response, if other than SSCM, issue Warning Slip
- SSCM may make phone call or send the member a letter (Appendix A) notifying of the non-compliance
 - o Monitor the non-compliance
- After tours, reach out to owners with courtesy calls discussing non-compliant observations.

Time Line for Compliance

The following is the general timeline for the compliance process:

Warning Slip issued or Letter Sent (time to remedy non-compliance is specified in Rules and Regulations). SSCM has discretion to increase time to completely remedy in order to work with owners to accomplish compliance. If unable to achieve compliance, a Notice of Violation may be issued (see Appendix B).

Notice of Violation Issued

A Notice of Violation (NOV) will be issued when there is no correction of the compliance discrepancy. The NOV issued to the homeowner will follow the standard format in this guide.

The homeowner has a 30-day period to file for an appeal of the NOV. Reasonableness will be utilized in scheduling the appeals. If no appeal is requested at the end of 30 days, the SSCM will notify Accounting to place the fine on the owner's account.

Collections Process

Accounting will follow their standard Collections process for collecting the fines. SSCM will maintain an updated Citation Tracker.

Chapter 4 Documentation Statistics for Compliance Focus Program

The following statistics will be tracked for the Compliance Focus Program

- Number of hours/week spent touring
- Number Warning Slips issued
- Number of Notice of Violations issued
- Number of Warnings / Violations by Gate

These metrics will be entered weekly in the "Score Card" for the Sudden Valley Managers Meeting.

Appendix A – Sample of Notification Letter

«Member_Name_»
«Mailing_Address»
«City» «State» «Zip_Code» «Mailing_Country»

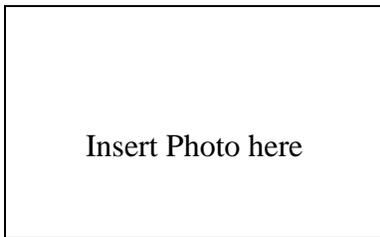
Date

RE: Notification Letter – Compliance Discrepancy: «Acct_ID_» Lot: «Lot»

Dear SVCA Member:

I am writing on behalf of the Sudden Valley Community Association (SVCA) to inform you that during a SVCA compliance patrol the following violation was observed:

MM/DD/YYYY; at 10 Downing Street it was observed there was trash outside of the trash containers and other refuse scattered on the property (see below photo). The following excerpt is from the Sudden Valley Rules and Regulations with regard to trash:



2.1 Each property owner shall maintain his/her property in clean condition, free of trash, unused building materials, combustible brush and materials that would tend to attract vermin or rodents and other debris.

I would like to discuss this situation with you so we have a mutual understanding. I am available Monday – Friday from 9:00 AM to 4:00 PM, email works best to get a hold of me.

Our procedures require bringing this matter to closure within X days (as specified by rule). If the discrepancy is not corrected, by **[insert date]** a Sudden Valley Notice of Violation will be issued restating the violation, the circumstances of the violation and the process to appeal the notice of violation within 30 days.

If you have any questions about this matter, or if you think that we may be able to assist you in resolving it, please call me at (360) 746-8437.

Thank you for your timely attention to this matter.

Regards,

Sudden Valley Community Association
Safety, Security and Compliance Manager

Appendix B – Sample of Notice of Violation and Appeals Process

<p>FOR SVCA USE: Unique Identifier #: NOV _____ DATE/TIME OF ISSUANCE (IF HAND DELIVERED): _____ 20__, _____ a.m./p.m.</p>

NOTICE OF VIOLATION OF RULES AND REGULATIONS

DATE

Name: _____
Mailing Address: _____
Property: _____

RE: NOTICE OF VIOLATION AND DEMAND TO ABATE OR CORRECT SUCH VIOLATION

Dear Mr./Ms.: _____:

This letter is issued to you pursuant to Section (1.11 or 6.6)¹ of the Sudden Valley Community Association Rules and Regulations (“Rules”).

NOTICE OF VIOLATION

Sudden Valley Community Association (SVCA) hereby notifies you that you are currently in violation of Section (1.11 or 6.6)² of the Rules, which provides the following:

Instruction: Select one of the following and delete the other.

