



StillWaters Residential Association

Fines and Procedures Policy

May 7, 2034

Board Adopted

I. Policy Statement – Covenant Violation Fines and Procedures

The StillWaters Residential Association (SWRA) Board of Directors has the responsibility to monitor and enforce the provisions of the StillWaters Residential Association (“the Association”) Governing Documents to preserve and enhance the appearance, appeal, and overall value of Association property. The Association is currently limited in its ability to enforce covenant violations without pursuit of expensive legal action against the property owner in some cases.

The Association believes that one enforcement tool is the ability to levy fines for violations. When used properly, the levy and collection of fines is an efficient tool for encouraging compliance with the Governing Documents. In addition, levying fines is much more cost effective than the alternative through the judicial system.

This policy does not apply to the Policy, Procedures and Fines established independently by the SWRA Architectural Review Committee (ARC).

II. Covenant Violation Fine Policies

The Association has the authority to impose fines on property owners in violation of the provisions of the Governing Documents including adopted SWRA Rules and Regulations (hereafter referred to as the Governing Documents) as provided by Section III of the SWRA By-laws and shall become effective January 1, 2025.

- *The Board of Directors shall develop a Fine Schedule as prescribed by Section III of the SWRA By-laws to be implemented as updated with 90 days prior notification to all owners.*
- *The Board of Directors shall follow the enforcement procedures as defined in this policy and approved by the Board.*
- *A Schedule of Fines may be reviewed and approved by the Board of Directors on an annual basis.*
- *Initial fines may not exceed \$100 nor exceed a cumulative value of \$500 for any single violation and the Association may not assess any late fees or interest charges to fines.*
- *The Association may increase the initial and cumulative value of a fine as limited and defined in ARTICLE III, Section 3.6 Fines of the SWRA By-laws as amended in 2024.*

III. Policy Enforcement

Fines will only be made for violations of rules and covenants, conditions, or restriction contained in the Governing Documents approved by the Board.

The Board may use its reasonable judgment to determine whether to exercise its powers to impose a fine or pursue legal action for any violation. If the Board decides to forego enforcement, SWRA is not prevented from later taking enforcement action.

1. **General Schedule of Fines.** Fines will be assessed for any violation or non-compliance with the Association's Governing Documents as specifically provided for in the General Schedule of Fines adopted by the Board of Directors.
2. **Establishment of a Violation.** Any violation of the Governing Documents of the Association is subject to a fine as provided for in this Policy.
3. **Violation Notices.**
 - a. Friendly Reminder. Upon indication of the probability of a violation, the Board, or its agent, may issue a "Friendly Reminder" by way of a phone call, email, personal discussion, letter, or other device, which will notify the owner of the following:
 - i. The nature, description, and location of the violation.
 - ii. Contact information and reference information on the provisions of the Governing Documents being violated; and
 - iii. A "friendly reminder" to remedy the violation with the time requested by the Association.
 - b. Written Notification. Upon verification of the probability of a violation, and whether or not a "Friendly Reminder" notice has been sent, the Board, or its agent, shall send to the owner – prior to assessing a fine – a Written Notification that the violation exists. The Written Notification shall include the following:
 - i. A description of the violation.
 - ii. A statement of the rule or provision of the Governing Documents that the owner is in violation.
 - iii. A statement as to the amount of time that the owner must remedy the violation; and
 - iv. A statement as to the next action that may be taken by the Association which may be a fine or legal action.
 - c. Failure to Comply/Basis for Initial Fine. Failure to comply with Written Warning may result in one or more of the following actions (which shall be cumulative and not exclusive):
 - i. For non-continuing violations, a fine may be assessed against the owner if within the prescribed time after the day on which the Association gave the owner a Written Warning. The fine will be deemed issued, without further warning, by sending a subsequent notice to the owner that the same or similar violation has occurred, and the fine is assessed.
 - ii. For a continuing violation, a fine may be issued against the owner if the violation is not remedied with the time that is stated in the Written Warning. The initial fine will be deemed issued, without further warning, by sending a subsequent notice to the owner that the violation was not remedied within the time provided in the Written Warning.

4. **Hearing Before the Board.** An owner who is assessed a fine may request a hearing before the Board of Directors to dispute the initial fine and each additional fine within fifteen (15) days after notification. The Board has the right to negotiate any final settlement of a fine that does not exceed the cumulative amount defined in ARTICLE III, Section 3.6 Fines of the SWRA By-laws.
5. **Referral to Legal Counsel.** Where a violation is determined to exist, the Board may, at any time during the enforcement process, refer the violation to legal counsel for action seeking injunctive relief against the owner to correct or otherwise remedy the violation.