

LAKE FOREST - SUMMIT OWNERS ASSOCIATION FINE SCHEDULE

(July, 2009)

The Lake Forest - Summit Owners Association (HOA) has established the following Fine Schedule. The amounts shown are the MAXIMUM amount that can be levied as a fine for the type of infraction indicated. The HOA Board (the Board) may assess fines ranging from zero to the maximum for a specific violation. In determining the exact amount of a fine, the Board shall exercise reasonable discretion and endeavor to establish a fine amount that bears a rational relationship to the nature and gravity of the offense. While that determination remains within the Board's discretion, the Board may also consider whether the owner or resident has engaged in the same or similar conduct or actions in the past.

Prior to the first fine being assessed for a particular violation, the owner of the property in question will be invited to attend a private hearing, at which time the owner shall have the opportunity to hear the complaint and respond. The Board may then levy fines as allowed by this Fine Schedule. Once a hearing has occurred, additional hearings are not necessary for subsequent violations of the same provision of the Association Rules, Construction Rules, or CC&Rs, such as construction on a weekend. Hearings are not required for warning notices. Additionally, the Board may, at its discretion, elect to assess increasingly larger fines for subsequent violations up to the maximum allowed, without further hearings.

I. Fines for infractions of any provision of the Governing Documents (other than architectural control or construction rules:

First violation: Warning or fine of up to \$1000 per violation, depending on the Board's judgment regarding the impact of the offense on other residents.

Second or subsequent violations: \$1000 per violation

II. Fines for infraction of architectural control or construction rules:

- A. Construction of residences, landscaping, pools or other structures without approval of the ACC: \$5,000 per month, until construction approval has been granted by the ACC

Example: commencing construction without approval or in violation of previously approved plans, including such activities as: grading, excavation, tree removal, paving, swimming pool, landscaping, structural building or miscellaneous improvements.

- B. Fines for failure to complete construction within the allotted time (unless extended by the ACC):

Residence: \$1000 per month, ongoing until completion is approved by the ACC

Landscaping: \$1000 per month, ongoing until completion is approved by the ACC.

- C. Fines for all violations other than those listed above. The following assessments will apply

First violation: Warning or fine of up to \$5,000 per violation, depending on the Board's judgment regarding the impact of the offense on other residents.

Second or subsequent violations: \$5,000 per violation

III. Fines for irreversible environmental damage including removal of trees, rock, and soil, not previously approved by the Board and/or the ACC:

Fine per violation: \$5,000 plus the cost of remedial action which the Board may require.

Example: removal of native trees without approval may be assessed at up to \$5,000 per tree. This does not include the cost, determined by the Board, to the violator of correcting the damage to within proximity of its original state, which may be assessed separately.

IV. Weed Abatement (wildfire suppression)

- A. \$500 if weeds and native grasses have not been removed (cut) by Memorial Day.
- B. \$250 per week for each week after Memorial Day that weeds and native grasses have not been removed (cut) until October 1.

V. Additional Sanctions for Failure to Pay Fines:

- A. If an owner or resident fails to pay a fine assessed by the Board within 30 days of the date of the hearing in which the fine has been assessed, the amount of the fine shall be automatically increased to the maximum allowed under the above schedule.
- B. If an owner or resident fails to pay a fine assessed by the Board within 30 days, the Association may have a lien recorded against the property in the amount of the maximum fine (which must be paid before escrow can close on a future sale) and the owner's voting rights in all future Association meetings shall be suspended following a hearing, pursuant to Section 2.02 B. of the CC&Rs. In addition, pursuant

to Section 3.21 C. of the CC&Rs, the owner or resident will be liable for the Association's cost, including attorney fees, should the Association pursue collection through the courts.

VI. Additional Sanctions for Failure to Take Corrective Action

- A. If an owner or resident fails to take correction action prescribed by the Association Board of Directors within 30 days after being fined initially, the Association may additionally fine up to \$100 per day for each day beyond 30 days in which corrective action has not been taken.