

January 19, 2005

Dear Fellow Shadowood Homeowner:

Nearly 3 years ago, a review and update of the Village documents, regulations and procedures began. After 2 years of review and discussion with the Board members and many meetings with all homeowners, the documents were passed and we all have received the amended documents and resident handbook listing the “rules” we agreed to live by. Those documents require you to elect this Board of Directors to monitor and require compliance with these rules. Much of the time, this is done by everyone on a willing basis. As a matter of fact, we can honestly tell you that it is rare that there is not great rapport between all residents and the Board. However, every once in a while there are situations that the Board must address in which a more firm action must be taken. Attached is an updated outline of the operating procedure the Board of Directors will follow, on your behalf, AFTER a Shadowood homeowner has not responded to notices of non-compliant issue. We emphasize that the procedure is only implemented when much discussion has transpired between the homeowner and the Board.

This operational procedure is not new. Most of the process has been used up to now. What **IS** new is assuring we are documenting the procedure and expanding it with “legal teeth” should strong enforcement action be required. Included in the procedure is the establishment of a Compliance Review Committee that does **NOT** review the property for issues, but rather only reviews the Boards decisions as it relates to a fine. Here is what the attached operation policy spells out:

1. How a homeowner is notified of non-compliance issues – **By written Notice.**
2. What happens if no response after a grace period – **Another written notice including a listing of subsequent actions if they do not reply.**
3. Then, if the homeowner does not explain and correct the issue – **A “legal court action” notice can be sent OR a fine can be assessed. The court action may take several different directions depending on the situation. If the action is determined to be a “fine” situation then:**
 - a. **Before the fine “starts”, the Board must notify the Compliance Review Committee of the issue and fine. The Committee will meet with the homeowner to review the situation and validate or reject the Board action. The decision of this committee on fines is final.**
 - b. **This Compliance Review Committee will consist of five (5) homeowners who are not directors or family of the directors.**

If you wish further information on this procedure, or if you wish to volunteer for this committee, please contact one of your Directors or David Pierce, our property manager. We will gladly answer any and all questions. Plus, we will set aside special time at our next Board meeting to discuss this. We want you to be informed.

Your Shadowood Board of Directors