TALEGA GALLERY COMMUNITY ASSOCIATION

ENFORCEMENT POLICY AND FINE SCHEDULE

The purpose of this Enforcement Policy and Fine Schedule ("Policy") is to encourage compliance with the Amended and Restated Declaration of Covenants, Conditions and Restrictions and ("CC&Rs"), the Condominium Plan, the Bylaws, and any Resolutions of the Board, all as the same may be lawfully amended or modified from time to time (hereinafter "Governing Documents"). *This Policy will supersede and replace any prior enforcement policies and fine schedules*. Unless otherwise expressly defined or stated in this Policy, all capitalized terms used herein shall have the meanings given to such terms in the Association's CC&Rs.

Talega Gallery Community Association ("Association") is the governing body responsible for the management, maintenance, and administration of the residential development. The CC&Rs provide the Board of Directors ("Board") with the authority to enact, adopt, amend, and enforce rules and regulations and to enforce the applicable provisions of the CC&Rs and other Governing Documents and instruments for the management, operation, maintenance, and control of the community. (CC&Rs, Art. V, § 5.5, Art. II, 2.11, Art. XV, § 15.6; Civil Code §§ 5850, 4340-4370.)

I. REMEDIES FOR ENFORCEMENT

The Board may impose discipline within its reasonable discretion for violations of the Governing Documents. The selection of one remedy does not preclude the Association's right to pursue others. (CC&Rs, Art. XV, § 15.4.)

Violation of the Association's Governing Documents may result in a warning letter, suspension of privileges (including but not limited to rights to use the Common Facilities), fines as the Board may determine to be appropriate and/or directive to an Owner to evict the Owner's Tenant based on a determination by the Board that the Tenant is creating a nuisance and/or health or safety risk in the community, etc. In addition to the foregoing, the Board may file a lawsuit seeking judicial relief and compensation for its attorneys' fees incurred in these enforcement matters.

Upon notice and hearing, monetary fines and penalties may be assessed against Owners for violations of the Governing Documents. Any fines levied pursuant to the below listed schedule that are not paid, may result in the Association commencing collection proceedings against the Owner, which may include posting all amounts due to the Owner's account, making a demand for payment on an open escrow and/or legal action. The Association by way of this

Policy is not waiving any of its other rights provided under law, its CC&Rs or otherwise. ***The Association expressly reserves all rights.***

Should a violation occur which imposes a financial obligation upon the Association, including, without limitation, damage caused to the Common Area, the Owner responsible for said violation shall reimburse the Association for this financial obligation, by way of a reimbursement Special Individual Assessment, which may be imposed following notice and hearing. (CC&Rs, Art. VI, § 6.10; Civil Code § 5855.)

II. SCHEDULE OF NOTICES AND DUE PROCESS

The Association will generally seek voluntary compliance before imposing a monetary penalty. Depending upon the nature and circumstances of a violation, the Association may issue a courtesy notice, violation notice, demand for correction, or other written notice identifying the alleged violation and the corrective action requested.

A. Notice of Hearing

A monetary penalty or suspension of privileges will not be imposed unless the Board first provides written notice to the Owner, by either personal delivery, first-class mail, or by facsimile, e-mail or other electronic means (if the Owner has consented to such delivery in writing or by e-mail), at least ten (10) days prior to the meeting to consider or impose discipline upon an Owner, and provides the Owner an opportunity for a hearing before the Board. The notice shall contain the date, time and place of the meeting, the nature of the alleged violation for which the Owner is subject to discipline, and a statement that the Owner has a right to attend and may address the Board at the meeting.

B. Correction of Violation

In the event the violation is corrected prior to the hearing date, the Board will not impose discipline; however, the Board may still proceed with the hearing in its sole discretion. (Civ. Code § 5855(c)(1).). If the violation cannot be cured between the date notice of the hearing is provided, and the hearing itself, the Owner may provide financial commitment to cure the violation, to avoid discipline as well. (Civ. Code §5855(c)(2).)

The Board, in its sole discretion, may determine what constitutes adequate "financial commitment" to cure the violation based on the circumstances, including but not limited to, requiring proof that a contractor has been retained by the Owner to cure the violation, requiring proof of good funds, requiring the Owner to sign a written agreement certifying their financial commitment and timeframe to cure the violation, etc.

