

## *Glenshire Devonshire Residents Association*

### **CC&R COMPLIANCE AND DAMAGE ASSESSMENT POLICY**

Approved 4/14/99

It is the policy of the Glenshire Devonshire Residents Association to encourage voluntary compliance with the CC&Rs and the architectural and design guidelines promulgated thereunder. In order to foster compliance with the CC&Rs and architectural and design guidelines applicable to the Glenshire Devonshire Residents Association and its members, the Board adopts the following procedures to encourage compliance and to assess damages for failure to comply, in order to encourage compliance.

*Step 1:* When a violation is identified through either periodic inspections by the Association, or by direct complaint to the Association, the Property Owner is sent a warning letter from the General Manager identifying the item of non-compliance and indicating a time frame for compliance based on the severity of the non-compliance and seasonal considerations, normally a 45 day period. During that notice period, the General Manager is authorized to negotiate with the Property Owner a CC&R Compliance Agreement in the form attached hereto as Exhibit A.

*Step 2:* Absent compliance or an executed CC&R Compliance Agreement, or based on failure by the Property Owner to timely perform under an executed CC&R Compliance Agreement, the Property Owner is sent a second warning letter stating that the non-compliance will be brought to the attention of the Board of Directors at its next regular meeting to consider assessment of damages according to the schedule of damages attached hereto as Exhibit B. The Property Owner may appear at the Board meeting and present testimony or evidence for the Board's consideration.

*Step 3:* After Board consideration, the Board may withdraw the notice of non-compliance, or, if the Board so directs, the Property Owner is sent a certified letter from the Board identifying the non-compliance items, the terms and amount of the damages to be assessed, and notifying the Property Owner of the suspension of membership rights. That letter shall set forth the Property Owner's appeal rights, as set forth below, and shall set forth the period within which the Property Owner must bring the property into compliance to avoid further legal action.

*Step 4:* The Property Owner shall have fourteen (14) days from the date of the certified letter to appeal the Board decision regarding assessment of damages and suspension of membership privileges. That appeal shall be in writing on a form provided to the Property Owner by the Association with the certified letter. Absent a

timely appeal, the damages are assessed and the membership privileges are suspended, pending compliance.

Step 5: If the Property Owner timely appeals, the Board shall consider that appeal at its next regularly scheduled meeting as a *de novo* appeal. The Property Owner may present any new or additional information to the Board during the hearing on the appeal. Any assessment of damages and suspension of membership privileges against the Property Owner are held in abeyance until the Board resolves the Property Owner's appeal. The Board shall issue a written decision on the Property Owner's appeal no later than fourteen (14) days after the hearing before the Board on the Property Owner's appeal. The written decision of the Board shall include a period within which the Property Owner must bring the property into compliance to avoid further legal action.

Step 6: If the Property Owner fails to timely bring the property into compliance, the matter shall be referred to Counsel for the Association to give the Property Owner notice of its rights to conduct an alternative dispute resolution (ADR) process, pursuant to Civil Code section 1354(b). If the Property Owner timely elects to participate in such an ADR proceeding, the Board shall designate the representative of the Association to participate therein, and shall grant to that representative authority to negotiate in such a session on behalf of the Association.

Step 7: If the Property Owner declines to participate in ADR, or if the ADR process does not result in satisfactory compliance, the Board shall consider the commencement of appropriate legal action to encourage compliance. If such legal action is commenced, and a judgement is granted in that legal action in favor of the Association, then the fees and costs incurred by the Association therein, and for enforcement thereof, shall be recorded as a lien against the real property in favor of the Association.