

Mystic Shores Property Owners Association
Model Home Rules
Effective January 15, 2011

The Board of Directors (“Board”) of the Mystic Shores Property Owners Association (“Association”) has observed the maintenance and operation of various model homes in Mystic Shores and believes it is in the best interest of the Association and the Mystic Shores community to have uniform rules for model homes in Mystic Shores. These rules are designed to ensure that model homes comply with the applicable Declaration of Covenants, Conditions and Restrictions (“DCCRs”) and do not detract from the residential character of Mystic Shores. Pursuant to Section 10.2 of the DCCRs, the Board has adopted the following rules for model homes.

A model home in Mystic Shores:

1. Must have a sign that (a) complies with the sign requirements in the Mystic Shores Architectural and Site Design Guidelines, (b) identifies it as a model home and (c) is approved by the Mystic Shores Architectural Control Committee. If the sign is removed, any associated stone work or posts must be removed at the same time.
2. Must have posted hours and be open to the public on a regular basis at least 25 hours per week, excluding holidays.
3. Must be maintained in compliance with all applicable DCCRs, including any landscaping requirements.
4. May have a design center and sales office within the model home; provided that it is specifically for the purpose of marketing the builder’s products and lots the builder owns in Mystic Shores.
5. Cannot include leased or rented space to third parties, including but not limited to realtors and land sales companies.
6. Cannot be occupied as a residence on a temporary, weekend or permanent basis; provided that if a model home is occupied as a permanent residence on the effective date of these rules, then it can continue to be occupied as a permanent residence through December 31, 2012.

The following fine procedures and specific assessments are instituted to maintain adherence to these model home rules.

Property owners shall initially be notified of violations by the Association’s management company, either by email or other written notice. The notice will give the property owner a “reasonable” amount of time to correct the violation(s). The management company, at its sole discretion, shall determine what a reasonable correction time is for each violation.

If the violation is not corrected in the designated amount of time following the notification by the management company, a final notification of the violation shall be made in writing and delivered by certified mail, return receipt requested, and first class mail, including (i) the nature of the alleged violation; (ii) the proposed sanction to be imposed, including the applicable initial and per diem fines; (iii) a statement that the alleged violator may present a written request for a hearing to the Board or to the covenants committee, if one has been appointed pursuant to Article 5 of the Association's By-laws, within thirty (30) days of receipt of the notice; (iv) a statement that the hearing, if held before the covenants committee, may be appealed to the Board as set forth in the By-Laws; (v) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within thirty (30) days of receipt of the notice; (vi) the statement "You are entitled to cure the violation within a reasonable period of time and avoid any penalty or enforcement actions against you."; and (vii) a reasonable deadline to cure the violation. If a timely request is not received, the sanctions stated in the notice shall be imposed; provided, however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanctions if the violation is cured within the deadline to cure the violation. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any property owner. It is the responsibility of the violator to contact the management company for verification that the violation has been satisfactorily resolved. Fines shall continue to accrue until the management company is notified. In the event a violation recurs within six (6) months from the date of any notice hereunder, the Board may impose a sanction with further notice to the violator as set forth above, except that a period of time to cure without penalty shall not be provided.

The initial fine for a violation of these model home rules shall be \$500 on the 31st day of the violation and a per diem fine of \$100 per day shall be added for each day the violation continues after the 31st day.