

SAN ELIJO HILLS HOMEOWNERS ASSOCIATION, INC.

ENFORCEMENT POLICY AND FINE SCHEDULE

The following actions may be taken by the San Elijo Hills Homeowners Association, Inc. ("Association") to enforce violations of the Association's Governing Documents, including the Association's PC&Rs, Bylaws, and the restrictions set forth in the Policy Manual.

When the Association receives a written complaint of a violation of its governing documents occurring within the Project, or a violation of the same is noted during periodic inspections of the Project by the members of the Association's Board of Directors, the following Enforcement procedures may be initiated against the offending Owner by the Association to cure that Owner's violation of the Association's governing documents. Owners are responsible for the conduct of their family members, tenants, guests, invitees, contractors and occupants of their separate interest.

Nothing in this policy shall obligate or require the Board, or any authorized committee to take any of the enforcement actions set forth below. Depending upon the severity and frequency of the violation and the Owner's response to the Association's requests to cure the same, the choice of enforcement procedure(s) and/or the enforcement remedy utilized may vary.

A. ACTIONS THAT MAY BE TAKEN:

Penalties for violations of the Association's governing documents may include:

1. Warning letter(s).
2. Imposition of a fine in accordance with the fine schedule set forth below after the offending owner(s) have been provided with "notice and an opportunity to be heard" on the violation.
3. Suspension of voting rights after the offending owner(s) have been provided with "notice and an opportunity to be heard" on the violation.
6. Initiating Internal Dispute Resolution (IDR).
7. Initiating Alternative Dispute Resolution (ADR).
8. Filing a lawsuit.
9. Other actions or a combination of actions, as permitted by law and/or the governing documents.

B. ENFORCEMENT:

Generally, though not necessarily, the Association will adhere to the following penalties:

1. Upon the first offense, a "courtesy" warning letter and request to correct the violation (if applicable) may be sent.
2. If the violation continues, or it is not corrected, the Owner may be provided with "notice and an opportunity to be heard" at a "violation hearing" before the Board of Directors who shall consider whether to impose discipline against the Owner for the violation. Such discipline may include the suspension of the Owner's right to vote in Association elections and the imposition of fines. After being provided with the foregoing Violation Hearing, an Owner may be fined as follows:
 - (i) First Offense: **\$100.00 per violation**
 - (ii) Second Offense: **\$200.00 per violation**
 - (iii) Third Offense **\$500.00 per violation**
3. If the violation continues, or is not corrected thereafter, the matter may be sent to the Association's Attorney. Any cost and attorneys fees incurred will be the responsibility of the offending Owner(s)

4. If the violation continues, the Association may invite the homeowner to participate in Internal Dispute Resolution (IDR).
5. If the violation continues, the Association may offer to submit the dispute to Alternative Dispute Resolution (ADR).
6. The Association has the right to proceed with legal action to compel compliance with the governing documents. The prevailing party in any such legal action shall be entitled to an award of their attorney's fees and costs.
7. The Association's Board of Directors ("Board") shall have discretion as to which, if any, of the foregoing legal remedies it elects to initiate against an Owner in violation of the governing documents, and when to do so. The Board is **not** required to utilize every remedy in every enforcement action and may, in its sole discretion, subject to the law, determine what remedy to pursue and at what time. Immediate Legal action may be sought in the form of a Temporary Restraining Order where appropriate.

Payment of an assessment or fine, or completion of a suspension period does not eliminate the owner's obligation to correct the violation.

C. **DUE PROCESS:**

Due Process shall consist of at least ten (10) days prior written notice to the Owner advising the Owner of the nature of their violation of the governing documents and the potential penalty/enforcement action, and providing an opportunity for the Owner to be heard on the violation before the Board or its designated committee. The notice shall contain the alleged violation, and date, time and place of the hearing, which may be scheduled concurrent with any regular or special Board meeting, or annual meeting. The owner has the right to attend the hearing and may address the Board. Alternatively, the owner may submit a response in writing. In the event the Board determines to take disciplinary action after the violation hearing, the Association shall provide the owner(s) with written notice of its decision within 15 days of the hearing.

D. **FINE SCHEDULE:**

The fine schedule for violations will be in the following amounts:

1. First Offense: As indicated above, a warning letter will be sent to the Owner. Typically fines are not imposed at the first offense; however, the Board reserves the right to impose a fine on the first offense if the factual circumstances support the decision. Any such fine shall not exceed \$100.00.
2. Second Offense: Possible imposition of fine not to exceed \$200.00, and/or suspension of privileges and/or filing of lawsuit.
3. Third Offense: Possible imposition of fine not to exceed \$500.00, and/or suspension of privileges and/or filing of lawsuit.

Depending on the severity and frequency of the violation, the choice of the enforcement procedure(s) and/or the enforcement remedy utilized may vary.

We appreciate your compliance with these policies.

(Effective 12/1/2015)