

**LAKEVIEW PINES CONDOMINIUM HOMEOWNERS ASSOCIATION  
DELINQUENT ASSESSMENT COLLECTION POLICY**

Timely payment of regular and special assessments is of critical importance to Lakeview Pines Condominium Association (“Association”). Although most property owners consistently pay their assessments on time, the failure of any owner to pay monthly assessments when due creates a cash-flow problem for the Association and causes those owners whom make timely payment of their assessments to bear a disproportionate share of the Association’s financial obligations. Therefore, to encourage the prompt payment of monthly assessments, the Board of Directors has enacted the following policies and procedures concerning collection of delinquent assessment accounts.

We sincerely trust that all property owners, in the spirit of cooperation, will make timely payments and avoid the imposition of late charges and possible reluctant legal action. It is in your best interest to do so.

**1. Due Dates, Late Charges, Collection Costs; and Interest**

(a) **Assessment Due Dates.** The regular annual assessment is payable in equal quarterly installments on the first day of each quarter starting January of each year and are delinquent if not paid by the 15<sup>th</sup> day of the start of a quarter. Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. In no event shall a special assessment be due and payable earlier than 30 days after the special assessment has been duly imposed.

(b) **Late Charges.** When an installment payment of a regular assessment or a special assessment becomes delinquent, the owner’s account with the Association shall be charged with a late payment equal to the greater of \$10.00 or 10 percent of the delinquent amount.

(c) **Collection Costs Are Also Recoverable.** As provided by law, the Association is also entitled to recover all reasonable costs incurred in collecting delinquent assessments including the following: (i) reasonable charges imposed to defray the cost of preparing and mailing demand letters; (ii) legal expenses incurred; (iii) recording costs; (iv) costs incurred with title companies or foreclosure service providers; and (v) costs associated with small claims court actions (collectively “reasonable costs of collection”).

(d) **Policy Regarding Requests From Owners To Waive Costs.** It is the policy of the Association not to waive any duly imposed reasonable costs of collection. It is the owner’s responsibility to allow ample time to drop off or mail before the delinquency date. All notices or invoices for assessments will be sent to property owners by first-class mail addressed to the owner at his or her address as shown on the books and records of the Association. However, it is the owner’s responsibility to be aware of the assessment

payment due dates and to advise the Association of any changes in the owner's mailing address.

(e) Interest. State law and the governing documents of the Association also provide for the imposition of interest at the rate of 12 percent per annum on all delinquent assessments, late charges, and reasonable costs of collection commencing 30 days after the due date of the delinquent assessment(s).

(f) Application of Payments. Payments received on delinquent assessments shall be applied to the owner's account in the following order of priority: first, to the principal owed; then to accrued interest and late charges; then to attorney fees; then to title company and foreclosure service company charges and other reasonable costs of collection. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code section 1366(d).

## **2. Enforcement and Collection Remedies Available to the Association.**

(a) Late Notice. A late notice will be sent on the 15<sup>th</sup> of the month in which the payment is due for unpaid accounts or if a check is returned after the 15<sup>th</sup> of the month in which the payment is due. This notice will include the amount owed plus any late fees and returned check charges if applicable. This notice will state the amount past due plus any additional charges. This notice will state that the account is subject to interest charges if the account is not paid in full (including any charges) by the 1st day of the month following the original due date (after the account is one month past due). The late notice will include a statement that the account is subject to the full enforcement of the Collection Policy if not paid in full within 30 days from the mailing of the late notice. This notice will be sent via first class mail to the address of record for the account.

The late notice will state that any late fees will be waived if a payment is received after the notice has been mailed provided that the payment is post marked on or prior to the 15<sup>th</sup> of the month in which it was originally due.

(b) The First Demand Letter. A First Demand Letter will be sent at least 30 days after the Late Notice is mailed. When an owner becomes delinquent in the payment of assessments, the Association's staff and/or management company will mail a "First Demand" letter advising the owner that he or she is late in payment of assessments and requesting immediate payment. Pursuant to CC § 1367.1(a) the demand letter must precisely meet the requirements below. (Note that the current cost and expense of the Association in preparing and mailing the letter is \$175.00 which shall also be assessed against the owner.)

