

THE VILLAGES OF RANCHO DEL ORO HOMEOWNERS ASSOCIATION, INC.

ENFORCEMENT & FINE POLICY

The following procedure will apply to all violations and infractions of the governing documents. Owners may report violations to the Management Company or Board of Directors by submitting a written notice, with photos if possible, describing the violation. At the time the violation is reported, action will be taken as follows:

1. Based on the information received, an analysis on whether or not the infraction or violation of the rules has occurred will be reviewed by the Management Company on behalf of the Board.
2. Upon verification, a first notice to correct the violation will be sent by the Management Company. The notice will contain a description of the violation, and instructions regarding response to the notice and correction of the violation.
3. If the violation continues, or if the response is otherwise unsatisfactory after the first notice, the owner will receive a notice to appear before the Board of Directors at an Executive Session hearing, where the owner may appear personally or by submitting a written response. The appearance date shall be at least ten (10) days prior to the date of the hearing, and, if a monetary penalty is imposed, a notice at least five (5) days in advance of the fine assessment will be given. The notice shall be delivered to the owner by first class mail to the last address of the owner shown on Association records. The Board shall give fair consideration to the owner's oral or written response in determining whether to impose a penalty.
4. If the violation continues, or if the response is otherwise unsatisfactory, even after the imposition of a monetary penalty, the Board may impose additional or continuing fines until such time as the matter is satisfactorily resolved.

All fines (i.e., monetary penalty assessments) and individual assessments representing the attorney's fees and costs incurred by the Association in enforcing the Governing Documents, shall be a charge against the owner's account. Any and all fines shall be billed to the owner's account at the Association.

SCHEDULE OF FINES

For each violation of the Governing Documents, a monetary penalty assessment will be assessed against an owner as follows:

- | | |
|-----------------------|--|
| a. First Offense | \$200.00 |
| b. Subsequent Offense | \$300.00 |
| c. Continuous Offense | \$300 per violation and / or penalty of \$75 per day |

"Subsequent Offense" shall mean and refer to a repeat occurrence of a violation of the Governing Documents that is the same or substantially similar, as decided by the Board, to a violation that the Board has previously determined (through a hearing) was committed by the same owner or owner's family member, guest, tenant (including their guests), invitee, licensee, visitor, or other occupant of the unit.

"Continuous Offense" shall mean and refer to violations of the Governing Documents that continue, uninterrupted and uncorrected, after written notice and the opportunity for a hearing have been provided to the owner, and the deadline date set by the Board for correcting the violation has expired.

Nothing in this policy will prevent the Board from also imposing other sanctions or a suspension of an owner's rights and privileges, as provided for in these Rules and in the Association's Governing Documents, or taking legal action to correct a violation or otherwise enforce the Governing Documents.

The Association reserves the right to use any avenue of the legal system to enforce the Governing Documents against an owner, including the collection of any fines imposed against an owner for violating the Governing Documents.

Attorney's fees and costs and / or administrative costs incurred by the Association in enforcing the Governing Documents against an owner may become a charge against the owner in the form of an individual assessment.