

## CHAPTER 2

### ENFORCEMENT REGULATION FOR NON-MONETARY VIOLATIONS

1. Purpose and Intent. The purpose of this regulation is to establish reasonable and clear enforcement procedures to address non-monetary violations of the Rancho Santa Fe Protective Covenant (the "Protective Covenant") and the Rules and Regulations (the "Rules") adopted by the Board of Directors (the "Board") of the Rancho Santa Fe Association (the "Association") within the authority granted to the Association by law and in the Protective Covenant, the Amended and Restated Articles of Incorporation of the Association (the "Articles"), the Amended & Restated Bylaws of the Association (the "Bylaws") and the Rules.
2. Scope of Enforcement Procedures. This regulation applies to all acts of Members (as defined in Article VI of the Articles) which the Association, acting through the Board or the Association staff, may find to be non-monetary violations of the Protective Covenant and the Rules in exercise of its discretion. In the interests of clarity, the failure to pay assessments, dues and other charges would be regarded as monetary violations, but the failure to meet obligations under agreements with the Association may be found to be non-monetary. In the interests of further clarity, this regulation does not apply to acts otherwise covered by the governing documents of the Rancho Santa Fe Golf Club or the Rancho Santa Fe Tennis Club.
3. Discovery and Informal Notice. After an alleged violation of the Protective Covenant or the Rules is observed or reported, Association staff may investigate the violation. Staff shall have the discretion to make a courtesy call or send a letter informing the Member of the violation and the need for compliance. If compliance does not occur within seven days of the call or letter, or if the nature of the violation requires more immediate action, the Manager or his or her designee may elect to serve a Notice of Violation pursuant to paragraph 4. below.
4. Notice of Violation. At any time, the Manager or his or her designee may provide the Member notice of the alleged violation, where curable, the desired remedy to comply with the Protective Covenant or the Rules and a specific date (the "Compliance Date") to effect compliance which is at least 14 days after the letter's date (a "Notice of Violation"). The Notice of Violation shall further inform the Member that failure to comply by the Compliance Date may result in the Board imposing discipline, including suspension of all membership rights, voting rights, the right to make use of recreational facilities, charging privileges and the like and fines according to a schedule published by the Board. Further, the Board may charge the Member for the costs of bringing the Member in to compliance, including attorney's fees and costs incurred, whether or not litigation is commenced. Such notice shall be given by first-class mail, postage prepaid, sent to the last address of the Member shown on the Association's records. Note: The 14-day cure period and Compliance Date discussed in this regulation will only apply to violations susceptible of being cured.
5. Stop Work Order. In addition to a Notice of Violation, if construction without a permit or in conflict with a permit has occurred, is ongoing or is threatened or prospective, or a Member shall fail to fulfill the Member's obligation under any agreement with the Association relating to such construction, a "stop work order" may be given by the Manager or his or her designee at any time to the Member and/or any Member's contractor by first-class mail, postage prepaid, to the last known address of the Member shown on the Association's records, personal delivery or posting on the Building Site (as defined in Article VI of the Articles).

6. Temporary Restraining Order. In cases where work does not stop immediately in response to a "stop work order" or another exigency so justifies such action, the Manager or his or her designee shall have the discretion, but shall not be required, on behalf of the Association to immediately seek a temporary restraining order or preliminary injunction. The Association may seek a temporary restraining order or preliminary injunction prior to the Compliance Date in any Notice of Violation.

7. Board Action. If compliance is not effected on or before the Compliance Date specified in a Notice of Violation or if a violation is not susceptible of being cured, the Board may consider at a hearing duly noticed as provided in this paragraph 7, any disciplinary actions specified in paragraph 4. above. The Association shall provide the Member not less than 15-days prior notice of a hearing to consider discipline and the reasons therefor. Such notice shall be given by first-class mail, postage prepaid, sent to the last address of the Member shown on the Association's records. The notice shall contain: the date, time, and place of the hearing; the nature of the alleged violation; the amount of the costs and expenses of the Association to the date of notice in attempting to obtain compliance, a statement to the effect that an additional amount may be levied for costs and expenses incurred by the Association after the date of notice and a copy of this regulation. The Member shall be provided an opportunity to be heard, orally or in writing, at such hearing. The notice of the ruling of the Board on the matter shall be provided to the Member not more than 15 days after the hearing and not less than five days after the hearing. Such notice shall be given by first-class mail, postage prepaid, sent to the last address of the Member shown on the Association's records, and the effective date of any suspension shall be the date the notice was provided to the Member.

8. Collection of Sums. All amounts due the Association pursuant to this regulation shall be paid within five days of notice of the ruling of the Board pursuant to paragraph 7. above. In the event that the Member does not timely submit payment, the Association may collect such amounts by all lawful means, including, but not limited to, suit in Superior Court. In the event of suit in Superior Court, the Association as prevailing party shall be entitled to its reasonable attorney fees and costs.

9. Nonexclusive Remedy. At any time before or after a Notice of Violation or a notice of a Board hearing pursuant to paragraph 7. above, the Board may pursue any and all other remedies at law or in equity.

10. Restoration of Membership Privileges. The Board may restore membership privileges suspended pursuant to this regulation by the following procedures:

10.1 Request for Restoration. The Member shall submit a written request to reinstate membership privileges to the Manager. The written request shall include a description of the violation and describe the steps the Member has taken to achieve compliance. The Member shall also remit all amounts owed by the Member to the Association with the written request.

10.2 Membership Restoration. An inspection shall be made by the Manager or his or her designee to verify compliance. When compliance is satisfied and all amounts owed by the Member to the Association are paid, the Manager shall submit a request for restoration to the Board, and if the Board decides that there is no reason to continue suspension of membership privileges, the Board shall direct the Manager to note the same in the file of the Member's respective Building Site(s) and deliver to the Member a written notice of restoration of membership privileges.