

**MEMORADUM**

To: All Riverwood Athletic Club Community Residents  
From: Riverwood Athletic Club Community Association Board of Directors  
Date: 12/12/08  
Re: Enforcement of Covenants

The main responsibility of the Board of Directors (“Board”) for our community (“Community”) is to uphold property values, and the Board accomplishes this goal by enforcing the Riverwood Athletic Club (“RWAC”) covenants (“Covenants”) and bringing any proceedings necessary against residents who fail to comply with our Covenants. In an effort to make sure that we fulfill that responsibility, the Board has adopted a new procedure for enforcing the Covenants which we hope will make our Community a more enjoyable place to live and maintain the property values in RWAC. We will briefly explain this new procedure.

In the event that the Board or its agent determines that someone has violated our Covenants, the resident responsible for that violation will receive a written covenant violation notice (“Notice”) similar to the attached Notice. The Notice will designate the address where the violation occurred, a fine amount for the violation, and the date, time and location of a hearing when the resident has the option to appear before the Board or its agent(s) to dispute either the violation or the fine amount. The Notice also will briefly describe the violation and explain that the fine will be assessed unless the resident pursues one of the options set forth in the Notice. The potential options include:

1. Provided that this is a first-time violation and the violation is one that can be cured (*i.e.*, failure to keep lawn properly maintained), the resident will be given the following two options:
  - a. Within 7 days of the date of Notice, cure the violation, complete a “Report of Cure” attached to the bottom of the Notice explaining how the violation has been cured, and mail the Report of Cure to the RWAC Community Association, 400 Riverwood Drive, Clayton, NC 27527, in which event the fine will be waived and the resident will not have to pay any fine for this first-time violation;
  - b. Appear at the scheduled hearing to dispute either the violation or the fine amount;
2. In the event that this is not a first-time violation or the violation is uncureable (*i.e.*, building addition to home without proper approval), the resident will be given the following two options:
  - a. Within 7 days of the date of Notice, pay the fine and mail that payment to the RWAC Community Association, 400 Riverwood Drive, Clayton, NC 27527;
  - b. Appear at the scheduled hearing to:
    - i. Dispute either the violation or the fine amount; and/or
    - ii. Learn what corrective action is necessary to cure the violation.

In the event that a resident fails to comply with the Notice, a fine will be assessed, and if that fine is not paid, the Board, on behalf of the RWAC Community Association, may file a lawsuit against the resident who refuses to comply with the Covenants to recover not only any unpaid fines, but all costs – including attorneys fees – necessary to enforce the Covenants. Certainly, we hope this will not be necessary, but we must reserve this option pursuant to the Covenants in an effort to protect all of our property values. For your information, fine amounts can be as high as \$100 per day for each day that a violation remains uncured. Initial fines will be \$25 to \$40 per occurrence.

So that every resident is familiar with the Covenants and community guidelines adopted pursuant to the Covenants, please feel free to review the RWAC Covenants and community guidelines on the web at [www.riverwoodtoday.com](http://www.riverwoodtoday.com). In the event that you cannot access those documents on the web, please feel free to come by the office of the RWAC Community Association Manager located at 400 Riverwood Drive, Clayton, NC, and copies of those documents will be provided to you.