

RESTATED RULES AND REGULATIONS
THE SHADOW MOUNTAIN HOMEOWNERS' ASSOCIATION, INC.
JANUARY 2017

DEFINITIONS:

Common Area is comprised of two definitions:

Common Element: Includes the areas outside of your Unit such as lawns, landscaping, small pools and spas, streets, driveways, parking lots, carports, perimeter walls, utility buildings, guard stations.

Limited Common Element: Semi private area of a Unit such as a patio or deck.

Governing Documents & Acronyms: Each Homeowner receives a copy of the Restated Covenants, Conditions and Restrictions (CC&R), Restated By-Laws, Articles of Incorporation and this document; the Restated Shadow Mountain Rules and Regulations (SMRR). These are the "Governing Documents" (GD) that may be periodically modified and distributed by your Board of Directors (the Board). It is your responsibility to be familiar with the GD and to ensure that your guests and tenants are too. The CC&R shall take precedence over the SMRR.

Additional copies of the GD are available from the Property Management for a predetermined fee. (Fees are subject to change):

Restated Covenants, Conditions and Restrictions (CC&R)	\$10.00
Restated By-Laws	\$ 5.00
Articles of Incorporation	\$ 5.00
Restated Shadow Mountain Rules and Regulations (SMRR)	\$ 5.00

Guest: A Guest or a Tenant invited by a Homeowner. Guests have access to their Unit, its Limited Common Element and the Common Element.

Homeowner: A person, persons or entity that owns a Unit or Units of the Shadow Mountain HOA.

Homeowner's Association (HOA): The governing body for the Units, Common Element and Limited Common Element of the Shadow Mountain Homeowners' Association.

Property Management: Employed by the HOA to manage the HOA.

Schedule of Capital Reserves (the Schedule): The HOA retains a licensed professional company to evaluate the conditions and remaining life of our capital assets (roofs, roads, and pools). The Schedule is updated annually, or as required by law, to record inspections, quotes and the cost of completed upgrades to ensure adequate funding for anticipated future replacement costs.

Tenant: A person or persons who rents or leases a Unit from a Homeowner and is considered a Guest for the purpose of this document.

Unit: Any of the 167 condominiums that comprise part of the property of the Shadow Mountain Homeowners' Association (HOA).

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SECTION 1: ASSOCIATION RULES

A. Association Rules – General

1. The Restated Shadow Mountain Rules and Regulations (SMRR) are for Shadow Mountain Homeowners, Tenants and Guests so that all can enjoy living in a pleasant environment with friendly neighbors and maintain the beauty and value of our Units and Common Areas.
2. Homeowners, by acceptance of a deed to their Unit, shall be deemed to covenant and agree to comply with all applicable terms and provisions of the GD, as the same may be amended from time to time.
- 3 Pursuant to the CC&R Article 4.8, these rules are in accordance with and complement the CC&R and are not intended to modify it in any way. In case of conflict between the two documents, the CC&R will supersede the SMRR.
4. Homeowners who lease or have rental agreements with a Tenant must assure that the Tenant is familiar with the SMRR and is aware of the need to comply with its terms.
5. The Board may, in accordance with the CC&R, alter, amend, revoke, or add to the SMRR for the preservation of safety and order therein, for the care and cleanliness of the property and for the protection of the Homeowners. When notice of any such alteration is given it will have the same force and effect as if it was originally part of these rules.
6. Board meetings are scheduled a minimum of four times a year. The Annual Meeting of the HOA is held in January on a date and time specified by the Board. At this meeting, newly elected HOA directors are installed and are available for a Q and A session with the Homeowners. See the Restated By-Laws for more details.
7. Failure to comply with the rules as specified herein will result in a written warning from the HOA for corrective action and/or reference to the Enforcement Procedures of Section 5 of these rules. In any case, the HOA may, if necessary, order corrective action taken at the expense of the homeowner.
8. NOTE: TENANTS AND GUESTS ARE SUBJECT TO THE SAME RULES AND REGULATIONS AS HOMEOWNERS UNLESS OTHERWISE SPECIFIED.

