

CHESTNUT TRAIL HOMEOWNERS ASSOCIATION

RULES AND REGULATIONS REGARDING IMPOSITION OF FINES AND HEARING

The following rules and regulations are adopted by the Board of Directors pursuant to Section 9 of the Declaration for Chestnut Trail (the "Declaration") and RCW 64.38.020(11).

1. Fine Schedule. The Board of Directors may impose on any owner and/or tenant such fines for violation of the Declaration, the Bylaws of the Association, any rule or regulation adopted pursuant to the Declaration or the Bylaws, or of any decision of the Board made pursuant to such documents, as it deems reasonably necessary to cure such violation. Except for emergencies, fines shall be in accordance with the following schedule:

(a)	First violation	<i>[Written notice]</i>
(b)	Second violation	<i>[\$25.00]</i>
(c)	Third violation	<i>[\$50.00]</i>
(d)	Fourth and subsequent violations	<i>[\$100.00 each]</i>

Fines shall be reasonable. In emergencies, the Board may, at its discretion, impose fines which are more or less than the fines set forth in the above schedule. Fines may be imposed due to a violation by the tenants or any other person residing in a home shall be the responsibility of the lot owner.

2. Notice of Violations. The Board shall give written notice to a homeowner of any violation. The notice shall state the nature of the violation, the amount of the fine, the schedule of fines for subsequent violations, and shall include a copy of the section of the Association's rules and regulations regarding imposition of fines and the homeowner's right and process for the homeowner to be heard in response to the notice of violation. Failure to include a copy of the rules and regulations shall not invalidate the fine.
3. Subsequent Violations. Failure to cure a violation within 15 days of initial written notice shall be deemed to be an additional violation, and should the nature of the violation warrant the Board may deem that the failure to cure a violation shall result in the imposition of subsequent additional violations for each 15 day period thereafter during which the violation is not cured. No additional notice shall be required to impose additional fines based on the failure to cure the initial violation. Any violations within 12 months of a prior violation of a similar nature, whether or not related to the prior violation, shall be deemed an additional violation for purposes of the fine schedule.

4. Payment. Fines shall be paid within 15 days of the date written notice of the fine is delivered to the affected homeowner, unless the owner timely requests review of the matter. If the Board upholds all or part of the fine imposed, then the portion of the fine so upheld shall be paid within 5 days of the decision.
5. Lien. Any fines imposed pursuant to these Rules and Regulations shall be a lien against an owner's home.
6. Not Exclusive Remedy. The imposition of a fine by the Board shall not limit the Association's right to pursue any other remedy permitted by the Declaration, Bylaws or applicable law for the violation.
7. Opportunity to be heard by the board of directors.
 - 7.1 Right of review. Upon receipt of a Notice of Violation, the notified homeowner may request the Board review the alleged violation. To request a review, the homeowner must submit a written request to the Board requesting either an in person hearing or submitting a written response to the alleged violation. The homeowner's request for a hearing or written response to the alleged violation must be submitted to the Board not later than 10 calendar days from the date the Notice of Violation was issued.
 - 7.1.1 Written Response. If the homeowner chooses to submit a written response to the Notice of Violation, the Board shall, at its next regularly scheduled meeting, review the homeowner's response and determine whether the Notice of Violation was properly issued. The Board shall send written notice to the homeowner of its determination. If the Board determines that the Notice of Violation was properly issued, the fines assessed shall stand and any continuing violation shall be treated according to the schedule set forth in paragraph 3 above. If the Board determines that the Notice of Violation was not properly issued, the fines previously set under the Notice of Violation shall be withdrawn. This shall be the final opportunity for a review of the Notice of Violation. If a homeowner chooses to seek review by written submission, there shall be no opportunity for further review by the Board.
 - 7.1.2 Request for Hearing. If the homeowner requests an in person hearing on the alleged violation, the Board shall schedule such a hearing within 10 business days of the date of said request. The Board shall provide the homeowner with a minimum of 5 calendar days notice of the hearing date set. The homeowner will have twenty minutes to present their position before the board at that time. The homeowner may, within the hearing time

provided, present information through witnesses, photographs or other materials. The Board shall send written notice to the homeowner of its determination. If the Board determines that the Notice of Violation was properly issued, the fines assessed shall stand and any continuing violation shall be treated according to the schedule set forth in paragraph 3 above. If the Board determines that the Notice of Violation was not properly issued, the fines previously set under the Notice of Violation shall be withdrawn. This shall be the final opportunity for a review of the Notice of Violation. If a homeowner chooses to seek review through an in person hearing, there shall be no opportunity for further review by the Board.

8. Notices. Notices shall be delivered personally or by US Mail with delivery confirmation to the registered address of the affected homeowner as filed in writing with the Board or such other address if requested by a homeowner in writing. Notices shall be effective upon delivery if personally delivered, or 48 hours after being placed in the United States Mail.