

**HILLSBOROUGH COLLECTION
MASTER ASSOCIATION**

RULES AND REGULATIONS

Revised and Adopted July 13, 2011

MANAGED BY SO CAL PROPERTY ENTERPRISES, INC.
1855 Sampson Avenue, Corona CA 92879

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APPEARANCES

1. Portable freestanding basketball backboards and hoops and other portable sports apparatus are permitted, provided that they are removed on a daily basis when not in use, and, as follows:
 - a. They may be left up on weekends (Friday and Saturday evenings) provided that they are being used during the day.
 - b. When not in use, portable freestanding basketball backboards and other portable sports apparatus are to be stored in a location that is reasonably screened from the common area, within your own property line.
 - c. Portable freestanding basketball backboards placed on Association property for more than 96 hours (4 days) will be enforced through the Associations Enforcement Policy as set forth in the governing documents.
2. NOTE: Tennis, volleyball, or any other types of sports nets are prohibited on Association property.
3. All boxes, machinery, equipment, and other personal property should not be stored at outside areas unless completely out of view from the streets and other residential units.
4. All trash, debris, oil stains, or unsightly materials are to be cleaned or removed by the Owner responsible for such unsightly items.
5. All landscape items belonging to the Owner of a Lot or Condominium are to be kept manicured and free of weeds.
6. Windows are not to be covered with newspaper, aluminum foil or reflective material. Window coverings should remain in good repair. Only plain white sheets are acceptable for up to six (6) months following the close of escrow.
7. No clothing, household fabrics or other unsightly articles may be hung, dried or aired on, over or outside any Lot or Condominium.
8. All holiday decorations must be removed within fifteen (15) calendar days following the event.
9. All party decorations must be removed within two (2) calendar days following the event.

COMMON AREAS

1. The speed limit within the Hillsborough Collection is twenty (20) miles per hour. Please use common sense, keeping in mind the safety of your neighbors and any children that may be playing.
2. Owners are prohibited from destroying, removing or altering the landscaping in the Common Area, regardless of the condition of the plantings. If you believe that a problem exists, please contact the Association's management company.
3. Littering of the Common Area is not permitted.
4. No Owner may (a) permit or cause anything to be done or kept on the Properties or on any public street abutting the Properties which may (i) increase the rate of insurance in the Properties, (ii) result in the cancellation of such insurance, or (iii) obstruct or interfere with the rights of other Owners, or (b) commit or permit any nuisance thereon or violate any law.
5. Each Owner shall comply with all requirements of the local and state health authorities and with all other applicable governmental ordinances regarding occupancy of a Residence.
6. Each Owner is accountable to the Master Association and other Owners for the conduct and behavior of persons residing in or visiting his/her Lot or Condominium.

Remember: Children playing in common areas are the responsibility of their parents at all times.

7. Any damage to the Master Association Common Area, personal property of the Master Association, Master Association Maintenance Areas or property of another Owner, either by accident, or as an act of malicious vandalism which is caused by a resident or a resident's guest, is the sole responsibility of the Owner of the Lot or Condominium where such persons are residing or visiting. Cost associated with reparations, or the amount of increased insurance premium(s) resulting from a claim associated with the damage will be paid by the Owner.
8. No trash may be kept or permitted upon the Properties or on any public street abutting or visible from the Properties, except in sanitary containers located in appropriate areas screened from view. Such containers may be exposed to the view of neighboring Lots or Condominiums only when set out for a reasonable period of time (not to exceed twelve (12) hours before and after scheduled trash collection hours).
9. No portion of the Property may be used for the storage of building materials, refuse or any other materials.
10. Wheeled toys (i.e., skateboards, tricycles, big wheels, children's bicycles, etc.) are prohibited from Common Area landscaping. Bike riding, roller skating, and skateboarding on grass, curbs, or common sidewalk areas is prohibited.

Remember: Children playing in common areas are the responsibilities of their parents at all times.

11. No individual shall install any Improvement or alteration to the exterior of any Condominium or appurtenant Dwelling without the prior approval by the Architectural Committee. Please see the Hillsborough Collection Master Association Architectural Guidelines.
12. Excessive noise, odors, smoke, or other objectionable items emanating from a residence which disturb other homeowners will not be permitted.
13. No plants or seeds infected with noxious insects or plant diseases may be brought upon, grown or maintained upon the Properties.

