

Julian Estates Property Owners Association

VIOLATION PROCEDURE

The following procedure will apply to all violations and infractions of the governing documents and rules and regulations. Owners may report violations to the Board of Directors by submitting a written notice describing the violation. The Board of Directors or a committee appointed by the Board may also note any violations discovered during walk-throughs or by personal knowledge of any of its members or representatives.

At the time a violation is noted or reported, action will be taken as follows:

1. The Board shall give written notice to the owner. The notice will contain a description of the violation, instructions regarding response to the notice, and the means for correction of the violation. Notwithstanding the foregoing, the Board may determine, in its sole discretion, that the violation is of a nature or severity that no warning will be issued and the violation will be subject to immediate notice and opportunity for hearing to impose disciplinary action, including fines.
2. If the violation continues or is repeated, or the Board has determined no warning letter will be issued, the Board shall give the owner a second notice of the violation. So long as a violation continues or is repeated, the Board may deliver additional notices. Each added notice shall carry an additional fine in the amount of the initial fine and shall be levied for each additional notice given, thereby increasing the total fine by the added amount(s). The notice shall be given not less than ten (10) days prior to the date of the hearing before the Board. The notice shall include the date, time, and location of the hearing, the nature of the alleged violation, and a statement that the member has the right to attend and may address the Board at the meeting. The Board of Directors shall meet in executive session if requested to do so by the member being disciplined.
3. At the hearing, the Board shall allow the owner to present evidence and testimony as reasonable under the circumstances. If the Board concludes that the alleged violation occurred, the Board may impose monetary penalties.

If the Board imposes discipline on a member, the Board shall provide the member a written notification of the disciplinary action, by either personal delivery, first-class mail, or email, if consented to in accordance with Civil Code section 4040(a)(2), within fifteen (15) days following the action. The disciplinary action will be effective beginning five days after the hearing date.

4. If the violation continues or is repeated, or if the response is otherwise unsatisfactory, the Board may impose additional or continuing fines until such time as the matter is satisfactorily resolved.
5. If the violation continues or is repeated, the Board may also refer the matter to the Association's legal counsel. If required by Civil Code sections 5905 or 5930, alternative dispute resolution will be offered. The homeowner may be liable for the Association's legal costs and fees.

6. Notwithstanding the foregoing, under circumstances involving conduct that constitutes (a) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring owners; (b) a traffic or fire hazard; or (c) a threat of material damage to, or destruction of, the Common Area, the Board or its agents may contact the appropriate civil authorities and undertake immediate corrective action and conduct a hearing as soon thereafter as possible if either (1) requested by the offending owner within five (5) days following the Association's actions, or (2) on its own initiative.

Julian Estates Property Owners Association
FINE SCHEDULE

Fines for first-time violations may be levied on a per-day/incident basis at the discretion of the Board in accordance with the following schedule:

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| Hazardous Activities | Up to: \$5000.00 |
| Use Restrictions | Up to: \$1000.00 |
| Vehicle and Parking Restrictions | Up to: \$1000.00 |
| Any violation of the Bylaws, CC&Rs, or Rules and Regulations not specifically mentioned | Up to: \$1000.00 |

Fines shall be in addition to an assessment equal to any applicable cost of repair. Fines for continuing or repeated violations may be increased as a percentage increment of the initial fine at the discretion of the Board. Also at the discretion of the Board, fines for continuing violations may be imposed on a daily basis until the violation is corrected. For the purposes of this Fine Schedule, a "continuing or repeated violation" shall be one in which ~~is~~ the same violation is levied against a single lot on multiple days within a twelve-month period. However, should a twelve (12) month period pass without any recurring violations, a first notice to correct the violation must be sent by the Association prior to imposing any fines.

The "ENFORCEMENT" terms and conditions presented in the Governing Documents shall apply fines. Four or more violations assessed to a single lot in any six (6) month period may result in an additional fine of up to \$10,000, at the discretion of the Board.