

La Cresta Property Owners Association (LCPOA)
Enforcement and Fining Policy

This policy replaces all previous LCPOA Enforcement and Fining policies.

In the event that the Board of Directors of the Association receives complaints from two or more property owners regarding the same violation, or observes that an alleged violation of the Association's Governing Documents has taken place, the steps below may be taken. While it is normal policy to require two or more property owner complaints, the board reserves the right to act with just a single complaint.

Notice of Violation: A letter will be sent via certified and/or first-class U.S. mail to the owner. The letter will include the following information: (a) the alleged violation, (b) the provision of the Association's governing documents that was allegedly violated, (c) the date upon which the alleged violation must be cured to avoid further action. However, the Board of Directors reserves the right to skip this step and immediately issue a Notice of Hearing where the Board believes the circumstances justify such action.

Notice of Hearing: If the violation is not cured within the timeframe set forth in the Notice of Violation letter, a letter will be sent via certified and/or first-class U.S. mail to the owner. The letter will include the following information: (a) the alleged violation, (b) the provision of the Association's governing documents that was allegedly violated, and (c) the time, date and place of the next Board meeting where the violation will be addressed in a hearing in executive session. A summary of the Association's Enforcement Policy and Fining Schedule will be included with the Notice of Hearing.

Hearing: On the date and at the time set forth in the Notice of Hearing (which shall be at least ten (10) days after the Notice of Hearing is provided to the alleged violating owner), the Board of Directors will meet in executive session, regardless of whether the alleged violating owner is in attendance, to discuss and evaluate the evidence that has been presented by the complaining party, the alleged violating owner (either by written statement or evidence, or personal testimony) and any witnesses. The alleged violating owner shall have an opportunity to review the evidence presented against him or her and address the Board in his or her defense.

Disciplinary Action: If the Board of Directors, after evaluating all the evidence presented, finds that a violation has occurred, then it may impose disciplinary action against the violating property owner by levying a fine, in accordance with the Fining Schedule attached hereto and incorporated herein. The Board may also take legal action against the violating property owner.

Written Findings: Within fifteen (15) days following the hearing, the Board of Directors shall provide the owner a written notice of its findings and any disciplinary action imposed against the owner, by certified and/or first-class mail. No disciplinary action shall be effective until and unless such notice of Written Findings has been sent to the owner.

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After Notice and a Hearing, as set forth above, the following disciplinary action may be imposed against an owner for a violation or violations of the Association's governing documents: Fine Amount:

- For significant violations of the Nuisance Policy, as solely determined by the Board, a \$1000 fine will be assessed following the first hearing, \$2000 following the second hearing, and \$3000 following the third and every hearing thereafter.
- For all other violations, including minor violations of the Nuisance Policy, a \$250 fine will be assessed following the first hearing, and \$500 following the second and every hearing thereafter.
- For the same violation repeated within a twelve-month period, the applicable fine schedule will be applied without interruption, starting with the next fine amount in the sequence described above.
- If the board determines that the fine amounts above are insufficient to curtail the offending activity, the board may double the fine amount at any step.

Legal Action: The Board reserves the right, at any time during the enforcement process, to turn the violation matter over to the Association's legal counsel for enforcement via alternative dispute resolution and/or litigation.