The demand letter *must* be sent by certified mail and *must* include all of the following:

- A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount;
- A statement that the owner of the separate interest has the right to inspect the Association's records, pursuant to Corporations Code § 8333;
- The following statement must be printed in 14-point boldface type, if printed, or in capital letters, if typed: "IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION";
- An itemized statement of the charges owed by the owner (principal owed, late charges, reasonable fees and costs of collection, attorney fees and interest, if any);
- A statement that the owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined that the assessment was paid on time to the Association;
- A statement that pursuant to Civil Code § 1367.1(c) the owner may submit a written request for a meeting with Association Board to discuss a payment plan for delinquent assessments, late fees, fees and costs of collection, attorney fees and interest.

To insure that the reminder letter meets these requirements, the letter should include a copy of the Association's Collection Policy and procedures as set forth in the Association CC&Rs (assuming that the CC&Rs have been kept updated).

This letter should also be sent by regular mail or facsimile if there is a concern that a certified letter will not be claimed at the post office.

This letter must be sent at least 30 days prior to recording a lien against the property. (CC § 1367.1(a)).

(c) **Collection Alternatives Available to the Association If First Demand Does Not Result in Payment in Full.** If the owner's assessment account remains delinquent for more than 30 days, and interest charges begin to accrue, the Association shall be entitled to pursue either, or both, of two alternatives:

**Small Claims Action:** The Association may elect to instruct its property manager to pursue the Association's claims against the owner in a Small Claims Court Action. Again, this action may be pursued in addition to the foreclosure proceedings described below, and in difficult collection cases both procedures should be followed.

**Recordation of Notice of Delinquent Assessment Followed by Foreclosure Proceedings:** This process is explained in detail below.

Suspension of Membership Privileges. In addition to pursuing either of the above options, membership must be maintained in good standing to retain privileges, including but not limited to, the exercise of member voting rights and the use of Association recreation facilities. Membership is considered not in good standing if any assessments, dues, fees, fines, interest, late charges, or any other charges remain unpaid 60 days after the due date for the delinquent assessments.

(d) Recordation of a Notice of Delinquent Assessment. After 30 days have passed since the mailing of the First Demand letter the Association shall be entitled to cause to be recorded in the chain of title to the delinquent owner's Lot in the Office of the County Recorder a Notice of Delinquent Assessment covering all sums that are then delinquent, including the delinquent assessment, late charges, costs, and reasonable attorney fees. A recorded Notice of Delinquent Assessment creates a lien on the delinquent owner's unit that is subject to foreclosure. The Association has the option of pursuing foreclosure judicially or under a power of sale.

The Notice of Delinquent Assessment *must* include all of the following: (1) amount of the assessment and other amounts owed (e.g., late charges, collection costs, etc.); (2) a formal legal description of the delinquent owner's property; (3) the name of the record owner (check with a title company to verify the name on the deed, which may differ from the name on record with the Association); (4) the name and address of the trustee authorized by the Association to enforce the lien by sale; (5) the signature of the person designated in the declaration or by the Association for that purpose, or if no one is designated, by the President of the Association.

The Notice of Delinquent Assessment can be recorded even though the Association chooses *also* to pursue the delinquent assessment as a personal obligation by bringing a small claims action.

Note that CC § 1367.1(d) requires that within 21 days of owner payment of the sums specified in the Notice of Delinquent Assessment the Association must record a lien release or notice of rescission.

(e) Notification of All Record Owners of the Liened Lot. Once a Notice of Delinquent Assessment has been recorded, the Notice of Delinquent Assessment must also be mailed in the manner provided in CC § 2924b (certified mail, postage prepaid), to all record owners of the subject property no later than 10 calendar days after the notice is recorded. (CC § 1367.1(d)).

(f) Options Available to Liened Owners. The delinquent owner of the liened unit to which the Notice of Delinquent Assessment pertains then has 30 days from the recordation date (of the Notice of Delinquent Assessment) to pursue either of the following alternatives:

(i) Payment in Full and Termination of Collection Process.  
First, the owner can simply pay all amounts shown in the Notice of

Delinquent Assessment and thereby conclude the collection process. It is advisable that the owner first contact the Association's office to confirm the amounts accrued and owing as of the pay-off-date. The Association's telephone number is (707) 829 -5098. Immediately following receipt of the owner's payment, the Association shall cause to be recorded a release of its assessment lien.

