

Hamilton Bay Community Association, Inc.
Violation and Fine Procedure Policy

Adopted by the Board of Directors of the Association as of June 6, 2006

In accordance with Florida Statutes, Chapter 720.305(2) and the Bylaws of Hamilton Bay Community Association, Inc., the Board of Directors of the Association (the "Board") adopts the Violation and Fine Procedure Policy contained herein for the imposition of fines and other measures to compel Members, Owners, tenants, guests and invitees to comply with the governing documents and rules of Hamilton Bay.

1. Creation of Compliance Committee. The Board shall appoint at least three (3) Members of the Association to serve as members of the Compliance Committee. The Board shall appoint one of the three members to serve as chairman. The members of the Compliance Committee may not be the following individuals: officers, directors, or employees of the Association, or the spouse, parent, child, brother, or sister of an officer, director or employee. The Board reserves the right to remove a member of the Compliance Committee. Unless removed by the Board, the term of membership on the Compliance Committee shall be for one year from the date of appointment. The powers of the Compliance Committee are discussed in Paragraph 3, below.

2. Compliance Enforcement Procedure

a. Delivery of First Violation Letter. The Board, or its delegate, will send an initial violation letter (the "First Violation Letter") by certified mail return receipt requested, to the Owner's address of record, as well as to any violating tenant or occupant of the Owner's Lot, if applicable. The First Violation Letter will explain the violation and require that it be corrected or a plan for correction be submitted within the time frame prescribed (*i.e.*, 1-30 days depending on the violation). A sample First Violation Letter is attached hereto as Exhibit A.

b. Delivery of Second Violation Letter. When the time period provided in the First Violation Letter expires, the Board, or its delegate, will send a second violation letter (the "Second Violation Letter") by certified mail return receipt requested, to the Owner's address of record, as well as to any violating tenant or occupant of the Owner's Lot, if applicable. The Second Violation Letter will include a copy of the First Violation Letter and inform the Owner of: (i) the nature violation, (ii) that a fine of \$100.00 per day shall be imposed until the violation is remedied, (iii) a period of at least fifteen (15) days of the date of the Second Violation Letter within which the alleged violator may present a written request to the Compliance Committee for a hearing ("Hearing"); and (iv) a statement that the fine of \$100.00 per day shall be imposed as contained in the

Second Violation Letter unless a challenge is begun within fifteen (15) days of the Second Violation Letter. The Second Violation Letter will also inform the Owner that subsequent non-compliance or violation may accrue further fining. If a timely challenge is not made, the sanction stated in the Second Violation Letter shall be imposed. A sample Second Violation Letter is attached hereto as Exhibit B.

c. Hearing. If a Hearing is requested in a timely manner, the Hearing shall be held during a meeting of the Compliance Committee which shall afford the Owner a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notices, together with a statement of the date and manner of delivery, is entered by the agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or his designated representative appears at the meeting of the Enforcement Committee. The minutes of the meeting shall contain a written statement of the results of the Hearing and the sanction, if any, imposed. The Hearing shall be conducted in accordance with Florida Statutes, Chapter 720.305. The Compliance Committee shall have the power to approve or disapprove any fine or sanction imposed by the Board or its delegate as provided in Paragraph 3(b), below.

3. Powers and Duties of the Compliance Committee.

a. Meeting. The Compliance Committee shall meet, as required, at a time and place determined by the chairman of the committee. In order to conduct Committee business, a quorum of at least two (2) members must be present. Notice of a meeting shall be posted in a conspicuous place on the Association Property and shall set forth the date, time and place of such meeting.

b. Review of Fines and Violations. At each meeting of the Compliance Committee, the Committee will review all fines levied by the Board through this process and approve or disapprove same. The Committee shall then send a notice to all Owners upon whom a fine was imposed (including those who do not attend the meeting) regarding whether the fine was approved or disapproved by the Committee (“Notice of Decision”). The Notice of Decision should inform the Owners who are fined that they have thirty (30) days from the date of the Notice of Decision within which to pay any outstanding fines and to correct the violation (if applicable), or to appeal the decision to the Board. The Notice of Decision will state that the Association will pursue its legal remedies, including bringing a lawsuit to collect the fine and compel the Owner to correct the violation. A sample Notice of Decision is attached hereto as Exhibit C.

4. Appeal. The alleged violator shall have the right to appeal the decision of the Compliance Committee to the Board. To perfect this right, a written notice of appeal (“Notice of Appeal”) must be received by the manager, President or Secretary of the Association within thirty (30) days after the hearing date. The Board will hear any appeal at the meeting of the Board subsequent to the Board’s receipt of the Notice of Appeal, and will either affirm or overturn the decision of the Compliance Committee. The Board will send written notice to the Owner and to the Compliance Committee of its decision (“Notice of Decision on Appeal”). The Notice of Decision on Appeal will state that the Association will pursue its legal remedies, including bringing a lawsuit to collect the fine and compel the Owner to correct the violation. If the Board affirms the decision of the Compliance Committee, the Fine must be paid within fifteen (15) days, and the Violation must be corrected within fifteen (15) days. A sample Notice of Decision on Appeal is attached hereto as Exhibit D.

