

**CHAPTER SIXTEEN - Section 16.02  
COMPLIANCE COMMITTEE CHARTER**

Approved: August 15, 1983  
Amended: December 19, 1985  
Amended: January 23, 1986  
Amended: May 22, 1986  
Amended: May 28, 1992  
Amended: October 22, 1992  
Amended: March 22, 2007  
Amended: October 23, 2008

**I. PURPOSE**

The Lake Monticello Compliance Committee shall have as its sole purpose the adjudication of the Rules and Regulations as adopted by the Board of Directors of the Association the environmental rules and regulations, the several Covenants, Restrictions and Reservations as applying to the entire subdivision (the use and enjoyment of each lot and the Association owned common areas and amenities within the community) by members, bona fide tenants in residence, non-voting members, and guests of each of the preceding, authorized agents of the Association or of its members including the Developer, Builders, Realtors, Contractors and Public Utility representatives, and any or all other individuals within the confines of Lake Monticello.

**II. MEMBERSHIP, STRUCTURE AND QUALIFICATIONS**

- A. The Compliance Committee shall be a permanent operating committee of three and shall consist of past members of the Board of Directors provided that no such member shall serve on this committee if he/she still is a director. The committee shall be appointed annually by the Board of Directors. At that time, an alphabetical list of no less than 10 eligible directors shall be approved to serve as alternates for the committee.
- B. In the event of a temporary vacancy caused by illness, vacation, disqualification because of a conflict of interest, etc. of a permanent member of the Compliance Committee, past members of the Board of Directors shall serve as an alternate member retaining the same rights and obligations as a permanent member during the period of assigned duty; such individual shall serve at the call of either the Compliance Committee Chairman or the President of the Association.
- C. In the event of a permanent vacancy, the Board of Directors shall appoint a past member of the Board of Directors to fill such vacancy.

**III. MEETINGS, RESPONSIBILITIES AND FUNCTIONS**

- A. EXECUTIVE SESSIONS: The Compliance Committee meetings will be open as the general rule, however, the committee is authorized to hold executive sessions.

Executive Session is defined as a meeting at which all persons are excluded except those invited to attend by the Compliance Committee.

An Executive Session must be for one or more of the following purposes: (1) Discussion concerning the formal decision of a case before the Compliance Committee; (2) Discussion concerning an advisory opinion; (3) Strategy and negotiations with respect to possible or pending claims and litigations; (4) Matters concerning security/strategy or the deployment of

Security personnel, or devices affecting public security; and (5) Discussion of any matter which would result in the disclosure of personnel records.

Any case decision resulting in a formal ruling must be stated in open session and duly recorded in open session minutes.

- B. **CONFLICT OF INTEREST:** No member of the committee or an alternate member may participate in a case or action before the committee which involves his or her family or who otherwise has a conflict or potential conflict of interest. Any member of the committee shall disclose any actual or potential conflict of interest the member may have relative to the case, and disqualify himself prior to any consideration of the case before the committee. Automatic relief from hearing a case is granted to any member being a neighbor, business associate, or family member to a defendant.
- C. **QUORUM:** A quorum for the Compliance Committee shall consist of three members or their duly appointed alternates presiding at a hearing and/or conducting any business before the committee.

Alternate Members may sit with the Committee at any scheduled meeting. They may participate in both open and closed sessions without vote.

- D. **ADMINISTRATIVE:** Before any charges may be assessed by the Compliance Committee, the member shall be given the opportunity to be heard before the Compliance Committee. Notice of a hearing shall be hand delivered or mailed by registered or certified mail, return receipt requested, to the member at the address of record with the Association at least 14 days prior to the hearing.

Individuals have the right to be both present and represented by counsel at all hearings.

The committee shall maintain documentation and minutes of all committee meetings/hearings; minutes of the committee meetings/hearings will be filed as part of the LMOA permanent records. All results of the Compliance Committee meetings/hearings shall be provided to the Board of Directors at the following Board meeting.

All individuals whose cases are appealed to the Board of Directors are entitled to be present when their case is considered by the Board and present any facts for Board consideration. The Board of Directors will invite or require representation from the Compliance Committee when hearing appeals of Committee decisions. Such representative shall be entitled to present the basis for the finding(s) of the Committee. Appropriate documentation shall be maintained by the board with respect to each appeal case considered.

- E. **ASSUMPTION OF JURISDICTION BY THE COMMITTEE:**
1. The committee will assume jurisdiction to consider action on a violation when the case is referred to the committee by the Board of Directors, the President of the Association, the General Manager, or his designee or by an individual who is a member, or a bona fide tenant or a non-voting member. Any case referred to the committee must be fully documented in order that all facts are presented to the committee for consideration and appropriate action.
  2. The Compliance Committee will address (hear) only those violations which come under the jurisdiction of the LMOA. These constitute the policies, rules and regulations approved by the Board of Directors, the Articles of Incorporation, the By-Laws, the Covenants and Restrictions (which are appropriately addressed by the Compliance Committee) and the LMOA Environmental Controls.

