

**DRAFT 2**

**ENFORCEMENT AND FINE POLICY  
CHATEAU LAKE SAN MARCOS HOMEOWNERS  
ASSOCIATION**

**a California nonprofit mutual benefit corporation**

Adopted on \_\_\_\_\_

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**ENFORCEMENT AND FINE POLICY**  
**CHATEAU LAKE SAN MARCOS HOMEOWNERS ASSOCIATION**  
a California nonprofit mutual benefit corporation

This policy is an Operating Rule as defined in the Davis-Stirling Common Interest Development 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 First Amended and Restated Declaration of Covenants, Conditions and Restrictions for Chateau Lake San Marcos Homeowners Association, currently in effect for this Association.

**ARTICLE 1: ENFORCEMENT AND FINE POLICIES**

Contingent upon the nature, seriousness and history of the violation, the Association 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. 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.

1.1 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 at a Board meeting, or to the Association’s community manager during regular business hours. A sample Alleged Violation Report is attached as Exhibit A to this policy which may, but is not required, to be used. 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 community 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. Members are responsible for violations of the governing documents committed by their family members, residents, tenants, agents and guests.
- 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 Alleged Violation:* 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 may send a notice of intent to impose discipline 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 intent to impose discipline will be provided to the Member at least ten (10) calendar days by either personal delivery or individual delivery, 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 provide a financial commitment to cure the alleged violation. A sample Notice of Intention to Impose Discipline is attached to this policy as Exhibit B. This notice may, but is not required, to be used.
- 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:* 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. 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, such as:
  - i. Sending a "cease and desist" letter;
  - ii. Imposing one or more monetary penalties (fines) per violation;
  - iii. Allowing the Member additional time to correct any ongoing violations;

- iv. After further notice and hearing, imposing a reimbursement assessment upon the Member for the costs and expenses of gaining compliance, including attorneys' fees, when allowed by the governing documents or law;
  - v. Suspending membership privileges, such as recreational common area use rights (but not Member voting rights), effective no sooner than five (5) days after the notice of disciplinary action required by Civil Code § 5855(f) or any successor statute;
  - vi. Initiating Internal Dispute Resolution and/or Alternative Dispute Resolution in the manner provided by the Association's governing documents and the law;
  - vii. Seeking any legal remedy, including, without limitation, seeking a restraining order and/or injunctive relief, or imposing a lien and/or foreclosing on the Member's property, where allowed by law;
  - viii. Taking no disciplinary action when circumstances warrant.
- 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.

1.2 Monetary Penalty (Fine) Schedule and Policies. The fine schedules for violations are as set forth below.

- a. One Hundred Dollars (\$100.00) per violation. "Violation" means each occurrence of noncompliance with the Association's governing documents.
- b. Any violation that may result in an adverse health or safety impact on the common area or another Member's property:
  - i. For the first violation, the responsible Member will be subject to a monetary penalty not to exceed \$200.00.

- ii. For the second violation of the same provision of the governing documents, the responsible Member will be subject to a monetary penalty not to exceed \$300.00.
  - iii. For the third or subsequent violation of the same provision of the governing documents, the responsible Member will be subject to a monetary penalty not to exceed \$500.00.
  - iv. Before imposing a fine pursuant to this subsection (b), the Board must, at an open Board meeting, make a written finding specifying the adverse health or safety impact.
- c. All monetary penalties (fines) are due upon notice given and are delinquent fifteen (15) days after they become due. Late fees and interest will not be charged for fines.

1.3 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 the governing documents or law. Reimbursement assessments are due within 30 days after providing notice to the Member and are delinquent fifteen (15) days after they become due.

1.4 Remedies. The violation procedures in this policy are separate from, and not a prerequisite to, legal proceedings. The Board has 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 attorney's 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 an alleged 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 Association.

**Exhibit "A"**  
**ALLEGED VIOLATION REPORT**

Date of Report: \_\_\_\_\_

1. **Person Making Report (Complainant)**      Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone No: \_\_\_\_\_  
Email: \_\_\_\_\_

2. **Time, place and nature of alleged violation (to the extent known)**

Date: \_\_\_\_\_ Time: \_\_\_\_\_ Location: \_\_\_\_\_

Nature of Alleged Violation:

\_\_\_\_\_  
\_\_\_\_\_

3. **Description of Alleged Violator (if known)**

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_

4. **Additional Witnesses (continue on back as needed)**

Name: \_\_\_\_\_

Address/Phone/Email: \_\_\_\_\_

Name: \_\_\_\_\_

Address/Phone/Email: \_\_\_\_\_

5. **Other Evidence (Photographs, Documents, Etc.) Supporting the Alleged Violation (continue on back as needed)**

\_\_\_\_\_  
\_\_\_\_\_

6. **Specific Governing Document Alleged to be Violated (Cite exact provision(s) of Declaration of Covenants, Bylaws, Rules or Regulations violated)**

\_\_\_\_\_

7. **Original Complainant**

\_\_\_\_\_  
(Signature)

Adopted on \_\_\_\_\_

**Exhibit A to Enforcement and Fine Policy**

**Exhibit “B”**  
**NOTICE OF INTENTION TO IMPOSE DISCIPLINE**

To Member: \_\_\_\_\_

Please be advised that you are given notice that the Board of Directors (“Board”) will hold a hearing on:

|       |                    |
|-------|--------------------|
| _____ | (Date)             |
| _____ | (Time)             |
| _____ | (Place)            |
| _____ | (Other i.e., Zoom) |

To consider the imposition of a monetary penalty (fine), suspension of membership privileges, such as the right to use recreational common area, but not Member voting rights, or other permissible discipline or action against you concerning an alleged violation of the Association’s governing documents, that is:

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You have the opportunity to cure the alleged violation prior to the hearing. If you cure the alleged violation prior to the hearing, the Board will not impose discipline. If curing the alleged violation will take longer than the time between the date of this notice and the hearing and you provide a financial commitment to cure the alleged violation, the Board will not impose discipline.

You may attend the hearing and be heard orally or in writing before the Board. The hearing will be held in executive session whether you are present or not and whether you contest the alleged violation or not.

Please acknowledge your receipt of this notice and indicate, by checking one of the boxes below whether or not you will contest the alleged violation.

Very truly yours,

BOARD OF DIRECTORS

I acknowledge receipt of this notice and:

☐ I do not oppose the alleged violation.

☐ I oppose the alleged violation.

Adopted on \_\_\_\_\_

**Exhibit B to Enforcement and Fine Policy**