

APPENDIX B FINING PROCEDURE.

B.1. AMOUNT OF FINES.

A. The Board of Directors has adopted the following schedule of fines for any violation of the Association's Declaration, By-Laws or House Rules (collectively "Governing Documents"):

1. First Offense. May be a verbal or written at the General Manager's discretion provide to both the owner and occupant. Written records are to be kept on file for verbal warnings.
2. Second Offense. A written citation delivered to both the owner and occupants and a \$50.00 fine assessed against the owner.
3. Third Offense. A written citation delivered to both the owner and occupant, and a \$100.00 fine assessed against the owner.
4. Fourth and Subsequent Offenses. A written citation delivered to both the owner and occupant, and a \$250.00 fine assessed against the owner for each offense.

B. Second, third, fourth, and subsequent offenses need not be for a violation of the same provision before a fine is imposed. For example, if an occupant violates a "pool" rule for his/her first violation, and then violates a "noise" rule for his/her second violation, the fine would be imposed on the owner upon the occurrence of the second violation. It is not necessary for an occupant to violate a specific rule, such as "noise" rule, twice before a \$50.00 fine is levied. Similarly, a \$100.00 fine will be assessed for a third violation of the House Rules and a \$250.00 fine will be assessed for a fourth and subsequent violations of the Governing Documents.

If a unit is free from any infractions of the rules for one (1) year, issuance if violations will reset to a First Offense, and progress accordingly for additional infractions over the next 1-year period

C. The Board may delegate its authority to issue citations and/or to assess fines to the Managing Agent and/or the General Manager.

B.2. CITATIONS. Each citation issued shall briefly describe the nature of the violation, date of the violation, apartment number, and name of parties involved, if known. The original citation shall be delivered to the apartment owner who shall be responsible for payment of any applicable fine. If the apartment owner is not an occupant, then a copy of the citation shall also be delivered to the occupant; however, this shall not be deemed a waiver of the apartment owner's responsibility for payment of any applicable fine.

B.3. PAYMENT OF FINES AND LIABILITY. Apartment owners shall be liable for their own fines and for fines assessed against their tenants, guests, agents, or employees. Unless appealed as permitted below, a fine must be paid by the apartment owner to the Association within thirty (30) days of the citation and assessment of the fine. If the apartment owner fails to pay or appeal a fine within thirty (30) days after the fine is assessed, the fine shall be deemed an expense specially assessed against the apartment. The Association may file a lien against the apartment for the unpaid fines and may collect the unpaid fines under the procedures provided in the Governing Documents for collection of delinquent assessments, including the assessment of late fees for fines that remain unpaid, unless the Board votes to suspend or cancel the fine.

B.4. APPEAL OF FINES. Any citation or fine may be appealed as provided in this section.

A. Within thirty (30) days of the date of a citation or fine, an owner, occupant, or other offender may appeal to the Board by delivering a written notice of appeal to the Board or the Managing Agent. A date for hearing the appeal will be set and the appealing party will be notified

B. If an appeal is made to the Board, the notice of appeal must contain a copy of the citation, a statement of the facts of the offense, the reason for the appeal, the names and addresses of any witnesses, and copies of any proposed exhibits. The owner, occupant, or other offender may appear at a Board meeting to provide additional information, or the Board may ask the person to appear. In the case of an appeal by a person other than the owner or the owner's agent, the owner or agent must be present at the appeal hearing or notify the Board of the owner's support of the appeal for it to be considered.

C. The Board may reduce, suspend, or cancel any citation or fine after consideration of the appeal. The Board shall deliver a written decision to the owner (and the person making the appeal, if not the owner) within sixty (60) days of the receipt of the notice to appeal.

D. Pending issuance of a written decision in response to an appeal to the Board, an apartment owner need not pay a fine and no lien shall be imposed on an apartment. Unless, however, the Board votes to reduce, suspend, or cancel a citation or fine, filing a notice of appeal shall not halt the accrual of any ongoing late fees or affect the ability to issue citations or levy fines for subsequent violations.

E. If a fine is paid, in lieu of appealing a fine in accordance with this Section 4, an apartment owner has the right to initiate a dispute resolution process as provided by Sections 514B-161, 514B-162, or by filing a request for an administrative hearing under a pilot program administered by the State Department of Commerce and Consumer Affairs.

B.5. MISCELLANEOUS.

A. Upon providing notice to all owners, the Board reserves the right to establish a new schedule of fines at any time.

B. In the event of a violation of the Governing Documents that poses a threat to persons or property, as determined by the Board, the procedures set forth herein, may be suspended and referred directly to legal counsel for appropriate action. Additionally, a fine in the amount of \$500.00 may also be immediately assessed for matters not presently addressed in Section 8.8 of the House Rules.

C. REMEDY NOT EXCLUSIVE. In addition to the issuance of citations and imposition of fines, the Board of Directors is empowered to take all such other enforcement actions as permitted by the Governing Documents. This includes the retention of legal counsel, initiating legal action or arbitration proceedings, and/or any other form of remedy available to the Association by and through its Board. All remedies shall be cumulative and not be exclusive of the other.