(ii) Alternative of Payment Under Protest; Limitations on Exercise of This Option. The second alternative for delinquent owners who receive a Notice of Delinquent Assessment is: (A) to pay in full and under protest all delinquent sums, interest, late charges, and other noted costs of collection; and (B) to send the Association, by certified mail, a written notice that the amount is paid under protest. That notice should be mailed to Bob Miller, Treasurer, 7101 Wilton Avenue, Sebastopol, CA 95472. On receipt of that notice, the Association must inform the protesting owner of his or her right to have the matter resolved through alternative dispute resolution in accordance with Civil Code section 1354, through the filing of a civil action or through use of any other dispute resolution procedures available through the Association. Monies received under protest shall be held in a segregated account until such time as the alternative dispute resolution process has concluded, provided the owner's protest is timely and properly made and the limitations described in the immediately following paragraph do not apply. If an owner elects to pursue alternative dispute resolution in accordance with Civil Code section 1354, it shall be the responsibility of the owner to comply with the statutory requirements relating to the preparation and service of a Request for Resolution.

**NOTICE REGARDING LIMITATIONS ON OWNERS PROTEST RIGHTS:** Unless the Association otherwise agrees, State law provides that this right to pay delinquent assessments under protest and to demand alternative dispute resolution (which is a statutory right conferred by Civil Code section 1366.3) may be exercised only two times in any single calendar year and not more than three times in any five calendar years. Except to the extent that notices are required by law, the Association shall not provide advice to property owners regarding technical requirements of these ADR procedures. Owners should consult their own counsel regarding such matters.

(g) Continuation With Foreclosure Proceedings. Following the later of 30 days from recordation of the Notice of Default or conclusion of alternative dispute resolution procedures following a valid owner's protest in a manner that does not result in a binding adverse determination against the Association (see Civil Code section 1363.3(a) and paragraph (e), above), the Association's lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the

Notice of Delinquent Assessment, or sale by a trustee substituted under Civil Code section 2934a. Any sale by a trustee in foreclosure shall be conducted in accordance with the Civil Code provisions relating to foreclosure of a deed of trust under a power of sale (see Civil Code sections 2924, 2924b and 2924c).

(h) Authority of the Association To Recover Attorney Fees and All Reasonable Costs of Collection. The Association is entitled by law (Civil Code section 1366(d)) and by the declaration of restrictions, to recover not only the amount in default, plus late charges and interest, but also all reasonable costs of collection, including title company charges and attorney fees. Currently the Association's legal counsel charges \$175.00 per hour or as otherwise provided by the legal services agreement between Lakeview Pines Homeowners Association and its legal counsel for the preparation and mailing of demand letters; \$100.00 or as otherwise provided by the legal services agreement between Lakeview Pines Homeowners Association and its legal counsel for the preparation and recordation of a Notice of Delinquent Assessment; and \$100.00 or as otherwise provided by the legal services agreement between Lakeview Pines Homeowners Association and its legal counsel for the preparation and recordation of a Notice of Default (with associated required statutory mailings). Title Company and charges incurred by the Association with foreclosure service companies (following recordation of a Notice of Delinquent Assessment) typically average about \$800.00 to \$1200.00. The estimated charges and fees set forth in this paragraph are subject to change.

**3. Authority of the Association To Publish List of Delinquent Owners.** In addition to the foregoing remedies, the Association intends to publish a list in the Association's newsletter of the names of all owners whose assessment payments are delinquent more than 60 days after the Association has complied with subparagraphs 2(a) and (b) of this Policy.

**4. Charges for Returned Checks.** A \$25.00 charge shall be posted to an owner's account for any checks that are returned. In the event a returned check causes an account to become past due, the account is subject to late fees and all other provisions of this Collection Policy plus the returned check charge of \$25.

**5. Notification of Change of Address.** Owners are responsible for all provisions of this Collection Policy if they did not receive any notifications due to a failure to send management a change of address and verify that management received any changes of address.

**6. Effective Date of This Policy.** This Policy was duly adopted by action of the Board of Directors on and shall be effective as of July, 2003.

