

PARK RIVER OAK ESTATES HOMEOWNERS ASSOCIATION

ENFORCEMENT AND FINE POLICY

The following procedure will apply to all violations and infractions of the Park River Oak Estates Homeowners Association's Governing Documents, which includes the Rules and Regulations.

1.1 Enforcement Procedure.

- a. *Step 1:* Any Resident, Member, Director, rules enforcement personnel, claiming a violation of the Association's governing documents exists must complete, sign, and submit a Violation Complaint Form to the Board of Directors at a Board meeting, or to the Association's designated agent (whether manager or Board member) during regular business hours. No anonymous Violation Complaint Forms will be considered.
- b. *Step 2:* The Board will determine, if the alleged violation has possible merit and, if so, proceed with *Step 3*.
- c. *Step 3:* Send a Notice of Intent to Impose Discipline to the Member stating the alleged violation and the Member's right to appear before the Board of Directors at a hearing in executive session on at least 10 days' notice by any means authorized under Civil Code §4040 for individual delivery, before imposing a monetary penalty (fine) and/or any other discipline. No courtesy notice is required.
- d. *Step 4:* All disciplinary hearings with the Board of Directors will be held in executive session. The Member may be heard, orally or in writing, and may present evidence.
- e. *Step 5:* If the Member or the Member's tenant is found to have violated the governing documents, the Board may exercise any appropriate option allowed under the governing documents or the law:
 - i. Seek any legal remedy, including, without limitation, filing a lawsuit and/or imposing a lien and/or foreclosure on the member's property, where allowed by law;
 - ii. Impose one or more monetary penalties (also known as fines/special individual assessment);
 - iii. Allow the Member a reasonable period of time to correct any ongoing violations, such as architectural or nuisance violations;
 - iv. Correct (or cause to be corrected) the violation and impose a reimbursement assessment upon the member for the costs and

expenses of doing so, including attorneys' fees when allowed by law;

- v. Suspend membership privileges, such as recreational common area use rights, effective no sooner than five (5) days after the notice of disciplinary action;
 - vi. Initiate Internal Dispute Resolution and/or Alternative Dispute Resolution as allowed by law;
 - vii. Take the matter under consideration to allow the submission or additional documentary or other evidence, or further investigation to be conducted, after which the decision on whether to impose any discipline will be considered at a future executive session meeting.
 - viii. Take no disciplinary action for a first-time violation when circumstances warrant, as determined by the Board of Directors in its sole discretion.
- f. *Step 6:* The member will be notified regarding any disciplinary action rendered by the Board of Directors within 15 days after the decision. All notices will be delivered to the owner shown on the Association's records. At the Board's discretion, any other person in possession of the property who is alleged to have committed the violation or infraction may also receive a copy of the notice.
- 1.2 Monetary Penalty (Fine) Schedule and Policies. If the Board finds a violation of the governing documents, a monetary penalty (fine) of a minimum of \$100 and up to \$400.00 may be imposed for each separate violation of the governing documents. In addition:
- a. For violations which are not continuous:
 - i. If a Member violates the same provision of the governing documents on two separate occasions within any 12-month period, the Member will be subject to a monetary penalty (fine) of up to \$500.00 for the second offense.
 - ii. If the Member violates the same provision three or more times within any 12-month period, the member will be subject to monetary penalties (fines) for the third and subsequent violations of up to \$700.00 each.
 - b. For continuous violations, whether architectural, or constituting a nuisance, or otherwise:

- i. Continuous violations will be considered a violation every day from the first day of the violation until remedied in full.
 - ii. Continuous violations are subject to a monetary penalty (fine) of up to \$100.00 per day for every day of the violation, whether consecutive or not, until the violation is remedied, subject to a maximum monetary penalty (fine) of \$3,000.00 per calendar month.
 - c. Multiple violations, whether non-continuous or continuous, may be addressed in one or more Notice(s) of Intent to Impose Discipline to the owner and may be the subject of and heard at one or more executive session hearing(s).
 - d. All monetary penalties (fines) and reimbursement assessments are due upon notice given and are delinquent 15 days after they become due.
- 1.3 Remedies. This violation procedure is separate from, and not a prerequisite to, legal proceedings. The Board shall have the sole discretion to determine whether to pursue discipline or legal proceedings, or both, in any particular case. If a lawsuit is filed, the Member may be liable for the Association's attorneys' fees and costs. Unless prohibited by other governing documents, and when permitted by law, the Association may take legal action or correct, remedy or cure a violation, and seek a reimbursement assessment against the Member, or file a memorandum of costs or motion for attorneys' fees, to recover costs, expenses and attorneys' fees incurred by the Association.
- 1.4 Reimbursement Assessment. If a violation is found which causes the Association to incur a financial obligation or expense, then the Member responsible for the violation will be subject to a reimbursement assessment in the amount of the obligation or expense incurred by the Association after proper notice and a hearing to the extent allowed by law.