

INFORMATION HANDBOOK
SETTING FORTH THE
RULES AND REGULATIONS
OF THE
CASA DE ORO
OWNERS ASSOCIATION

Welcome to the Casa De Oro Owners Association. This Information Handbook ("**Handbook**") will help you become acquainted with the Association and how it operates. Our goal is to maintain the highest standards of safety, comfort and privacy for our residents. While we have no interest in the personal lifestyle of our residents, rules have been developed over time to help avoid disputes and provide the highest level of well-being for our members. The following rules are not intended to be unduly restrictive but have evolved over time to address problem issues. Most of the rules are derived from principles of courtesy and common sense.

This Handbook will change from time to time to stay current with the law and to accommodate evolving practices in the governance of homeowners associations. The Rules and Regulations in this Handbook ("**Rules**") are based on the CC&Rs (Covenants, Conditions and Restrictions), and provide additional guidelines for the limitations specified in the CC&Rs.

Who Are Subject to These Rules

These Rules are binding on all homeowners ("**Owners**") and on all residents, whether or not they are homeowners. It is the Owner's responsibility to provide a copy of these Rules to any tenants occupying the Owner's unit. Please read this Handbook carefully, and be sure your family, guests and tenants fully understand these Rules, since you as Owners will be held accountable for any violations of the Rules (and CC&Rs) by any occupants of your unit, including your guests and tenants.

If you have any questions, please contact the Association's property manager ("**Professional Manager**") in writing. The current Professional Manager's contact information is set forth on Annex A of this Handbook, but is subject to change. It is the Owner's responsibility to confirm that they have the correct contact information for the Professional Manager, and the Association assumes no responsibility for updating any of the information on Annex A.

Thank you for your cooperation and making Casa De Oro a place of which we can all be proud.

TABLE OF CONTENTS

SECTION 1

DEFINITIONS AND GENERAL INFORMATION

1.1	Architectural Review Committee (ARC)	5
1.2	Assessment	5
1.3	Association or Corporation	5
1.4	Common Area	5
1.5	Condominium	5
1.6	Development	5
1.7	Exclusive Use Common Area	5
1.8	Governing Documents	6
1.9	Board of Directors	6
1.10	Guests	6
1.11	Management	6
1.12	Member	6
1.13	Resident	6
1.14	Tenant	6

SECTION 2

THE ASSOCIATION

2.1	What the Association May and May Not Do	6
2.2	The Role of the Board of Directors	7
2.3	Committees	7

SECTION 3

MEMBERS RIGHTS & DUTIES

3.1	Duty to Follow Governing Documents	7
3.2	Duty to Maintain Unit	7
3.3	Members Liability for Damage	8
3.4	Voting Rights	8
3.5	Right to Attend Board Meetings	8
3.6	Limited Right to Inspect Records	8
3.7	Right to Communicate with Members	8

SECTION 4

MEETINGS

4.1	The Annual Meeting of Members	8
4.2	Board of Directors Meetings	8
4.3	Members Right to Attend	9
4.4	Non-Members	9
4.5	Recording Meetings	9

SECTION 5

COMMUNICATION

5.1	Voluntary Cooperation	9
5.2	Owner Initiative	9
5.3	Information Provided to Owners	9

SECTION 6

SAFETY AND SECURITY

6.1	Personal Responsibility	10
6.2	Gates and Doors	10
6.3	Reporting Crimes and Suspicious Activity	10

SECTION 7

FIRE PREVENTION

7.1	Reporting Fire Hazards	10
7.2	Fire Extinguishers	10
7.3	Fire Exit Signs	10
7.4	Open Flames	10

7.5	Fireworks	11
7.6	Flammable Materials	11
SECTION 8		
VEHICLES AND PARKING		
8.1	Parking	11
8.2	Garages	11
8.3	Guest Parking	11
8.4	Pedestrians	11
8.5	Speed Limit	11
8.6	Nuisance	11
8.7	Repair of Vehicles	11
8.8	Washing Vehicles	11
8.9	Obstruction of Property	11
8.10	Commercial Vehicles	11
8.11	Towing	12
SECTION 9		
RECREATION FACILITIES		
9.1	Pool and Spa Rules	13
9.2	Tennis Court Rules	14
9.3	Clubhouse Rules	14
9.4	Sauna Rules	15
SECTION 10		
PETS AND ANIMALS		
10.1	Disruptive Pets	15
10.2	Type of Pet	16
10.3	Number of Pets	16
10.4	Licensing and Tag Requirements	16
10.5	Pet Waste	16
10.6	Tethering	16
10.7	Leash	16
10.8	Injury/Damage by Animal	16
10.9	Cats	16
10.10	Facilities	16
10.11	Stray Animals	16
SECTION 11		
SATELITE DISHES AND ANTENAS		
11.1	No Roof Installation	16
11.2	Installation	16
11.3	Cables	17
11.4	Waterproofing	17
11.5	Damage	17
11.6	Interference	17
11.7	Maintenance and Repair	17
11.8	Inspection by Association	17
11.9	Removal of Dish and Cables	17
SECTION 12		
MEMBERS MAINTENANCE OBLIGATIONS		
12.1	Members Maintenance Duties	17
12.2	Plumbing Repairs	18
12.3	Electrical Repairs	18
12.4	Heating and Air Conditioning Repairs	18
12.5	Balconies and Patios	18
12.6	Awnings	18
12.7	Windows	18
12.8	Unit Front Doors	19
12.9	Garbage Disposals	19