FOR SALE, FOR RENT & OPEN HOUSE RULES

Owners of Lots “for sale” or “for rent” must comply with the following rules. Failure to comply with any of these rules will result in a \$50.00 minimum fine to the homeowner for each violation.

1. The security code to the entrance gates to the Hillsborough Collection may not be released or published in any advertisement. Any homeowner who gives the gate code to a realtor must insist that the realtor not disclose the code through any form of advertising including newspaper, the internet, flyers, etc. Although the realtor can possess the code, other arrangements for entry of prospective buyers must be used, i.e. the four (4) digit code number which dials the individual home may be advertised/published.

NOTE: It is the homeowner’s responsibility to ensure that the realtor follows Association policy in this matter. Should the Board of Directors discover realtors advertising or compromising the security gate code, the code will be changed at the homeowner’s expense and the cost will be charged to the homeowner’s assessment account.

2. Open house hours are to be from 12:00 noon until 5:00 p.m.
3. One (1) open house sign may be posted outside of the gate located at Highpointe Drive. Posting of signs is not allowed at the Keypointe Place gate.

Only three (3) directional signs may be posted. If there are two different houses having open house in the same area, the total number of directional signs is limited to three (3).

4. One (1) open house sign may be posted in front of the house.
5. Balloons or flags are not permitted on any signs.
6. All signs must be picked up by 5:00 p.m.

REMEMBER!!! Homeowners are responsible for the actions of their real estate agent.

PARKING, TRAFFIC & SAFETY RULES

1. Residents must park all vehicles in their garage or on their driveway at all times.
2. Vehicles parked in driveways must be completely off the street and not block the pedestrian sidewalk.
3. Garage doors must remain closed at all times, except as reasonably required for entry to and exit from the garage. In order to maintain a good overall appearance within the community, garage doors should not be left open and unattended for an extended period of time.
4. All vehicles parked on the street must be parked parallel to the curb in the direction which follows the flow of traffic.
5. Prohibited vehicles (see paragraph 14 below) may only be parked within an Owner's fully enclosed garage with the garage door closed so long as their presence on the Property does not otherwise violate the provision of the Master CC&R's.
6. Prohibited vehicles (see paragraph 14 below) may not be parked, stored or kept on any public or private street within, adjacent to or visible from the Property or any other Common Property for more than a 24-hour period.

Although parking of prohibited vehicles is not allowed under the CC&R's, time will be allowed to prepare these vehicles for use (i.e., loading, unloading, making deliveries, emergency repairs, washing, etc.). The maximum timeframe allowed for these activities will be 24 hours.

7. Parking within fifteen (15) feet of any fire hydrant within the Property shall at all times be prohibited.
8. There is no parking allowed on ANY street between the hours of 5:00 a.m. and 12:00 noon on street sweeping day.
9. In the interest of safety and emergencies (fire, police, ambulance), streets must never be blocked or congested by any vehicles of any type (including delivery vehicles).
10. The maximum speed limit permitted on any Association street is twenty (20) miles per hour. If this rule is not observed, other means of enforcement will be implemented.
11. Mopeds and motor bikes are subject to vehicle code restrictions (i.e., both driver and motor bike must be licensed).
12. No off-road unlicensed motor vehicles may be operated upon the Project.

13. The following are Authorized Vehicles:

- a. Standard passenger vehicles, including without limitation automobiles, passenger vans designed to accommodate ten (10) or fewer people.
- b. Licensed street vehicles having a manufacturer's rating or payload capacity of one (1) ton or less.

All authorized vehicles shall be further defined as currently registered and in drivable condition.

14. The following vehicles are Prohibited Vehicles:

- a. Recreational vehicles (e.g., motorhomes, travel trailers, camper vans, boats, etc.)
- b. Commercial-type vehicles (eg., stakebed trucks, tank trucks, dump trucks, step vans, concrete trucks, etc.)
- c. Buses or vans designed to accommodate more than ten (10) people
- d. Vehicles having more than two (2) axles
- e. Trailers, inoperable vehicles or parts of vehicles
- f. Aircraft
- g. Non-motorized vehicles, trailers or motorized vehicles that exceed seven feet (7') in height, seven feet (7') in width, and nineteen feet (19') in length, other similar vehicles or any vehicle or vehicular equipment deemed a nuisance by the Board.

