

MAGNOLIA RESERVE HOA, INC.

Fine & Suspension Policy

Consistent with the applicable provisions of NCGS § 47F, the Magnolia Reserve HOA, Inc. has adopted the following Fine & Suspension Policy to be applied to violations of the Protective Covenants, Bylaws, Rules & Regulations, and Architectural Review Guidelines of the Magnolia Reserve HOA, Inc. In the case of a violation, the following procedure will be utilized:

1. **Courtesy Notice** – This is the initial warning letter of the violation. It provides details and the specific rule or article violated for most violations. Violations that are Architectural in nature skip this step and go straight to the Official Notice of Infraction and Opportunity to be Heard as noted below.
2. **Official Notice of Infraction and Opportunity to be Heard** – This is the Hearing notice that advises the owner of the Association’s intent to fine or suspend community privileges or services, and that a fine or suspension Hearing will be scheduled. If the owner would like to attend, they must notify the Association’s office within ten (10) days from the date of the letter. This letter will also advise the owner that their failure to attend the Hearing will result in a decision being made in their absence.
3. **Hearing Results** – This letter informs the owner of the result of the Hearing, which includes the date a fine will be applied and/or suspension begins and the amount of the fine, up to \$100.00 per day.
4. **Repeat Violation Notice** – This letter notifies the owner of additional fines or suspension for repeat or uncured violations.

Property owners are entitled to a Hearing before the Board of Directors (or an adjudicatory panel appointed by the Board of Directors if such a panel exists) **before a fine is applied** to the owner’s account or a suspension is imposed. Following the opportunity for a hearing the initial fine or suspension may be imposed immediately at the discretion of the Board of Directors. Five (5) days after the first fine is applied, subsequent violations (or a continuing violation) are subject to further fines without further warnings or Hearings and are at the discretion of the Board of Directors. Such fines can be applied on a “per occurrence” or a “per diem” basis, whichever is appropriate and at the discretion of the Board of Directors. A suspension may be imposed immediately after the Hearing and continue until the violation is resolved.

If it is decided that a fine should be imposed, a fine not to exceed one hundred dollars (\$100.00) may be imposed for the violation and without further hearing, for each day more than five days after the decision that the violation occurs. If it is decided that a suspension of planned community privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured.

An excerpt from NCGS § 47F (North Carolina Planned Community Act)

§ 47F-3-107.1. Procedures for fines and suspension of planned community privileges or services. Unless a specific procedure for the imposition of fines or suspension of planned community privileges or services is provided for in the declaration, a hearing shall be held before the executive board or an adjudicatory panel appointed by the executive board to determine if any lot owner should be fined or if planned community privileges or services should be suspended pursuant to the powers granted to the association in G.S. 47F-3-102(11) and (12). Any adjudicatory panel appointed by the executive board shall be composed of members of the association who are not officers of the association or members of the executive board. The lot owner charged shall be given notice of the charge, opportunity to be heard and to present evidence, and notice of the decision. If it is decided that a fine should be imposed, a fine not to exceed one hundred dollars (\$100.00) may be imposed for the violation and without further hearing, for each day more than five days after the decision that the violation occurs. Such fines shall be assessments secured by liens under G.S. 47F-3-116. If it is decided that a suspension of planned community privileges or services should be imposed, the suspension may be continued without further hearing until the violation or delinquency is cured. The lot owner may appeal the decision of an adjudicatory panel to the full executive board by delivering written notice of appeal to the executive board within 15 days after the date of the decision. The executive board may affirm, vacate, or modify the prior decision of the adjudicatory body. (1997-456, s. 27; 1998-199, s. 1.)