VALENCIA CENTRAL VALLEY HOMEOWNERS ASSOCIATION

September 18, 2024

All Owners

Re: Revised Rules and Regulations

Dear Owners:

Please take notice that the revised Rules and Regulations which the Association sent to you on August 12, 2024, were adopted by the Board of Directors on September 12, 2024.

Sincerely,

Board of Directors

Valencia Central Valley Homeowners Association
Rules & Regulations

Introduction

Pursuant to Article VI, Section 5 of the Association's Declaration of Covenants, Conditions and Restrictions ("CC&Rs") and California Civil Code Section 4340 et seq., the Association's Board of Directors ("Board") may adopt certain Rules and Regulations ("Rules") to supplement the CC&R's. The Board may modify the Rules from time to time in response to community needs. The Rules, CC&Rs, Bylaws and Articles of Incorporation shall be considered the association's "Governing Documents." The Board shall use reasonable discretion in addressing any situation that is not specifically addressed in the Governing Documents. In the event of a conflict between the Rules and the CC&Rs, the CC&Rs shall control. Nothing herein shall limit or modify the CC&Rs.

Terms & Definitions

The following are the definitions of terms used throughout the Rules:

1. Owner – A person who owns the Lot and who has the legal or rightful title, whether he/she resides in the Lot or otherwise.

2. Resident - An owner occupying a Lotor such other person living in an Owner's Lot (e.g., a roommate, family member, tenant, etc.).

3. Tenant - A person or group that rents and occupies a Lot from another for a period of time; a lessee.

4. Guest -A person who is invited by a Resident of the property

5. Property Management Company: - PMP Management., or any other company hired by the Board.

General Information

1. Please report anything unusual, broken or damaged to the Property Management Company immediately. If this occurs after normal business hours, an after-hour representative will be able to assist you. Any Resident may report violations to the Management Company

2. Be considerate of your neighbors. Disturbing a Resident's right to the quiet enjoyment of their Unit is subject to an enforcement action.

3. The Association assumes no responsibility for lost, stolen or damaged items left in the common area.

4. Littering is subject to an enforcement action.

5. All owners receive a copy of the Governing Documents. Please read these carefully so that you may become familiar with the Association and its governing regulations. All Owners

renting out their Units are responsible for providing a copy of the Rules & Regulations and other governing documents to all Tenants.

Rules & Regulations

Section 1. Association Enforcement of Declaration

1.1 All Owners, Residents and Guests are required to abide by all Rules and Regulations.

1.2 Board of Directors and respective Committee (if applicable).

Section 2. Pool Rules and Regulations

2.1 Pool Area Hours: Sunday - Thursday 8:00 a.m. to 10:00 p.m.
Friday – Saturday (and Sunday if Monday is a Holiday) 8:00 a.m. to 11:00 p.m.

2.2 Only Residents and their Guests are permitted to use the common area amenities/recreational area. A Resident(s) must accompany their invited Guest(s) when using the common area amenities/recreational area.

2.3 There are no Lifeguards at the pool.

2.4 Persons under the age of 14 must be accompanied by an adult when using the pool.

2.5 No glass containers or pets in or around the facility.

2.6 No loud radios or noises.

2.7 No skateboarding or bicycling in the facility.

2.8 No advertising or notices posted in or around the facility. (Except in areas approved by the Board.)

2.9 Oversized boats, rafts or toys, boogie boards, surfboards and similar devices are strictly prohibited.

2.10 Pool safety equipment must be used for life saving purposes only.

2.11 Running around and jumping into the pool is not permitted. All persons using this facility do so at their own risk. The association will not be responsible for any accident or injury to members, their families, guests, or other persons using the facility nor for any articles lost, stolen or damaged.

2.12 The Board of Directors has the authority to restrict the use of the recreational facilities from anyone found in violation of the rules and regulations stated here-in.