15. No repair, maintenance or restoration of any vehicle may be conducted on the Properties except within an enclosed garage when the garage door is closed, provided such activity is not undertaken as a business, and provided that such activity may be prohibited entirely by the Board if the Board determines that it constitutes a nuisance.

16. There is a minimum of street parking spaces available. Although not marked, these spaces are intended for guest parking. Every effort should be made to always have parking spaces available for friends and relatives of residents. For the purpose of these regulations, a person staying with a resident in excess of 72 hours, or on a regular and frequent basis, is to be considered a resident and must comply with the same parking ruled placed on all residents. (Residents must park all vehicles in their garage or on their driveway at all times.)

17. Subject to the restrictions on Prohibited Vehicles, all vehicles owned or operated by or within the control of an Owner or a resident of an Owner's Lot or Condominium and kept within 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 than any such garage accommodates at least the number of Authorized Vehicles for which it was originally constructed.

Utilization of garages for other than vehicle storage does not constitute an excuse for illegal parking. Garages are primarily for vehicle storage, so please use them for this purpose.

The Board may establish additional regulations regarding any parking areas not assigned to individual Lots or Condominiums, including without limitation designating “parking”, “guest parking”, and “no parking” areas thereon; and may enforce all parking and vehicle use regulations applicable to the Properties, including removing violating vehicles from the Properties pursuant to California Vehicle Code Section 22658.2 or other applicable ordinances or statutes. If the Board fails to enforce any of the parking or vehicle use regulations, the City may enforce such regulations in accordance with applicable laws and ordinances.

NOTE: Vehicles in violation of the above rules are subject to immediate removal at the owner’s expense.

PET RULES

No animals may be raised, bred or kept upon the Properties, except dogs, cats, fish, and birds and other usual household pets may be kept on Lots or Condominiums, provided they are not kept, bred or maintained for commercial purposes, in unreasonable quantities or in violation of the Restrictions. “Unreasonable quantities” ordinarily means more than two (2) pets per Residence; provided, however, that the Board may determine that a reasonable number in any instance may be more or less.

1. The Board may limit the size of pets and may prohibit maintenance of any animal which, in the Board’s opinion, constitutes a nuisance to any other Owner.
2. No pet will be permitted to run at large, or disturb the peace and comfort of any resident. Animals belonging to Owners, occupants or their licensees, tenants or invitees within the Property must be either kept within an enclosure or on a leash held by a person capable of controlling the animal.
3. Any Owner shall be absolutely liable to each and all remaining Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Project by such Owner or such Owner’s family, tenants or guests.
4. Each Owner shall clean up after such Owner’s animals which have used any portion of the Property (including property belonging to other Owners) or public street abutting or visible from the Property.
5. The Master Association, upon the approval of a majority of its Board of Directors, may prohibit maintenance of any animal within the Project, which, in the opinion of the Board of Directors of the Master Association, constitutes a private nuisance to any other person.
6. Excessive dog barking, or other animal noise, and objectionable odors from pets are deemed a nuisance and must be controlled by the pet’s Owners.

SIGNS, POSTERS, FLAGS & BANNERS

1. No signs, posters, display, billboard or other advertising device may be displayed on any portion of the Property or on any public street abutting or visible from the Homes Area of the Properties without the Architectural Review Committee's prior written consent, except:
 - a. One (1) sign for each Lot, advertising the Lot for sale or rent.
 - b. Traffic and other signs approved by the Board of Directors of the Master Association.
2. All signs or billboards and the conditions promulgated for the regulation thereof must be in compliance with the requirements of all applicable governmental ordinances.
3. The size of "for sale" and/or "for rent" signs shall not exceed 24 inches high by 36 inches wide.

SATELLITE DISHES

Although current FCC regulations prevent the Association from requiring the homeowner to obtain advanced approval from the Architectural Review Committee (ARC) prior to installation of a satellite dish, this does not completely excuse the homeowner from complying with the CC&R's by submitting the documents showing the location(s) of each.

The ARC still reserves the right to approve or disapprove the location of a satellite dish. Consequently, should a homeowner opt to take advantage of current FCC regulations and install a satellite dish without advanced approval from the ARC, the homeowner shall acknowledge that the ARC may disapprove the chosen location, and, require the homeowner to relocate the dish installation. In order to avoid this situation, it is strongly suggested that the appropriate documents be submitted to the ARC prior to installation.