B. Quarterly Assessment Full Pay Policy

1. HOA assessment dues are payable each quarter on March 1, June 1, September 1, December 1.
2. HOA assessments will be billed a minimum 30 days prior to the due dates (i.e. December 1 assessment billed on or before November 1).
3. Finance charge on unpaid assessments will accrue as of the due date.
4. Pursuant to the CC&R Article 6.5, an assessment, including any installment payment, is delinquent fifteen (15) days after the due date.
Delinquencies will be handled as follows:

15 days after due date – Accounting notice	
30 days after due date – Accounting notice to turn over for legal action on 15 th of the month	10% Finance Charge*
45 days after due date – Attorney Lien Filing	\$ 520.00*
75 days after due date – Attorney Foreclosure Action	\$1,013.00*
90 days after Foreclosure Action – Trustee’s Sale	\$2,513.00*

*Legal fees and costs are subject to change.

5. All collection costs will be at the homeowner’s expense and will be added as an assessment against the property.

C. Common Area

1. The Common Element is maintained under contract to the HOA. It includes the areas outside of your unit such as lawns, landscaping, small pools and spas, streets, driveways, parking lots, carports, perimeter walls, utility buildings and the guard stations.
2. The Common Element is for the exclusive use of Homeowners, Tenants and Guests.
3. Discretion and consideration must be used with respect to the number of Guests to avoid crowding the Common Element. Homeowners are responsible for the activities of their Tenants or Guests. Anyone without rightful access to the Common Element will be directed to leave.
4. Homeowners are liable for damage to the Common Element either through their actions or those of their Tenants or Guests.
5. Homeowners are liable for damage to the Limited Common Element of their unit either through their actions or those of their Tenants or Guests.
6. Report rule infractions to the Property Management.

D. Insurance

1. The HOA’s blanket fire and liability insurance policy covers the structures and the Common Areas of the HOA. It also provides limited earthquake coverage on the Units and Common Areas. Note that homeowners are responsible for deductibles specified in the HOA master policy.

2. NOTE: ALL SUCH CLAIMS MUST BE MADE THROUGH THE HOA PROPERTY MANAGEMENT OFFICE FOR SUBMISSION TO THE INSURANCE CARRIER.
3. Homeowners should personally insure for the contents of their unit and for personal and third party liability in case of accident or injury to a person in their unit.

E. HOA/Homeowner Maintenance Responsibilities

1. The HOA is responsible for the external maintenance and repair of the Units and Common Areas. Advise the Property Management of problems with Common Area lights, irrigation lines, security, pools, landscaping, etc.
2. For a detailed breakdown of HOA and Homeowner Maintenance Responsibilities refer to the CC&R Exhibit C, Allocation of Maintenance Responsibilities and Matrix.

F. Schedule of Capital Reserves

1. The HOA will annually send Homeowners a Schedule of Capital Reserves that details the funds set aside for future replacement costs.

G. Swimming Pool/Spa Rules and Regulations

1. Additional rules and regulations are posted at the pools and spas. Observe all posted rules.
2. There are no lifeguards on duty. Swim at your own risk.
3. Pool/Spa Hours are 8AM to 10PM.
4. Pool furniture must not be reserved nor removed from the pool area.
5. Pets are not allowed in the pool/spa areas.
6. Unattended inflatable floats are not allowed in the pool or at poolside.
7. Should you observe anyone using the pools and spas whom you suspect are not Homeowners, Tenants or Guests, please call the Property Management or, after hours, Security.
8. The number of Guests using HOA pools and spas cannot exceed the number of people occupying the Unit (be it Homeowner, Tenant or Guest), plus 4, unless they receive the permission of the Property Management.

H. Pets

1. The HOA allows a Homeowner a maximum of two pets in any one Unit.
2. No animals, except dogs, cats, fish and birds (in inside bird cages) may be kept as pets within any Unit. Pets must not be kept, bred, or maintained for any commercial purpose.