12.10	Independent Contractors	19
12.11	Contractor Insurance	19
12.12	Liability for Damage	19
SECTION 13		
GENERAL RESTRICTIONS		
13.1	Noise and Nuisance	19
13.2	Bicycles, Skateboards, Roller skates/Blades	20
13.3	Clotheslines	20
13.4	Common Area Damage	20
13.5	Exterior Fires	20
13.6	Holiday Decoration	20
13.7	Keys	21
13.8	Patio Trees	21
13.9	Planting	21
13.10	Signs and Flags	21
13.11	Solicitation	21
13.12	Trash Collection	21
13.13	Window Coverings	22
SECTION 14		
INSURANCE		
14.1	Association Insurance Coverage	22
14.2	Member Insurance Coverage	22
14.3	Insurance Deductible	23
SECTION 15		
RENTING / LEASING		
15.1	Residential Use	23
15.2	Signage	23
15.3	Rental Agreement	23
15.4	Compliance with Rule & Regulations	23
15.5	Timesharing	23
15.6	Owners' Rights to Common Areas	23
15.7	HOA Required Lease Addendum	23
15.8	Fines/Suspension of Common Area privileges	24
SECTION 16		
SELLING A UNIT		
16.1	Notification of Listing	24
16.2	Realtors	24
16.3	Signs and Flags	24
16.4	Open Houses and Caravans	24
16.5	Disclosure to Buyer	24
SECTION 17		
RESIDENTIAL USE		
17.1	Use Restriction	24
17.2	Occupancy Restriction	24
SECTION 18		
ASSESSMENTS		
18.1	Assessment Due Date	25
18.2	Secondary Address	25
18.3	Delinquent Assessments	25
18.4	Liability for Collection	26
18.5	Application of Payment	26
18.6	Pre-Lien Letter	26
18.7	Alternative Dispute Resolution Process	26
18.8	Show Cause Hearing	27
18.9	Assessment Lien	27

18.10	Foreclosure	27
18.11	Money Judgment Option	28
18.12	Release of Lien	29
18.13	Payment Plans	29
18.14	Rejection of Payment Plans	29
18.15	Personal Obligation to Pay Assessment Charges	29
18.16	Courtesy Statements and Timely Payments	30
18.17	Right to Request Validation of Debt	30
18.18	Compliance with Civil Code Section 1365.1	30
SECTION 19		
ENFORCEMENT		
19.1	Remedies for Enforcement	32
19.2	Notice of Hearing	32
19.3	Opportunity to Be Heard	32
19.4	Rescheduled Hearing	32
19.5	Correction of Violation	32
19.6	Notice of Decision	32
19.7	Conflicts of Interest	33
19.8	Fine Schedule	33
19.9	Suspension of Privileges	33
19.10	Suspension of Voting Rights	33
19.11	Judicial Enforcement	33
19.12	Right to Stop Work	34
19.13	Association Right to Cure	34
19.14	Reimbursement Special Assessment	34
19.15	Cumulative Remedies	34
19.16	Failure to Pay Penalty	34
19.17	Internal Dispute Resolution	34
19.18	Alternative Dispute Resolution	35
19.19	Attorney's Fees	35
SECTION 20		
ARCHITECTURAL STANDARDS / IMPROVEMENTS BY MEMBER		
20.1	Architectural Variance Request	36
20.2	General Provisions	36
20.3	Common Walls	37
20.4	Floors	37
20.5	Plumbing Lines	38
20.6	Plumbing	38
20.7	Mechanical	38
20.8	Entry Doors	38
20.9	Windows	38
20.10	Balconies and Patios	38
20.11	Miscellaneous	39
20.12	Contractor Rules	39
20.13	Insurance and Safety	39
20.14	Pets, Children and Clothing	39
20.15	No Drugs or Alcohol	39
20.16	Demolition and Noise Rules	40
20.17	General Construction Rules	40
20.18	Enforcement Provision	40
	Annex A	41
	Casa De Oro Lease Addendum	42
	Casa De Oro Lease Architectural Variance Request	44
	Casa De Oro Contractor Obligations	47

SECTION 1 DEFINITIONS AND GENERAL INFORMATION

Capitalized terms not otherwise defined herein shall have the meanings attributed to them in the Governing Documents.

