

**LAKE OF THE PINES ASSOCIATION
POLICIES & PROCEDURES**



Fines

A. General

The Lake of the Pines Association By-Laws, Article I and Article VI, sets forth the Purpose and Powers of the Association. Stipulated in the paragraphs contained therein are charges to enforce easements, restrictions, covenants, conditions, agreements and to prescribe and enforce regulations. The By-Laws also in Article VIII, states in part that the Association shall operate manpower and facilities to ensure the enforcement of the Association's rules and regulations.

It is the intent of this policy to place the primary responsibility of enforcement of the Association Governing Documents with the management of Lake of the Pines and to enable management to impose fines as set forth in the Lake of the Pines Schedule of Fines. The extent of such action will be based on reasonableness, fairness, and equity as determined by the judgment of the Association's Board of Directors.

The Lake of the Pines General Manager and designated management representatives shall have the authority to issue citations and, when in their judgment it serves the purpose and intent of the Association's Government Documents, to levy fines as stipulated in the Lake of the Pines Schedule of Fines.

Any citation issued to a guest is the responsibility of the sponsor. Exceptions: (1) A third or subsequent Vehicle Code violation received within a three year period or, (2) all speeding citations issued for 40 mph and above. Both exceptions will automatically be referred to the Nevada County DA for adjudication.

B. Administrative Procedure

1. Receipt of Complaint

In the event that an alleged violation of any Association Governing Documents comes to the attention of the Association, either through a member complaint or from staff, it is the intent of the Board that the General Manager or his designated management representative, initiate a compliance process. Reports of alleged violations of the Association's Governing Documents may be made to Public Safety Department, a management level employee or Administration Office staff of the Association. Such a report shall constitute a "complaint" preferably in writing. The complaint should clearly state the facts and circumstances regarding

the alleged violation. Action may be taken as a result of an oral report (telephone or in person). File documentation shall be generated and maintained to ensure a thorough paper trail for future reference.

2. Notice of Violation to Member

Upon receipt of a complaint, the General Manager or his designated management representative, after a thorough review of all circumstances and investigation or verification of any vague or questionable items relative to the complaint, may issue a written warning notice or citation. Such notice will notify member of time frame to clear violation based upon nature of violation at the determination of management.

3. Notice of Fine and Appeal Process to Member

Should management be unable to bring about compliance or the violation be of a nature that correction of a condition is not appropriate, charges as stipulated in the Association's Governing Documents may be imposed. Notification will be made by first class mail or personal delivery stating the violation and the amount of the fine to be imposed. This notice of violation shall detail the following information including but not limited to:

- a. Governing Document violated.
- b. Location of violation.
- c. Date of violation or initial date of inspection.
- d. Amount of charge per Fine Schedule.
- e. Statement of time frame in which to pay.
- f. Statement as to the Respondent's rights of appeal.

Any fine(s) shall become effective as of the date of the Notice of Fines. Some violations, as indicated in the Schedule of Fines, will continue to accrue a weekly fine until the violation is brought into compliance.

4. Non-Compliance

If a correctable violation has not been corrected in a manner satisfactory to management, the matter will be referred to Covenants Committee for hearing. Administrative Procedures for the Covenants Committee shall apply.

If the violation is a result of a Member's failure to submit plans to the Environmental Control Committee (ECC), the Covenants Committee may,

as a result of a hearing, impose a fine. This fine will accrue until such time as plans are submitted to the ECC. In no other instance will an ECC issue be referred to the Covenants Committee. Noncompliance with ECC directives shall be referred directly to the Board of Directors for adjudication.

5. Non-payment of Fine

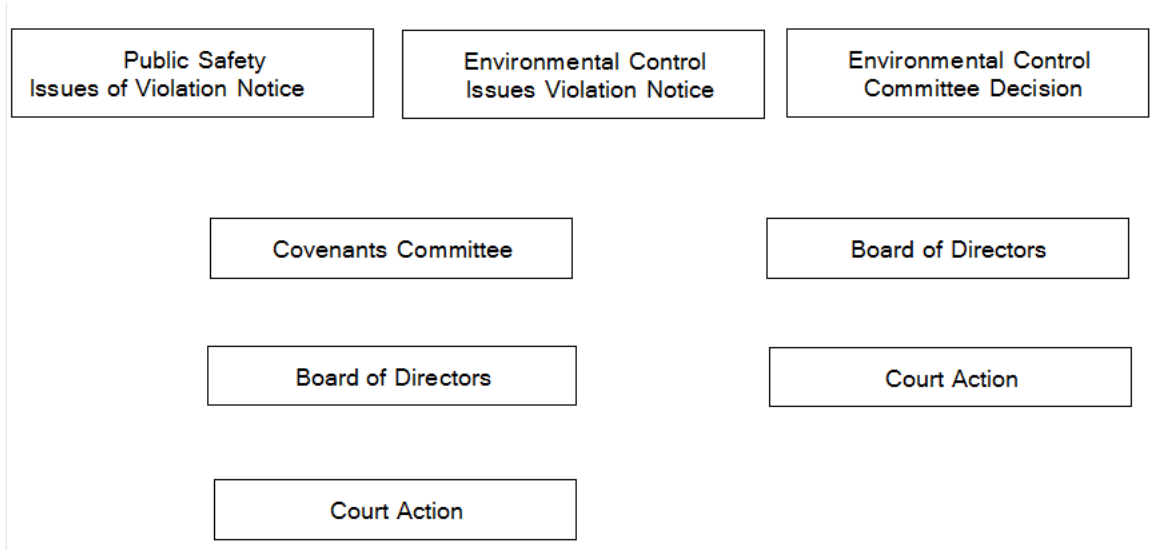
The Lake of the Pines Association Collection Policy shall be applied to fines for purposes of collection.

C. Appeal Process

Processes for appeal shall be maintained to ensure due process and fairness in the application of charges as set forth in this policy. It is intended that any member who has been issued a violation may appeal said violation to the Covenants Committee and finally to the Board of Directors. A request for an appeal to the Covenants Committee shall be filed in writing by the alleged violator within 30 days of the postmark of the notice of fine(s) or the date of personal delivery. A request for an appeal to the Board of Directors shall be filed in writing by the alleged violator within ten days of the postmark of the Covenants Committee decision notice.

D. Flow Chart

The following flow chart depicts the manner in which noncompliance issues are to be processed through the enforcement procedure.



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