

Policy
of the Board of Directors
of Friendly West Townhouse Association

Procedure for Late Fees, Fines and Suspension of Privileges

The Bylaws¹ grant the Board of Directors the power to adopt and publish rules and regulations governing the use of the common area and facilities and the personal conduct of the members and their guests. The Bylaws also permit the Board of Directors the power to enforce these rules and regulations with fines and suspension of voting and other privileges. The Association is also given statutory powers, under the North Carolina Planned Community Act, to enforce violations of the Association's Declaration, Bylaws and rules and regulations adopted by the Association.²

The Board of Directors wishes to adopt a procedure to enforce the Association's Declaration, Bylaws, and any rules and regulations duly adopted by the Board of Directors.

I. DELINQUENT DUES AND ASSESSMENTS

A late fee of \$ 8% of the unpaid balance may be assessed against any owner whose dues payment is not received by the Association's property manager by the 30th day of the month. Additionally, if the delinquency remains for more than 30 days, the Board may suspend privileges and services provided by the Association as provided in Section II below.

II. OTHER VIOLATIONS

Complaints. The Board of Directors may receive complaints from owners (including members of the Board of Directors) that an owner or their tenant or guest has violated the Declaration, Bylaws, or a rule or regulation adopted and published by the Board. The Board may conduct such investigations as it deems appropriate to gather any necessary information or legal opinions.

Warning Letter. Ordinarily, the Board of Directors will send a letter to the offending owner alerting the owner of the violation. If the offender is a tenant of an owner, the letter will be sent to the tenant and owner. The warning letter will suggest corrective action. For extraordinary circumstances or repeat violations, the Board of Directors may choose not to send a warning letter.

Fine and Suspension of Privileges. The Board of Directors may impose reasonable fines and/or suspend voting and other privileges and services provided by the Association for reasonable periods of time for violations of the Declaration, Bylaws, and rules and regulations of the Association.

¹See Article VIII, Section 1 (a).

²See N.C.G.S. §47F-3-102 (11) and (12) and §47F-3-107.1.

(c) **Notice of Hearing.** The Board of Directors will send the owner (and tenant, if the alleged offender is a tenant) of the nature of the violation and the date, time and place of the meeting at which the Board will consider assessing a fine or suspension of privileges. The notice will inform the owner (and tenant, if applicable) of their opportunity to be heard and present information at such meeting. The notice should be given at least two (2) weeks prior to the meeting. The notice should be given by certified mail to the owner's address at the Association, or such other mailing address on file with the Association.

(d) **Hearing.** At the hearing, the Board may receive any information it deems relevant on the alleged violation. The Board will allow the alleged offender an opportunity to present information. The Board may, at its option, determine in a closed session whether a violation occurred and the penalty to be imposed. The Board's decision will be reported in the minutes of the meeting. The offending owner (and tenant, if the offender is a tenant) will be notified of the Board's decision. If required by consumer collection laws, if the violation relates to nonpayment of dues, the board's decision will be given to the offending owner, but will otherwise remain confidential.

(e) **Fines.** If it is decided that a fine should be imposed, a fine not to exceed \$150.00 may be imposed for the violation and without further hearing, for each day after the decision that the violation occurs. Such fines shall be assessments secured by liens under N.C.G.S. §47F-3-116.

(f) **Suspension of Privileges.** If it is decided that a suspension of privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured.

This policy may be amended from time to time or revoked by the Board of Directors.

Adopted: 1-16, 200⁷

Friendly West Townhouse Association

R. Mergrove
Secretary
President