1.1 Architectural Review Committee (ARC). This is the committee which reviews plans and requests submitted by Owners who wish to make alterations to their individual unit or exclusive use common area. If no ARC is established, then the Board acts as the ARC.

1.2 Assessment. Regular, Special, Emergency or Reimbursement Assessment, as those terms are defined in the governing documents for the Association, made or assessed by the Association against an owner and his or her unit.

1.3 Association or Corporation. Casa Do Oro Owners Association. The Association is a California nonprofit mutual benefit corporation governed by a number of laws including, but not limited to, the Corporations Code, the Davis-Stirling Act (Civil Code §1350 - 1376), Health & Safety Codes, Internal Revenue Codes, Building Codes, FCC Rulings, and miscellaneous other statutes and ordinances.

1.4 Common Area. The Common Area is everything in the Development except Units. As more particularly described in Article I, Section 19 of the CC&Rs, some portions of the Common Area are designated as Exclusive Use Common Area, the use and enjoyment of which are restricted to the Owners and occupants of the residence to which such Exclusive Use Common Areas are appurtenant.

1.5 Condominium. A condominium means an estate in real property as described in California Civil Code section 783 and 1351(f) consisting of an undivided fractional interest as a tenant in common in all or any portion of the Common Area, coupled with a separate interest in a space called a Unit.

1.6 Development. This is the general term used to refer to the entire complex, including the Common Area and all the units that form the Association.

1.7 Exclusive Use Common Area. This term is defined more fully in Article I, Section 19, of the CC&Rs, and refers to any portion of the Common Areas designated for the exclusive use of one or more, but fewer than all, of the owners of the separate interests which is or will be appurtenant to the separate interests.

1.8 Governing Documents. In addition to various laws, the Association is governed by the following documents:

- a. Articles of Incorporation. This document states the purposes of the Association as a nonprofit, mutual-benefit corporation.
- b. Bylaws. The Bylaws provide various rules for Board meetings and membership meetings, election voting rights, etc.
- c. CC&Rs. The Declaration of Covenants, Conditions and Restrictions is recorded with the county and creates the restrictions which make the Association an association.
- d. Condominium Plan. The Condominium Plan is recorded by the developer of the Development and describes the physical layout of the property.
- e. Rules and Regulations. The various rules throughout this Handbook which implement and amplify the restrictions found in the CC&Rs.

- f. Architectural Standards. The policies, procedures and rules adopted by the Association regarding architectural matters, both for building and individual units, and improvements. This includes remodeling and redecorating individual units.

1.9 Board of Directors. The Board of Directors is the governing body of the Association. The Board consists of five (5) Members who are elected by the Owners (collectively, the “**Membership**”). The Board sets policy and conducts business at meetings at which a quorum (i.e., majority) of the Board is present in person or present via speaker phone, conference telephone, electronic video screen communication, or other forms of electronic transmission. Unless otherwise specified in the Governing Documents, the Board is required to act as a single unit; therefore, no Director has any individual authority.

1.10 Guests. Anyone who is in the Development who is not a Resident, including Owners who have rented or leased his or her home.

1.11 Management. The Board has hired a Professional Manager to implement the Association’s policies and to administer the day-to-day operations of the Association. Because of the Association’s corporate structure, the Manager does not work for individual Members. The Manager works for the corporation at the direction of the Board, typically through its President.

1.12 Member. Members are, by virtue of their ownership of a Unit in the community are automatically members of the Association. Membership provides certain rights and privileges but it also creates obligations which are found in the governing documents as well as governmental and state laws. After notice and a hearing, the Board may suspend any Owner’s membership privileges, including the right to vote and the right to use and enjoy the Common Area, where the Owner is in default in the payment of assessments or for any infraction of the governing documents.

1.13 Resident. The people who actually live in the Development are the Residents, regardless of whether they are Owners/Members.

1.14 Tenant. Residents of the Development who are renting or leasing a Condominium unit.

SECTION 2 THE ASSOCIATION

The Association is a California non-profit, mutual benefit corporation, a type of corporation that is easy to operate in a community setting, and which has certain tax advantages. The corporation also provides a variety of legal protections, which are important since Casa De Oro consists of several millions of dollars’ worth of assets. Instead of “shareholders” this type of corporation has “Members,” and the only way to become a Member is to own a home in the Development. The proper name of the Association is the “Casa De Oro Owners Association, Inc.”

