

Section 1: [Article V, Section 2] Preparation and Approval of Annual Budget

The Board of Directors shall adopt an annual budget for common expenses on or before December 1 of each year and shall mail a copy of the adopted budget to each Unit Owner. The budget as adopted by the Board of Directors shall take effect automatically on January 1 without any vote or ratification by the Unit Owners.

MARKUP #1 ->

ISSUE #1

Section 2: [Article VII, Section 4] Enforcement and Fines

Upon observation or report of any violation of the Declaration, Bylaws, or Rules and Regulations, the Board of Directors or Managing Agent may immediately levy a fine of \$50.00 per occurrence against the offending Unit Owner's account. A Unit Owner who disputes a fine must pay the fine in full within ten (10) days before requesting a written review by the Board.

MARKUP #1 · CONFLICTS WITH MANDATORY STATE STATUTE

BOARD & COUNSEL REVIEW

Sec. Article VII, Section 4 (p. 1): Fining clause authorizes the imposition of fines or penalties without prior written notice and an opportunity to be heard before the Executive Board under 27A V.S.A. § 3-102(a)(11).

Statutory / Legal Reference: 27A V.S.A. § 3-102(a)(11)

Statutory Comparison: Under Section 3-102(a)(11) of the Vermont Common Interest Ownership Act (27A V.S.A. § 3-102(a)(11)), an association may levy reasonable fines for violations of the declaration, bylaws, rules, and regulations only after notice and an opportunity to be heard.

CURRENT WORDING IN DOCUMENT:

[Article VII, Section 4] Enforcement and Fines - Upon observation or report of any violation of the Declaration, Bylaws, or Rules and Regulations, the Board of Directors or Managing Agent may immediately levy a fine of \$50.00 per occurrence against the offending Unit Owner's account. A Unit Owner who disputes a fine must pay the fine in full within ten (10) days before requesting a written review by the Board.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Pursuant to 27A V.S.A. § 3-102(a)(11), no fine or disciplinary sanction shall be imposed against a Unit Owner unless the Executive Board first provides written notice of the alleged violation and a fair opportunity to be heard before the Executive Board.