1.11.2 Correction or Abatement Required – Any property owner, or other person in control or possession of a house, structure, property or vehicle, who:

- (a) Maintains, permits, allows or suffers property, structures or vehicles that are deemed to be unsightly, unkempt, cluttered, in a state of disrepair, or to be a nuisance, shall correct or abate such unacceptable condition(s) without unreasonable delay, upon notification of such violation and the requirement to abate it, when given by a representative of the Sudden Valley Community Association. Such correction or abatement may include removal, acceptable storage, renovation, repair or any other

¹ Insert “1.11” if the violation involves house, property, structure or vehicle. Insert “6.6” if the violation involves a nuisance dog.
² Use same number as above.

method of correction or abatement that is acceptable to the Sudden Valley Community Association.

OR

1.11.2 Correction or Abatement Required – Any property owner, or other person in control or possession of a house, structure, property or vehicle, who:

(b) Engages in, permits, allows or suffers activity, behavior, action, or acts that are unreasonably loud, obnoxious, unruly or disruptive to the peace, tranquility or that are inconsistent with the health, safety, order or peaceful enjoyment of neighbors, residents or the Sudden Valley Community, shall terminate, correct or abate such unacceptable activity, behavior, action or act without unreasonable delay upon notification of such violation and the requirement to terminate the same, when given by a representative of the Sudden Valley Community Association. Such response shall include the immediate termination of the unacceptable activity, behavior, action or acts.

You are in violation of the foregoing Rule for the following reasons:

[Instruction: if nuisance dog, add the following paragraph:]

Please note that you are being issued this Notice because you have received three (3) or more violations of Section 6.6 of the Rules and Regulations within a ninety (90) days period. Such violations include:

EXAMPLE:

VIOLATION NO. 1

ACTIVITIES WHICH MIGHT UNREASONABLY ANNOY OR ENDANGER AN INDIVIDUAL OR THE PUBLIC

1. Applicable Sections of the Rules and Regulations.

1.1 Property owners of SVCA are responsible for the actions and compliance with these Rules and Regulations by their families, guests, tenants and agents.

1.7 Actions or activities by members (or those whom the member is responsible), either intentionally or through negligence, which may be or may become an annoyance, nuisance or hazard to adjacent property owners or unreasonably affect the quiet enjoyment of any individual, household or the neighborhood, are prohibited and subject to a Notice of Violation.

2. Basis for Violation. Though SVCA has made repeated attempts to gain cooperation in resolving the storm water inspection issues, the issues remain unresolved.

3. Fine. \$100 for first violation of Rules and Regulations Not Specified in Fine Schedule.

END OF EXAMPLE

NOTICE TO CURE/ABATE VIOLATION

Instruction: Select the appropriate paragraph below and delete the other options:

- ***If violation involves HOUSE, STRUCTURE, OR PROPERTY, insert the following:***

According to Section 1.11.3 of the Rules, correction and/or abatement of the foregoing violation must commence within five (5) calendar days of this Notice and shall be fully completed within thirty (30) days of this Notice.

- ***If violation involves VEHICLE, insert the following:***

According to Section 1.11.3 of the Rules, correction and/or abatement of the foregoing violation must commence within forty-eight (48) hours of this Notice and completely abated within five (5) calendar days of this Notice.

- ***If violation involves CONDUCT, insert the following:***

According to Section 1.11.3 of the Rules, correction and/or abatement of the foregoing violation must commence **IMMEDIATELY**.

- ***If violation involves NUISANCE DOG, insert the following:***

According to Section 6.6 of the Rules, correction and/or abatement of the foregoing violation must commence **IMMEDIATELY**.

Correction/Abatement requires you to take the following actions:

_____ (“Corrective Action”)

YOU MUST NOTIFY THE COMPLIANCE MANAGER: It is your responsibility to notify the Compliance Manager: (i) when you have commenced Corrective Action, AND; (ii) when you have finished the Corrective Action. When you notify the Compliance Manager, s/he will confirm that the Corrective Action has, in fact, been commenced and/ or completed. If you fail to notify the Compliance Manager as required, it will be presumed that the Corrective Action has not been commenced or completed, and you may be assessed penalties for noncompliance as detailed in the next section of this letter.

All notices to the Compliance Manager should be in writing and should be sent via e-mail to compliance@suddenvalley.com or via fax to 360-734-1915.

SUMMARY OF FINES

The foregoing fines total \$ X .

