

THE VILLAGE AT SANTA BARBARA OWNERS ASSOCIATION, INC.

PROCEDURE FOR COMPLAINTS BY OWNERS PERTAINING TO VIOLATION OF GOVERNING DOCUMENTS

1. Complaint must be made to Board in writing, giving details of violation or complaint, including dates, times and events. (Board policy)
2. Upon receipt of Complaint, Board sets Executive Meeting (usually following regular Board Meeting) to discuss issue. (Bylaws 5.8)
3. Board designates a board member or other owner to talk to offending Owner to see if the matter can be settled amicably. (Board policy)
4. If the matter is not resolved within a reasonable time, the Board sends out a written notice to Owner for hearing. (Bylaws 11.1)
5. Owner may respond in writing or attend hearing. (Bylaws 11.1)
6. After hearing, Board will decide what action is required. (Bylaws 11.3)
Determination must be made within 15 days and notice given to Owner. (Bylaws 11.3)
7. If fine is assessed see Schedule of Fines attached to Rules & Regs. (Bylaws 6.1(d))
8. If fine is not paid, a small claims or other court action action may be filed against the owner to collect. (CC&Rs 4.6)

ARTICLE V Bylaws

Section 5.8. Executive Session. The Board may, with the approval of a majority of a quorum of the Directors or at the request of the President of the Board, and in accordance with California law, meet in executive session to discuss and vote upon personnel matters, litigation or pending litigation, matters within the attorney/client privilege, contract negotiation, and hearings for disciplinary matters. The general nature and purpose of the business considered in executive session should be reflected in the minutes of the first open Board meeting following the executive session.

ARTICLE XI Bylaws

OWNER NOTICE AND FAIR HEARING

Section 11.1. Procedure. If a Member appears to be or is in violation of any provision of the Governing Documents and any disciplinary action, including monetary penalties, suspension of rights, fines, reimbursement Assessments, or other remedies are being considered, the Board shall give written notice to the Member specifying the nature of the violation(s) (and providing any other appropriate information) and stating the time, date, and place that the Member will have an opportunity to be heard by the Board. Any disciplinary action that is to be considered shall be stated. This written notice shall be given at least ten (10) days prior to the date set for the hearing and may be delivered either in person or by first-class mail (it would be prudent, but not required by law, to add five (5) days for delivery if by mail).

Section 11.2. Conduct of Hearing. The Board of Directors may establish rules and procedures regarding the manner in which disciplinary hearings shall be conducted. Matters shall be conducted in closed (executive) session as provided in Civil Code section 1363 unless the Owner requests an open hearing.

Section 11.3. Determination. After the hearing has taken place, the Board shall (i) determine whether a violation has occurred and, if so, (ii) provide a written statement of decision which shall be sent to the subject Owner at his/her last known address. This decision shall be mailed postage prepaid or given by any other notice chosen and/or accepted by the Owner (such as fax, email, with Owner's consent) within fifteen (15) days of the date the decision is made. The Board is not required to make a decision at the hearing if additional information, time, or consultation with the Association's attorney or other person is needed

CC&Rs Section 4.6. Enforcement Assessment (Fine). The Board may levy an enforcement assessment upon an Owner and his/her Residence/Lot for failure to comply with the governing documents. The same act may constitute more than one violation if the act is ongoing or continuous. An Enforcement Assessment may be levied after notice and an opportunity for a hearing before the Board under Article XI of the Bylaws. The Board may establish reasonable rules regarding repeated Enforcement Assessments for continual or recurring violations and shall adopt and circulate a policy to the owners setting assessment amounts to be charged. These assessments are *not* subject to collection by lien/nonjudicial foreclosure. However, all other legally viable remedies are available.

(Bylaws Section 6.1(d))

To Establish and Impose Fees, Penalties/Fines: Establish and impose administrative fees, reimbursement costs, and/or monetary penalties (fines) imposed as disciplinary action for failure under, or for the infraction (or for each of any re-occurring or continuing infraction) if any provision of the Governing Documents. Any fees and/or fines to be imposed shall be adopted by the Board in a schedule or policy and shall be distributed to all Members Monetary penalties shall be effective only after the procedures in Article XI are satisfied.

(NOTE: Currently fines can be assessed up to \$500 for first offense and up to \$250 per day for ongoing offense – (See Letter attached to end of this packet.) However, the following schedule which will be incorporated into the revised Rules & Regs can be used, as it is not in conflict with the current schedule and is a more specific guideline.)

FINE OR PENALTY
Article VI, Bylaws, Section 6.1(d)

If the Board decides that a violation has in fact occurred (and/or is continuing to occur), the Board may decide to levy a fine. This fine may be imposed concurrently with other action by the Board to address a violation if it is necessary.

<u>VIOLATION</u>	<u>First</u>	<u>Continuing</u>	<u>Repeat</u>
RENTAL	\$150	\$500 per week	\$ Same
PET	\$100	\$300 per week	\$ Same
ARCHITECTURAL	\$100	\$300 per week	\$ Same
COMMON AREA LANDSCAPE	\$100	\$300 per week	\$ Same
PARKING /RV LOT	\$100	\$300 per week	\$ Same
ALL OTHER	Up to \$500	Up to \$250 per week	Up to \$500

(Note: Where an Owner, Owner’s guests, tenants or invitees have damaged the common area, the Association may levy a penalty against the Owner in the sum equal to the cost to repair the damage if payment is not made, as allowed by Civil Code section 1267.3(d).)

