

THE OAKRIDGE ESTATES COMMUNITY ASSOCIATION

ENFORCEMENT POLICY AND FINE SCHEDULE

The purpose of this Enforcement Policy and Fine Schedule ("Policy") is to encourage compliance with: the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions ("CC&Rs"); the Bylaws; and any Resolutions of the Board; all as the same may be lawfully amended or modified from time to time (hereinafter "Governing Documents"). *This Policy will supersede and replace any prior enforcement policies and fine schedules.*

The Oakridge Estates Community Association ("Association") is the governing body responsible for the management, maintenance, and administration of the residential development. The CC&Rs provide the Board of Directors ("Board") with the authority to enact and enforce the applicable provisions of the CC&Rs and other Governing Documents and instruments for the management and control of the community. (CC&Rs, Art. III, §§ 3.06 - 3.08; Art. XII, § 12.06; Civil Code §§ 4340-4370.)

I. REMEDIES FOR ENFORCEMENT

All Owners must be in "good standing" at all times. "Good standing" means that the Owner is in compliance with the Governing Documents, including, without limitation, the timely payment of assessments and the maintenance of his/her Lot. The Board may impose discipline within its reasonable discretion for violations of the Governing Documents. The selection of one remedy does not preclude the Association's right to pursue others. (CC&Rs, Art. XII, § 12.04.)

Violation of the Association's Governing Documents may result in a warning letter, fines as the Board may determine to be appropriate and/or directive to an Owner to evict his/her/its tenant based on a determination by the Board that the tenant is creating a nuisance and/or health or safety risk in the community, etc. (CC&Rs, Art. II, § 2.03.) "Tenant" shall mean any natural person occupying a Lot, except the Owner and his/her immediate nuclear family members (spouse, partner, parents, children, and siblings) residing with the Owner, with or without the payment of rent.

In addition to the above, the Board may file a lawsuit seeking judicial relief and compensation for its attorneys' fees incurred in these enforcement matters.

Upon notice and hearing, monetary fines and penalties may be assessed against Owners for violations of the Governing Documents. Any fines levied pursuant to the below listed schedule that are not paid, may result in the Association commencing collection proceedings against the Owner, which may include posting all amounts due to the Owner's account, making a demand for payment on an open escrow and/or legal action.

The Association by way of this Policy is not waiving any of its other rights provided under law, its CC&Rs or otherwise. ***The Association expressly reserves all rights.***

Should a violation occur which imposes a financial obligation upon the Association, including, without limitation, damage caused to the Common Area, the Owner responsible for said violation shall reimburse the Association for this financial obligation, by way of a reimbursement Special Assessment, which may be imposed following notice and hearing. (CC&Rs, §§ 2.03(b), 3.08, 4.04, 12.06; Civil Code § 5855.)

II. COMPLAINT PROCEDURE

Where complaints are received from any person or where the members of the Board or its agents witness a violation of the Association's Governing Documents, an officer or member of the Board or its agent shall provide written notice to the Owner of said violation. The notice shall contain as much information as to the time, date, location, persons involved, and other relevant information pertaining to the violation.

The notice shall be directed to the Owner by personal or individual delivery pursuant to Civil Code Section 4040 or by first class mail, addressed to the Owner at the most recent address shown in the Association's records of the actual homeowner of record. Service by mail shall be deemed to be delivered and effective on deposit into a regular depository of the United States mail.

III. SCHEDULE OF NOTICES AND DUE PROCESS

The first violation of the Governing Documents may result in a warning letter, unless, in the Board's sole opinion, the violation relates to a matter of such seriousness (e.g., threat to personal safety or property) or egregiousness that it is appropriate to proceed immediately to a hearing or other enforcement action.

A. Notice of Hearing

A monetary penalty will not be imposed unless the Board first provides written notice to the Owner, by either personal delivery, first-class mail, or by facsimile, e-mail or other electronic means (if the Owner has consented to such delivery in writing or by e-mail), at least ten (10) days prior to the meeting to consider or impose discipline upon an Owner, and provides the Owner an opportunity for a hearing before the Board. The notice shall contain the date, time and place of the meeting, the nature of the alleged violation for which the Owner is subject to discipline, and a statement that the Owner has a right to attend and may address the Board at the meeting.

B. Correction of Violation

In the event the violation is corrected prior to the hearing date, the Board will not impose discipline; however, it may still proceed with the hearing in its sole discretion. (Civ.

Code § 5855(c)(1).). If the violation cannot be cured between the date notice of the hearing is provided, and the hearing itself, the Owner may provide financial commitment to cure the violation, to avoid discipline as well. (Civ. Code §5855(c)(2).)

The Board, in its sole discretion, may determine what constitutes adequate “financial commitment” to cure the violation based on the circumstances, including but not limited to, requiring proof that a contractor has been retained by the Owner to cure the violation, requiring proof of good funds, requiring the Owner to sign a written agreement certifying their financial commitment and timeframe to cure the violation, etc.

