

**ENFORCEMENT PROCEDURES AND FINE SCHEDULE OF
CALIFORNIA PINES PROPERTY OWNERS ASSOCIATION., INC
RELATING TO
RULES AND REGULATIONS
CC&RS, BUILDING RESTRICTIONS AND BYLAWS**

Rules Enforcement Procedures and Schedule of Monetary Penalties

The Board of Directors (the “Board”) of the California Pines Property Owners Association (the “Association”) is responsible for enforcing the rules and regulations which apply to the California Pines planned development as found in the:

1. Declaration of Covenants, Conditions and Restrictions for California Pines Mobile Home Park;
2. Declaration of Covenants, Conditions and Restrictions for California Pines Lake Unit 1A;
3. Declaration of Covenants, Conditions and Restrictions for California Pines Lake Unit 1B;
4. Declaration of Covenants, Conditions and Restrictions for California Pines Lake Unit II;
5. Declaration of Covenants, Conditions and Restrictions for California Pines Lake Unit 4;
6. Declaration of Covenants, Conditions and Restrictions for California Pines Unit 1;
7. Declaration of Covenants, Conditions and Restrictions for California Pines Unit Two;
8. Declaration of Covenants, Conditions and Restrictions for California Pines Unit 3
9. Declaration of Covenants, Conditions and Restrictions for California Pines Unit 4;
10. Declaration of Covenants, Conditions and Restrictions for California Pines Unit 5; and

(the “Declaration”), and the Association Rules as defined in the Declaration, (collectively referred to herein as the “Rules”). In order to fulfill this responsibility in a fair, efficient manner, the Board has adopted the following Rules Enforcement Procedures and Schedule of Monetary Penalties for addressing violations of the Rules in accordance with relevant provisions of the Association’s governing documents. These procedures are designed to provide a framework under which Rules violations can be efficiently addressed by the Board and under which members who are found to be in violation of the Rules will have opportunity to discuss with the Board the nature of the violation and have an opportunity for voluntary correction. These procedures also ensure fair notice and opportunity for hearing in accordance with the Association’s governing documents and applicable State law in the rare event that a voluntary correction is not undertaken by the offending member. These policies are intended to, and should be construed in such a manner where possible, to satisfy the provisions of California Civil Code Sections 5900 *et seq.* The ultimate goal of these procedures is to ensure that all owners enjoy the benefits of enhanced value, aesthetic appearance, and quality of life at California Pines through fair application and enforcement of the Rules.

1. Reports of Rules Violations.

1.1 Rules violations may be brought to the Board’s attention in a variety of ways; including, observation of Rules violations by Association staff or members of the Board, and/or reports from owners. Reports from members concerning Rules violations of other members must be made in writing and delivered to the Board. Any report of a Rules violation not in writing will not be acted

upon by the Board. Any member reporting a Rules violation in writing consents to open use of such report and agrees to cooperate in the Board's investigation and enforcement actions, including any related hearings. Any written report concerning a Rules violation must be signed. Unsigned reports will not be accepted.

2. Initial Determination of Credibility.

2.1 Once a written Rules violation report has been received by the Board, the Association's Compliance Officer, or another Association Officer so empowered by the Board, will investigate the report and make a determination of whether a violation has occurred.

3. Courtesy Notice of Violation.

3.1 In the event the Rules violation report is determined credible by the Compliance Officer and the member found to be in violation of the Rules, a Courtesy Notice of Violation and Request for Compliance letter (the "Courtesy Notice") describing the nature of the violation including a description of the violating condition, reference to the specific Rule or Rules being violated, and time for compliance to correct the violation will be mailed to the member's last-known address on record with the Association via U.S. Mail, Certified Mail. If the member has provided an alternative secondary address to the Association, the Courtesy Notice will also be delivered to the secondary address. If the Courtesy Notice is returned by the post office as undeliverable, a copy of the Courtesy Notice shall be posted on the lot on which the Rules violation was found to occur. Notice shall be deemed complete upon the Association depositing such Courtesy Notice with the post office for delivery, regardless of whether the member actually receives it or if the Courtesy Notice has been posted.

3.2 In the event that the violation is the second or more violation of the same rule by the member in any consecutive twelve month period, at the discretion of the Association officer investigating the violation, no Courtesy Notice will be provided and the matter will be referred directly to the Board for fine assessment. Such member will be given notice of intent to fine which conforms with California Civil Code Section 5855 or any superseding similar statute in effect at the time of finding of violation of the Rules. If the violation poses a reasonable risk to life, health, or property, the Association may forgo a Courtesy Notice and may take any action available pursuant to the Association's governing documents and/or California law to remedy and abate the potential risk, including demanding immediate abatement of the violation by the member, taking corrective action, and/or taking disciplinary or legal action against the member causing the risk.

