

ISSUE #1

MARKUP #1 ->

Section 1: [Covenant Enforcement & Fine Policy, Sections 2 & 4] Imposition of Escalating Daily Fines and Automatic

Upon detection of a violation of the Jonathan Architectural Guidelines or Covenants, Management shall send a written violation notice assessing an immediate ~~\$50.00 administrative inspection fee, followed by a \$100.00 fine after seven (7)~~ days and \$25.00 per day thereafter until cured. Unpaid fines and management administrative fees shall be added to the Owner's assessment ledger and enforced by lien foreclosure.



MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. Covenant Enforcement & Fine Policy, Sections 2 & 4 (p. 1): Assessing an immediate \$50 administrative fee on the first notice and Unlimited \$25/day fines violates MCIOA fining reforms

Statutory / Legal Reference: Minn. Stat. § 515B.3-102(a)(11) & § 515B.3-1151(e) (MCIOA, as amended by 2023/2024 MN Omnibus Housing Laws HF 2268 / SF 3492)
Statutory Comparison: Under Minn. Stat. § 515B.3-102(a)(11) (as amended effective Jan. 1, 2024), an association may levy reasonable fines ONLY after giving the unit owner written dated notice containing the specific violation, the amount of the fine, the right to a hearing before the board or a committee, and a reasonable time to cure before any fine or fee is imposed. Furthermore, under the 2024 MCIOA amendments, a single fine may not exceed \$100 for a first violation (unless health/safety), total fines plus late/admin fees for a single continuing violation are capped (e.g., \$2,500 cap), and management company administrative fees cannot be tacked onto a first warning notice.

CURRENT WORDING IN DOCUMENT:

[Covenant Enforcement & Fine Policy, Sections 2 & 4] Imposition of Escalating Daily Fines and Automatic Assessment of Administrative Collection Fees - Upon detection of a violation of the Jonathan Architectural Guidelines or Covenants, Management shall send a written violation notice assessing an immediate \$50.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section Covenant Enforcement & Fine Policy, Sections 2 & 4 ([Covenant Enforcement & Fine Policy, Sections 2 & 4] Imposition of Escalating Daily Fines and Automatic Assessment of Administrative Collection Fees - Upon detection of a violation of the Jonathan Architectural Guidelines or Covenants, Management shall send a written violation notice assessing an immediate \$50.00 administrative inspection fee, followed by a \$100.00 fine after seven (7) days and \$25.00 per day thereafter until cured. Unpaid fines and management administrative fees shall be added to the Owner's assessment ledger and enforced by lien foreclosure.) to conform with Minn. Stat. § 515B.3-102(a)(11) & § 515B.3-1151(e) (MCIOA, as amended by 2023/2024 MN Omnibus Housing Laws HF 2268 / SF 3492) and the manual attorney audit recommendations for The Jonathan Association.