

MARKUP #1 ->

ISSUE #1

- (11) Impose reasonable charges for late payment of assessments, not to exceed the greater of twenty dollars (\$20.00) per month or ten percent (10%) of any assessment installment unpaid and, after notice and an opportunity to be heard, suspend privileges or services provided by the association (except rights of access to lots) during any period that assessments or other amounts due and owing to the association remain unpaid for a period of 30 days or longer.
- (12) After notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the association (except rights of access to lots) for reasonable periods for violations of the declaration, bylaws, and rules and regulations of the association.
- ~~(13) Impose reasonable charges in connection with the preparation and recordation of documents, including, without limitation, amendments to the declaration.~~
- (13a) Impose reasonable charges in connection with the preparation of statements of unpaid assessments, which must be furnished within 10 business days after receipt of the request, in an amount not to exceed two hundred dollars (\$200.00) per statement or request, and an additional expedite fee in an amount not to exceed one hundred dollars (\$100.00) if the request is made within 48 hours of closing, all of which charges may be collected by the association, its managers, or its agents.
- (14) Provide for the indemnification of and maintain liability insurance for its officers, executive board, directors, employees, and agents.
- (15) Assign its right to future income, including the right to receive common expense assessments.
- (16) Exercise all other powers that may be exercised in this State by legal entities of the same type as the association.
- (17) Exercise any other powers necessary and proper for the governance and operation of the association. (1998-199, s. 1; 2004-109, s. 4; 2005-422, s. 1; 2020-90, s. 4(c).)

§ 47F-3-103. Executive board members and officers.

- (a) Except as provided in the declaration, in the bylaws, in subsection (b) of this section, or in other provisions of this Chapter, the executive board may act in all instances on behalf of the association. In the performance of their duties, officers and members of the executive board shall discharge their duties in good faith. Officers shall act according to the standards for officers of a nonprofit corporation set forth in G.S. 55A-8-42, and members shall act according to the standards for directors of a nonprofit corporation set forth in G.S. 55A-8-30.
- (b) The executive board may not act unilaterally on behalf of the association to amend the declaration (G.S. 47F-2-117), to terminate the planned community (G.S. 47F-2-118), or to elect members of the executive board or determine the qualifications, powers and duties, or terms of office of executive board members (G.S. 47F-3-103(e)), but the executive board may unilaterally fill vacancies in its membership for the unexpired portion of any term. Notwithstanding any provision of the declaration or bylaws to the contrary, the lot owners, by a majority vote of all persons present and entitled to vote at any meeting of the lot owners at which a quorum is present, may remove any member of the executive board with or without cause, other than a member appointed by the declarant.

MARKUP #1 · CONFLICTS WITH MANDATORY STATE STATUTE

BOARD & COUNSEL REVIEW

Sec. 3. (p. 10): Clause authorizes fines exceeding North Carolina's statutory \$100 per violation / \$100 per day cap under N.C. Gen. Stat. § 47F-3-107.1.

Statutory / Legal Reference: N.C. Gen. Stat. § 47F-3-107.1

Statutory Comparison: Under N.C. Gen. Stat. § 47F-3-107.1, a lot or unit owner may not be fined or have planned community/condominium privileges or services suspended unless the owner is given notice of the charge, an opportunity to be heard and to present evidence, and notice of the decision before an adjudicatory panel appointed by the executive board (whose members must contain no officers, directors, or their immediate family members) or before the executive board itself. If a violation is found, the fine may not exceed one hundred dollars (\$100.00) for the violation, plus up to one hundred dollars (\$100.00) per day for any continuing violation occurring more than five (5) days after the decision is communicated to the owner.

CURRENT WORDING IN DOCUMENT:

(12) After notice and an opportunity to be heard, impose reasonable fines or suspend privileges or services provided by the association (except rights of access to lots) for reasonable periods for violations of the declaration, bylaws, and rules and regulations of the association.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Pursuant to N.C. Gen. Stat. § 47F-3-107.1, no fine or suspension of community privileges or services shall be imposed until the owner has been given written notice of the alleged violation and an opportunity to be heard and present evidence before the Executive Board or an adjudicatory panel composed of members who are neither officers nor directors of the Association. Any fine imposed shall not exceed One Hundred Dollars (\$100.00) for a single violation, and for a continuing violation may not exceed One Hundred Dollars (\$100.00) per day beginning more than five (5) days after the decision is communicated that the violation occurs. The owner may appeal an adjudicatory panel decision to the full Executive Board within fifteen (15) days.