In order to keep satellite dishes out of view as much as possible, the homeowner is requested to install DBS or MMDS satellite dishes as follow:

1. Have a professional technician install the satellite dish (especially if the homeowner has no experience in the installation of telecommunications equipment).
2. Attach the satellite dish to the house no higher than 12 feet or the first level eave.
3. In general, attach the satellite dish to the house in a place where it is least viewed by your neighbors and street traffic while still being in "line of sight" with the satellite it is aimed at. The dish should not be installed on or at the front of the house.
4. Conceal the coaxial cable as much as possible (under the eaves, along the corners of the house, under the flood line at the bottom of the house, etc.) In the event the coaxial cable cannot be concealed, paint the cable the same color as the stucco or wood facade that it is attached to.

5. As stated in the CC&R's, subscribe to a satellite company that requires a dish no larger than 36 inches in diameter.
6. If you decide to install an off-air antenna for local channel reception, use a small round "omni-directional" indoor antenna in the garage or attic if possible. If the antenna must be installed outdoors, follow the same rules as the satellite dish (Rules 1 through 5 above).

TENANT RULES AND REGULATIONS

1. The Owner shall have the responsibility to acquaint their tenants and guests with the Rules and Regulations of the Master Association.
2. For the purpose of these Rules and Regulations, a tenant shall be defined as anyone in possession of an Owner's residence in exchange for any sort of consideration, or at the sufferance of the Owners.
3. Any lease shall provide that the terms of the lease is subject in all respects to the provisions of the CC&R's and the Bylaws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.
4. The Owner will, at all times, be responsible for his or her tenant's or lessee's compliance with all of the provisions of the Project Documents. Violations will be assessed against the Owner even though a infraction was committed by a tenant or guest.
5. No tenant will have voting rights in the Master Association.
6. An Owner may rent his/her Lot or Condominium to a single family provided that the Lot or Condominium is rented pursuant to a lease or rental agreement which is in writing and subject to all of the provisions of the Master Declaration.

DELINQUENCY POLICY

Assessments are due and payable in full on the first of each month and are deemed delinquent if not paid by the 15th of the month.

Payments received will be automatically applied to the oldest outstanding amount including, but not limited to, assessments and collection fees (late fees, interest, lien fees, foreclosure fees, etc.) then escrow fees and fines.

The following steps will be taken if payment is not received by the 15th of the month for which they are intended:

ASSESSMENT AND BILLING COLLECTION POLICY

Prompt payment of Assessments by all owners is critical to the financial health of the Association, and to the enhancement of the property values of your homes. Your Board of Directors takes very seriously its obligation under the Master Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Hillsborough Collection (CC&Rs) and the California Civil Code to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. Therefore, pursuant to the CC&Rs and Civil Code §5310(a)(7) and §5660, the following are the Association's assessment collection practices and policies, which So Cal Property Enterprises, Inc. has been directed to strictly enforce without exception. Owners are advised that you do not have a legal right to withhold assessments, or any portion thereof, on the grounds that the owner is entitled to recover money or damages from the Association or for any alleged failure of the Association to maintain the common area (*Park Places Estates HOA v. Nabor* (1994) 20 Cal App. 4th 427).

1. **Due Dates:** Regular monthly assessments are due and payable on the first (1st) day of each month and are due **whether or not a billing statement is received.** If a statement is not received, mail your check payable to HILLSBOROUGH COLLECTION MASTER ASSOCIATION, PO BOX 513920, LOS ANGELES, CA 90051-3920. Overnight payments are accepted Monday through Friday at 1855 Sampson Avenue, Corona, CA 92879. Payments shall be applied to the oldest outstanding assessment. All other assessments, including Special Assessments, are due and payable on the date specified by the Board in notice of the assessment.
2. **Application of Payments:** Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, fees, interest, or collection costs. Payments will be applied to assessments so that the oldest assessment arrearages are retired first, unless the payment indicates that it shall be otherwise applied. A late charge may accrue if payment is not sufficient to satisfy all delinquent assessments, and the current month's assessment.
3. **Obligation to Pay:** Assessments, late charges, interest and collection costs, including attorney's fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied. (Civil Code §5650(a).)
4. **Delinquent Assessments:** Unpaid assessments are delinquent fifteen (15) days after they are due (Civil Code §5650(b); CC&Rs, Art. VII, Sec. 7.1). A late charge of 10% of the delinquent assessment or \$10.00, whichever is greater, will be charged for any assessment which is not paid in full within 15 days of the due date. (Civil Code §5650(b)(2).) Any installment of annual assessments and special

assessments not received within thirty (30) days after the due date, plus all reasonable costs of collection (including attorney's fees) and late charges shall bear interest commencing **thirty (30) days** from the due date until paid at the rate of **twelve percent (12%)** per annum. (Civil Code §5650(b)(3).)

