

SIERRA SPRINGS OWNERS ASSOCIATION ENFORCEMENT POLICY

This Enforcement Policy of the Sierra Springs Owners Association (“SSOA”) establishes procedures for enforcing the SSOA’s Declaration of Restrictions (“CC&Rs”) and Rules adopted in accordance with the Davis-Stirling Act, and other governing documents (“Governing Documents”). The purpose of Enforcement, a method of achieving compliance with the Governing Documents of an Association, is to:

- Promote a beautiful, safe and enjoyable place to live
- Protect property values

This policy is an Operating Rule as defined in the Davis-Stirling Act and, to the extent it conflicts with any previous Operating Rules, supersedes and prevails over such previous rules. All Operating Rules, whether characterized as rules, policies, procedures and otherwise are subject to the provisions of the CC&Rs¹ currently in effect for SSOA unless superseded by law.

Failure of members to comply with the Governing Documents may result in disciplinary action, such as fines per the SSOA Fine Schedule, loss of member privileges and/or legal action. Members are responsible for violations of the governing documents committed by their family members, residents, tenants, agents and guests.

Article 1: Enforcement Options

Contingent upon the nature, seriousness and history of the violation, SSOA will generally adhere to the following enforcement procedures but the Board of Directors (“Board”) is not required to utilize every remedy in every enforcement action and may, in its sole discretion, subject to the law and the governing documents, determine what remedy to pursue and at what time.

- a. The following enforcement options may be used to gain compliance:
 - i. Legal Action. Depending on the severity and frequency of the violation, the choice of the enforcement procedure(s) and/or the enforcement remedy utilized may vary. Immediate legal action may be sought in the form of a temporary restraining order (“TRO”) and/or preliminary injunction where appropriate.
 - ii. Monetary Fines
 1. The fine schedules for violations are as set forth in the attached fine schedule. A “violation” means each occurrence of noncompliance with the Association’s governing documents.
 2. All monetary penalties (fines) are due upon notice given and are delinquent thirty (30) days after they become due.

¹ Amended Declaration of Restrictions Sierra Springs Units 1,2,3 and 4 (recorded 5/10/88 in El Dorado County); Amended Declaration of Restrictions Sierra Springs Units 21 and 22 (recorded 6/22/87 in El Dorado County) and currently in effect for this Association.

3. Late fees and interest will not be charged for fines.

iii. Reimbursement Assessment.

1. 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 the governing documents or law.
2. Reimbursement assessments are due within 30 days after providing notice to the Member and are delinquent thirty (30) days after they become due pursuant to the CC&Rs.

iv. Suspension of Privileges.

1. If a violation is found, Members may lose member privileges, such as the use of the pools, lodge and recreational courts, until the member has: 1) cured all violations; 2) paid any fine balance; and/or 3) signed a Resolution resolving any dispute pertaining to the violation.
2. Suspended privileges may not include the right to vote or qualification to serve on the Board.
3. Suspension of privileges may be imposed in addition to monetary fines and any other enforcement action.

Article 2: Enforcement Procedure

- a. *Report of Alleged Violation.* Any Member, resident, director, manager or rules enforcement personnel claiming a violation occurred must submit a written report to the Board or to the Association's manager. No verbal or anonymous reports will be considered unless the information can be independently verified. If directly witnessed, alleged violations may also be reported by the Association Manager or Board members. All written reports will be held in confidence to the extent practicable and permissible by law. However, in the event the Member alleged to be in violation exercises their right to due process; they may have the right to examine the evidence against them and discover the identity of the person who reported the alleged violation.
- b. *Courtesy Notice.* After receipt of a reported violation, the Association may issue a courtesy notice of the alleged violation to the responsible Member. The courtesy notice will identify the alleged violation and will request that the Member cure the same within a stated deadline, which will be a reasonable period of time, considering the nature and seriousness of the alleged violation. Depending on the seriousness of the alleged violation, no courtesy notice or warning is required to be given before the Board initiates disciplinary action.
- c. *Determination of Merit.* Prior to imposing a fine or other disciplinary action, the Board must

determine if an alleged violation appears to have merit. Nothing in this policy obligates or requires the Board or authorized enforcement committee to take any action against individual Members. The Board, in making this decision, will take into account the facts of each circumstance and determine the costs and benefits of taking action.

