

STEP 0 - SET VIOLATIONS

- Define Violations and Fines in Rules & Regulations / Bylaws.
- The fine cannot exceed \$100 per day, per violation, or \$1,000 in the aggregate.

STEP 1 - ESTABLISHES A FINING COMMITTEE BY THE BOARD (Annually):

- Committee must be comprised of three owners.
- Members cannot be directors or spouse or family of a director.
- Committee must be named and approved at an open meeting of the board of directors.

STEP 2 - IDENTIFY THE VIOLATION:

- The board of directors issues the violation and informs management and committee.
- The board of directors can delegate this step to management.
- The committee is not the responsible party to identify the violation and issue the violation notice.
- The committee must remain impartial.

STEP 3 - SEND A 14-DAY NOTICE:

- Violator (owner and tenant if applicable) must be given a 14-day written notice and an opportunity for a hearing before a fine may be imposed.
- Notice must state the violation and 14-day right to be heard (their day to defend themselves and state their reason for the violation, if any.)
- Schedule the hearing in a reasonable time-frame.

STEP 4 - HEARING:

- The violator will have the opportunity to present their facts and defenses to the committee.
- A decision does not have to be made at the hearing.
- After hearing all the facts, the committee decides whether the fine should be “confirmed” or “rejected.”
- In the event the violator does not request to be heard or fails to appear at the hearing, the hearing should continue and decision to fine made by the committee.

STEP 5: COMMITTEE REPORTS TO THE BOARD OF DIRECTORS— “CONFIRM” OR “REJECT” FINE:

- The board of directors then imposes the fine if confirmed by the committee.

Step 6: IMPOSITION OF FINE:

- Include the fine amount in the accounts receivable.
- Send notice to owner, by mail or hand delivery, of the amount of the fine and date due.
- The fine is due five days after the date of the committee meeting at which the fine is approved.