

Palisair Home Owners Association

A NON-PROFIT CORPORATION

P.O. Box 901

Pacific Palisades, CA 90272

www.palisair.org

palisair@gmail.com

The association itself is a "Tract Committee" under the Declaration of Restrictions covering Tracts 15944, 15948 and 19890, and operates as such through its Board of Directors and its Officers

July 19, 2017

Via e-mail or U.S. Mail

RE: Establishment of a Fine Policy

Dear Palisair Homeowner,

The Association has now adopted policy and procedure changes to allow it to impose fines on homeowners that are in violation of the CC&Rs (Covenants, Conditions and Restrictions) for our three tracts. On June 2, 2017, we sent you notification of the proposed new policy and procedures regarding fines, and solicited your comments in a 30 day mandatory review period ending on July 3, 2017. No comments were received. Therefore, at our July 17, 2017 regular board meeting, the directors voted to adopt the new policy and send out this notice. The policy becomes effective with the sending out of this notice.

The purpose of the Fine Policy is to have a deterrent effect on the few homeowners who might consider not complying with the CC&Rs. We hope that we will seldom have to actually impose fines.

The authority to assess fines is provided by state law for common-interest developments such as ours and is exercised routinely by thousands of homeowners associations in California. Fines will provide an effective tool for your Board to enforce the CC&Rs, as we are required to do by law.

We expect to submit to you later this year the long awaited complete CC&R rewrite for your vote. In that rewrite, several rules that we have adopted in Policies and Procedures will be made more permanent by incorporation in the CC&Rs themselves. However, we want to move forward with fines without having to wait for the rewrite.

You can find the Fine policy on our website, at <http://palisair.org/>. Click on "Documents and Forms" and then click on "Plans Application Process Rules Fees for Alteration or Construction."

For your convenience, a copy of the relevant rules follows:

FINE POLICY:

In accordance with the court decision in Liebler v. Point Loma Tennis Club, a fine policy has been adopted by the Board of Directors of Palisair Home Owners Association (PHOA).

When the Board initially determines that a homeowner has violated the Covenants, Conditions, and Restrictions (CC&Rs) and a fine should be imposed, it will notify the homeowner at least 15 days in advance that a hearing will be held as part of a scheduled Board meeting. The notice will include the date, time and place of the meeting, the nature of the alleged violation and a statement that the homeowner may attend and address the Board at the hearing. It will also include a time frame for compliance. The homeowner's attorney may attend and participate in the hearing, in which case the Board's attorney will also attend. If the homeowner's attorney will attend, the homeowner must provide advance written notice to the Board. If the Board determines at the hearing that a fine should be imposed, it shall be imposed according to the schedule below, and any fee for the Association's attorney shall be added. For a continuing violation, an additional fine may be imposed each month of violation without further notice or hearing, until the violation has been determined by the Board to have been remedied.

Violation Fine Schedule

1. Property alterations and/or improvements made without PHOA approval:

\$500.00 for each separate violation.
2. Landscape or tree violations:

\$250.00 for each separate violation.
3. For violations that are not continuous:
 - a. If a Member violates the same provision of the governing documents on two separate occasions within any 12-month period of time, the Member will be subject to a fine of up to \$750.00 for the second offense.
 - b. If the Member violates the same provision three or more times within any 12-month period of time, the member will be subject to fines for the third and subsequent violations of up to \$1,000.00 each.
4. For continuous violations:
 - a. Continuous violations will be considered a violation the first day of each month from the first day of the violation until remedied in full.
 - b. Continuous violations for property alterations and/or improvements made without PHOA approval are subject to a fine of up to \$500.00 per month for each month of the violation, whether consecutive or not, until the violation is remedied.
 - c. Continuous violations for landscape or tree violations are subject to a fine of up to \$250.00 per month for each month of the violation, whether consecutive or not, until the violation is remedied.

5. Multiple violations, whether non-continuous or continuous, may be addressed in one or more Notice(s) of Intent to Impose Discipline to the homeowner and may be the subject of and heard at one or more executive session or board hearing(s).

Thank you,

Howard Weisberg

Howard Weisberg, PHOA Vice-President