The Association falls under the jurisdiction of the County of Riverside. All local ordinance and state and federal laws are applicable at all times in Casa De Oro. Any violation of law may be considered a violation of these Rules and Regulations.

2.1 What the Association May and May Not Do. The Association generally can do what is necessary to protect, preserve and enhance the Development. Aside from interpreting the Governing Documents and collecting assessments, it includes the activities normally associated with most businesses such as a developing a budget to pay for services such as landscaping, maintenance, management, legal advice,

accounting and tax preparation, etc. The rights and responsibilities of the Association and its Board of Directors are set forth more fully in the CC&Rs and Bylaws. Most of the activities of the Association are determined or overseen by the Board of Directors ("**Board**"); however, some decisions require a vote of the Owners. Once elected, the Board has wide authority to make decisions on behalf of all the Owners. Therefore, it is very important for all Owners to attend annual elections and VOTE! It is equally important for all Owners to provide input to the individual, volunteer Owners serving as Directors on the Board. The Association typically cannot become involved in issues that do not affect the Development in general. Unlike a landlord, for example, the Association usually has no authority to resolve disputes between individual Owners. Nor can it act in a representative capacity for individual Owners. If an Owner is creating noise that disturbs another Owner, those Owners must resolve the issue between them unless the noise is creating a nuisance in relationship to the Development as a whole, or violating the Governing Documents.

2.2 The Role of the Board of Directors. The Board of Directors consists of five (5) Directors who are elected by the Members. Directors are Owners that have volunteered to serve on the Board and otherwise meet the qualifications for election. Once elected to the Board of Directors, the Directors decide who will serve in the Officer positions as President, Vice President, Secretary, Treasurer and Director at large. Each of these positions has certain duties associated with it, but they are not strictly hierarchical. That is, unlike a typical business setting, the President does not direct the duties of the Vice President, for example. Instead, the positions simply identify the tasks that each person is responsible to carry out.

2.3 Committees. The Board of Directors has the ability to establish both temporary and permanent committees, and may specify the size of these committees and set the qualifications for the members, the method of selecting the members thereof, and conditions of removal of committee members. For example, the Board may establish a landscaping committee to help maintain the appearance of the Development. The Board may create committees which exercise the authority of the Board subject to the limitations outlined in Corporations Code Section 7212, but these committees may not consist of or include persons who are not directors. However, members who are not directors may be part of committees which do not exercise the authority of the Board.

As a general rule, committees make recommendations to the Board, but these recommendations are not binding on the Board and committee decisions may be overridden by the Board. Members may even suggest a committee be established, such as the newsletter committee. Committees are an excellent way for the Member who may not have time to devote to being a Director to participate in the Association, if they volunteer to serve and are appointed to a committee.

SECTION 3 MEMBERS' RIGHTS AND DUTIES

Members are, by virtue of their ownership of a Condominium in the Development, automatically members of the Association. Membership provides certain rights and privileges but it also creates obligations.

3.1 Duty to Follow Governing Documents. Members' primary obligation is to follow the Associations' Governing Documents which includes the Rules and Regulations contained in this Handbook. The Rules have been put into this Handbook so that everyone can easily refer to them if questions should arise.

3.2 Duty to Maintain Unit. Members must, at their own expense, maintain, service, and repair their individual Condominium (each, a "**Unit**"). Please see the section on "Maintenance" for further information.

3.3 Member Liability for Damage. Members are liable for any damage they cause to the Common Areas or the property of others caused by the acts, omissions or willful misconduct of such Members or their family, pets, tenants, or guests. Members are also liable for expenses incurred by the Association mitigating damages to the Common Areas and other Units caused by (i) flood, fire, insect or rodent infestation, altered drainage patterns, etc. originating from their Units, or (ii) the negligence or willful misconduct of themselves or their family, friends, pets, tenants or guests.

3.4 Voting Rights. In all matters submitted for a vote of the Members of the Association, any Member in good standing is entitled to vote and is encouraged to do so. In instances of multiple ownership of a Unit, only one vote per Unit is permitted. The Board may suspend a Member's voting rights for failure to comply with the Bylaws, the CC&Rs, the Architectural Standards, and these Rules and Regulations.

3.5 Right to Attend Board Meetings. Members may attend non-executive session meetings of the Board to observe the conduct of the Board's business.

3.6 Limited Right to Inspect Records. Subject to limitations, Members of the Association have the right to inspect the books, records and minutes of the Association. However, not all records are subject to inspection.

3.7 Right to Communicate with Members. Members have the right to inspect and copy the Association's membership list, subject to certain limitations under applicable law.