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Certain violations are not curable. Once the violation has occurred the Board may impose discipline regardless of whether the violation is no longer ongoing by the time of the hearing. Non-curable violations include, but may not be limited to, those involving parking, trash cans, and other one-time events that cannot be remedied after the fact.

If the violation is of a continuing nature and can be cured, but the Owner fails to do so, then to the extent permitted by law, each day which passes is treated as a separate violation and thus is subject to a separate fine.

C. Opportunity to be Heard

Owners have the right to appear in person before an executive committee composed of Board members, or the Board, to present evidence as to why they should not be disciplined. Owners also have the right to bring an attorney with them to advise them or to speak on their behalf. If an Owner intends to have legal representation present at the hearing, prior notice of at least five (5) business days must be provided to the Board, so that the Board may be represented by counsel. Failure to timely notify the Board that the Owner will be represented by legal counsel will result in the hearing proceeding without the Owner present. Alternatively, the Board may reschedule the hearing in its discretion. The hearing will be held in executive session.

If during the hearing, the Owner is not in agreement with the Board's decision, the Owner has the right to request internal dispute resolution ("IDR") in accordance with the Association's IDR policy.

Notwithstanding the Board's determination to impose discipline against the Owner, if Owner and Board come to an agreement during the course of the disciplinary/hearing process, the Board will prepare a written resolution memorializing this agreement to be signed by both parties. This written resolution shall be judicially enforceable. (Civ. Code § 5855(e).)

D. Notice of Decision

Within fourteen (14) days of the Board's decision, the Owner will be given written notice of the decision at the address to which the notice of hearing was directed, by personal delivery, first-class mail or by facsimile, e-mail or other electronic means (if the Member has consented to such electronic delivery in writing or by e-mail). Upon notification to the Owner of the Board's imposition of discipline, including the terms of said discipline, the discipline shall become effective.

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IV. SUSPENSION OF PRIVILEGES

In addition to, or in lieu of fines, membership privileges may be suspended, which includes the suspension of the Owner's right to use Common Area recreational facilities, which may also result in the suspension of the tenant or other resident's rights to use the Common Facilities, as applicable.

V. HEALTH OR SAFETY IMPACT

Pursuant to Civil Code Section 5850(c) fines may not exceed $100.00 per violation unless, in the Board's sole and reasonable discretion, the violation may result in an adverse health or safety impact on the common area or another member's property.

The Board has determined, at an open meeting and through adoption of this Policy, that the violations identified in Section 4 may result in an adverse health or safety impact on the common area or another member's separate interest. The Board has further determined that the monetary penalties established for those violations are reasonable in light of the potential adverse health or safety impacts associated with the identified violations.

Accordingly, upon adoption of this Policy at an open Board meeting, the Board may impose the monetary penalties specified in Section 4 for a violation falling within an identified adverse health and safety category without making a separate determination at an open Board meeting regarding the potential adverse health or safety impact of that category of violation.

Before imposing any monetary penalty, including a penalty greater than $100, the Association shall provide the member with the notice and opportunity for a hearing required by California Civil Code section 5855. At the hearing, the Board shall determine whether the violation occurred and whether the applicable monetary penalty should be imposed.

The Board retains discretion to impose a lesser penalty, waive a penalty, or take other appropriate enforcement action based upon the circumstances of the particular violation.

For purposes of clarity, the Board's adoption of this Policy at an open Board meeting constitutes the Board's determination that the categories identified in Section 4 may result in the adverse health or safety impacts described in California Civil Code section 5850. A separate open-session finding concerning the health or safety impact of an individual violation shall not be required before imposing a penalty identified in Section 4, provided that the violation falls within the applicable category and all other requirements of applicable law and this Policy have been satisfied.

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A "health or safety violation" refers to any condition, action, or omission by a Member, resident, or their guests that the Board, in its reasonable discretion, determines creates a significant risk to the physical well-being, safety, or health of individuals or the integrity of community property. The Board's determination shall be guided by, but not limited to, the following considerations:

- **Potential for Harm**: Conditions or actions that could reasonably result in physical injury, illness, or property damage, such as exposed electrical wiring, unmaintained structures posing collapse risks, or accumulations of hazardous materials.

