

## HEARING PROCEDURE AND FINES

for

Palma Sola Homeowners' Association

(Adopted Dr 9/12, 2018)  
[Corporation Code §7341(c)(1)]

- 1) **Notice and Hearing Process.** The following notice and hearing procedures will be used whenever the Board of Directors (the "Board") meets to consider an alleged violation which could result in disciplinary action against a member.
  - a) *Notice of Hearing.* Notice of hearing will be sent at least fifteen (15) days prior to the hearing and will be given either personally or by prepaid first-class mail to the most recent address shown in the Palma Sola Homeowners' Association (the "Association") records. The notice shall contain, at a minimum, the date, time and place of the meeting, the nature of the alleged violation for which a member may be disciplined, and a statement that the member has a right to attend and may address the Board at the meeting.
  - b) *Opportunity to Be Heard.* Members have the right to send a letter, send a representative, or appear in person to present evidence as to why they should not be disciplined. Members also have the right to bring an attorney with them to advise them or to speak on their behalf. The hearing will be held in executive session, unless the member request otherwise.
  - c) *Rescheduled Meetings.* Upon timely, written request and for worthy cause, an accused party may be granted a continuance to a new hearing date. In the event a person fails to appear for a hearing, the Board will review the evidence presented and make its decision accordingly.
  - d) *Correction of Violation.* In the event the violation is corrected prior to the hearing date, the Board may, if appropriate, discontinue the proceedings.
  - e) *Notice of Decision.* Within fifteen (15) days of the Board's decision, the member will be given written notice of the decision.
  - f) *Conflicts of Interest.* If members of the Board have a conflict of interest (i.e., they filed a complaint or the complaint was filed against them), such persons may not vote on the issue.
- 2) **Remedies for Enforcement.** To enforce the governing documents, the Board may impose one or more of the remedies described below as it deems appropriate to be effective. The selection of one remedy does not preclude the Association's right to pursue others.
  - a) *Warning letters;*

- b) *Monetary penalties;*
- c) *Suspension of membership privileges;*
- d) *Alternative dispute resolution (arbitration or mediation); or*
- e) *Litigation.*

Failure to pay fines within thirty (30) days may result in legal action to collect the fines. If the Association is forced to retain an attorney to ensure compliance, to collect fines, etc., the owner shall be liable for those attorney's fees and all related expenses, in addition to the fines.

3) **Schedule of Penalties.** Unless indicated otherwise, monetary penalties for violation will be as follows:

- **First Violation, Other Than Safety of Architectural:** Warning or fine up to \$75, depending upon severity;
- **Second Violation, Same Offense:** \$150;
- **Third Violation, Same Offense:** \$300;
- **Additional Violations, Same Offense:** Up to \$400
- **Safety or Architectural:** Up to \$500, depending upon severity or extent; and
- **Continuing Violations:** Fines will accrue daily until the violation is cured.

Failure to correct a violation in response to a warning letter may result in a single fine or continuing fines which may be imposed on a daily, weekly, or monthly basis, as the Board determines to be appropriate to be effective. If the continuing violation is not cured by the time the fines accumulate to the maximum amount of two thousand dollars (\$2,000), the Association may elect to take legal action to cure the violation. The imposition of such fines shall be subject to the notice and hearing procedures. The suspensions and sanctions may be imposed singly and/or in such combination as the Board determines to be appropriate to be effective. The Association has the right to pursue one or more remedies simultaneously. The selection of one remedy does not preclude the Association's right to pursue others.

End Hearing Procedure and Fines