**LAKEVIEW PINES HOMEOWNERS ASSOCIATION**  
**RULES AND REGULATIONS**

**March 15, 1996**

1. Each condominium unit shall be used only as a single family residence and for no other purpose. Babysitting or other commercial activities are not permitted in any unit or on the grounds. No renter may sublet. No unit shall be rented or occupied by more than four people. The only exceptions to this regulation are: (a) a vacation rental may be occupied by six people for a maximum of two (2) weeks. (b) occasional overnight guests not to exceed three (3) consecutive nights.
2. Neither pets nor drugs or drug activities are permitted either in the units, outside the unit or on the premises.
3. Noise and music is not to extend outside your unit as to disturb others in the complex.
4. Parking is only permitted in your designated parking space, unless you have written permission to use another Owner's space. Long term parking in the "Visitor Only" spaces is not permitted for residents. These spaces are to be kept open for use by short time visitors/guests or maintenance type vehicles for companies servicing the complex, on a day to day basis only. Designated parking spaces are deeded private property of the unit Owner, not the Association property. No parking is allowed in the driveways at any time. Violators will be towed under state law at your expense.
5. Undesignated parking spaces may be used on a day to day parking basis: vehicle storage is not permitted.
6. No auto repair or storage is permitted in the open parking stalls or the common area.
7. When using the garbage dumpster, please flatten all boxes and push trash all the way in. Items that will not fit in the dumpster, please take to the dump. This is for household garbage only, not items you would take to the dump.
8. In the interest of safety, nothing is allowed (such as BBQ's, brooms, mops, chairs, or like items) to be placed on any walkways or they will be removed and disposed of. Occupants are responsible for keeping the area in front of their unit clean the year round. Storage of any items outside the unit area is prohibited.
9. No antennas may protrude from the building as there is cable TV service available. No one is permitted on the roof at any time.
10. Please observe and obey posted pool rules and keep the pool area clean. No glass containers are allowed in the pool area. Pool area music shall not extend beyond the pool fences.
11. Only occupants of Lakeview Pines Condominiums and their guests are allowed in the pool and the area. Guests must be in the immediate company of the occupant.
12. Towels, bathing suits, clothing, etc. may not be hung on the railings or they will be removed and disposed of.
13. Owners/Renters shall repair any exterior damage to their units within 10 days (visible from common or public property). The Lakeview Pines Homeowners Association will notify Owners via certified mail within 10 days. Upon receipt return, the Board will effect repairs and access Owner for all charges including reasonable costs and legal fees.
14. Any repairs to electrical, plumbing, gas or work structurally related to the building must be done by a licensed professional and must be to code.
15. No bikes, skateboards, roller blades, skates, frisbees, etc. are to be used on decks or in driveways.
16. Each Homeowner is responsible for any leakage of their own porch.
17. Unit Owners will pay any additional costs related to collection of past dues and assessments, including court or legal incurred costs. (Including, but not limited to liens, court costs, accounting fees, etc.)
18. Owners will be notified of past dues or assessments after 60 days, by certified mail. After 90 days, a lien will be placed on the Unit, and after 180 days, we will start legal proceedings.

**EXHIBIT "A"**

**LAKEVIEW PINES CONDOMINIUM HOMEOWNERS ASSOCIATION  
RULE REGARDING MAINTENANCE OR REPAIR OF LIMITED  
COMMON AREA**

The following rule is intended to authorize the Board of Directors to conduct necessary maintenance or repair to Limited Common Area, including, without limitation, porches (and enclosures and windows thereto) or balconies appurtenant to each Unit, to protect or avoid damage to the Common Area or any other portion of the building or to abate an otherwise dangerous, noxious, or unsightly condition. The intent is to first allow the Unit Owner, upon written notice from the Board of Directors, a reasonable attempt to correct the noted problems. If the Unit Owner fails or refuses to conduct the necessary maintenance or repair after a reasonable time period (not less than 30 days in non-emergency circumstances), the Board of Directors are authorized to conduct and pay for the maintenance or repairs to the Limited Common Area and charge the same to the Unit Owner as a special assessment.

It is the hope of the Board of Directors that each Unit Owner will take proactive steps to maintain or repair his or her Limited Common Area as reasonably necessary to avoid damage to the Common Area and to keep the Limited Common Area in a reasonably safe and good condition. It is in the best interest of all Unit Owners and the Association to do so.

