

WOOD RANCH VIOLATION AND FINE POLICY

When people stray from the reasonable requirements of the documents that regulate our Association it often creates problems, polarizes neighbors, and causes failed expectations on the part of residents that the Association will enforce the CC&Rs and Rules and Regulations. Our Bylaws and/or CC&Rs authorize fining for violations of the governing documents and California law requires distribution of a policy in the event the Association wishes to implement the use of fines. The Association may also consider Reimbursement Assessments to recover costs incurred because of a failure or owner to fulfill a responsibility or due to a violation.

The Board considers fining and penalties only as an alternative to be exercised after reasonable efforts are made to work with homeowners to encourage them to voluntarily cure violations and these efforts have failed.

DISTRIBUTION OF THIS POLICY

The Board of Directors will be distributing this policy annually with the association disclosure packet. It will then remain in effect until modified by the Board of Directors. At any time in the future when the policy is modified, it will be redistributed to owners and residents. It will also be provided to new residents and buyers to the extent they can be identified by the Association.

NOTICE AND HEARINGS

In any case where the Board is considering disciplinary action such as the imposition of a fine or a Reimbursement Assessment, the owner against whom a fine or other action is being considered shall be given at least 10 days prior notice of the meeting at which discipline will be considered and the nature and extent of any violation believed to be occurring. The notice may be given by first-class or registered mail, or personal delivery. At the time stated the owner or resident may appear personally or be represented in writing and shall be entitled to present witnesses and evidence on his or her behalf. The Board shall provide the Owner and resident with written notice of any disciplinary action discussed and approved within 15 days of the date the decision is reached.

FINE OR PENALTY

If the decision of the Board is that a violation has in fact occurred (and/or is continuing to occur), the Board decision might include the levying of a fine as outlined below for each offense, occurrence, or a continuing offense. Fines may be imposed on a monthly basis for continuing violations. The Board shall also have the option to re-categorize a fine between Categories I, II, and III, if, in the opinion of the Board, the circumstances of the violation or violations that are occurring warrant it. If this occurs, the Board shall document the reason for doing so as part of the written record and the Owner shall receive a copy of the documentation. Fines may be imposed concurrently with other action by the Board to address a violation if it is necessary.

There are three categories of fines, and the categories are based upon impact on the community (visual impact in particular) and the difficulty of mitigation (the amount of time, effort and money that is required for mitigation).

Category I

Category I fines are \$50.00 per month or per occurrence and include those infractions that do not have a heavy visual impact and may be readily mitigated. Examples of these would include items such as minor landscape issues and some basketball standard violations.

Category II

Category II fines are \$100.00 per month or occurrence. These infractions would be more substantial than Category I infractions with higher visual impact, more permanence, and require more effort for mitigation. Examples of Category II violations would include external architectural changes that are visible to side or rear yard neighbors, unauthorized paint colors, per the approved paint palette, to house exteriors, major landscape issues, or fences in significant disrepair.

Category III

Category III fines are \$200.00 per month or occurrence. These fines are issued for violations that have been determined to pose an adverse impact on the health or safety of the Association's common area or another member's property. This determination is supported by a written finding specifying the nature of the health or safety impact, made during an open Board Meeting.

In the event any violation continues, is repeated, or escalates, the Board may consider imposing fines in a higher category than if one violation occurred. If the homeowner has been notified of the violation, has been given a time to cure the violation, and has taken inadequate measures to cure the violation within the stated timeframe, they will receive a letter from the Association stating what fines or other disciplinary measures are to be considered at the next Board meeting. It will also state that the homeowner has the right to address the violation at the Board meeting.

Administration of Fines

Fines will be administered in accordance with the current rules of the Association. In addition to those rules, it will be the Board of Director's responsibility to determine fine levels for those violations that are not specifically identified in one of the Categories.

Reimbursement Assessment

The Board may consider imposing a Reimbursement Assessment pursuant to Section of 6.4 of the Association's CC&Rs to recover any costs incurred by the association relating to noncompliance of the owner or failure to fulfill obligations under the governing documents.

Approved and accepted by the B.O.D. on September 8, 2025