4. Time for Compliance.

4.1 The Courtesy Notice will include a time for compliance in which the member may remedy the violation without punitive action being taken by the Association. If the violation poses a reasonable risk to life, health, or property, and a Courtesy Notice is given, the Association may demand immediate compliance, and shall retain the right to undertake any other actions available

to remedy and abate the potential risk pursuant to the Association's governing documents and/or California law. If the member complies with the Courtesy Notice, no further action will be taken by the Association with regard to such violation.

5. Dispute.

5.1 If the member believes that the condition or activity which caused the Courtesy Notice to be delivered does not constitute a violation of the Rules, such member may give written notice to the Board within ten (10) days after the date of mailing of the Courtesy Notice requesting an Enforcement Hearing which shall be scheduled and held according to these procedures. Such member may cease the activity or abate the offending condition described in the Courtesy Notice without prejudice to that member's right to challenge the Courtesy Notice through an Enforcement Hearing.

6. Scheduling and Notice of Enforcement Hearing.

6.1 If the member receiving the Courtesy Notice requests a hearing, the Board shall schedule, within seven (7) calendar days (holidays excluded) of the date of receipt of the request for hearing by the Board, an enforcement hearing to be held within thirty (30) days thereafter. The Board shall cause notice of such hearing to be delivered to the member according to the provisions of California Civil Code sections 4040 and 5855, or any superseding similar code sections, including allowing ten (10) days between sending of notice of the hearing and the date scheduled for the hearing.

6.2 The notice of enforcement hearing (the "Enforcement Hearing Notice") shall include at least the following information:

- a) the time, date, and place of hearing;
- b) the nature of the violation including the activity or condition which violates the Rules;
- c) the specific Rule(s) violated;
- d) the nature of the discipline considered to be imposed by the Board;
- e) a statement that the member has a right to attend the hearing and may have witnesses at the hearing; and,
- f) that the member may submit written statements and evidence of non-violation in lieu of, or in addition to, attending the hearing and/or presenting live testimony.

7. Conduct of Enforcement Hearing.

7.1 On the date and time and at the location set for the Enforcement Hearing by the Board and as reflected in the Enforcement Hearing Notice, the Board shall convene in executive session or as required by law or the Association's Governing Documents. The Enforcement Hearing being held in executive session, only the following parties may attend the hearing:

- a) the member against whom discipline is being sought;

- b) any witnesses who will provide testimony on behalf of such member;
- c) the members of the Board;
- d) members of the Association's Staff as the Board may feel are necessary to the proceeding;
- e) the Association's legal counsel;
- f) any witnesses who will provide testimony or evidence on behalf of the Board and/or complainant; and,
- g) any other professional or witness with particular expertise and/or knowledge whom the Board deems may offer helpful factual or specialized information to assist in their determination.

7.2 The Board shall have the right, but not the obligation, to exclude witnesses during portions of the Enforcement Hearing where such witness is not providing testimony to the Board.

7.3 A summary record of the Enforcement Hearing shall be kept by the Association Secretary, or any other person duly authorized by the Association Secretary or the Board to keep such record. The Board shall have the right, but not the obligation, to have the hearing recorded via videotape, audio recording, or stenographically. If the Association does not, the member against whom rule enforcement is being sought may have the hearing recorded via videotape, audiotape, or stenographically at their sole expense. Any recording via videotape, audio recording, or stenographic recording, whether commissioned by the Board or the member, must be performed by a professional court reporter who shall be directed to make available copies to both the Association and the member against whom rule enforcement is being sought.

7.4 If fewer Board members are in attendance at the time for commencement of the Enforcement Hearing than necessary to comprise a quorum of the Board, the Board may elect, by majority vote of those Board members present, to postpone or dismiss the Enforcement Hearing. Any postponement due to lack of quorum shall be handled as any other continued Enforcement Hearing under these procedures. Upon vote to dismiss the Enforcement Hearing for lack of a quorum, notice shall be given to the member against whom rule enforcement is being sought in the same manner the Notice of Enforcement Hearing was given that the matter is dismissed and no further action will be taken by the Board with regard to such matter.

7.5 The Enforcement Hearing shall commence with the President of the Board or any other duly authorized member of the Board or hearing officer (referred to herein as the "Presiding Officer" regardless of whether it be the President of the Board, another member of the Board, or a hearing officer) calling the meeting to order. The Presiding Officer shall then state the reason for the hearing, read the nature of the violation including the activity or condition which violates the Rules, the specific Rule(s) violated as reflected in the Disciplinary Notice.

7.6 The Board shall have the right to name a new or replacement "Presiding Officer" at any time, for any reason, by vote of a majority of the Board members attending the Enforcement Hearing.