5. **Right to Submit Secondary Address:** Owners may submit a written request to the Association to use a secondary address. (Civil Code §5260(b)) Any such request must be delivered to the Association in a manner that complies with Civil Code §4035. The Association will send notices to the indicated secondary address only from and after the point that the Association receives any such request. Nothing herein shall require the Association to re-send or duplicate any notice sent to the owner prior to the date that a request for a secondary address is received.

PROCEDURES FOR COLLECTION OF PAST DUE ASSESSMENTS

1. **15 DAYS PAST DUE:** The Association will send a notice regarding the delinquency, and demanding payment thereof, to the owner at his/her address or addresses on file with the Association. **LATE CHARGE OF \$10.00** will be assessed to the owner's account for any assessment that is not received on or before the 15th of the month (Civil Code §5650(b)(2).) Additionally, an owner's membership rights, including, but not limited to voting rights, or rights of use and enjoyment of the recreational common areas and common facilities may be suspended after notice and a hearing pursuant to Civil Code §5855. The Association will not deny an owner or occupant physical access to his or her separate interest by way of any such suspension of privileges. (Civil Code §4510.)

2. **45 DAYS PAST DUE: DELINQUENT PROCESSING FEE OF \$75.00** will be assessed to the owner's account. Notice of Intent to Record Assessment Lien letter is mailed to the owner as required by Civil Code §5660 via certified and first class mail to the owners of record at the address of record with the Association stating the intent to either lien the property or file a small claims action (at the Association's discretion) if payment in full is not received in fifteen (15) days. If the small claims action is taken, the letter may be titled Notice of Intent to Commence Collection Action.

3. **Opportunity to Meet and Confer and/or Request ADR:** An owner may dispute the debt noticed in the pre-lien letter by submitting to the board a written request to meet and confer with a designated director of the Association pursuant to the Association's Internal Dispute Resolution Policy established in accordance with Article 2 of Chapter 10 of the Act ("IDR") and/or a written request for alternative dispute resolution with a neutral third party pursuant to Article 3 of Chapter 10 of the Act ("ADR"). (Civil Code §5660.)

4. **60 DAYS PAST DUE:** If an owner fails to pay the amounts set forth in the pre-lien letter within fifteen (15) days of the date of that letter, the matter will be turned over to an attorney for the preparation and filing of a lien. The owner will be charged one hundred dollars (\$100.00) for preparing the matter to be sent to legal counsel.

5. **Right to Request a Payment Plan:** Owners may submit a written request to meet with the board to discuss a payment plan. If such request is mailed within fifteen (15) days of the postmark of the pre-lien notice, the board will meet with the owner, in executive session, within forty-five (45) days of the postmark of such request, unless there is no regularly-scheduled meeting of the board within that period of time, in which case the board may designate a committee of one or more directors to meet with the owner. (Civil Code §5665.) In addition to the foregoing procedure for requesting a payment plan, an owner may negotiate a payment plan with the Association's managing agent, attorney or authorized collection agent. Any payment plan must comply with any standards for payment plans adopted by the Association.

6. **Lien:** After the issuing of the Notice of Intent to Record Assessment Lien letter, the Board of Directors may decide in an open meeting of the Board to file a lien against the property. (Civil Code §5673.) A lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees may be recorded against the owner's property. (Civil Code §5675.) If a lien is recorded, a copy of the lien will be sent to every person whose name is shown as an owner of the Property in the Association's records, via certified mail, within ten (10) calendar days of recordation of the lien. (Civil Code §5675(e).) Any lien recorded by the Association will remain as an encumbrance against the property until the debt secured thereby is satisfied.