3. The Property Management, acting through the Board, shall have the right to prohibit the presence of any animal which constitutes, in the opinion of the Board, a nuisance to any other Homeowner, Tenant or Guest.
4. Pets outside a Unit are to be leashed and supervised by a person capable of controlling the animal. Such persons must carry a pooper scooper and bag to clean up after the animal and to ensure it is discarded into a trashcan or dumpster. Use the grass areas behind court 1 on Club Circle Drive for defecation.
5. Pets are not permitted on the “Greenbelt” or in Resort facilities. At no time are pets to be outside unattended or “kenned” outside.
6. Homeowners shall be liable for noise or damage to person or property caused by animals brought on or kept in Shadow Mountain by a Homeowner, Tenant or Guest.

I. Disturbing Noises, Odors and other Nuisances

1. The Property Management, acting through the Board, shall have the right to determine if any noise, odor or other activity constitutes a nuisance to any other Homeowner, Tenant or Guest.
2. No one shall make or permit any disturbances nor permit anything that will interfere with the right, comforts, or convenience of others.
3. No one shall play musical instruments or operate a sound system, television or radio to the point that excessive volume disturbs others.
4. Report violations to the Property Management or, after hours, to Security.

J. Streets

1. All streets within the boundaries of Shadow Mountain are private.
2. The speed limit is 10 mph.

K. Golf Carts, Motorized Scooters, Motorcycles

1. No one may operate a golf cart, motorized scooter or motorcycle in the Common Element without possessing and carrying a valid driver’s license.
2. Joy riding is prohibited. Such vehicles may be used only for ingress and egress.
3. Golf carts, motorized scooters and motorcycles must observe the same traffic laws as motor vehicles.

L. Wheeled Recreational Equipment

1. Bicycles, skateboards, roller and in-line skates and other such sports equipment are restricted to streets and parking lots and must not be ridden on sidewalks, pool decks or other parts of the Common Element. Care must be taken to avoid interfering with pedestrians or creating excessive noise.

M. Vehicles and Parking

1. Vehicles without a Shadow Mountain sticker or parking permit that are left on streets longer than 72 hours may be towed at homeowner expense.
2. Vehicles parked in red zones (fire lanes) or in a manner that obstructs traffic may be towed at homeowner expense.
3. Absentee parking is permitted only in the Homeowner's designated carport or garage. As Y-Building Homeowners don't have carports, they must, when absent, store their vehicle in the east lot adjacent to the Y-Building.
4. Vehicles must be maintained in a clean condition or have a car cover that is also maintained in a clean and usable condition. If necessary, the HOA maintains the right to clean a vehicle or car cover at homeowner expense.
5. The HOA does not permit storage of RV's, motor homes, boats and trailers, etc. at any time unless approved in advance by the Property Management or Board, and only for a temporary 3-5 day period.
6. Park RV's, motor homes, boats and trailers etc. in the area behind court 1 on Club Circle Drive. Such vehicles must display a current parking permit on the driver's side window.
7. Vehicles of any description must not be used as an overnight accommodation at any time.
8. No vehicle repair or maintenance may be performed in the common areas. No vehicle shall be left on blocks or in an inoperable condition.
9. Except while parking, garage doors must be kept closed at all times.
10. Except for units with garage doors, storage is not permitted in parking spaces.
11. Use of electrical appliances (i.e. refrigerators, freezers, washers and dryers) is not permitted in any garage that is supplied with HOA common electricity. Golf cart storage may be permitted only if it is preregistered with the Property Management and at an annual surcharge set by the Board.
12. Parking spaces designated RESORT GUEST are for the exclusive use of Guests of Homeowners, Tenants and Resort Guests. Homeowners and Tenants may only use resort guest parking spaces if pre-authorized by the Board.
13. Homeowners and Tenants must park in spaces designated for their Unit or in available Common Area (unmarked non-carport) spaces.