2.13 The pool is for the recreational use of members, their tenants, and their guests only. Commercial use of the pool including, but not limited to the use by day-care enrollees, swimming lesson instructors, diving instructors, etc. is absolutely prohibited.

2.14 The Association will charge an owner $25.00 for a replacement key fob.

2.15 There is a limit of two (2) facility fobs per lot,

2.16 Owners must transfer all key fobs to the new owner when selling a lot.

Section 3. Carrizo Park Rules and Regulations

3.1 The park is open to resident use seven days a week. The area is available on a first-come, first-served basis.

3.2 Smoking is not permitted on or around the basketball court

3.3 No littering or dumping,

3.4 No unauthorized vehicle use.

3.5 No defacing or destroying property,

3.6 No glass objects are allowed in the basketball court or playground areas,

3.7 Proper attire, language and volume of radios and/or voices are encouraged.

3.8 Basketball play will be on a first-come, first-serve basis, and shall be limited to one (1) hour when players are waiting. The court areas are to be kept clean at all times.

3.9 No pets are allowed on the basketball courts.

3.10 Dogs and cats must be on leashes not to exceed six (6) feet in length. Removal of animal waste is the responsibility of the animal's owner or custodian.

3.11 Firearms or weapons are not permitted in the park.

3.12 Skateboarding on benches, planter beds or on buildings is not allowed, Bicycles, roller-skates, inline skates, and skateboards are permitted on concrete walkways and other designated areas only, not on basketball courts. Bicycles must be parked at the bike racks provided. Reckless use of bicycles, skateboards and roller skates/blades is not permitted in the parks, and in all cases, skateboarders and bicyclists are required to yield to pedestrians and use caution at oil times.

3.13 No electric/gas motorized scooters/skateboards permitted in the park. Mobility scooters are permitted in the park.

3.14 Playing or practicing golf is prohibited.

3.15 Generators are prohibited

3.16 Silly string and confetti are prohibited.

3.17 Pellet/BB guns, air soft guns, paintball guns, wrist rockets or sling shots are prohibited.

3.18 No use of PA systems or amplified music systems. (HOA sponsored events only,)

3.19 Sportsmanlike conduct-, fair play and a cooperative attitude govern behavior at all tunes. failure to
observe this code could result in a suspension of privileges. Fighting and profane or obscene language on of around the sport court is not permitted. Viola tors are subject to removal from the facility

3.20 No activity shall be carried on which may be an annoyance or nuisance to the neighborhood or which shall in any way interfere with the quiet enjoyment of the park.

Section 4. Picnic Table Rules.

4.1 The picnic table area is designed for a maximum of two groups, with one barbeque and two picnic tables per group.

4.2 Residents are not permitted to reserve this area. Use is on a first come first served basis.

Section 5 Architectural rules governing Basketball Hoops on Lots

5.1 Portable basketball backboards are permitted provided they are stored when not in use on the side of your home behind a screened or solid side gate, and not facing an obvious open view of the street or of your neighbor.

5.2 The entire portable basketball backboard apparatus must he maintained in good condition

5.3 Portable basketball backboards should not be used in such a manner that infringes upon neighboring lots or damages their landscaping. Owners assume responsibility for any damage such use causes to the property of others or the Association

5.4 The use of portable basketball backboards shall not be allowed to create a nuisance.

5.5 Hours of use must be reasonable and confined to between 8:00 a.m. and 8:00 p.m.

5.6 In no instance may a portable basketball backboard be placed on the streets or sidewalks
within the community, nor may basketball hoops obstruct any walkway.

5.7 Should the Board of Directors determine that use of the portable basketball backboard is creating a nuisance or not in compliance with these rules or disturbing to other, it may take an enforcement action against the owner including prohibiting the use of the portable basketball hoop.

