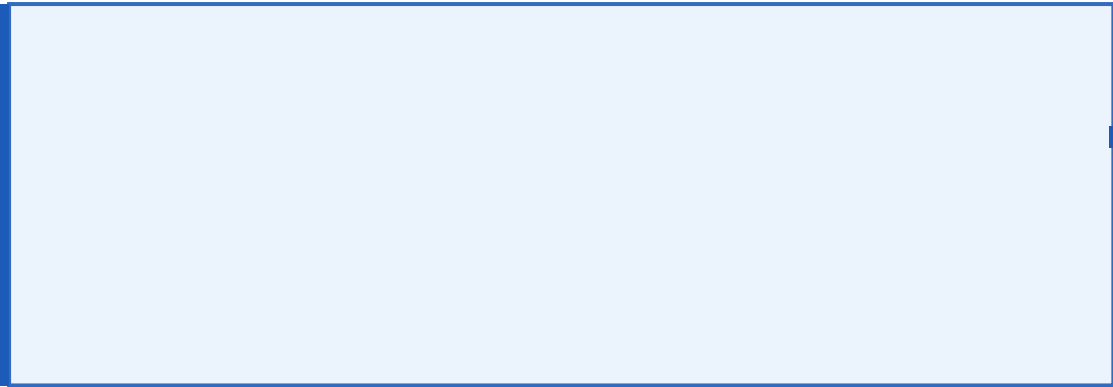


Section 501(c) - Sample Provision Excerpt (Public Preview)

(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I 25a X . . .

ISSUE #1



MARKUP #1 ->



MARKUP #1 · POTENTIAL ISSUE FOR REVIEW

BOARD & COUNSEL REVIEW

Sec. 501(c) (p. 4): Potential Issue for Review: Fining or enforcement clause grants authority to levy fines or penalties without spelling out the statutory notice, cure, fine schedule, and hearing procedures under N.H. Rev. Stat. Ann. (RSA) § 356-B:42, I(c) - look for this language in other governing documents (such as a standalone Fining/Enforcement Policy, Rules & Regulations, Bylaws, or amendments) that were not included in this review.

Statutory / Legal Reference: N.H. Rev. Stat. Ann. (RSA) § 356-B:42, I(c)

Statutory Comparison: Under N.H. RSA 356-B:42, I(c), the association may levy reasonable fines for violations of the condominium instruments or rules only after providing prior written notice and an opportunity to be heard before the board of directors. Because associations frequently set forth detailed fining procedures, written notice windows, hearing rights, and fine schedules in a separate Fining/Enforcement...

CURRENT WORDING IN DOCUMENT:

(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I 25a X . . .

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Look for the required notice, cure, fine schedule, and hearing language in other governing documents not included in this review. If not already set forth in another document, incorporate: Pursuant to N.H. RSA 356-B:42, I(c), the Board of Directors shall not levy any fine against a Unit Owner until the Owner has been given written notice of the alleged violation and a fair opportunity to be heard...