N. Gate Cards

1. Two gate cards are issued per unit by the Property Management.
2. One additional gate card per licensed family member may be issued at a cost determined by the Board.
3. One additional gate card for each Homeowner of record can be purchased at a cost determined by the Board.
4. Gate cards issued to Homeowners are for the exclusive use of the Homeowner of record and immediate family.
5. Tenants with leases will be issued gate cards via the Homeowner.

O. Vehicle Windshield Decals

1. Two vehicle windshield decals per unit Homeowner will be issued. Additional decals may be issued on a case by case basis by the Property Management.

P. Gate Access Control

1. Homeowners, Tenants and Guests must advise service and delivery people to use the rear gate at 73-850 Fairway Drive (off Portola).
2. Damage to property access gates or control arms by a Homeowner, Tenant or Guest is the responsibility of the Homeowner. The Homeowner will be assessed the cost of repairs or replacement of the damaged equipment.

Q. Tenants and Guests

1. Homeowners renting or leasing their units must notify the Property Management and provide contact information for their occupants.

R. Trash Collection

1. Dumpsters and trash/recycle bins are available on site. Trash must be bagged and tied and put in the Unit's designated dumpster. Do not use the small trash bins for containers larger than 5 gallons.

S. Pest Control

1. The Board retains a pest control company to service the outside Common Element.

T. Garage Sales

1. Garage sales are prohibited.

SECTION 2: SECURITY RULES

A. Security - General

1. Homeowners are responsible for the security of their units. Our security company offers the following suggestions to improve security:

- a. Do not leave garage doors open.
- b. Protect yourself against “cat burglars”. Do not leave your sliding doors unlocked; burglars look for unlocked doors and windows.
- c. Don’t invite petty thefts and burglaries by leaving valuable items such as golf clubs, computers, televisions, luggage, and other personal items exposed to “opportunities” outside your Unit, on patios, in parked cars or carts, or in garages with open doors.
- d. When leaving your Unit for brief periods during the day (and particularly in the evening), draw your drapes so that thieves cannot “shop” your residence for valuable items simply by looking inside your Unit.
- e. Be alert for strangers. If anyone arouses your concern or you think they “don’t belong”, call the Property Management or, after hours, Security and provide the details.
- f. Be equally alert for “strange” vehicles, particularly those without a Shadow Mountain parking permit or sticker displayed on the windshield.
- g. NOTE: PROBLEMS OF A CRIMINAL NATURE (IE BURGLARY) SHOULD BE REPORTED FIRST TO THE SHERIFF’S OFFICE AT 911 AND THEN TO THE PROPERTY MANAGEMENT.

B. Realtors and Open House Sales

- 1. Real estate agents will be admitted providing that:
 - a. The Homeowner has given prior notice to the Property Management.
 - b. The agent has proper identification.
- 2. Real estate agents who intend to hold an open house must give five (5) days prior notice to the Property Management. The notice shall contain the agent’s name, listing office, property address and the hours of the open house.
- 3. Outsiders interested in property at Shadow Mountain will only be granted access in order to view those open houses of which the Property Management has received due notification.
- 4. Homeowners doing their own open house must follow the same procedure.
- 5. It is the homeowner’s responsibility to furnish a copy of the GD to the new buyer.

C. For Sale, For Rent, For Lease, and Open House Signs

- 1. Homeowner's must notify their real estate agent of the HOA rules regarding Open House sales and signs.
- 2. Not more than a total of two “For Sale” and/or “For Lease” signs may be placed in or on a unit. The signs must be of a “customary and reasonable dimension”, no larger than 13” x 18”. They must be in brown tones with white lettering or vice versa. Signs may be placed in windows or on

balconies that are for the exclusive use of the Unit involved and only one sign on any one side of the Unit. If the Unit's configuration is such that reasonable sign exposure is not possible, the homeowner may appeal to the Board or Property Management for assistance.