Section 6 Portable-on-Demand Storage Units (PODS) Rule

6.1 Prior to parking a Portable-on-Demand Storage Unit (POD) in the community, the owner must contact the Property Management Company and provide the following information: the date the POD will be delivered and the date the POD will be picked up. Upon approval from the Management Company, the POD must be parked on the owner's driveway and must not be blocking the sidewalk. A POD cannot be placed on any street within the community at any time. The POD may be parked on the driveway for a period of 30 days. If an extension is required, the owner must attend a Board Meeting to request for an extension. If prior approval is not received from the Management Company, or the POD is not picked up after the 30 days, the Association's Enforcement Policy and Fine Schedule will be strictly enforced.

Section 7 Portable Chemical Toilet Rule

7.1 Prior to placing a portable chemical toilet in the community, the owner must contact the Property Management Company and provide the following information: the date the portable chemical toilet will be delivered and the date the portable chemical toilet will be picked up. Upon approval from Management, the portable chemical toilet may be placed on the property for 30 days. All portable chemical toilets shall be placed as far as possible from the street and neighboring residents. The doors of the toilet shall be placed facing the Jot interior. A portable chemical toilet may not be placed on the street at any time without City approval. If an extension is required, the owner must attend a Board Meeting to request for an extension. If prior approval is not received from the Property Management Company, or the portable chemical toilet is not picked up after the 30 days, the Association's Enforcement Policy and Fine Schedule will be strictly enforced.

Section 8 Dumpster Rule

8.1 Prior to parking a portable dumpster in the community, the owner must contact the Property Management Company and provide the following information: the date the dumpster will be delivered and the date the dumpster will be picked up. Upon approval from the Property Management Company, the dumpster must be parked on the owner's driveway and must not be blocking the sidewalk. A dumpster cannot be placed on any street within the community at any time. The dumpster may be parked on the driveway for a period of 7 days. If an extension is required, the owner must attend a Board Meeting to request for an extension. If prior approval is not received from the Management Company, or the POD is not picked up after the 7 days, the Association's Enforcement Policy and Fine Schedule will be strictly enforced.

Section 9.Holiday Decorations

9.1 Winter holiday decorations may be placed on the Lot or residence the weekend prior to the Thanksgiving holiday and must be removed no later than January 15th, Decorations for other generally recognized holidays that occur during the year may be placed two (2) weeks prior to the holiday and must be removed within ten (10) days following the holiday.

Section 10. Smoking

10.1 Definitions. For the purposes of this Section, "Smoking" shall mean and include (A) the inhaling, exhaling, burning or carrying of any lighted cigarette, cigar, or other tobacco or tobacco-like product, marijuana or illegal substance, (B) the inhaling, exhaling, burning or carrying of any e-cigarette, personal vaporizer or electronic nicotine delivery system, and/or (C) the use of any other similar type of paraphernalia related to smoking or alternatives to smoking.

10.2 Prohibition. Smoking is prohibited anywhere in the project except in the interior of a Unit with all windows and doors of the Unit closed.

10.3 Mitigation Measures. Owners who smoke within their units are responsible to ensure that secondhand smoke does not emanate from their units into the common area or other units. Such emanating secondhand smoke shall be considered a nuisance pursuant to the CC&Rs. In the event that secondhand smoke is emanating into another unit or the common area, the owner of the unit from which secondhand smoke is emanating from, shall be required to take necessary mitigation measures including, but not limited to, installing an air filtration or purification system in their units or sealing their windows and vents.

10.4 Disclosure Requirements. Each Owner shall be obligated to disclose the prohibition against Smoking in the Project to anyone living in or visiting such Owner's Unit.

10.5 Enforcement. Each Owner is responsible for the actions of all other persons residing within or visiting such Owner's Unit and shall be subject to disciplinary action or a court action for an injunction, or any remedies available under the Association's Declaration or California law for violation of this Section (including, but not limited to, the imposition of monetary penalties after notice and opportunity for hearing). This Section may be enforced in a court of law by any Owner, resident or the Association. Any and all fees and costs incurred by the Association as a result of enforcing this Section shall be recoverable by the Association and may be collected as a Special Assessment.