1. The Board of Directors shall have the same authority to conduct maintenance and repair of the Limited Common Area that is has for Units under Section 9(M) of the Declaration of Covenants, Conditions and Restrictions. If such maintenance and/or repair of Limited Common Area is necessary, in the discretion of the Board of Directors, to protect or avoid damage to the Common Area or any other portion of the building, or to abate an otherwise dangerous, noxious or unsightly condition, the Board of Directors shall send a written notice to the Unit Owner listing the issues requiring maintenance and/or repair and stating that the Unit Owner has ten (10) calendar days to either conduct the maintenance and/or repairs or make arrangements with the Board of Directors for an extension of time. If the Unit Owner fails or refuses to conduct the maintenance and repairs in a reasonable time period (not less than ten (10) calendar days), the Board of Directors is authorized to conduct the necessary maintenance and/or repairs and to levy a special assessment against the Unit Owner and the Unit for the actual cost of the necessary maintenance and/or repair, including, without limitation, attorney's fees and incidental costs associated with the Unit Owner's failure to timely correct the issue. The Board of Directors may also specially assess the Unit Owner for the actual cost of the maintenance and/or repairs necessary to the Common Area to correct any damage attributable to problems arising from the Limited Common Area that is for the primary use of that Owner's Unit. If any maintenance and/or repair is necessary to address an issue that is an immediate health or safety risk or in otherwise exigent circumstances (including, without limitation, the imminent risk of substantial economic loss to the Association), the Board of Directors may conduct the maintenance and/or repairs of the Limited Common Area without first sending written notice to the Unit Owner; provided, however, that the Board of Directors shall make reasonable attempts to contact the

Unit Owner prior to conducting such maintenance and/or repairs. Further, if the Association fails to send written notice, the Association shall only be entitled to recover the reasonable cost of the maintenance and/or repair costs and shall not be entitled to recover attorney's fees in this instance. This Rule shall be in addition to the Association's other remedies under the Governing Documents and at law or equity; nothing herein shall be construed as a limitation of the liability of the Unit Owner for damage to the Common Area from his or her Unit or Limited Common Area under his or her control. All defined terms herein shall have the definitions set forth in the Governing Documents unless otherwise set forth herein. As used in this Rule, the phrase "and/or" shall mean "one or the other, both, any one or more, or all."

# *Lakeview Pines Homeowners Association*

C/o Incline Property Management  
876 Tanager Street, Incline Village, Nevada 89451  
Phone 775-832-0284 \* Fax 775-832-4036

April 30, 2002

Dear Lakeview Pines Homeowners:

There is a new addendum to the rules and regulations for the Lakeview Pines Homeowners Association. This rule is effective immediately, and will be a part of the original rules and regulations.

## **ADDENDUM TO THE RULES OF LAKEVIEW PINES HOMEOWNERS ASSOCIATION April 30, 2002**

### **Liens past due assessments and costs related to collections**

#18 of the rules and regulations dated March 15, 1996 shall have the current words deleted and will state refer to the collection policy. The collection policy written more recently supercedes the old procedures stated in #18 of the rules and regulations. Attached is a copy of the current collection policy.

Lakeview Pines Homeowners Association  
Board of Directors

# *Lakeview Pines Homeowners Association*

C/o Incline Property Management  
876 Tanager Street, Incline Village, Nevada 89451  
Phone 775-832-0284 \* Fax 775-832-4036

October 24, 2001

Dear Lakeview Pines Homeowners:

There is a new addendum to the rules and regulations for the Lakeview Pines Homeowners Association. This rule is effective December 1, 2001 and will be a part of the original rules and regulations.

## **ADDENDUM TO THE RULES OF LAKEVIEW PINES HOMEOWNERS ASSOCIATION** Oct. 24, 2001

### **POWER TO UNITS REGULATION**

All Homeowners of Lakeview Pines Association must be responsible for making sure the power is always on in their unit. This will prevent any pipes from freezing and causing damage to the building or any other units that could be affected and also prevent spoiled food odors from affecting the building from lack of power to the refrigerator. If an Owner allows the power to be shut off in their unit that causes damages to a common area or another Homeowners unit a \$100.00 fine will be assessed to that Owner.