7. **Foreclosure of Lien:** If the balance due is not paid within thirty (30) days of recordation of the lien, legal action to foreclose the assessment lien and/or money judgment may commence against the owner. The Association will not seek to foreclose any lien through judicial or non-judicial foreclosure unless and until the amount of delinquent assessments secured thereby reaches one thousand eight hundred dollars \$1,800.00, or until the assessments are at least twelve (12) months delinquent. (Civil Code §5720(b)(2).) The decision to initiate foreclosure of any lien shall be made by a majority vote of the board members, in executive session. Prior to initiating foreclosure of any lien, the association shall offer to the owner of the property, and if so requested by the owner, shall participate in IDR and/or ADR pursuant to Civil Code §5705. The decision to pursue IDR or a particular type of ADR shall be the choice of the owner, except that binding arbitration shall not be available if the Association intends to pursue judicial foreclosure.

8. **Notice to Owner of Decision to Foreclose:** If the board of directors decides to initiate foreclosure of a lien, it shall provide notice of such decision to the owner pursuant to Civil Code §5705(d). Such notice will be by personal service to an owner who occupies the property or to the owner's legal representative. The board shall provide written notice to an owner of property who does not occupy the property by first-class mail, to the most current address shown on the books of the Association. In the absence of written notification by the owner to the Association, the address of the owner's property shall be treated as the owner's mailing address. (Civil Code §5705(d).)

9. **Release of Lien Upon Satisfaction of Debt:** Within 21 days of full payment to satisfy a lien, and after confirmation that such payment has cleared, the Association will record a release of lien, and provide a copy thereof to the owner. (Civil Code §5685(a).)

10. Owners have the right to inspect certain Association records pursuant to Civil Code §5205.

11. Nothing herein limits or otherwise affects the Association's rights to proceed in any lawful manner to collect any delinquent sums owed to the Association.

12. Prior to release of any lien, or suspension of any legal action, all assessments, late charges, interest, and legal fees must be paid in full to the Association.

13. The delinquent owner will be responsible for all costs of collection, including attorney's fees, incurred by the Association to collect and delinquent sums (Civil Code §5650).

14. All charges listed above herein are subject to change without notice.

ENFORCEMENT POLICY

Discovery of Violation

1. Any violation that is an alleged violation of the Management Documents, Architectural Guidelines or Rules and Regulations of the Master Association will be processed according to the procedure outlined herein.
2. In the event one or more Members of the Master Association or Board of Directors file a Violation Report, the Board would act as follows:
 - a. Send a letter to the Owner stating the alleged violation and date needed to cure the said violation.
 - b. If the violation still exists upon expiration of the cure date, a second letter announcing a proposed fine will be sent stating that the failure to abide by Master Association Rules and Regulations has imposed a hardship on the Master Association and the Owner will be asked to attend a hearing with the Board of Directors to discuss why such a fine should not be imposed. Failure to attend the meeting or submit correspondence to discuss the problem will result in the fine automatically being assessed.
 - c. The Owner will be notified as to the decision rendered by the Board as a result of the hearing. If the Owner is found to be in violation of the Master Association's documents, the Board will either: (1) seek remedy by use of alternative dispute resolution such as mediation or arbitration, (2) levy a special assessment, (3) suspend or condition the Owner's rights to use any Master Common Area Improvements the Master Association owns, (4) enter upon a Lot or Condominium to make necessary repairs or perform maintenance which is the responsibility of the respondent, (5) record a Notice of Noncompliance encumbering the respondent's Lot or Condominium, or (6) a combination thereof.
 - d. If the decision of the Board of Directors is to pursue a monetary fine system the Hillsborough Collection Fine Schedule will apply.

NOTE: A violation is defined as an act in conflict with the CC&R's, By Laws, Rules and Regulations, and/or, Architectural Guidelines of the Master Association. Please be sure to read the CC&R's carefully.

FINE SCHEDULE

1. A letter will be sent to the Owner stating the alleged violation.
2. A second letter will be sent to the Owner stating the alleged violation continues and this letter will request the Owner to appear before the Board.
3. If the result of the hearing is a monetary fine, a fine of \$50 will be applied to the Owner's account.
4. If the violation continues past the hearing and first fine state, additional hearings will be scheduled with the Owner and the fines may be doubled with each hearing. Any fines not paid may result in legal action in accordance with California law.
5. The Board may determine to use alternative dispute resolutions or cause correction of the violation to effect a cure and the Owner may be responsible for legal fees and/or reimbursement of costs to the Master Association.

NOTE: Should a violation occur which imposes a financial obligation of the Master Association, the party responsible for said violation shall reimburse, by way of a Special Assessment, the Master Association for this financial obligation. If, for example, a party damages a fence, tree or any other Common Property, repair and replacement costs will be charged to that party.