

OPERATIONS POLICY FOR THE COMPLIANCE COMMITTEE

INTRODUCTION. A Compliance Committee shall be established by the Board of Directors to address violations by residents, of the Governing Documents of the Association and the Florida Statutes. The role of the Committee is to determine if a penalty imposed by the Board in a particular situation, is fair and supported by the evidence. The Committee does not have the authority to investigate the violation. It's authority is to decide if the penalty proposed by the Board is fair and if it is supported by the facts of the matter in question.

MEMBERSHIP AND TERMS IN OFFICE. The Committee shall be comprised of three residents from the Cappello II community, and said members shall be appointed by the Board of Directors, for a term of two years. The Board shall also designate a Committee member to serve as Chairman.

HEARINGS. Hearings shall be scheduled by the Chairman on an "as needed" basis. Notice of said hearings, together with the agenda, must be posted on the website for the Association. Additionally, a notice must be posted conspicuously on the Association property at least 48 hours prior to the hearing date. All three members of the Committee must be present for hearings.

CONDUCT OF THE HEARING. The hearing shall proceed in the following manner:

1. The Chairman shall make a brief introductory statement outlining the purpose of the hearing;
2. A representative of the Board shall provide adequate proof that written notice was provided to the resident at least 14 days before the hearing date, which notice stated: (a) the date, time and place of the hearing; (b) a statement as to the provision(s) of the Declaration, Bylaws, or the rules and regulations of the Association which have allegedly been violated; and (c) a short and plain description of the matters asserted by the Association;
3. A representative from the Board shall then present the facts which form the basis for the violation and the proposed fine.
4. The resident charged with the violation shall then present evidence relating to the alleged violation, either in writing or orally, to review, challenge or respond to any material submitted by the Association. If the resident does not attend the hearing, and provides no written defense, response or challenge to the alleged violation and fine, said hearing shall nonetheless proceed in the resident's absence.
5. The Committee shall then vote to either confirm or reject the fine. A fine may not be levied if more than half of the Committee members disagree with such fine. If the

vote is to reject, the Board cannot impose the fine. If the fine is approved, the Association must provide written notice to the resident of the fine within 5 days after the hearing date.

6. FINES. The fine imposed by the Association may not exceed \$100.00 per violation. A fine may be imposed by the Association for each day of a continuing violation, but said fine may not exceed \$1,000.00 in the aggregate.
7. MINUTES. Minutes of the hearing must be taken, kept and maintained by the Association. The minutes must include the actions taken, the decision and the voting records of the Committee members. Copies of said minutes must be sent to the Board.
8. REPRESENTATION BY COUNSEL. The Association and the resident charged with the violation are each entitled to be represented by an attorney at the hearing.

BY ORDER OF THE BOARD OF DIRECTORS. APRIL 28, 2026.