Section 11 Filming Rules

11.1 Article XI, Section 1 of the Associations Declaration provides that Residences shall not be used for any business, commercial and/or nonresidential purposes.

11.2 Article XI, Section 3 of the Associations Declaration provides that no noxious, offensive, or other activities shall be conducted within the Association which may interfere with

an Owners right to quietly enjoy their property.

11.3 Filming within the community is generally prohibited. Notwithstanding the foregoing, the Association will permit filming not to exceed four (4) non-consecutive, days in any one (1) quarter of the calendar year, provided prior written approval is sought and obtained from the Board. No Owner shall be permitted to use his/her Residence for the purposes of filming more than a total sixteen (16) days per calendar year.

11.4 The production company shall pay a fee of $750,00 per day of filming to the Association, and must enter into a prior written agreement with the Association as a condition to filming, which shall include, without limitation, terms regarding: permitted hours and days of filming; the production company's agreement to bear any and all costs of damage, if any; the production company's liability for any and all personal injury and/or property damage; the production company's liability for any and all liability claims, demands, costs, and expenses caused, created or arising out of filming; and its agreement to indemnify, defend and hold the Association harmless

11.5 All filming will require the presence of a security officer from the Association's current security vendor, paid for solely by the production company. The security guard must be present during the entire authorized filming period to ensure full compliance with the Association's filming rules, The costs associated with such security will be the current rates charged by the security vendor at the time of filming.

11.6 Individual porta-potties are strictly prohibited on the Association’s property. Instead, the production company must rent, at its sole expense, a "Star Wagon" (or its equivalent) to provide the toiletry needs of staff during the authorized filming period.

Section 12 Camera Access Policy

12.1 Installation of Cameras: Cameras are to monitor/document for the record incidents of rules violations, vandalism, and/or other criminal activities which may occur in certain parts of the common area.

- Each camera is a continuous recording device and will monitor some selected high foot traffic common areas, such as, one or all of the pool areas.
- Cameras are NOT continuously monitored by any specific company or individual, and, therefore should not be relied upon by owners for security purposes.

12.2 Restrictions:

- The cameras may not be utilized as private use by any individual.
- The cameras and all equipment are the property of the HOA and under the control of the HOA Board of Directors.

12.3 Purposes/Uses:

- Cameras are intended as a deterrent.

- If an incident occurs in the Association's common area, a recording may be available. Members of the Board, Management or their designated representatives will not view the footage unless the following criteria are met:
    - Common Area Incidents
        - Where physical loss, damage, vandalism, or other incident, occurs to portions of the common area property and would fall under the Board's obligation to maintain or repair according to the CC&Rs.
        - In such a case no fewer than 2 Board members shall be present to review available footage and determine the most prudent course of action. Actions could include fines as allowed under the Rules and Regulations, reporting incident to the appropriate law enforcement agency, or other action as determined by the Board.

    - Personal Property Incidents
        - Where physical loss, damage, vandalism, or other incident occurs to individual Owners, Tenants, or Visitors' property.
        - The party harmed by the incident must file an official report with the law enforcement authorities having jurisdiction.
        - An official representative of the law enforcement jurisdiction may then submit a written request for the Board to review the footage by contacting the management company. Requests must contain specific dates and times of review.
        - The Board will review the footage with no fewer than 3 Board members and provide any and all information directly to the law enforcement jurisdiction.
        - Under no circumstances will footage be released to Owners, Tenants, or Visitors.

    - Rule Violations
        - Where an Owner or a Board member reports an alleged violation of the Association's governing documents.
        - In such a case no fewer than 2 Board members shall be present to review available footage and determine the most prudent course of action. Actions could include fines as allowed under the Rules and Regulations, reporting incident to the appropriate law enforcement agency, or other action as determined by the Board.