5. Legal Action. If the fine, as approved by the Compliance Committee (and affirmed by the Board, if applicable), is not paid and/or the violation not corrected, the Board or its delegate, will turn the file over to legal counsel for enforcement.

6. Re-occurring Violations. For violations that are re-occurring the Board or its delegate will send one warning letter informing the Owner that a second infraction may result in the consideration of a fine.

7. Capitalized Terms. Capitalized terms not otherwise defined herein shall have the meaning prescribed to them by the Bylaws of Hamilton Bay Community Association, Inc. or the other governing documents of Hamilton Bay Community Association, Inc.

Exhibit A
First Violation Letter (Sample)

[Date]

[Owner's Name and Address of Record]

[Tenant or Occupant's Name and/or Address]

FIRST VIOLATION LETTER

Dear _____:

Please be aware that _____ is a violation ("Violation") of the governing documents and policies of Hamilton Bay Community Association, Inc. Please correct the Violation within ____ days.

Failure to correct the Violation may lead to the imposition of a fine.

Sincerely,

Board of Directors

Exhibit B
Second Violation Letter (Sample)

[Date]

[Owner's Name and Address of Record]
[Tenant or Occupant's Name and/or Address]

SECOND VIOLATION LETTER

Dear _____:

Attached please find a copy of the FIRST VIOLATION LETTER, dated _____. In the FIRST VIOLATION LETTER, you were informed that _____ is a violation ("Violation") of the governing documents and policies of Hamilton Bay Community Association, Inc. You were given ____ days to correct the Violation.

You have not corrected the Violation within the prescribed time period. Accordingly, a fine of \$100.00 per day hereby is imposed ("Fine") until the Violation is remedied.

You may present a written request to the Compliance Committee for a hearing on the Violation and the Fine within fifteen (15) of the date of this SECOND VIOLATION LETTER. If a timely challenge is not made, the Fine stated herein shall be imposed.

Your request for a hearing should be sent to:

Community Association Management Systems, Inc.
314 N.E. 3rd Street, Boynton Beach, Florida 33435
ATTN: Hamilton Bay Compliance Committee

Subsequent non-compliance or your continued failure to correct the Violation(s) may accrue further fining.

Sincerely,

Board of Directors

Exhibit C
Notice of Decision (Sample)

[Date]

[Owner's Name and Address of Record]
[Tenant or Occupant's Name and/or Address]

NOTICE OF DECISION

Dear _____:

The Compliance Committee of Hamilton Bay met on _____, 20__ at _____ PM ("Hearing Date") at _____, and discussed the Fine that was imposed upon you by the Board.

The Committee [approves/disapproves] the Fine.

TO BE USED IF THE COMMITTEE APPROVES THE FINE:

You have thirty (30) days from the date of this Notice of Decision within which to correct the Violation (as described in the First Violation Letter and Second Violation Letter), and to pay the Fine in the amount of \$_____, as described in the Second Violation Letter. The Association will pursue its legal remedies, including bringing a lawsuit, to collect the Fine and compel you to correct the Violation.

You may appeal this decision to the Board of Directors by sending a notice of appeal to the President or Secretary of the Board within thirty (30) days of the Hearing Date. The Board will hear any appeal at the meeting of the Board of Directors subsequent to receipt of your notice of appeal.

Your notice of appeal should be sent to:

Community Association Management Systems, Inc.
314 N.E. 3rd Street, Boynton Beach, Florida 33435
ATTN: Notice of Appeal to President or Secretary

Sincerely,

Compliance Committee

Exhibit D
Notice of Decision on Appeal (Sample)

[Date]

[Owner's Name and Address of Record]
[Tenant or Occupant's Name and/or Address]
[Chairman of Enforcement Committee]

NOTICE OF DECISION ON APPEAL

Dear _____:

The Board of Directors of Hamilton Bay Community Association, Inc. (the "Board") met on _____, 20__ at _____ PM at the _____, and discussed the Fine that was imposed upon you by the Board, and approved by the Compliance Committee.

The Board [affirms/overturns] the decision of the Compliance Committee

TO BE USED IF THE BOARD AFFIRMS THE FINE:

You have fifteen (15) days from the date of this Notice of Decision on Appeal within which to correct the Violation (as described in the First Violation Letter and Second Violation Letter), and to pay the Fine in the amount of \$_____, as described in the Second Violation Letter. The Association will pursue its legal remedies, including bringing a lawsuit to collect the Fine and compel you to correct the Violation.

Subsequent non-compliance or your continued failure to correct the Violation(s) may accrue further fining.

Sincerely,

Board of Directors