3. Open house signs are allowed from 8AM – 6PM and may not be used for more than two consecutive days within a seven day period. Signs up after hours will be removed. The Homeowner or a designated real estate agent must be present during the open house and monitor the parking of prospective buyers.

SECTION 3: LANDSCAPE RULES

A. Landscape Rules – General

1. Removal or planting of shrubbery or trees in the Common Area is prohibited without approval of the Board.
2. Hedges are to be maintained exclusively by the landscape contractor. Requests for variations must be made with the Property Management.
3. Patio hedges will be maintained at a minimum of 2'6" and a maximum of 4'6". They will be landscaped at the same height for the entire border of the patio unless otherwise authorized by the Property Management or the Board.
4. Hedges bordering building lines will be maintained not to exceed 4'6" or 6" above windowsills, whichever line is lower.

SECTION 4: ARCHITECTURAL RULES

A. Architectural Rules – General

1. Prior approval of the Board is mandatory before making any changes to a Homeowners' Unit or exterior of a Homeowners' Limited Common Element, (ie patios, patio covers, decks, doors and windows of a Unit). Failure to get prior approval may result in changes being reversed at the expense of the Homeowner.

B. Building Permits

1. Changes must conform to the City of Palm Desert's (the City) building codes, ordinances, and regulations. Homeowners are responsible for obtaining required approvals and permits from the City after approval has been received from the Board.
2. NOTE: FAILURE TO OBTAIN NECESSARY APPROVALS AND PERMITS MAY CONSTITUTE A VIOLATION OF THE CC&R. HOMEOWNERS MAKING AN UNAUTHORIZED CHANGE WILL BE LIABLE FOR THE COST OF RESTORING IT TO ITS ORIGINAL CONDITION WITHIN A SPECIFIED TIME PERIOD. UNAUTHORIZED CHANGES TO A UNIT MAY CLOUD ITS TITLE, MAKING IT DIFFICULT, IF NOT IMPOSSIBLE, TO SELL THE UNIT UNTIL THE CHANGE HAS BEEN CORRECTED.

C. Architectural Control

1. The Board is directed to consider all proposals or plans submitted to it to ensure that any improvement constructed on the property conforms to the Architectural Rules.

2. Changes to Unit exteriors are not encouraged and must, in any case, receive prior approval by the Board. A preliminary proposal and application must be submitted to the Board before preparing a complete set of building plans. With this in mind proceed as follows before making any changes.
3. Final approval may require a complete set of building plans for the proposed change. The plans must also be submitted to the City Building Department for approval. If possible, have your building contractor prepare these plans. Then you will have a document of understanding between you and your contractor.
4. If inspection by the City Building Department is required (utilities such as electrical, plumbing, etc.) the Homeowner shall be responsible for making and keeping the appointments. The HOA cannot act as the Homeowner's agent.
5. Building materials, equipment, trash, trucks, trash containers, etc., shall not be left on streets, driveways and patios for over 24 hours and shall not be left on streets or driveways over weekends (Saturday and Sunday).
6. Damage to the Common Element during construction work should be avoided. The Homeowner shall be responsible for returning damaged property to its original condition. Costs incurred by the HOA to restore damaged property will be billed to the Homeowner.
7. The HOA shall be relieved of liability for damage caused by the change while the construction is in process, and after the construction is completed. This relief from liability includes any and all damage to the homeowner's unit, interior and exterior, while the construction is in progress. Such damage includes that caused by rain, wind, and sandstorm, vandalism, robbery, and any damage to adjacent units that can be traced to the change.
8. Final approval by the Board may require specific start and end dates of the change as well as specific hours of work to ensure noise abatement.
9. Final approval by the Board may require specific agreement that the HOA shall not be held responsible or liable for future repairs and maintenance and that such agreement is to be recorded as part of the Unit deed at Riverside County Offices.
10. If necessary and subject to Section 5 of these rules the HOA may implement future repairs and maintenance at Homeowner expense to maintain the condition of the change.
11. The CC&R prohibits individual changes to internal gas, electrical and plumbing without association approval.
12. Homeowners of second story or above Units desiring to install flooring which consists of any hard surface material (e.g., tile, marble, hardwood floors, etc.) must comply with the current Uniform Building Code and standards approved by the City of Palm Desert for sound transmissions and then secure written approval from the Board prior to installation of such hard surface flooring.