- F. HEARING OFFICER (Examiner): Whenever the administrative efficiency of the committee is working to maximum capacity and yet is still unable to handle the caseload in the expeditious fashion desired by the Board and general membership, a permanent or alternate member of the Compliance Committee may be appointed as a Hearing Officer for a case.

The officer's responsibilities shall be to:

1. Act as a central person to process administrative assignments for the case;
2. Review and process reports for the case;
3. Conduct background investigations;
4. To provide an independent, unbiased review of the complaints brought to the committee.  
The Hearing Officer who presides at an administrative hearing has the power to take testimony, rule on questions of evidence and make determinations of fact.

The Hearing Officer will present his/her recommendation to the Compliance Committee in an open hearing. All data available to the Hearing Officer will be made available to the Compliance Committee. The Compliance Committee will hear from any party involved in the case who may wish to speak. The Compliance Committee will consider the information/data/facts before them and render a verdict.

- G. ADMINISTRATIVE SANCTIONS: If a violation takes place, within the Lake Monticello Community, the individual may be cited with an incident report; the individual may be denied the use of an amenity; or other restrictive sanctions may be imposed until the Compliance Committee hears and rules on the case. The Compliance Committee may be called into special session to hear a case of a special concern.

- H. INDIVIDUAL COMPLAINT (Citizen Complaint): While members are encouraged to lodge their complaints through the proper administrative channels, nothing contained herein shall preclude any member from initiating a complaint against any violator of the LMOA Rules and Regulations. Such complaint, if initiated, shall be in writing and shall contain the full particulars of the incident as to the name, place, date, time, violation, etc. and shall be signed by the complainant. Such document shall be forwarded to the Compliance Committee for consideration and/or appropriate action.

- I. INCIDENT REPORTS AND WARNINGS: All infractions of the rules and regulations observed or reported to any member of the designated staff may require a written report to be placed in the official Security Record. An incident report filed by LM Police/Security shall become a matter of record and placed in the official Security Record.

An incident report may be considered a warning and does not require a hearing before the Compliance Committee.

- J. APPEAL OF A CASE:

1. If the member desires to appeal his/her case, the Compliance Committee shall be so advised in writing within the ten (10) days period stated in L. PAYMENT OF CHARGES TO THE ASSOCIATION below from the date of the letter from the Committee notifying the member of record of the action taken.
2. All appeals shall be considered by the Compliance Committee on a date acceptable to both parties, but in no event shall it exceed thirty (30) days from the date of the initial letter of notification to the individual.

3. In the event the appeal is denied by the Compliance Committee following reconsideration of the case, the member shall have the right to appeal in writing to the LMOA Board of Directors within a period of fifteen (15) days from the date of the letter from the Committee notifying the member that the appeal was denied.
4. Following consideration of the appeal by the Board of Directors, the decision of the Board shall be made known to the member.

The decision of the Board shall be final and, if it includes a monetary charge, said amount must be paid within ten (10) days from the date of the letter from the Board notifying the individual of the action taken in his/her name.

5. No member shall be denied the right of due process or a review of his/her case.
- K. **ASSESSMENT OF CHARGES:** The administration of charges as established and/or revised by the Board of Directors in the Rules and Regulations of the Association must be reasonable, non-capricious, non-arbitrary, equitable and reasonably applied. Although the authority to assess a reasonable monetary charge is vested solely in the Compliance Committee, the Committee in addition, may assess other penalties it deems reasonable against a member (such as termination of the use of amenities for a fixed time), depending on the facts of the case before the committee.

The member to be assessed a charge must be informed by a letter from the Compliance Committee of the Committee's decision.

However, if the General Manager or other authorized management officials have applied administrative sanctions against a member before the case is referred to the Compliance Committee, the Committee cannot rescind the administrative sanctions imposed by management until the facts of the case are presented to the committee and the committee has made a final judgment.

- L. **PAYMENT OF CHARGES TO THE ASSOCIATION:** Any member who is charged by the committee shall pay the monetary sum so charged to the Lake Monticello Owners' Association within ten (10) days from the date of the letter from the Committee notifying the individual of the action taken in his/her case, unless an appeal has been filed.
- M. **LATE OR NON PAYMENT OF CHARGES:** If the assessed charge shall not be paid within the time specified, the member shall be denied use of the amenities until the charge is paid.
- N. **LMOA RULES AND REGULATIONS:** Charges may be assessed against any member for any violation of the rules and regulations for which the member or his family members, tenants, guests, or other invitee are responsible with respect to the use of common areas and with respect to such other areas of responsibility assigned to the Association by documents.

Non property owners may be denied the right to enter the Lake Monticello Community.