ASSESSMENT OF PENALTIES

Instruction: Select the appropriate paragraph below and delete the other options:

- ***If violation involves HOUSE, STRUCTURE, PROPERTY or VEHICLE, use the following paragraph:***

If you do not timely commence and/or complete the Corrective Action mentioned above, a financial penalty will be assessed against you. Specifically, if you do not timely *commence* the Corrective Action or if you fail to timely *complete* the Corrective Action, you will be assessed a penalty in the amount of \$100 dollars per day for the first ten (10) days after the applicable deadline for compliance. This penalty will increase to \$200 per day for the following ten (10) days that compliance is untimely, and it will increase to \$300 per day thereafter until the violation is fully abated. Penalties will be assessed by a separate letter and will be due within thirty (30) days after assessment.

- ***If violation involves CONDUCT, use the following paragraph:***

If you do not **immediately** discontinue the conduct mentioned above, a financial penalty will be assessed against you. Specifically, if this is your first Notice of Violation, the penalty will be \$100 dollars per day. Each repeat violation within forty-eight (48) hours of the service of this Notice will incur a penalty of \$200. If you have five (5) or more similar violations, the penalty shall increase to \$500 per violation. Penalties will be assessed by a separate letter and will be due within thirty (30) days after assessment.

- ***If violation involves NUISANCE DOG, use the following paragraph:***

If you do not complete the Corrective Action outlined above, a financial penalty will be assessed against you. Specifically, you will be subject to a fine of \$100 per day commencing on the sixth (6th) day after receiving this Notice until such time as the Corrective Action has been completed.

Penalties will be assessed by a separate letter and will be due within thirty (30) days after assessment.

ENFORCEMENT

The General Manager is expressly authorized to pursue all available legal remedies to enforce SVCA Rules and Regulations.³ Assessment of a penalty shall not constitute an election of remedies by SVCA. Indeed, SVCA expressly reserves all of its legal rights and remedies, including but not limited to, commencing legal action for an injunction or order to abate the violation identified herein. If a penalty is assessed, it may be appealed to the Appeals Committee in compliance with the Appeals Committee Procedures, which are available on the Sudden Valley Community Association website or at the main office.

Finally, please note that Article III, Section 22 of the Bylaws provides that any unpaid fines shall constitute a lien against your property, which may be foreclosed by SVCA.

Sincerely,

SUDDEN VALLEY COMMUNITY ASSOCIATION

General Manager

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(Enclosure: Appeals Process)

³ Section 1.11.7 of Rules and Regulations.

Appeals Procedures - Introduction

The following written guidelines dictate the process and procedures by which Association members and/or their tenants and guests may request a hearing panel be convened, in order to contest the merits of an alleged rules violation under which they were cited.

Restrictive Covenants hold members responsible for their tenants and guests for compliance to SVCA CC&Rs. Tenants/guests may be issued citations on SVCA property when in violation. Members will be notified when citations are issued to their tenants/guests, and those tenants/guests may use this procedure to appeal and address issued citations. For the purpose of this procedure, the person issued the citation is referred to as the “Appellant”.

Background

SVCA Bylaws provide requirements for an established hearing process under which Appellants may contest the merits of a citation they received that alleged a violation of

- A) Restrictive Covenants,
- B) Bylaws, or the
- C) Rules and Regulations of the Association.

The hearing process provides Appellants with an opportunity for an impartial hearing, except as otherwise provided in the Bylaws or in the Restrictive Covenants. The current voting seated members of the Board of Directors (BOD) shall constitute the membership of the Appeals Committee.

The Appeals Panel Hearing is convened to hear Appellant requests for adjustments of fines and penalties levied as a result of violations, and to render judgment after review and consideration. Appellants dissatisfied with the outcome of the Appeals Panel Hearing may appeal the outcome to the BOD, whose appeal is final.

The Appeals Panel shall be composed of three (3) Board members of the Association assigned on a rotating basis, either through fixed assigned schedule or BOD availability. This document addresses the SVCA Bylaws requirements for written guidelines and procedures by which Appellants may contest an alleged violation.

Roles and Responsibilities

Appeals Panel/Committee Secretary: Association staff person responsible for scheduling meetings, coordinating, assembling, and distributing packets, and recording actions and outcomes.