    - Subpoena
        - Where the Association has received a valid subpoena requesting footage, the Board with no fewer than 3 Board members and in consultation with HOA counsel shall review and provide any and all information responsive to the subpoena.

12.4 Verified Criminal Incident Handling:

- Information to Law Enforcement: In the event of a verified criminal incident, the Review Report and a thumb drive or other form of media will be provided to the appropriate law enforcement agency. Due to privacy concerns, a thumb drive or

other form of media recording of the incident will not be provided to an individual owner/member.

12.5 General:

- Disclaimer: The installation of cameras on Valencia Central Valley Homeowners Association common area in no way implies any responsibility whatsoever on the part of the Valencia Central Valley Homeowners Association Board of Directors, its constituents, and/or legal representatives. The Valencia Central Valley Homeowners Association and/or all of its associates cannot be held liable, or otherwise responsible, for damaged property, illegal activity, and/or risk to life or limb, or any safety or security problems. Installation of cameras on Valencia Central Valley Homeowners Association common area is NOT a guarantee of safety and/or property protection. All residents and their guests are encouraged to provide their own security measures and take safety precautions as necessary, subject to the limitations set forth in the Association's governing documents. Each owner/member or resident is responsible for providing their own insurance coverage in the case of criminal activity, property damage, and/or liability.
- Amendment: The Valencia Central Valley Homeowners Association Board reserves the right to amend this policy at any time without prior written notice.

Section 13 Accessory Dwelling Units and Junior Accessory Dwelling Units

Pursuant to Civil Code Section 4751, the Association may impose reasonable restrictions on the construction and/or use of accessory dwelling units and junior accessory dwelling units on a lot. Accordingly, the Association adopts the following rules and regulations.

13.1 Definitions.

Accessory Dwelling Unit ("ADU") shall mean an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. It shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family dwelling is situated.

Junior Accessory Dwelling Unit ("JADU") shall mean a unit that is no more than 500 square feet in size and contained entirely within a single-family residence. A JADU may include separate sanitation facilities, or may share sanitation facilities with the existing structure.

13.2 Prior Approval Required. ADUs and JADUs are permitted only to the extent required to be permitted by law. No ADU or JADU may be constructed without the prior written approval of the Architectural Committee in accordance with Article V of the Association's Declaration of Covenants, Conditions and Restrictions ("CC&Rs"), as the same may be amended, along with the written approval of any local agency.

13.3 **Rentals/Assignments.**

Owners may not rent a ADU or JADU separately from the primary residence unless the primary residence is owner-occupied. Owners may not sell or otherwise convey an ADU or JADU separately from the primary residence.

No owner may assign the right to construct an ADU or JADU on such owner's lot to a third party.

13.4 **Occupancy**. Occupancy of an ADU or JADU shall not exceed the maximum occupancy allowed by law.

13.5 **Use**. Pursuant to Article XI, Section 14 of the CC&Rs, all lots must be used for single-family residential purposes. Therefore an ADU or JADU cannot be used for business purposes.

13.6 Conformance with Applicable Building Codes and Laws. Except as provided below with regard to more restrictive provisions of the CC&Rs, ADUs and JADUs must conform with all applicable building codes as well as all applicable local ordinances and state and federal laws and regulations. In the event the CC&Rs provide more restrictive provisions, the CC&Rs shall prevail. By way of example, and not limitation, the following shall apply:

Setbacks. The setbacks for any ADU must comply with existing building codes and/or the CC&Rs, whichever is more restrictive.

Height. The height for any ADU must comply with existing building codes and/or the CC&Rs, whichever is more restrictive.

Drainage. Pursuant to Article XI, Section 10 of the CC&Rs, the drainage of water from a lot cannot be materially altered by the construction of an ADU or JADU.

13.7 Conformance with Health and Safety Standards. ADUs and JADUs must conform with all applicable health and safety standards and requirements imposed by state and local permitting authorities.