Lakeview Pines Homeowners Association  
Board of Directors

# ***Lakeview Pines Homeowners Association***

C/o Incline Property Management  
848 Tanager Street, Suite M, Incline Village, Nevada 89451  
Phone 775-832-0284 \* Fax 775-832-4036

June 16, 2004

Dear Lakeview Pines Homeowners:

There is a new addendum to the rules and regulations for the Lakeview Pines Homeowners Association. This rule is effective immediately, and will be a part of the original Rules and Regulations. **If you rent your unit, you must require any prospective tenant to sign this Addendum before the lease is effective.**

## **ADDENDUM TO THE RULES OF LAKEVIEW PINES HOMEOWNERS ASSOCIATION June 16, 2004**

### **Agreement to Activate Rental Lease at 3344 Sandy Way, South Lake Tahoe, CA**

The Rules and Regulations of the Lakeview Pines Condominium Homeowners Association have been explained to me, and I understand and agree that three (3) or more documented violations of any rule(s) reported to the Owner and Lessee by Management will result in the termination of my lease agreement. I agree to abide by the rules of the Homeowners Association and the rules pertaining to the use of the pool.

Lessee(s) \_\_\_\_\_

Agent/Owner \_\_\_\_\_ Unit # \_\_\_\_\_

Date \_\_\_\_\_

Prior to any lease being activated, this signed agreement must be mailed to Management at the above address or faxed to Management at 775-832-4036.

Lakeview Pines Homeowners Association  
Board of Directors

**ADDENDUM TO THE RULES OF LAKEVIEW PINES CONDOMINIUM  
HOMEOWNERS ASSOCIATION, INC.**

1. This duly adopted Fining Schedule is part of the Rules and Regulations of the governing documents of the Association and the violation of any provision of any governing document may subject a Unit Owner to sanctions as long as the Association has complied with the provisions of California Civil Code. These sanctions include an Owner being prohibited for a reasonable period of time from voting on Association business, an Owner being prohibited from using the Common Area for other than parking or ingress/egress to or from any Unit and assessment of a fine (but not a construction penalty) upon the Owner, providing the violation is not one that threatens the health and safety of the Association or any member thereof.

2. The Executive Board may not impose a fine pursuant to section 1 unless (a) not less than 30 days before the violation, the person against whom the fine is to be imposed had been provided with written notice of the applicable provisions of the governing documents that form the basis of the violation and (b) within a reasonable time after the discovery of the violation, the person against whom the fine is proposed has been provided with written notice specifying the details of the violation, amount of the fine, the date, time and location of a hearing and a reasonable opportunity to prepare for, appear at and contest the violation at said hearing.

3. Upon each violation, a phone call and Notice of Violation shall be provided to the Unit Owner believed responsible for the violation, either by personal delivery or by mail, within 5 days of the violation being detected, observed or complained of. Any Unit Owner may file a written waiver of hearing with the Association any time prior to a scheduled hearing to avoid the attendance requirement.

4. A minimum \$50.00 per violation fine may be assessed for any violation of the Rules and Regulations. Each fine imposed thereafter for the same offense will be \$100.00 per occurrence. Violations not cured within 14 days (or any longer period of time allowed by the Board) of the notice thereof being provided to an Owner are subject to being declared an ongoing violation and the Owner may be fined additionally for every 7 day period or portion thereof during which the violation continues, without the provision of any additional notice and not limited to a maximum. Note that past due fines may include collection fees, filing fees, recording fees, legal fees, postage or delivery fees and any other fee or costs in those amounts allowed by California law.

5. The Board must hold a hearing before a fine may be imposed, unless the person against whom the fine is to be imposed either, pays the fine, signs a written waiver of the hearing requirement or fails to attend the duly scheduled hearing after receipt of proper notice. If the governing documents so allow, the Board may appoint a committee or panel of not less than 3

members to review the circumstances and explanation for the violation, if any is presented and to impose fines. The committee or panel acts for the Board and is entitled to all privileges and immunities and are subject to all duties and requirements of the Board and its members. Any such hearing may be conducted in Executive Session unless the Owner requests in writing that the hearing be held in open session. In any event, deliberation and decision may be held in Executive Session after the full facts and circumstances of the alleged violation have been disclosed.

6. These are the minimum procedural requirements that the Board or panel must follow in order to assess a fine. If a fine is assessed by the Board or appointed panel, the Unit Owner fined shall also pay the costs of the proceedings, in a reasonable dollar amount based upon the time the matter has taken. The costs become an assessment upon the Unit and Owner and may be enforced through any lawful means, including lien sale and foreclosure. Unpaid fines, fees and costs shall bear interest at the legal rate until paid in full.

DULY ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2005.

Lakeview Pines Condominium Homeowners Association, Inc. A California Non-Profit Corporation

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President for the Board