- **Impact on Community Welfare**: Issues that compromise the safety or livability of the community, including blocked fire access routes, improper storage of flammable substances, or conditions fostering pest infestations.

- **Compliance with Codes and Standards**: Violations of local, state, or federal health and safety regulations, building codes, or fire codes, as identified by relevant authorities or professional assessments.

- **Community Standards**: Conditions that deviate from the association's governing documents and create health or safety concerns, such as unapproved modifications that undermine structural integrity or certain violations involving rentals or renters.

Violation	First Violation	Subsequent Violation
Blocking or obstructing a designated fire lane, emergency access area, or other area required for emergency response	$250	$500
Obstructing or interfering with a required fire exit, emergency exit, stairway, corridor, or other means of egress	$250	$500
Tampering with, disabling, obstructing, or interfering with fire/life-safety equipment or systems	$500	$1,000
Improper storage or use of flammable, combustible, or other hazardous materials in violation of the Governing Documents or applicable safety requirements	$250	$500
Creating or maintaining a significant unauthorized fire hazard	$250	$500
Unauthorized alteration or interference with electrical, gas, plumbing, fire-protection, structural, or other building systems where the condition may adversely affect the health or safety of the common area or another member's property	$250	$500

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Violation	First Violation	Subsequent Violation
Unauthorized construction or alteration that may create a significant structural, fire, water-intrusion, or other health or safety risk	$500	$1,000
Maintaining an animal or pet in a manner that creates a significant health or safety hazard to another person, the common area, or another member's property	$250	$500
Any person who causes or is responsible for a contamination event involving human waste in or around the pool, spa, pool deck, or related pool facilities shall be subject to a $500 fine, in accordance with the Association's governing documents and applicable law. In addition to the fine, the responsible person shall be responsible for the reasonable costs incurred by the Association as a result of the contamination event, including additional cleaning, disinfection, sanitation, treatment, testing, or other necessary remediation of the pool, pool deck, or related pool facilities.	$500	$750

The Board retains broad discretion to evaluate and classify health or safety violations on a case-by-case basis, considering the specific circumstances, severity, and potential impact of the issue. In exercising this discretion, the Board shall: (i) act in good faith and in the best interests of the community; (ii) base decisions on the best available evidence; (iii) consider the urgency of the violation and history of the violator; (iv) ensure consistency with the Association's governing documents and applicable laws.

The Board may consult with professionals (e.g., engineers, health inspectors, or legal counsel) to inform its determination, particularly for complex or ambiguous cases. The Board's classification of a violation as a health or safety matter shall be documented in writing at an open Board meeting and in the notice to the Owner.

VI. FINE SCHEDULE

The Board has the authority to adopt a schedule of monetary penalties for violations of the Association's Governing Documents. As adopted by the Board, and unless otherwise stated above, the monetary penalty policy for violations of the Governing Documents is as follows:

First Offense:	$100.00 per offense
Second Offense:	$150.00 per offense
Third and Subsequent Offense:	$250.00 - $500.00 per offense**

**Pursuant to Civil Code Section 5850(c) fines may not exceed $100.00 per violation unless, in the Board's sole and reasonable discretion, the violation may*

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result in an adverse health or safety impact on the common area or another member's property. The Board's written finding specifying the adverse health or safety impact must be affirmed in an open Board meeting before imposing the penalty.

***The Board may impose continuing fines (i.e., daily, weekly or monthly) for repeated violations not remedied (as outlined in Section III, Paragraph B of this Policy), if not prohibited by Civil Code Section 5850 et seq.*

**Pursuant to Civil Code Section 5850(c) fines may not exceed $100.00 per violation unless, in the Board's sole and reasonable discretion, the violation may result in an adverse health or safety impact on the common area or another member's property. The Board's written finding specifying the adverse health or safety impact must be affirmed in an open Board meeting before imposing the penalty.*

***The Board may impose continuing fines (i.e., daily, weekly or monthly) for repeated violations not remedied (as outlined in Section III, Paragraph B of this Policy), if not prohibited by Civil Code Section 5850 et seq.*

Failure to pay fines within thirty (30) days may result in legal action to collect said fines. If the Association is forced to retain an attorney to ensure compliance, collect fines, etc., the Owner may be liable for those attorney fees and all related expenses in addition to the fines.

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