Appeals Committee Members: Current voting seated Directors of the Board.

Appeals Committee Chair: The Vice President of the BOD.

Appeals Panel: Three members of the BOD, assigned on a rotating basis.

Association Staff: Person presenting the events and circumstances and basis of the notice of violation.

Appeals Panel Chair: One member of the Appeals Panel who will be assigned to Chair the hearing.

Appellant: Association member, tenant, or guest to whom the Notice of Violation was issued, and is present to contest the violation or seek an adjustment.

Appeals Hearing Process

The Appeals Hearing Process provides for a two-step process; 1) Appeals Panel Hearing, and 2) Full Board Appeals Hearing. Appellants who receive a Notice of Violation may elect to pay the fine and close the violation or contest the alleged violation.

- Appellants contesting a Notice of Violation must contest the violation within 30 days of issue.
- Notice of Violations not contested within 30 days from date of issue are affirmed as a violation and referred to Accounting for billing.

Appellants contesting a Notice of Violation shall contact the Appeals Secretary at the SVCA Administration Office to schedule an Appeals Panel Hearing appointment. The Appeals Secretary will provide the date and time of the next Appeals Panel Hearing, allowing for a minimum 10 business-day notice, and place the Appellant's name onto the agenda.

Meeting Agenda and Process

The agenda of each meeting is a schedule of Appellants contesting alleged violations. Each member of the Appeals Panel and the Appellant contesting will have a citation packet comprised of the following:

- Copy of Sudden Valley Notice of Violation;
- Copy of letter(s) issued to the Appellant in regards to the violation;
- Supporting documentation, any documents submitted that support why the violation was issued, extract from database showing past violations of the SVCA governance documents, photos, statements, etc.
- Documentation prior provided by Appellant in defense or denial of the citation.

The Appeals Panel Hearing will be held in public session, with public notice and agenda, unless requested to be closed by the appellant, as needed to hear requests for waiver or adjustments of fines and penalties levied as a result of the aforesaid alleged violations. The Hearing Panel's decision regarding such requests will immediately take effect unless appealed as specified herein.

The Appeals Panel Chair will call each meeting to order, review the agenda, verify if the Appellant(s) are present, and address requests in order of schedule. Each appeal will adhere to the following time guidelines, in this order:

1. **2 Minutes:** Introduction of the Appeals Panel Chair, other members of the Panel, persons representing the Association, and the Appellant(s).
2. **10 Minutes:** Association staff will present the Notice(s) of Violation, discuss the events and circumstances leading up to the issuance of the citation(s), and give the basis for the Association as to the notice(s) of violation.
3. **10 Minutes:** The Appellant(s) will provide their basis for contesting the notice(s) of violation and present documentation to members of the Committee in defense of their basis.
4. **5 Minutes:** Members of the Committee will ask questions of both Administrative staff and the Appellant(s) to clarify the issues to their own satisfaction.
5. **5 Minutes:** Appellant(s) will present their rebuttal and/or ask additional questions to seek clarification on the information provided.
6. The Appeals Panel Chair will close the discussion by either giving the judgment of the Panel or by informing the Appellant that the answer will be provided within five (5) business days.
7. If the Appellant does not show for the Appeals Panel review within 10 minutes of the scheduled time, the Panel will render its decision and no full Board appeal will be allowed.

The Appellant may appeal the Panel's decision to the full Board within 30 days of receipt of the Panel's decision. The Appellant will contact the Appeals Committee Secretary, who will place the Notice of Violation Appeal Request onto the next BOD meeting agenda, allowing for a 10 business-day notice. The resulting appeal will take place at a regular Board meeting and follow the same format as an Appeals Panel Hearing, with the following exceptions:

1. The meeting will be held in open session.
2. The Board of Directors will act as the Appeals Panel, excepting Board members who sat on the initial Appeals Panel Hearing, who may neither participate nor vote.
3. All Board of Director questions will go through the Chair of the Appeal to the Appellant.
4. If the Appellant does not show for the full Board Appeal, the case will revert back to the three (3) panel decision. This decision is final.
5. The Appeals Panel Chair will ask the Appellant to leave the room, during which time the Panel will deliberate in closed session. The Appellant will be informed if a decision was made. If no decision was reached, the Panel will reconvene and the judgment will be mailed to the Appellant within five (5) business days.