SECTION 4 MEETINGS

Owners may confirm the exact times and dates of all meetings by contacting the Professional Manager (See Annex A attached).

4.1 The Annual Meeting of Members. Once a year, the Association conducts an annual meeting and election of Members. Notice of the date, time and location of "Annual Meeting" is mailed to all Members prior to the meeting, along with a secret ballot and instructions for voting. The primary purpose of the annual meeting is to elect Directors. However, it is also an excellent opportunity to meet with your neighbors and discuss ideas. It is important to note that the Association is required by law to have a quorum of Members present at the annual meeting. Being "present" means that Members are either physically present at the meeting, which is preferable, or that Members are represented as being present at the meeting by receipt of their secret ballot. If less than a quorum of members is in attendance, then the meeting must be re-scheduled, at a cost to the Association, and thus to the Owners.

4.2 Board of Director Meetings. At each meeting of the Board of Directors, the Directors discuss new and ongoing business, as well as, regularly scheduled administrative matters. Important matters that occur in the Development between meetings are generally discussed at each Board meeting. If you attend Board meetings, you will be better informed about issues confronting the Development. Executive sessions are provided for by statute so that boards can address issues which involve privileged information or matters of a private nature. As a result, Owners do not have a right to attend executive sessions of the Board. Boards may go into executive session on the following matters: legal issues, formation of contracts, delinquencies, disciplinary hearings and personnel issues.

The frequency of regular meetings is set by the Board subject to the requirements set forth in the Governing Documents. Boards must meet at least quarterly even if their bylaws require only annual

meetings. The reason for quarterly meetings is to satisfy the Board's financial review requirements set forth in the Davis-Sterling Act. Notice of date and time and location of meeting will be posted at least 4 days prior on the notice board located on the exterior of the club house. The meetings are set in accordance with the volunteer Board members' schedules, not individual Member's schedules.

4.3 Members Right to Attend. Members have a right to observe the conduct of the Board's business. Members have a right to speak at meetings during the "open forum" portion of an open meeting and only for a reasonable time period established by the Board. The right to address the Board does not give Members the right to make slanderous, threatening or offensive statements. If a Member engages in personal attacks or vulgarities, he or she will lose their right to complete their remarks. If a Member becomes disruptive during a meeting, he or she will be asked to leave the meeting. If the person refuses to leave, the meeting will be adjourned and reconvened at another place (if available), penalties may be imposed against the Member after appropriate due process. In addition, the police may be called to escort the person out of the meeting.

4.4 Non-Members. Renters, spouses not on title, and other non-members do not have a right to attend Board meetings or to address the Board. Under the Open Meeting Act, such rights are reserved to Members only. However, the Board may allow tenants and non-member spouses to attend Board meetings and to address the Board during open forum in its sole and absolute discretion.

4.5 Recording Meetings. So as to avoid legal liability issues and to promote free and open discussions at meetings, no tape recording is allowed. The Secretary of the Board may tape Board resolutions to assist in the preparation of the minutes but the tape is then erased once the minutes have been prepared.

SECTION 5 COMMUNICATION

Most disputes in homeowners associations result from a lack of communication. Casa De Oro wants to avoid this problem. Here are some suggestions:

5.1 Voluntary Cooperation. Homeowners associations function largely on the idea that Residents will voluntarily cooperate with the community guidelines, which have been established in a democratic manner. You, your guests and tenants must comply with the Association's governing documents, or you may be disciplined for failure to comply. No community can be maintained without a clear set of behavioral guidelines such as those set forth in the Rules and Regulations and other governing documents. The Association relies heavily on all its Members to help enforce the governing documents.

5.2 Owner Initiative. It is extremely important for every Member to take the initiative to find out what is going on in the Development, and to provide comments to the Board. Except in rare instances when a vote of the Membership is necessary, the Association is not required to notify Members about all of the decisions made by the Board, and cannot afford the time and expense to do so. Therefore, please take the time to find out what is happening so you can participate and avoid being surprised! It is YOUR obligation to take the initiative to become informed. The volunteers serving on the Board are not required to "make you" informed.

5.3 Information Provided to Owners. All associations in California such as Casa De Oro are required to provide a variety of disclosure information to Members annually. This information will include but is not limited to a budget and financial statement, the amount of monthly assessments, the amount of any special

assessments, a statement of the assessment collection policy, the name and address of the Professional Manager and the names of the individual Directors, etc.