LMOA employees are responsible to the General Manager who has the authority to address an employee's infractions of the rules independent of the Compliance Committee. The General Manager shall choose the option which he believes to be in the best interest of the Association.

- O. **VIOLATIONS OF VIRGINIA AND COUNTY LAWS:** Violations of State and County laws come within the jurisdiction of enforcement officials of the State of Virginia and Fluvanna County. These violations will be referred to the Lake Monticello Security Force. All individuals within the confines of the Lake Monticello Community shall come under the jurisdiction of Virginia laws and County Ordinances which must be complied with or the

Security Force will issue citations to violators and the individuals will face the consequences of the law.

- P. THE LMOA BOARD OF DIRECTORS RIGHT TO REVIEW: The LMOA Board of Directors reserves the privilege to review and, if deemed appropriate, to overturn decisions rendered by the Compliance Committee.
- Q. CONTACT FOR THE COMMITTEE: Any questions concerning the Compliance Committee should be addressed to the President of the LMOA Board of Directors and/or Chairman of the Compliance Committee.
- R. ADVISORY OPINION: The Compliance Committee may, upon request, provide an advisory opinion for the LMOA Board of Directors. An advisory opinion is defined as a statement indicating how the Compliance Committee would rule on a matter should it arise as a case before the committee.

An advisory opinion is thus an interpretation of the existing LMOA rules and regulations without binding effect.

An advisory opinion may not be requested regarding any rule and/or regulation which is before the committee regarding a specific complaint and/or citation. All advisory opinions are to be in writing and permanently filed with legal opinions from the LMOA's counsel, and for permanent record for the Compliance Committee.

- S. The Committee may request of the LMOA President or General Manager, legal opinion or assistance concerning specific cases referred to them for action.

#### IV. **Administration**

- A. Appropriate documentation of all cases shall be maintained in a file in the LMOA Administrative Office. All incident reports must be listed in the Security Record supported by a proper written report to the Security Chief.
- B. Assessed and collected monetary charges shall be line items under the Compliance Committee Cost Center.
- C. All monetary charges levied will be:
  - 1. Documented
  - 2. Assessed against the member of record.
  - 3. Collected within a specified time. Collections will be noted and a record kept with a monthly report to the Compliance Committee.
- D. Cases on docket, hearings, settlements, dismissals, and judgments are published in the Compliance Committee Minutes and these minutes are maintained in the Association's administrative office and every Association member or individual cited by LMOA shall have the right to inspect such records promptly during regular office or business hours or to receive a copy of such records in accordance with the provisions of PM 4.05c. The publication of this information is not prohibited.

**SCHEDULE OF CHARGES  
FOR THE  
VIOLATION OF LMOA RULES AND REGULATIONS  
ADDENDUM TO PM 16.02**

Approved: October 31, 1986  
Effective: October 31, 1986  
Amended: May 28, 1992  
Amended: October 22, 1992

- I. Violations of Federal, State, or County Laws are adjudicated in the courts.
- II. LMOA Rules and Regulations are defined in the LMOA Documents (Covenants and Restrictions, Articles of Incorporation, By-Laws, Policy Manual).
- III. The Compliance Committee is governed by the Compliance Committee Charter.
- IV. Warnings and Charges, subject to the provisions of the Virginia Property Owners' Association Act.
  - A. A Written Warning may be issued for a first violation of LMOA Rules and Regulations which:
    - 1. Does not create a danger to the community
    - 2. Is not for the purpose of avoiding paying a Board established user fee or registration fee
    - 3. Is not misrepresentation to Association personnel.
  - B. First violation of any rule or regulation for which a warning was not given and if foreknowledge of the rule or regulation is not apparent.

**\$10.00 for the violation**
  - C. Violation of any rule or regulation for which a warning had previously been issued.

**\$50.00 for the violation**

or \$10.00 per day until the violation is corrected or otherwise removed.
  - D. Failure to correct or remove a violation for which a warning or citation has been previously issued and a charge levied.

**10.00 per day**

until the violation has been corrected or otherwise removed.
  - E. Violation of Restrictive Covenants

**\$50.00 for the violation**

or \$10.00 per day until the violation has been corrected or otherwise removed.

F. Violation of LMOA Environmental Controls.

**\$25.00 for the violation**

or \$5.00 per day until the violation has been corrected or otherwise removed.

G. Violation of LMOA rules which creates a danger to the community or individuals within the community.

**\$50.00 for the violation**

H. Violation to avoid payment of a Board established user fee or registration fee.

**\$50.00 for the violation**

and/or loss of amenity use for prescribed period.

I. Misrepresentation of information to Association personnel.

**\$50.00 for the violation**

J. Firearms and/or other weapons (threat or actual use of firearm and/or other weapon which does not come under Federal, State or County jurisdiction).

**\$50.00 for the violation**

**NOTE:** The Schedule of Charges is the maximum allowed. If extenuating evidence or circumstance exists, a lower assessment may be charge.