13.8 Location. Any detached ADU shall be located in the rear yard of a lot and shall be sited on such lot to minimize the visual prominence of the structure and its contrast to the main house.

13.9 **Design.**

An ADU or JADU shall complement the main house through use of materials and design of equal or better quality generally matching the exterior architectural style, appearance and character of the main house with similar materials, colors, window, facade and roof design.

The Architectural Committee shall have the right to establish the location of windows and exterior doors which may be required to construct an ADU or JADU. A separate entryway is required for an ADU and JADI, and the entrance cannot face the street, or be visible from the same façade as the entry door to the primary dwelling.

The garage door and driveway cannot be removed to construct an ADU or JADU.

An ADU or JADU, and appurtenant installations/construction must be completed so as not to materially harm or damage common elements of the Association, or any other individual Lot, void any warranties held by the Association or other owners, and/or impair the waterproofing, structural, acoustic and fire separation integrity of a building or structure.

All portions of an ADU or JADU must be designed and constructed in a manner which does not jeopardize the safety or soundness of any structure and/or the safety of any person within the community.

All portions of an ADU or JADU, including any plumbing, electrical conduits, and any other associated components disconnect boxes, must be secured/installed in a manner which does not jeopardize the aesthetic, acoustic or fire integrity of the community.

13.10 **Construction**. Construction shall only be by a licensed and properly insured contractor. Contractor shall obtain any and all necessary permits and owners shall provide copies of same to the Association.

Prior to construction, the contractor shall maintain certain insurance coverage (i.e., Workers' Compensation; contractor's general liability; automobile insurance; and naming the Association and management as additional insured).

13.11 **Privacy**. Second story windows facing abutting other lots and within 10 feet of the property line shall be constructed in a manner that reduces direct views into the neighboring property through such methods as clerestory windows or semi-translucent glass.

13.12 **Access**. An ADU or JADU may not obstruct access to or from any Lot, walkway, or ingress or egress into any area of the Association.

13.13 **Lighting**. No exterior lighting shall be placed upon or adjacent to any ADU or JADU so as to cause unreasonable glare or illumination upon any other lot.

13.14 **Parking**. Pursuant to Article XI, Section 5(h) of the CC&Rs, the Association's Board can adopt Rules and Regulations relating to parking. Therefore all vehicles owned or operated by or under the control of an owner or a resident of an owner's lot and kept in the properties must be parked in the assigned garage of that owner to the extent of the space available; provided that each owner shall ensure that any such garage accommodates at least the number of authorized vehicles for which it was originally constructed. To the extent that an owner's garage is properly converted to an ADU or JADU, vehicles for such lot shall be parked in the assigned driveway for such lot to its originally-designed capacity. Except with regard to the foregoing exception to the Association's governing documents, no further accommodations to parking restrictions in the Association's governing documents shall be granted to residents who elect to construct an ADU or JADU on their lot.

13.15 **Declaration of Restrictions**. Owners will be required to execute a Declaration of Restrictions outlining the owner's obligations to maintain and repair the ADU or JADU and to indemnify and hold the Association harmless from any claims arising from said construction/improvements which will be recorded against the owner's lot.

13.16 **Liability**. Owners will assume liability and be held responsible for any damage to building elements, lot interiors and/or personal property caused by construction/installations of an ADU or JADU on their lot, even if the Association has primary maintenance responsibility for such elements under the governing documents of the Association.

Section 14 Code of Conduct for Board Meetings

14.1 The Board will hold an open forum at either the beginning or the end of each meeting. During this time, Owners shall have no more than three minutes to address any item under the jurisdiction of the Board during this time.

14.2 Others shall not interrupt the owner speaking during open forum,

14.3 No speaking shall be permitted to speak twice until everyone has spoken on any one Issue,

14.4 Owners must comply with all rules set by the meeting chair.

14.5 Personal attacks on other shall not be permitted.

14.6 Owners must behave courteously and refrain from threatening or crude language,

14.7 **Audio** and/or video recording of Member and Board meetings is prohibited.

