

Section 1: [Article IX, Section 9.4] Enforcement, Fines, and Suspension of Privileges

In the event of a violation of these Covenants, the Bylaws, or the Design Guidelines by any Owner or his contractor, agent, or tenant, the Board of Directors or the Architectural Review Committee may impose a monetary fine of up to \$250.00 per day for each day the violation continues following five (5) days' written notice to the Owner, and may immediately suspend the Owner's voting rights and right to use Common Areas until such violation is cured and all fines are paid in full.

ISSUE #1

Section 2: [Article VII, Section 7.8] Signs, Flags, and Exterior Displays

No signs, banners, flags, pennants, or political placards of any kind shall be erected or displayed on any Lot or structure within the Properties, except for standardized property identification markers approved by the Architectural Review Committee and temporary building permits required during active construction.

MARKUP #1 ->

MARKUP #1 · CONFLICTS WITH FED LAW

BOARD & COUNSEL REVIEW

Sec. 2 (p. 1): Flag or flagpole restriction fails to include statutory exemption for the United States flag under the Freedom to Display the American Flag Act.

Statutory / Legal Reference: 4 U.S.C. § 5 Note (Freedom to Display the American Flag Act of 2005) & N.C. Gen. Stat. Ch. 47F (NC Planned Community Act) & 21 NCAC 58A .0114 (NCREC Disclosure Rules)

Statutory Comparison: The federal Freedom to Display the American Flag Act of 2005 (4 U.S.C. § 5 Note, Pub. L. 109-243) prohibits community associations from adopting or enforcing any policy that prevents a member from displaying the flag of the United States on residential property to which the member has a separate ownership interest or right to exclusive possession or use.

CURRENT WORDING IN DOCUMENT:

[Article VII, Section 7.8] Signs, Flags, and Exterior Displays No signs, banners, flags, pennants, or political placards of any kind shall be erected or displayed on any Lot or structure within the Properties, except for standardized property identification markers approved by the Architectural Review Committee and temporary building permits required during active construction.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

In accordance with the Freedom to Display the American Flag Act of 2005 (4 U.S.C. § 5 Note, Pub. L. 109-243), any homeowner may respectfully display the official United States flag on residential property under their ownership or exclusive use.