SECTION 6 SAFETY AND SECURITY

As much as we would like it to be, the Association can never be free of crime. For example, it is possible for someone to enter under false pretenses to commit crimes, for Residents to commit crimes against their neighbors, guests to commit crimes and vendors and service persons to commit crimes. As a result, the Association is not and can never be free of crime, and the Association cannot guarantee your safety or security. Casa De Oro is not a gated community, therefore:

6.1 Personal Responsibility. Residents should NOT rely on the Association to protect them from loss or harm. They should provide for their own security by taking common sense precautions such as carrying insurance against loss, keeping doors locked, refusing to open their doors to strangers, installing a peep hole in their front door, asking workmen for identification, installing a security system, reporting anyone who looks or acts suspicious, locking their cars, keeping packages out of sight in their cars, etc.

6.2 Gates and Doors. Gates and doors must not be propped open! Anyone who notices open gates or doors should close them then notify the Professional Manager immediately. Any person found propping open doors or gates will be subject to disciplinary action.

6.3 Reporting Crimes and Suspicious Activity. If you witness a crime or are the victim of a crime while on the Development, you should file a police report and notify the Professional Manager. If you see suspicious activity on the development, report your suspicions to the Professional Manager. Information regarding the Meghan's Law database can be accessed at www.stopitnow.org.

SECTION 7 FIRE PREVENTION

Fires represent an enormous threat to life and property to those residing in the community. Even though the Association has insurance for the Common Areas, everyone's goal should be fire prevention. We ask that you help keep the Association safe by observing the following rules.

7.1 Reporting Fire Hazards. If you see any fire hazards in the Development, please notify the Professional Manager immediately. If you see a fire, immediately call 911.

7.2 Fire Extinguishers. Everyone should purchase fire extinguishers for their own Units. In addition, please report immediately any tampering with the Association's fire extinguishers and fire hoses.

7.3 Fire Exit Signs. If you notice "Fire Exit" signs which are not working or someone tampering with exit signs please notify the Professional Manager immediately.

7.4 Open Flames. Torches, candles, flame barbecues, flame fire pits and any open flames in any part of the Common Areas are prohibited. Flame pit barbecues and flame pit fires are prohibited on decks and in back yards.

7.5 Fireworks. The storage and/or use of fireworks or any kind of explosive is prohibited.

7.6 Flammable Materials. Except for Association operations under no circumstances may explosives, fireworks, or highly flammable or highly corrosive materials be stored in any part of the Common Areas, Exclusive-Use Common Areas, Exclusive Use Parking Garages or Units.

SECTION 8 VEHICLES AND PARKING

Unless the Rules and Regulations are more restrictive, in which case the Rules and Regulations will govern, the provisions of the California Vehicle Code are applicable at all times in the Association. Violation of any Vehicle Code section may be considered a violation of these Rules.

8.1 Parking. Parking is an important issue in virtually all community associations. Owners are strongly encouraged to park their car in their garage.

8.2 Garages. Garages shall be used for the parking of vehicles only and shall not be used for storage or converted for living or recreational activities. Garage doors are to remain closed at all times except for a reasonable time when entering and exiting. Each authorized vehicle that is owned or operated within the Development must be parked in the garage belonging to that Owner, to the maximum extent of the space available for parking. Garages may not be used, changed, converted, altered in any manner or used for storage in a way which prevents parking the Resident's vehicle(s). Each garage is intended for parking motorized vehicles designed and used for non-commercial passenger transportation such as automobiles, passenger vans, two-wheel motorcycles, and pick-up trucks with a payload rating of one (1) ton or less.

8.3 Guest Parking. Parking for Guests and other non-Residents will be on a space available basis.

8.4 Pedestrians. Pedestrians always have the right of way. Please yield to pedestrians, children at play, etc.

8.5 Speed Limit. The maximum speed limit in the Development is 10 MPH. Avoid a tragedy! Please do not exceed the maximum speed limit at any time.

8.6 Nuisance. The careless or reckless operation of any vehicle in the Development is a nuisance. Vehicles that are unusually loud must be operated at low RPM's.

8.7 Repair of Vehicles. No automobile or other vehicle may be dismantled, repaired or serviced in the Development, except within an enclosed garage and provided that the repair work is not undertaken as a business and is not creating a nuisance to others. Owners may perform emergency repairs outside the garage area only as may be necessary to move the vehicle.

8.8 Washing Vehicles. Vehicles may only be washed in the designated car wash area in the South parking lot.

8.9 Obstruction of Property. No vehicle may be parked in a manner that blocks the approach to any home, or that blocks garages or obstructs any part of the sidewalk.