D. Window Treatments

1. Paper, aluminum foil, sheets, and multi-colored drapes for windows are not permitted. All window treatments viewed from the exterior shall be off white/beige.
2. Tinted treatments to windows shall be of neutral or bronze tone and must be pre-approved by the Board.

E. Exterior Shutters and Screens

1. Exterior roll-up metal, plastic, wooden, or composite material screens and panels are not permitted.

F. Patios

1. Any changes, including planters, water fountains, waterfalls, etc., must receive prior Board approval and must subsequently be maintained in good order. Mist systems, spas and other structures are not permitted on decks, patios or the exterior of a Unit.
2. Patios cannot be used for storage, (i.e. gardening supplies, empty garden pots, bicycles, pool floats etc.).
3. Statuary, free hanging or wall decorations (other than plants, clocks, and thermometers) or any item not appropriate to the overall appearance of the patios are not permitted. Before making any unusual additions to your patio areas, please consult the Board or Property Management.
4. Pots containing weeds or dead plants are not permitted. Homeowners gone for extended periods of time must make provision to remove such pots.
5. Homeowners must properly maintain any Limited Common Element private area (i.e. patios and decks).
6. Patio covers must be approved by the Board pursuant to Section 4 of these rules.

G. Outdoor Furniture

1. No overstuffed furniture, or furniture normally intended for indoor use is permitted on patios.
2. Refrigerators, portable bars and ice coolers are not allowed on patios.
3. Patio and other outdoor furniture shall be of Brown Jordan, Tropitone or similar quality in muted desert colors or shades of brown. Such furniture cushions and umbrellas shall be matching sets and consistent with the colors referenced above. Materials such as resin (plastic/PVC), wicker or aluminum are not permitted. Patios may have appropriate "decorative" items such as pots/bowls and stands for display of maintained plants and flowers. In no circumstances can patio furniture or landscaping be permanently attached to the building, deck or ground.
4. Charcoal burners and other open-flame devices shall not be operated on combustible balconies or patios or within 10 feet of combustible construction. Liquid propane devices and liquid propane gas containers with a water capacity not greater than 2.5 pounds are acceptable. Barbecues shall be maintained in a clean and usable condition. If propane or other tank type barbecues are used, the tanks shall be connected to the barbecue. Other charged or expended propane tanks shall not be stored or left on the patios. Please

refer to manufacturer's instructions on proper storage of propane tanks. Homeowners are solely responsible for any fine imposed by the applicable governmental authority for any violation of the fire code within and/or on their respective balcony or patio.

5. Patio furniture (lounges, chairs, tables and side tables etc.) is restricted to use on a Unit's Limited Common Element. The number of such pieces is based on the size and configuration of patios and balcony decks, pursuant to the chart below. The Property Management is authorized to notify a Homeowner of violations with such furniture and to subsequently remove furniture if necessary.

