

**RIDGECREST OF SHASTA COUNTY HOMEOWNERS ASSOCIATION
ENFORCEMENT POLICY AND SCHEDULE OF PENALTIES AND FINES
Approved changes on June 19, 2018**

The Board of Directors is authorized by the Covenants, Conditions & Restrictions ("CC&Rs") to impose various sanctions, including but not limited to monetary penalties ("Fines"), on Members found to be in violation of the CC&Rs and/or Association Rules (collectively "Governing Documents"). This document is intended to meet the requirements under applicable laws that a Schedule of Penalties and Fines be adopted and that all Members be notified of such schedule.

NOTHING CONTAINED HEREIN SHALL SERVE TO LIMIT OR TO DIMINISH THE ASSOCIATION'S RIGHT TO PURSUE OTHER REMEDIES AVAILABLE TO IT UNDER THE PROJECT DOCUMENTS AND/OR APPLICABLE LAW. IN ADDITION TO THE SANCTIONS SET FORTH HEREIN, THE BOARD HAS THE AUTHORITY TO REQUIRE RESTORATION OF ANY PORTION OF THE PROJECT TO ITS PRIOR CONDITION THAT HAS BEEN ALTERED IN VIOLATION OF THE ARCHITECTURAL APPROVAL REQUIREMENTS OF THE GOVERNING DOCUMENTS.

FINES SHALL NOT BE IMPOSED WITHOUT A FINDING BY THE BOARD OF DIRECTORS AFTER A DULY NOTICED HEARING HELD IN ACCORDANCE WITH SECTION 12 OF THE BYLAWS AND APPLICABLE LAWS ("Disciplinary Hearing").

A. VIOLATION OF THE GOVERNING DOCUMENTS MAY RESULT IN THE FOLLOWING DISCIPLINARY ACTION:

1. A first offense may result in either:

- a. A warning letter sent to the Member describing the alleged violation of the specific provision of the Governing Documents; or
- b. In the event the Board believes that the alleged violation is serious and/or egregious ("Major Violation"), it may impose a Fine of up to Two Hundred Dollars (\$200) without a warning letter, provided that such finding has been reached after a Disciplinary Hearing. Major Violations shall include, but not be limited to, a Member taking any of the following actions without prior Board approval: (i) removal of trees from any portion of the Project; (ii) landscaping modifications; (iii) changing the color of a home exterior or fence; (iv) painting, staining and/or resurfacing of driveways and walkways; and (v) any action that creates an unsafe or unsanitary condition or a significant nuisance as defined by section 4.18 of the CC&RS.

2. Failure by the Member to correct an alleged offense within ten (10) days of the date of a warning letter may result in the Board scheduling a Disciplinary Hearing to determine if a violation has occurred. The Board may, at its sole discretion, grant an extension of time for the violation to be corrected, depending upon the circumstances and the nature and seriousness of the offense.

3. The Board may, at its sole discretion, grant an extension of the hearing date provided that the Member makes such a request based on reasonable cause within ten (10) days of the date of the Notice of Hearing. Such extension shall not serve to extend the commencement date of any Fines imposed.

4. Upon a finding by the Board that the offense is a Major Violation, a fine of up to Two Hundred

Dollars (\$200) may be imposed ("Initial Fine"). Upon a finding by the Board that the offense is other than a Major Violation, the Board may impose a Fine of Fifty Dollars (\$50.00) per day commencing on the date of the hearing (or in the case of an extension, the Board shall have the right to commence the Fine upon the originally scheduled hearing date and continuing until the violation is corrected.

5. If, after fifteen (15) days the violation has not been corrected, the Fine shall increase to One Hundred Dollars (\$100) per day and continuing until the violation is corrected.

6. In the case of uncorrected Major Violations, the foregoing daily Fines may be imposed in addition to the Initial Fine.

7. It is the Member's responsibility to notify the Board in writing when the violation has been corrected. If the Board or its representative determines that the violation has been corrected, Fines will cease upon the date of the Member's written notice.

8. The member will also be responsible to pay a Compliance Assessment for any costs incurred by the Association for bringing the member into compliance, including any attorney's fees and costs with respect to the violation.

9. All fines, including Compliance Assessments representing the costs incurred by the Association in enforcing the Governing Documents, including any attorney's fees and costs, shall be a charge against the Owner of the unit. Any and all fines and costs shall be billed to the Owner's account for the Association.

The Association reserves the right to use any legal remedy available to enforce the Governing Documents against an owner, including, without limitation, the collection of any fines imposed against an Owner for violating the Governing Documents, injunctive relief and/or declaratory relief.

B. REPEATED VIOLATIONS:

1. Repeated violations of the same offense occurring within one year of a warning letter may result in the Board scheduling a Disciplinary Hearing and imposing the Fines as set forth above.

2. Repeated violations of the same offense occurring within one year of the Disciplinary Hearing at which a Fine was imposed, may result in a Fine of One Hundred Dollars (\$100) per day commencing upon the date of such finding at a subsequent Disciplinary Hearing.