8.10 Commercial Vehicles. Commercial vehicles are generally prohibited in Casa De Oro. Exceptions are made for commercial vehicles while they are conducting business in the Development, and for Owners who drive "company" cars, in most cases. If you drive a "company" truck or other large vehicle, however,

please contact the Professional Manager to make arrangements to accommodate your vehicle. No motor homes, travel trailers, camper vans, boats, buses or vans, commercial-type vehicles, aircraft, any vehicle defined or described in the applicable provisions of the CC&Rs, or any vehicle or vehicular equipment deemed a nuisance by the Association shall be parked, stored or kept within the Development, unless specifically authorized by the Board of Directors. Dirt bikes or similar unlicensed vehicles may not be operated anywhere in the Development.

8.11 Towing. Any vehicle parked in the same spot for more than 72 consecutive hours shall be subject to towing in accordance with the Association's towing policy. If YOU will be leaving your car in guest parking for more than 72 consecutive hours, it is YOUR responsibility to notify the Professional Manager. Provided that (a) YOUR garage is already being used for vehicle parking to the maximum extent it was designed for, and (b) you have no more than 1 additional vehicle in a guest parking space, the Professional Manager may, in such manager's sole and absolute discretion, issue an extended pass of no more than 2 weeks in duration (a "**Parking Pass**"). If the Parking Pass is clearly displayed in the vehicle's windshield, the Association will use commercially reasonable efforts to ensure that the Association does not have the vehicle towed until the expiration of the Parking Pass. In no event shall any Resident be permitted to park more than 2 vehicles in the Development at any given time.

The Association has made every effort to balance the needs of all Owners in adopting the parking policy, which means that everyone may be inconvenienced from time to time. This policy has been designed to minimize inconvenience, however, by using available parking efficiently. Residents who park in guest parking during prohibited hours or in any other unauthorized parking space may be towed at vehicle owner's sole expense. As always, there is no parking in the "Fire Lanes" and violators will be towed without warning.

If a vehicle is parked in violation of these Rules and Regulations, the Association may have that vehicle towed from the Development. A vehicle may be towed if any one of the following circumstances exists:

- a. The vehicle is parked within fifteen (15) feet of a fire hydrant.
- b. The vehicle is parked in a way that interferes with any entrance to, or exit from the Development, any parking space occupied by another vehicle, any separate interest, or which impedes the normal flow of traffic.
- c. The vehicle has been issued a notice of parking violation, and at least twenty-four (24) hours have elapsed since the notice was issued.
- d. The vehicle lacks an engine, transmission, wheels, tires, doors, windshield, or any other major part or equipment necessary to operate safely, and, 24 hours has elapsed since the City Police or Sheriff has been notified.
- e. The vehicle is parked in a marked fire lane.
- f. The vehicle is parked in violation of the CC&Rs, the Rules or this policy, or in a manner which the Board has determined to be a nuisance.

SECTION 9 RECREATIONAL FACILITIES

The recreational facilities in the Development ("**Recreational Facilities**") are for the exclusive use and enjoyment of the Casa De Oro Association's Residents. The following Rules are intended to make the Recreational Facilities safe and enjoyable. Use of the Recreational Facilities is at the Residents' own risk and Residents assume full responsibility for their own safety as well as the safety of their guests. Guests and non-Resident Owners must be accompanied by a Resident at all times when using the Recreational

Facilities. Any person violating these Rules will be asked to leave the area immediately and will be subject to fines and sanctions.

If an Owner has moved away from the Development and has leased or rented his or her home, the Tenant, not the Owner, has the right to use the Common Area Recreational Facilities. Owners transfer all rights to use of the Common Area when their homes are occupied by Tenants. Non-Resident Owners must be accompanied by a Resident at all times when using the Common Area. Please observe the following guidelines whenever you are using the Common Area, and above all please be thoughtful and considerate of others who are also using the Common Area.