- d. *Notice of Hearing.* If the violation is not cured by the deadline imposed in the courtesy notice, or if the Board determined to not send a courtesy notice, the Board or its representative may send a notice of intent to impose discipline (“Notice of Hearing”) to the Member stating the nature of the alleged violation(s), the provision(s) of the governing documents violated and the Member’s right to appear before the Board at a hearing. The Notice of Hearing will be provided to the Member at least ten (10) calendar days prior to the hearing before imposing a monetary penalty (fine) and/or any other discipline. The notice must include the date, time, and place of the hearing. The notice must also inform the Member that they can cure the alleged violation before the hearing and include information about how and when the alleged violation can be cured. The notice must also inform the Member that if curing the alleged violation will take longer than the time between the notice and the hearing date, the Member can request an extension or provide a financial commitment to cure the alleged violation.
- e. *Hearing in Executive Session.* All disciplinary hearings with the Board will be held in executive session and may be in person, by videoconference, and/or teleconference. The Member responsible for the alleged violation may be heard, orally or in writing and may present documents. The Board may, but is not required to reschedule the disciplinary hearing if the Member is not available to attend. Unless the Board determines to reschedule the hearing, the hearing will occur if the Member fails to respond to the hearing notice and/or appear at the hearing.
- f. *Take Action.*
 - i. If the Member cures the alleged violation before the hearing in the manner set forth in the hearing notice or in a manner otherwise acceptable to the Board, or provides a financial commitment to cure the alleged violation, the Board will not impose disciplinary action.
 - ii. If the Member is found to have violated the governing documents, the Board may take any appropriate action allowed under the governing documents or the law.
 - iii. Before imposing a fine in excess of \$100.00, the Board must, at an open Board meeting, make a written finding specifying the adverse health or safety impact on property caused by the violation.
- g. *Give Notice of Decision.* The Member, but not the complaining party, must be notified of any disciplinary action taken by the Board within fourteen (14) days following the action. If, after the hearing the Board and Member are not in agreement the notice must inform the Member that they can request *Internal Dispute Resolution* in the manner provided by the Association’s governing documents and the law.

- h. *Agreement After the Hearing.* If, after the hearing, the Board and Member are in agreement about how to resolve the violation, the Board must draft a written resolution. The written resolution will be binding on the Association and judicially enforceable so long as it is not in conflict with the law or governing documents, and is signed by the Board and the Member.

Article 3: Adverse Health or Safety Impact on Common Areas or Member's Property.

- a. The Board may impose a fine in excess of \$100.00 for a violation that may result in an adverse health or safety impact on the common area or another Member's property. Before imposing a fine in excess of \$100.00, the Board must, at an open Board meeting, make a written finding specifying the adverse health or safety impact of the violation.
- b. Maintaining a Lot in a condition that increases the risk of wildfire has an adverse safety impact to the properties in SSOA. A Member's failure to maintain a Lot in accordance with the SSOA Fire Safety Rules will likely increase the risk of wildfire or have other adverse health or safety impacts on the properties in SSOA. Due to the serious nature of the risk, higher fines or monthly fines will be imposed according to the Fine Schedule and this Policy until the violation(s) is corrected. Fines for Fires Safety violations are included in the fine schedule.
- c. Depending on the severity and frequency of the violation, the choice of the enforcement procedure(s) and/or the enforcement remedy utilized may vary. Immediate legal action may be sought in the form of a temporary restraining order ("TRO") and/or preliminary injunction where appropriate.
- d. If a monthly fine is imposed, it will remain in effect until the violation has been corrected.
- e. After the Association verifies that a violation has been corrected, the fine will cease as of the 1st of the month during which the Member notified the Association that the violation was corrected.

Article 4: Reduction of Fines

- a. To help achieve compliance and to motivate members to correct violations of the Governing Documents, the Board of Directors will reduce any unpaid fine balance by seventy-five percent (75%), provided the following conditions are met:
 - i. The violation has been corrected;
 - ii. A written agreement has been signed by the Member and the Board resolving any dispute the Member may have regarding the violation or fine;
 - iii. The Member has paid twenty-five percent (25%) of the initial fine balance; and,
 - iv. The unpaid fine is not for a repeat violation of the same Rule or Policy.

- b. If a Member violates the same Rule or Policy within the time established in the agreement, the Board may impose the forgiven fine balance as an additional monetary penalty for the subsequent violation (to the extent fines in excess of \$100.00 are permitted by law).
- c. The Board has the authority to make other arrangements with the Member for payment of fines including waiving all fines which the Board determines in its discretion will gain compliance and is in the best interest of the Association.