14.8 If an Owner cannot comply with the rules stated above, the Board shall do the following:

Request that the Owner comply with the code of conduct.

Ask the Owner to leave the meeting.

If the owner refuses to leave the Board will take a recess of 5 to 30 minutes in order to restore order and/or adjourn the meeting.

Any other rights and remedies available pursuant to California law.

Section 15 Prohibition Against Subdivision and Duplexes

15.1 Notwithstanding anything to the contrary contained in the Association's governing documents or the law, the following restrictions shall apply to all Lots:

15.1.1 No lot shall be further subdivided, re-subdivided or split including but not limited to, by way of any urban lot split, and

15.1.2 No duplexes or second residential dwelling units as authorized by

Section 16 Enforcement Procedures

The Board shall have the authority to impose monetary penalties for violations of the Association's governing documents and rules including, but not limited to, an owners' failure to pay assessments. The Board shall impose monetary penalties against a homeowner as follows:

16.1. **First Violation** – The Association shall send a warning letter to the homeowner identifying the violation, and, if appropriate, a time frame for correcting the violation. If the homeowner does not provide adequate assurance (as determined by the Board) that the violation will be corrected or not repeated or provide sufficient evidence refuting the violation, the Board may impose a monetary penalty up to $200. At the Board's discretion, the Association may forego a warning letter and proceed directly to the hearing process, as outlined below.

16.2. **Repeat Violation** – If a similar violation is committed or repeated by the homeowner, the Board will send a written notice of repeat violation to the owner, identifying the nature of the alleged violation and stating that the Board intends to impose a monetary penalty against the owner, and stating the date, time and location of the hearing concerning such alleged violation. The notice shall identify the amount of the proposed monetary penalty, which shall be up to $500. The hearing date will be at least ten (10) days from the date of notice. Owners have the right to attend the hearing and address the Board regarding this matter. Owners may, but need not, be represented by counsel at any or all stages of these proceedings. If an owner fails to attend the hearing or to submit any written evidence on his behalf to the Board at the hearing, the monetary penalty will then be imposed against the owner. The Board will provide the owner notice of the disciplinary action taken against him within fifteen (15) days after the Board's decision. If the homeowner provides adequate assurance (as determined by the Board) that the violation will be corrected or not repeated or provide sufficient evidence refuting the violation, the Board may forego the hearing and/or monetary penalty.

16.3 **On-Going Violation** – If a repeat violation is not corrected within a reasonable time and the homeowner does not provide adequate assurance (as determined by the Board) that the violation will be corrected or not repeated or provide sufficient evidence refuting the violation, the Board will send a written notice to the owner, identifying the on-going nature of the violation, stating that the Board intends to impose a monetary penalty of up to $10,000 against the owner, and the date, time and location of the hearing concerning such violation. The hearing date will be at least ten (10) days from the date of notice. Owners have the right to attend the hearing and address the Board regarding this matter. Owners may, but need not, be represented by counsel at any or all stages of these proceedings. If an owner fails to attend the hearing or to submit any written evidence on his behalf to the Board at the hearing, the monetary penalty will then be imposed against the owner. The Board will provide the owner notice of the disciplinary action taken against him within fifteen (15) days after the Board's decision. If the violation continues past the hearing and first fine stage, the Board will impose additional monetary penalties of $1,000 every thirty (30) days without further hearing until corrected.

16.4 Legal Counsel; Alternative Dispute Resolution. At any time, the Board may refer a matter to the Association's legal counsel for enforcement or pursue any other remedy provided by the Association's Governing Documents or law. Additionally, if required by Civil Code Section 5925 et seq., mediation or arbitration will be offered. If a lawsuit is filed, the Owner may be liable for the Association's legal costs and fees.