Certain violations are not curable. Once the violation has occurred the Board may impose discipline regardless of whether the violation is no longer ongoing by the time of the hearing. Non-curable violations include, but may not be limited to, those involving parking, trash can, and other one-time events that cannot be remedied after the fact.

If the violation is of a continuing nature and can be cured, but the Owner fails to do so, then to the extent permitted by law, each day which passes is treated as a separate violation and thus is subject to a separate fine.

C. Opportunity to be Heard

Owners have the right to appear in person before a committee composed of Board members, or the Board, to present evidence as to why they should not be disciplined. Owners also have the right to bring an attorney with them to advise them or to speak on their behalf. If an Owner intends to have legal representation present at the hearing, prior notice of at least five (5) business days must be provided to the Board, so that the Board may be represented by counsel. Failure to timely notify the Board that the Owner will be represented by legal counsel will result in the hearing proceeding without the Owner present. Alternatively, the Board may reschedule the hearing in its discretion. The hearing will be held in executive session.

If during the hearing, the Owner is not in agreement with the Board's decision, the Owner has the right to request internal dispute resolution (“IDR”) in accordance with the Association's IDR Policy(ies).

Notwithstanding the Board's determination to impose discipline against the Owner, if Owner and Board come to an agreement during the course of the disciplinary/hearing process, the Board will prepare a written resolution memorializing this agreement to be signed by both parties. This written resolution shall be judicially enforceable. (Civ. Code § 5855(e).)

D. Notice of Decision

Within fourteen (14) days of the Board's decision, the Owner will be given written notice of the decision at the address to which the notice of hearing was directed, by personal delivery, first-class mail or by facsimile, e-mail or other electronic means (if the

Member has consented to such electronic delivery in writing or by e-mail). Upon notification to the Owner of the Board's imposition of discipline, including the terms of said discipline, the discipline shall become effective.

IV. HEALTH OR SAFETY IMPACT

Pursuant to Civil Code Section 5850(c) fines may not exceed \$100.00 per violation unless, in the Board's sole and reasonable discretion, the violation may result in an adverse health or safety impact on the common area or another member's property.

A "health or safety violation" refers to any condition, action, or omission by a Member, resident, or their guests that the Board, in its reasonable discretion, determines creates a significant risk to the physical well-being, safety, or health of individuals or the integrity of community property. The Board's determination shall be guided by, but not limited to, the following considerations:

- **Potential for Harm:** Conditions or actions that could reasonably result in physical injury, illness, or property damage, such as exposed electrical wiring, unmaintained structures posing collapse risks, or accumulations of hazardous materials.
- **Impact on Community Welfare:** Issues that compromise the safety or livability of the community, including blocked fire access routes, improper storage of flammable substances, or conditions fostering pest infestations.
- **Compliance with Codes and Standards:** Violations of local, state, or federal health and safety regulations, building codes, or fire codes, as identified by relevant authorities or professional assessments.
- **Community Standards:** Conditions that deviate from the association's governing documents and create health or safety concerns, such as unapproved modifications that undermine structural integrity or certain violations involving rentals or renters.

The Board retains broad discretion to evaluate and classify health or safety violations on a case-by-case basis, considering the specific circumstances, severity, and potential impact of the issue. In exercising this discretion, the Board shall: (i) act in good faith and in the best interests of the community; (ii) base decisions on the best available evidence; (iii) consider the urgency of the violation and history of the violator; (iv) ensure consistency with the Association's governing documents and applicable laws.

The Board may consult with professionals (e.g., engineers, health inspectors, or legal counsel) to inform its determination, particularly for complex or ambiguous cases. The Board's classification of a violation as a health or safety matter shall be documented in writing at an open Board meeting and in the notice to the Owner.

V. FINE SCHEDULE

The Board has the authority to adopt a schedule of monetary penalties for violations of the Association's Governing Documents. As adopted by the Board, the monetary penalty policy for violations of the Governing Documents is as follows:

General Violations*

First Offense:	Warning letter or fine of \$100.00
Second Offense (same violation):	Fine up to \$150.00
Third and Subsequent* Offense:	Fine up to \$250.00

Serious Health and Safety Violations*

First Offense:	Fine up to \$500.00
Continuing Violations*:	Fine up to \$100 per day (until violation is cured)

Architectural Violations*

First Offense:	Warning letter or fine of \$100.00
Second Offense (same violation):	Fine up to \$150.00
Third and Subsequent* Offense:	Fine up to \$250.00

**Pursuant to Civil Code Section 5850(c) fines may not exceed \$100.00 per violation unless, in the Board's sole and reasonable discretion, the violation may result in an adverse health or safety impact on the common area or another member's property. The Board's written finding specifying the adverse health or safety impact must be affirmed in an open Board meeting before imposing the penalty.*

***The Board may impose continuing fines (i.e., daily, weekly or monthly) for repeated violations not remedied (as outlined in Section III, Paragraph B of this Policy), if not prohibited by Civil Code Section 5850 et seq.*

Failure to pay fines within thirty (30) days may result in legal action to collect said fines. If the Association is forced to retain an attorney to ensure compliance, collect fines, etc., the Owner may be liable for those attorney fees and all related expenses in addition to the fines.