

THE BASICS

- **KNOW YOUR DOCUMENTS:** Effective enforcement of covenants requires knowing the governing legal documents for the community. The governing legal documents will include the recorded declaration, the association bylaws, and all published design standards, rules and regulations. All directors should be familiar with these documents and the enforcement powers and procedures specified in these documents.
- **ACT PROMPTLY:** Once a violation is detected or brought to the attention of the board of directors, address it promptly. Failure to act promptly may result in a valid defense to the enforcement of the violation. Violations addressed quickly are often easier to resolve.
- **ENFORCE IN ACCORDANCE WITH YOUR DOCUMENTS:** The governing legal documents for most communities will specify the enforcement powers of the association. An association generally cannot exercise an enforcement power, such as fining or suspension of amenities, unless the governing legal documents allow. Also, community association governing legal documents commonly have specific procedural requirements, which must be followed in enforcement actions, such as a notice of a right to request a hearing with the board prior to the imposition of fines. Failure to follow the procedures can invalidate any enforcement actions taken by the association.
- **CREATE AN ENFORCEMENT POLICY:** Enforcement policies provide a guideline for the specific enforcement procedures the association will take in the event of a violation. This not only helps to ensure the procedural requirements of the governing legal documents are met, but it also helps to provide an objective and uniform basis for enforcement so that all violators are treated fairly and equitably. Creating and following a covenant enforcement policy can help associations circumvent the common defenses to covenant enforcement.

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COMMON DEFENSES TO COVENANT ENFORCEMENT:

- ◆ **Waiver, Abandonment and Acquiescence:** This defense may be asserted if an association has failed to enforce a particular covenant, and so many violations of the covenant exist that the covenant is deemed to be abandoned.

Example: The declaration for an association prohibits portable basketball goals. Several homes in the community have installed portable basketball goals, without board objection or enforcement action. The board fines a new owner who installs a portable basketball goal. The owner may have a defense of waiver when the association attempts to enforce.

- ◆ **Statute of Limitations:** The Georgia statute of limitations for a covenant enforcement action on a non-repeating violation is generally two years. This means an association has two years from the date a violation first occurs to bring suit or it loses its authority to enforce against the violation. This defense may be asserted if the violation occurred more than two years before the lawsuit or enforcement action.

- ◆ **Vague and Indefinite Covenants:** This defense may be asserted if the language of the covenant or prohibition is so vague as to be unenforceable.

Example: In the case of Douglas v. Wages, the Georgia Supreme Court found that a covenant prohibiting "noxious or offensive activity" and "anything which may be or may become an annoyance or nuisance" was too vague to be enforceable.

- ◆ **Laches:** This defense may be asserted when an association is aware of a violation, allows the violation to be committed, and does not act in a timely manner to enforce against it.

Example: An owner begins constructing an addition to his house in violation of the declaration. The association is aware of the construction, but waits until the owner has expended significant sums of money before commencing enforcement. The owner may have a defense of laches.

- ◆ **Estoppel:** This defense can be asserted when the violator relied on the representations or actions of the association in committing the violation.

Example: An owner begins building a new deck on his house in violation of the declaration. The chairman of the ACC stops by to watch as the deck is being constructed and tells the owner that the deck looks great. The deck was not approved by the ACC. The owner may have a defense of estoppel if the association attempts to enforce.

- ◆ **Selective Enforcement:** This defense can be asserted when an association either: (i) enforces a covenant differently from one owner to another with no objective reason; or (ii) chooses to enforce some covenants, but not others. In some circumstances, it is okay for the board of directors to treat violators differently, so long as the actions of the board are not arbitrary or capricious.

* *Individual situations may vary.
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