Section 1: [Declaration Article VIII, Section 8.6] Political and Yard Signs Prohibited

No signs of any kind shall be displayed to the public view on any Lot or Townhome Unit except one professional sign of not more than four (4) square feet advertising the property for sale. Political signs and campaign placards are prohibited at all times.

ISSUE #1

Section 2: [Declaration Article IX, Section 9.4] Summary Imposition of Fines Without Notice or Opportunity to Cure

The Board of Directors or its managing agent may impose an immediate fine of $100.00 per occurrence against any Owner for any violation of the Declaration, Bylaws, or Rules and Regulations without prior warning or hearing, and such fine shall be collectible in the same manner as an assessment.

MARKUP #1 ->

MARKUP #1 · CONFLICTS WITH MANDATORY STATE STATUTE | BOARD & COUNSEL REVIEW

Sec. 2 (p. 1): Clause permits imposing fines or suspending owner rights without prior written notice and an opportunity to be heard in violation of Tenn. Code Ann. § 48-56-302 & § 66-27-402(a)(11).

Statutory / Legal Reference: Tenn. Code Ann. § 48-56-302 & § 66-27-402(a)(11)

Statutory Comparison: Under Tenn. Code Ann. § 66-27-402(a)(11), the association may, "[a]fter notice and an opportunity to be heard, levy reasonable fines for violations of the declaration, bylaws, and rules and regulations of the association." Similarly, under the Tennessee Nonprofit Corporation Act, Tenn. Code Ann. § 48-56-302, no member may be suspended or subjected to disciplinary sanctions except pursuant to a procedure that is fair and reasonable, carried out in good faith, and provides at least fifteen (15) days' prior written notice and an opportunity to be heard at least five (5) days before the effective date of the sanction.

CURRENT WORDING IN DOCUMENT:

[Declaration Article IX, Section 9.4] Summary Imposition of Fines Without Notice or Opportunity to Cure The Board of Directors or its managing agent may impose an immediate fine of $100.00 per occurrence against any Owner for any violation of the Declaration, Bylaws, or Rules and Regulations without prior warning or hearing, and such fine shall be collectible in the same manner as an assessment.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Pursuant to Tenn. Code Ann. § 48-56-302 & § 66-27-402(a)(11), the Association may levy reasonable fines or suspend privileges for violations of the Governing Documents only after providing the Owner at least fifteen (15) days' prior written notice stating the alleged violation and an opportunity to be heard before the Board of Directors at least five (5) days prior to the effective date of the fine or suspension.