7.7 The hearing shall be conducted under direction of the Presiding Officer, who shall determine the procedure to be followed during the hearing including, without limitation, the sequence in which evidence and witnesses shall be presented. The Presiding Officer, or legal counsel for the Association at direction of the Presiding Officer, shall determine which witnesses and evidence shall be presented to the Board on behalf of the Association.

7.8 The Presiding Officer shall allow the member against whom rule enforcement is being sought to present evidence, including addressing the Board and giving verbal testimony, presenting witness testimony, presenting documentary evidence, and presenting expert or specialized testimony and evidence whether verbal or documentary.

7.9 If witnesses are to testify on behalf the member against whom rule enforcement is being sought, such member shall first provide the Board a summary, either verbal or written, of the nature of such witness's testimony and the Presiding Officer may exclude any witness whose testimony, in the discretion of the Presiding Officer, will not add to the Board's ability to determine if there was a Rules violation.

7.10 The Presiding Officer may, in such officer's sole discretion, end the giving of testimony of any witness, including the member against whom rule enforcement is being sought, if that witness becomes belligerent, incoherent, or persists in speaking on topics not reasonably related to the specific Rules violation which is the subject matter of the Enforcement Hearing. The Presiding Officer shall have sole discretion to allow or disallow the member against whom rule enforcement is being sought to question or cross-examine witnesses and to what extent such questioning or cross-examination may take place.

7.11 The Board may receive and consider any and all evidence it deems to have probative value with regard to the alleged Rules violation, including, without limitation, hearsay testimony and copies of documents which are not originals.

7.12 In the event of hardship or other unavoidable circumstances preventing the member against whom rule enforcement is being sought, or such member's witnesses, from attending the hearing, the Board, in its sole discretion, may postpone the hearing in total or may hear and receive some testimony and evidence and postpone the remainder of the hearing from time to time or day to day to allow continued presentation of testimony and evidence. In the event of such postponement, the Board shall provide written notice to the member against whom rule enforcement is being sought giving the time, date, and location of the continued Enforcement Hearing and the reason for the postponement of the original hearing.

8. Decision of the Board and Continued Hearing.

8.1 After the conclusion of the Enforcement Hearing, the Board shall review the evidence presented and deliberate and reach a decision regarding whether a violation of the Rules has

occurred and, if so, what disciplinary action is warranted under the circumstances and pursuant to item 9 below.

8.2 The Board may postpone the Enforcement Hearing and/or its deliberations and continue the Enforcement Hearing and/or its deliberations from date to date or time to time as may be deemed expedient in the sole discretion of the Board; provided that deliberations are complete and a decision rendered within ten (10) calendar days, holidays excluded, of commencement of the original Enforcement Hearing.

8.3 At any continued Enforcement Hearing or during the course of deliberations or continued deliberations on an Enforcement Hearing, the Board may request additional evidence be provided by any witness who may have testified, and/or may call any new witness to provide testimony for consideration at such continued Enforcement Hearing.

8.4 The Board shall provide the member against whom rule enforcement is being sought with notice of any continued Enforcement Hearing in the manner described in paragraph 6 above. In the event the continued Enforcement Hearing is for purposes of hearing additional evidence, such hearing shall be conducted in the manner described in paragraph 7 above except that only such further witnesses as have been requested by the Board shall be heard. In the event that the continued Enforcement Hearing is for purposes of further deliberations only, such hearing shall be conducted under direction of the Presiding Officer, who shall have sole discretion to determine the procedure to be followed during the hearing.

9. Discipline.

9.1 If, after an Enforcement Hearing, the Board determines that a Rules violation has occurred, the Board shall impose discipline upon the member found to have violated the Rules. Discipline may include, without limitation, imposing a fine upon the member found to have violated the Rules, suspension of rights of such member, and/or taking legal action against such member.

9.2 Any fine imposed upon the member found to have violated the Rules shall be according to the Schedule of Fines attached hereto as **EXHIBIT A**, or any other Schedule of Fines later adopted by the Board pursuant to the Association's governing documents. Any fines imposed may be imposed periodically, such as daily, weekly, or monthly, but not more frequently than daily, until compliance is obtained. In its sole discretion, the Board may condition or suspend imposition of discipline based on the member found to have violated the Rules fulfilling specific requirements designed to result in compliance with the Rules.

9.3 Any disciplinary action taken by the Board, except for discipline necessary to obtain immediate corrective action under item 11 below, shall take effect the fifth (5th) day after notice of such disciplinary action is given to the disciplined member, unless the Board, in its sole discretion, deems it appropriate that the disciplined member be given a longer period of time before discipline takes effect.

10. Notice of Disciplinary Action.

10.1 Notice of any action taken by the Board with regard to the outcome of an Enforcement Hearing against a member shall be provided to such member, in writing, within fifteen (15) days following the action, or as required by California Civil Code section 5855 or any similar superseding statute. Such notice shall comply with the requirements of California Civil Code section 4040 or any similar superseding statute governing the manner of providing notice of disciplinary action.

