

# **GRASSY RUN HOMEOWNERS' ASSOCIATION**

## **OPERATING RULE 17-07**

### **ENFORCEMENT PROCEDURES**<sup>1</sup>

This Operating Rule establishes the procedures for imposition and enforcement of fines, other monetary penalties, and voting sanctions for violations of the Governing Documents of GRHA.

#### **ARTICLE I - DETERMINATION AND CHARGE OF VIOLATION**

Once the Board of Directors (Board) of the Grassy Run Homeowners' Association (GRHA) has been made aware of alleged actions or events constituting an apparent violation of the Governing Documents of GRHA by a GRHA Member and/or Occupant, the Board Chair (Chair)<sup>2</sup> shall notify that person in writing of the Chair's intent to refer the alleged or apparent violation to the Board for appropriate action, which may include a fine or other monetary and/or voting sanction. The matter shall be discussed in closed session at a meeting of the Board, at which the Member and/or Occupant shall be entitled to attend. The Member and/or Occupant shall be informed at least 10 days in advance of the meeting date and shall be informed of his/her right to attend that session.

#### **ARTICLE II - IMPOSITION OF SANCTION AND RIGHT OF REVIEW**

If at that session the Board approves the imposition of a fine or other monetary and/or voting sanction, the Chair shall transmit a letter or email to the Member and/or Occupant notifying him/her to that effect, imposing a fine or other monetary and/or voting sanction upon him/her and specifying the nature of the violation and the amount of the fine or other monetary and/or voting sanction. Payment shall be due 14 days after notification of the fine or other monetary sanction, and interest shall accrue thereon from that date, unless a timely request for review by GRHA's Compliance Committee (Committee) is submitted in writing or by email to the Board. The Board shall also advise the Member and/or Occupant of his/her right, within 14 days, to seek review by the Committee of the

<sup>1</sup> These procedures do not apply to cost reimbursement actions by the Board taken pursuant to Paragraph 2 of Operating Rule 17-04.

<sup>2</sup> The President of GRHA is also the Board Chair.

Board's action. The review may include consideration of the factual basis of the matter charged, or the amount of the fine or other monetary sanction and/or the duration of the voting sanction, or both. The Board shall forthwith advise the Committee of that request for review and shall forward to it the written or emailed request.

The Compliance Committee shall be a standing committee. The Board shall appoint five members of the Association who reside within the boundaries of Grassy Run to serve as members of the Committee. Those five Committee members shall determine among themselves, randomly, which three of them will hear and determine any particular request for review; provided, however, that any Committee member having a conflict of interest may not hear and decide any matter as to which such a conflict may exist.

### ARTICLE III - COMPLIANCE COMMITTEE WRITTEN PROCEDURES

After it has received the request for review, the Committee shall establish a schedule for the Board and the Member and/or Occupant to submit written statements of their respective positions plus all available documentation, with copies to the other party, and shall provide written or emailed notice to the Board and the Member and/or Occupant of that schedule. The Member and/or Occupant shall then submit to the Committee, in writing and with a copy to the Board, the basis for his/her request for review, within 14 days after the establishment and notification of the schedule. The Board shall provide to the Committee, with a copy to the Member and/or Occupant, a written response to the submission by the Member and/or Occupant within 14 days thereafter. The Member and/or Occupant may provide to the Committee, with a copy to the Board, a written reply to the Board's written response within 7 days thereafter. The Committee, in its discretion, may accept additional written submissions upon the request of the Board if the reply submission by the Member and/or Occupant raises new matters to which the Board has not had an opportunity to respond.

### ARTICLE IV - COMPLIANCE COMMITTEE HEARING PROCEDURES

Upon the completion of the submission of the written statements, the Committee shall set a hearing date and shall notify both parties of the date, time and place of the hearing, at least 10 days prior to the hearing date. In the notice, the Committee shall request that both the Member and/or Occupant and the Board inform it, in writing and with a copy to the other party, of the names of any witnesses which either of them wishes to present at the hearing, and the Member and/or Occupant and the Board shall do so. The Member and/or Occupant may

Operating Rule 17-07

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Amended August 27, 2018

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request that the hearing be open, or be closed, to all other Members and/or Occupants of GRHA (other than members of the Board and the Chair of the Board's Legal Committee) not identified in the responses to the hearing notice. A Member who owns a parcel occupied by an Occupant who has initiated the Committee review process shall be entitled to attend the hearing as a matter of right. The in-person hearing may be waived only upon the written waiver of both the Member and/or Occupant and the Board, and not otherwise.

