

Appendix I

Violation and Fining Process

Section 719.303(3), Florida Statutes provides that the Corporation may levy and impose reasonable fines for the failure of the unit owner or the unit's occupant, licensee, or invitee to comply with any provision of the Cooperative documents or reasonable rules of the Corporation; and

1. A volunteer Fining Committee shall be appointed by the Board and consist of nine (9) members with two (2) from each district plus one (1) member at large. The Committee members must be Unit Owners in the Cooperative but may not be Board members nor persons residing in a Board member's household. The Committee shall, amongst itself, elect a Chair and, if desired by the Committee, a Vice-Chair. The duties of this Committee are enumerated below.

2. The General Manager (GM) of the Corporation, in appropriate situations, may initially address violations through the issuance of a written "Notice of Violation". This should be sent certified return receipt requested. The GM may confer with the President, his/her designee and/or legal counsel in attending to this function, but shall be delegated the general authority and responsibility to provide initial notices of violations of the Cooperative Documents (which include the Articles of Incorporation, the Bylaws, the Rules and Regulations and the Proprietary Leases), as well as violations of any policies, resolutions or lawful orders of the Board of Directors, or applicable provisions of law; all of which shall be referred to in this Resolution as a violation of the Cooperative Documents. The GM (subject always to contrary direction by the President or the Board) is to determine which violations shall be initially addressed through a warning letter first sent, and which proceedings may be initiated without the provision of a prior warning through issuance of a Notice of Violation. It shall generally be the policy of the Corporation to issue prior warnings to first time offenders for minor violations. It shall generally be the policy of the Corporation that where a person sought to be fined has violated the Cooperative Documents in the past, or where the alleged violation is sufficiently serious, or where the violation cannot be remedied as determined by the GM e.g. late rental application the fining procedure may be initiated without a prior warning/opportunity to cure.

3. Assuming that the Notice of Violation does not result in the resolution of an alleged violation to the satisfaction of the GM, or in cases where no Notice of Violation is issued, the GM, on behalf of the Board, shall be empowered with the authority to initiate the fining process by placing on the agenda for a regular or specially scheduled meeting of the Board of Directors the consideration of levying a fine.

4. If at the meeting of the Board of Directors, a majority of the Board votes to levy a fine, the Unit(s) and person(s) against whom the fine is levied shall be delivered written notice of the Board's action levying the fine and further be notified of a hearing

before the Committee where the fine shall be considered by the Committee for confirmation or rejection of the fine. The written notice, the "Notice of Hearing" shall be delivered by certified mail, return receipt requested, with an additional copy by regular mail. E-Mail copies may also be sent, but are not required. If the fine is confirmed by the Committee, the fine may be deemed imposed without further action of the Board of Directors.

5. The Committee shall be empowered with the authority to conduct fining hearings. The hearing will be conducted by the Chair of the Committee. At least a majority of the Committee Members are required for a quorum of the Committee. Actions of the Committee shall be by vote of a majority of the Committee Members present. At said hearings, the Committee shall be empowered with the authority to either confirm or reject the fine levied by the Board. The Unit Owner and, if applicable, the party against whom the fine is sought to be imposed (if different from the Unit Owner), shall have an opportunity to respond, to present evidence, and to provide written and oral argument on all issues involved and shall have an opportunity at the hearing to review, challenge, and respond to any material considered by the Corporation. Members of the Board of Directors and/or the General Manager may be called to present evidence of violations, if applicable. Board members will not question or address the accused or witnesses nor otherwise participate in the conduct of the hearing. The Committee shall send the Board a "Report of Compliance Committee" ("Report"). The Chair or Vice-Chair of the Committee shall be required to sign the Reports, which signature shall be presumed to represent the decision of the Committee.

6. Once the fine is imposed, the GM shall deliver a "Notice of Imposition of Fine." General compliance with this Rule shall be sufficient, it being intended to be used as a guideline to ensure fairness in the fining process. It is the intention of this Appendix I of the Rules and the stated procedures that persons sought to be fined are given a reasonable notice to be heard before the imposition of a fine. The GM, in consultation with the President or his/her designee, where appropriate, shall have the authority to disregard the provisions of this Rule in circumstances where the alleged behavior of a person constitutes a violation of criminal law, or poses a threat to the health, peace, safety, or welfare of the residents of the Cooperative, or in other circumstances where the Corporation believes such disregard is justified. Compliance with this Rule and the imposition of fines shall not be deemed a prerequisite to the initiation of legal proceedings or other remedies to enforce the Cooperative Documents.

7. This Resolution amending Article I of Briny Breezes Rules was adopted at the Board of Directors' Meeting held September 9, 2016. The vote of each Director is reflected in the minutes of the meeting at which this Resolution was adopted.

Approved 9-9-16