PATIO FURNITURE LIMITS

<u>FAIRVIEW BUILDING</u>	<u># PATIOS</u>	<u>MAX PIECES PATIO FURNITURE</u>
Units 100 thru 105	1	5
Units 200 thru 205	1	5
<u>CREEKSIDE BUILDING</u>		
Units 189 thru 199	1	5
Unit 295 (1 Bedroom)	2	10
Units 289 thru 294	1	5
Unit 296 thru 299	1	5
<u>Y-BUILDING</u>		
Units 111 thru 125	1	5
Units 131 thru 138	1	5
Unit 214 (Corner)	2	10
Units 215 thru 225	1	5
Units 231 thru 238	1	5
<u>1 & 2 BEDROOM CONDOS</u>		
Units 157, 257, 258, 264, 274, 281	2	10
Units 142, 144, 145, 158, 160, 163, 164, 167, 168, 171, 172, 174, 177, 178, 181, 182, 187, 253, 260, 263, 267, 268, 271, 272, 277, 278, 282, 301	3	15
Units 140, 148, 153, 248, 287, 305, 311, 313	4	20
<u>3 BEDROOM CONDOS</u>		
Units 250, 255, 285	4	20
Units 150, 155, 185, 303, 308	5	25
<u>2 BEDROOM VILLAS</u>		
Units 400, 401, 407, 409, 411, 414, 500, 504, 505, 507, 509, 513, 515, 516, 517, 519, 522, 615, 616	4	20
Unit 617	5	25
<u>2 BEDROOM + LOFT VILLAS</u>		
Units 402, 404, 406, 501, 502, 503, 510, 511, 512, 524	3 + Deck	20
<u>2 BEDROOM + LOFT VILLAS</u>		
Units 405, 514	3 – No Deck	15
<u>3 BEDROOM VILLAS</u>		
Units 403, 408, 410, 412, 413, 506, 508, 518, 520, 521, 523	5	25
Unit 618	4	20

H. Common Element Watering/Lighting Systems

1. Homeowners shall not “tap into” common area watering or electrical systems without prior Board approval.
2. If common area watering encroaches into or onto your unit, notify the Property Management.
3. Exterior lighting installed by homeowners is prohibited.

SECTION 5: ENFORCEMENT PROCEDURES

The detailed Enforcement Procedures are specified in Article 4.14 of the Restated By-Laws. The following provides a brief summation of the procedures and is superseded by the Restated By-Laws:

A. Enforcement Procedures – General

1. When the Board determines that a Homeowner et al violates the SMRR and communication between the Board and the Homeowner proves fruitless, the enforcement procedures come into play.
2. The HOA has the power and duty to enforce the provisions of the GD by lawful means and proceedings.

B. Due Process

A summation of the Enforcement Procedures regarding violations of the GD is as follows:

1. The Board shall immediately send a ‘NOTICE OF ASSOCIATION VIOLATION AND ORDER TO COMPLY’ with a demand to correct the same.
2. If the Homeowner fails to comply in a timely fashion with the Notice and Order to Comply, the Board shall send a ‘NOTICE OF HEARING’ to the Homeowner, setting a hearing date, place, and time for the Homeowner to appear before the Board regarding the alleged violation.
3. The hearing will be chaired by the President of the Board or his/her designate. The failure of the homeowner to appear may result in an ex-parte decision by the Board.

C. Board Action

1. If no violation is found, there will be no further action.
2. If violations are found, appropriate action will be taken by the Board or the matter may be transferred to the HOA's attorney to take legal action.
3. The Board will send a ‘NOTICE OF RULING’ to the Homeowner.

D. Penalties

1. Violations may result in immediate penalties including, but not limited to, suspension of the use of the HOA's Common Area Privileges and/or imposition of a fine.
2. If the Board finds the member has failed to comply with the GD it may levy a fine and will provide written notice of its ruling to the Homeowner.

3. Pursuant to CC&R Article 6.6, the fine shall be charged against a Homeowner's account and if not paid will become a lien upon his/her property, subject to foreclosure pursuant to the CC&R and in the manner provided for foreclosure of liens under laws of the State of California.
4. The fine shall be based upon a reasonable determination of the cost expended by the HOA in performing its functions in enforcing the GD. (For example, but not limited to, the HOA's time and expense in preparing reports of violations, conducting hearings, reasonable costs expended to remedy the situation, attorney's fees, etc.) If legal action is required additional assessments may be levied.
5. The maximum fine for a single infraction is \$1,000, however repeated violations may be assessed differently as determined by the Board. The Homeowner will also be charged for any legal fees incurred by the Board as a result of the dispute.