



ENFORCEMENT POLICY & FINE SCHEDULE

SPRING VALLEY LAKE ASSOCIATION

INTRODUCTION

The Spring Valley Lake Association (“**Association**”) enforces the terms of the Association’s “Governing Documents.” The Governing Documents include, among others, the Association’s recorded Declaration of Covenants, Conditions and Restrictions (“**Declaration**”), Bylaws, and any Rules and Regulations (“**Rules**”) adopted by the Association’s Board of Directors (“**Board**”). Exercising that authority permits the Board to take disciplinary measures for violations, which may include, but are not limited to, the imposition of fines, suspension of membership privileges (i.e., use of Common Area facilities), and/or the use of formal legal action to compel compliance and to recover the Association’s legal fees and costs.

Owner’s Responsibility for Conduct of Others

Owners are legally responsible for the conduct of their family, tenants and guests. A Violation Notice may be issued to a tenant for a violation of the Governing Documents; however, the Owner is responsible for all liability arising from a violation by the Owner’s family, tenants and guests.

DISCIPLINARY MEASURES

MONETARY PENALTIES (FINES)

The Board may impose Monetary Penalties (“**Fines**”) against an Owner in response to a violation of the Governing Documents committed by the Owner or a person for whom the Owner is responsible. Fines shall be levied pursuant to the “Spring Valley Lake Fine Schedule” attached to this Policy.

Health & Safety Violations

For violations that may adversely impact health and/or safety of the residents, common area, and/or another member’s property the Board may determine to impose a Fine of up to \$1,000 for the violation.

Continuing Violations

In addition to the Fine amounts set forth above, if a violation is continuing (occurring over multiple days), the Board may determine to impose a Fine of up to \$50 per day until compliance is achieved. These daily Fines will commence the day after the hearing in which the Board determined to impose the daily Fines for the continuing violation.

MONETARY CHARGES (REIMBURSEMENT ASSESSMENTS)

In the event an Owner or a person for whom an Owner is responsible causes damage to the Common Area, the Board may impose a monetary charge on the Owner for the corresponding repair costs, fees or other expenses in the form of a “Reimbursement Assessment.” The

Reimbursement Assessment is due to the Association once notice of the Reimbursement Assessment is sent to the responsible Owner.

SUSPENSION OF PRIVILEGES

In addition to or in lieu of a Monetary Penalty, the Board may determine to suspend the rights of use and enjoyment of the Association's recreational common areas and common facilities of the member, member's family, tenants and guests for a period of thirty (30) days.

Nonpayment of any Assessment, Fine or Fee

In the event a member fails to pay any assessment, Monetary Penalty or fee levied against the member and their lot within ninety (90) days after its is due and payable, the rights of use and enjoyment of the Association's recreational common areas and common facilities of the member, member's family, tenants and guests shall be suspended until such time as payment is made and no delinquency exists, pursuant to Article III, Section 5.2 of the Association's Bylaws. The suspension shall become effective fifteen (15) days after notice has been provided to the member.

ENFORCEMENT PROCEDURES

FIRST NOTICE (NOTICE OF VIOLATION)

Upon the first instance of the violation, a "**Courtesy Notice**" will be sent to the violating Owner (and violating resident, if applicable). The Notice of Violation will set forth: (a) the basis for the violation, (b) the provision(s) of the Governing Documents at issue, and (c) a demand that the violation be corrected within a reasonable time period ("**Cure Period**"). The Notice of Violation will also include instructions regarding responses to the Notice of Violation.

SECOND NOTICE (NOTICE OF HEARING)

Upon the second instance of the violation, or of a continuation of the first violation after the Cure Period has expired, a **Notice of Hearing** may be sent to the violating Owner (and violating resident, if applicable). The Notice of Hearing will invite the violating Owner to a hearing with the Board in a Board meeting for the purpose of explaining the reasons for the continued non-compliance and for determining whether the Board will impose discipline upon the Owner ("**Violation Hearing**").

The Notice of Hearing may be sent by personal delivery or first-class mail at least ten (10) days prior to the date of the Violation Hearing, and shall include, at a minimum: (a) the date, time and place of the Violation Hearing, (b) the nature of the alleged violation for which the Owner may be disciplined, and (c) a statement that the Owner has a right to attend and may address the Board at the Violation Hearing.

Adverse Health or Safety Violations

Upon notification or observation of a violation that may result in an adverse impact on the health and/or safety of the residents, Common Area, and/or another Member's property, the Board may determine not to send a Notice of Violation and instead immediately proceed to sending a Notice of Hearing to the violating Owner (and violating resident, if applicable).

VIOLATION HEARING

At the Violation Hearing the Board will determine what actions are to be taken to address and resolve the non-compliance. Such actions may include, but are not limited to, the imposition of Fines and/or suspension of membership privileges.

If the Board and the violating Owner are not in agreement after Violation Hearing, the Owner shall have the opportunity to request Internal Dispute Resolution (“IDR”) pursuant the Association’s IDR Policy. If the Board and the violating Owner are in agreement after the Violation Hearing, the Board shall draft a written resolution. The written resolution shall be signed by the Board and the Owner. The resolution is judicially enforceable.

Adverse Health or Safety Violations

For a violation that may have an adverse impact on the health and/or safety of the residents, Common Area, and/or another Member’s property, a Notice of Hearing may be sent to the violating Owner (and violating resident, if applicable) immediately and without first having sent a Notice of Violation. In addition to the Violation Hearing procedures set forth above, the Board will prepare a written finding or resolution at the Violation Hearing specifying the adverse health or safety impact, and adopt the finding/resolution during an open Board meeting. If the Board previously adopted such a finding/resolution covering the violation at issue, no subsequent finding/resolution need be adopted.

Notification of Hearing Results

The Board will notify the Owner within fourteen (14) days following the Violation Hearing as to what disciplinary action(s) will be taken in response to the violation, as well as what further measures the Board may take should the non-compliance continue (i.e., the continued levying of Fines and/or the institution of legal action).

Owner Opportunity to Cure

No Fine will be levied if the violation is cured prior to the Violation Hearing. If the violation cannot be cured prior to the Violation Hearing, the Fine will not be imposed if the violating Owner provides financial commitment to cure the violation. There are certain violations which are “uncurable”—a violation is “uncurable” if it consists of a non-continuing, completed act for which there is no reasonable remedial action that would undo the misconduct or bring the Owner into compliance before the Violation Hearing (e.g., an incident involving reckless boat operation). The cure exceptions above do not apply to uncurable violations. For uncurable violations, the Board may impose a Fine notwithstanding the fact that the conduct has ceased.

EXPEDITE RESOLUTION

At any time during the enforcement, the Board may determine that it is in the Association’s best interest to expedite the resolution of the matter through, among other things, immediately setting the matter for a Violating Hearing, transferring the matter to the Association’s legal counsel, and/or the institution of legal action against the Owner. Should such legal action be instituted, the Association is entitled to recover from the violating Owner the Association’s reasonable attorneys’ fees and costs incurred.