11. Immediate Corrective Action Needed.

11.1 The procedures set forth above shall not limit the power of the Board from:

- a) taking immediate corrective action in the event of an emergency, defined as any condition which poses a reasonably proximate threat to the safety of life, health, or property; or,
- b) from obtaining injunctive relief from any court or tribunal to preserve the status quo during a dispute, to preserve the Association's rights, or otherwise prevent damage or injury to the Association or any of its members or the property of either.

11.2 In the event the Board takes action under this section against a member, the Board may, in its sole discretion, set and notice a Disciplinary Hearing against such member in addition to other corrective action taken. Notice of such Disciplinary Hearing shall accompany notice of any other corrective action taken against the member.

12. Disputed Disciplinary Actions.

12.1 If the member against whom an Enforcement Hearing has been called or Disciplinary Action has been taken disagrees with the action taken by the Board, such member shall provide notice to the Board demanding Dispute Resolution pursuant to the Internal Dispute Resolution procedures adopted by the Association, or as otherwise required by California Law and such dispute resolution procedures shall control on the issue.

13. Collection of Amounts Due the Association.

13.1 Except to the extent that discipline is imposed based upon an owner's nonpayment of such amounts, the collection of assessments and other amounts due to the Association shall not be subject to the above procedures, but shall be governed by the Association's Collection Policy.

EXHIBIT A
PENALTIES AND FINES FOR RULES VIOLATIONS
Revised June 2019

Violations of the rules governing California Pines POA which are attributable to members will be handled in a “tiered” violation structure. The lists below of categories of offenses are not comprehensive and are offered by way of example. For purposes of determining which “tier” any specific violation falls within, the board of directors shall have discretion to assign a “tier” to any violation not listed.

Tier 1 shall be enforced for all minor rules offenses including:

- Trash;
- Road damage;
- Violations which do not any threat to bodily injury or property damage;
- Speeding on association roadways; and,
- Any other violation which, in the discretion of the board of directors, does not rise to the level of a Tier 2 violation.

Tier 2 shall be enforced for all major rules offenses including:

- Interference with the quiet enjoyment of another member’s property;
- Use of firearms in the POA;
- Any other violation which, in the discretion of the board of directors, is more serious than a minor violation and does not rise to the level of a Tier 3 violation.

Tier 3 shall be enforced for all serious rules offenses including:

- Public or Private Nuisance;
- Illegal drug activity;
- Outdoor and/or unpermitted marijuana/cannabis cultivation;
- Misuse of chemicals or pesticides (including improper disposal, storing, or damage to the land); and,
- Any other violation which, in the discretion of the board of directors, rises to the level of a “serious” violation of the rules, including any illegal or unlawful acts.

Violations will be handled as follows:

At the discretion of the Board of Directors, all times for compliance may be modified on a case by case basis to afford members who are acting in good faith additional time for compliance.

	<u>Tier 1</u>
Time for abatement:	20 days after notice of violation
1 st offense:	Letter of warning, then letter of infraction and \$200.00 fine if not timely abated, reoccurring monthly.
2 nd offense:	Letter of infraction and \$300.00 fine if not timely abated, reoccurring monthly.

3rd offense: Letter of infraction and \$400.00 fine if not timely abated, reoccurring monthly.
Additional offenses: \$500.00 immediate fine for offense, additional \$500.00 fine if not timely abated, reoccurring monthly.

Successive offenses shall mean a violation of the same Rule within any consecutive twelve month period.

Tier 2 for all offenses:
Time for abatement: 10 days after notice of violation
Penalty: Letter of infraction and \$200.00 fine.
\$300.00 additional fine if not abated within 7 days.
\$400.00 additional fine if not abated within 14 days.
\$500.00 additional fine if not abated within 21 days.
\$500.00 additional fine if not abated within 28 days, WEEKLY,
until abated and legal action when fines accumulate to \$10,000.00.

Tier 3 for all offenses:
Time for abatement: 10 days after notice of violation
Penalty: Letter of infraction and \$200.00 fine.
\$300.00 additional DAILY fine if not abated within 7 days.
\$400.00 additional DAILY fine if not abated within 14 days.
\$500.00 additional DAILY fine if not abated within 21 days.
\$500.00 additional DAILY fine until abated and legal action when
fines accumulate to \$20,000.00.

If any rule violation poses a reasonable risk to life, health, or property, as determined by and at the discretion of the Board of Directors or any committee empowered thereby, the Association may demand immediate abatement, and apply Tier 3 fine schedules beginning with daily fines on day 1 of the violation.

In addition to this fine schedule, the Association retains the right to undertake any other actions available to remedy and abate the potential risks and rule violations pursuant to the Association's governing documents and/or California law.