The Committee may conduct the in-person hearing at the site of the violation, at any other location within the boundaries of Grassy Run, and/or at any other location within 20 miles of Grassy Run that may be agreed upon by the Board, the Member and/or Occupant, and the Committee. At the in-person hearing, the Committee shall hear the presentation of evidence by the Member and/or Occupant, including witness testimony and/or written documentation, and then the Board's presentation of evidence, including witness testimony and/or written documentation. Members of the Committee may question either party and/or any and all witnesses, and either party may question the other party and/or any and all witnesses. Following the presentation of evidence, the Member and/or Occupant may present oral argument, the Board may then present oral argument, and the Member and/or Occupant may present an oral reply to the Board's argument. The Committee may set reasonable time limitations for all oral presentations. At the conclusion of the hearing, the Committee may orally rule immediately, or it may take the matter under submission for further consideration.

#### ARTICLE V - WRITTEN DECISION BY THE COMMITTEE

Whether or not the Committee has issued an oral ruling at the conclusion of the hearing, the Committee shall, within 15 days after the conclusion of the hearing, inform the Board and the Member and/or Occupant, in writing, of its decision. In its decision, the Committee shall state whether there is sufficient factual information to find that the actions or events charged did or did not occur, whether those actions or events did or did not constitute a violation as charged, and, if actions or events did occur which constituted a violation, the amount of any fine and/or other sanction to be imposed. If the Committee determines that the fine and/or other monetary and/or voting sanction imposed by the Board should be modified, the Committee may, in its discretion, either increase or decrease the amount of the fine and/or other monetary sanction, and/or the duration of the voting sanction, which had been issued by the Board, and the Committee shall state, in writing, the basis for its determination that such modification should be ordered. The decision of the Committee shall be final, and except for clarification by the Committee of any ambiguities in its decision, there shall be no rehearing by

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the Committee as to the merits of that decision.

The actions of the Committee, once taken, shall become actions of the Board automatically. The determination of the Committee is advisory only, but it may not be rejected by the Board in the absence of a showing of fraud or other misconduct on the part of the Committee relating to the matter at issue.

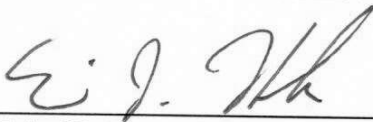
#### ARTICLE VI - PAYMENT OF FINE OR OTHER MONETARY SANCTION

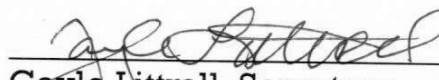
The findings and determinations of the Committee shall be effective as of the date of the Committee's written decision. Any fine and/or monetary sanction imposed or affirmed by the Committee, is due and payable to GRHA not more than 14 days after the Committee has given written notice of its ruling. As stated in Article II hereinabove, however, if no review by the Committee of the Board's imposition and notification of the fine or other monetary sanction is sought by the Member and/or Occupant, payment thereof shall be due and payable to GRHA not more than 14 days after the Board's written notification of the fine or other monetary sanction.

The amount of any fine or other monetary sanction imposed pursuant to these procedures shall bear interest at the maximum legal rate from the date of the Board's original imposition of it, or if modified by the Committee, from the date of the Committee's written decision on review of it, until paid in full. In the event that any fine or other monetary sanction imposed pursuant to these procedures has not been paid when due and owing, the Board may take such enforcement action permitted by law as it deems appropriate, without further notice.

ADOPTED AS AMENDED BY THE BOARD OF DIRECTORS OF THE GRASSY RUN HOMEOWNERS' ASSOCIATION at a regular meeting of the Board held on the 30th day of June, 2021, by the following vote of the Board:

AYES: 5      NOES: 0      ABSTENTIONS: 0      ABSENTS: 0

  
Eric Holm, President

  
Gayle Littrell, Secretary

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