9.1 Pool and Spa Rules.

- a. Pool / Spa Hours. 7:00 a.m. to 11:00 p.m. daily or as posted. Quiet Hours are between 7:00 am. and 9:00 a.m. and again between 8:00 p.m. and 11:00 p.m. During Quiet Hours, out of respect for other Residents, noise in and around the pool / spa should be kept below an audible level.
- b. The Association does not provide any kind of lifeguard or supervisory service. Anyone using the Recreational Facilities does so at their own risk.
- c. To the extent provided by the Association or emergency response personnel, life rings, lines and other rescue equipment are to be used for rescue purposes only.
- d. Must not occupy the pool/spa or adjoining areas to the effect it excludes others.
- e. Proper swimming attire must be worn in the pool/spa.
- f. Because of the danger it presents to the equipment and other Residents, Owners and guests, hair pins, clips and other small items are prohibited in the pools/spa area.
- g. It is the responsibility of each Resident to ensure that children under the age of 14 are under the direct supervision of a responsible adult (18 years of age or older) at all times while in the pool/spa areas. Children under 14 are prohibited from using the hot tub unless they have a written exception from a physician that has been approved by the Professional Manager.
- h. Diapers are not permitted in the pool.
- i. Persons with serious cuts and/or wounds or any contagious disease are not permitted in the pool/spa.
- j. Adjustment of pool/spa settings is prohibited, other than automatic shut-off timers for the spas.
- k. Pools/spa maintenance crews have the authority to request that the pools/spa be temporarily vacated for cleaning.
- l. Adding any substance to the pools/spa, such as bubble bath, soap, etc. is prohibited.
- m. Food is prohibited unless written permission is obtained from the property manager.
- n. Glass containers and other sharp and/or breakable objects are not permitted in the pool/Spa areas at any time!
- o. Trash must be deposited in the waste container(s) provided.
- p. The Association takes no responsibility for items brought in to or left at the pool/spa area.
- q. Pets are not permitted by order of the Health & Safety Department in the pool/spa area.
- r. Skateboards, Bicycles, roller skates etc., are not permitted.
- s. Radio volumes and voices must be kept at a level as not to disturb other users.
- t. Rafts, balls etc. are allowed in the pool only if it is not crowded.
- u. Throwing non-floating items, such as rocks, marbles, coins, etc. into the pools/spa is prohibited.
- v. Removal of pool furniture from the pool area is strictly prohibited.
- w. The swimming pool which is located adjacent to units 227, 225, 223 and 221 at W. Via Escuela & N. Mira Vista Way is intended only for the exclusive use of the Owners of those homes. If you do

not own one of these Units which are adjacent to this pool, you are not permitted at any time to use this pool.

- x. Pool rules and regulations apply to all pools/spa areas.

9.2 Tennis Courts Rules.

- a. Tennis courts are for the use of Members, Residents and their guests (when accompanied by a Resident).
- b. Hours are 7:00 a.m. to 11:00 p.m. daily or as posted.
- c. Guests must be accompanied by a Resident at all times when using the Common Area Recreational Facilities.
- d. Owners or Residents are limited to no more than three (3) additional players on the court at one time, unless no one else is waiting.
- e. No street shoes are allowed on the tennis courts. Only tennis shoes may be worn.
- f. Tennis attire preferred.
- g. 1 hour time limit for singles; 1 1/2 hour limit for doubles if others are waiting. 1/2 hour time limit for practice when another Member is waiting. If Members are waiting, and your time limit has expired, please finish your set and relinquish the court.
- h. Early morning players use the north court if available.
- i. Gates shall be closed at all times.
- j. All tennis court rules, regulations and courtesies shall be observed.
- k. Tennis courts are to be used for tennis only. No bicycles, skates, skateboards, rollerblades, scooters, hockey or other activities permitted.
- l. No pets are allowed on courts.
- m. No private instructions and classes are allowed without written permission from the Professional Manager.
- n. Non-players must stay out of the court area at all times, unless they are with the persons who are playing.
- o. Sitting, pushing or pulling on tennis nets is prohibited.
- p. Climbing on, hitting or kicking balls into, or running into fences is prohibited.
- q. All courts are available on a first-come, first-served basis.
- r. Constant adult supervision is required for children under the age of 12 years of age on the courts.
- s. No food is allowed inside the courts. Players are requested to use care not to spill beverages on the courts. No alcoholic beverages, glass bottles or breakable containers will be allowed inside the tennis facility. Refuse containers are furnished and players are expected to remove and place their trash in them. Littering is prohibited

9.3 Clubhouse Rules.

- a. Available for rental to Owners only. Payment for rental will be accepted only from Owners in good standing with the Association.
- b. Rental Residents may use the Clubhouse, but must have the written consent of the Board and Professional Manager, accepting responsibility for damages and/or cleaning.
- c. Private use of the clubhouse must have prior written approval from the Professional Manager.
- d. The non-refundable fee for use of the clubhouse for a 5 hour period is \$100.00 and is payable in advance of the event.
- e. There is a mandatory refundable security deposit required of \$50.00. Your deposit will be returned provided that the Clubhouse is returned back to its original condition.
- f. Usage may include social events and parties only. Commercial gatherings are prohibited.

- g. Clubhouse hours shall be 8:00 A.M. to 10:00 P.M. on weekdays and 8:00 A.M. to 12:30 A.M. on weekends. Any variance in time must have written approval of the Board.
- h. A maximum of 50 persons may be in attendance at any one event.
- i. The use of the pool area in conjunction with the Clubhouse must receive prior approval from the Professional Manager, however it will not be exclusive use, only the room will be exclusive for the private event. All pool rules apply if use of pool area approved. Persons must dry off before entering the Clubhouse.
- j. The responsible Owner or Resident must remain in attendance at the event and will be held responsible for damage to facilities and behavior of guests. In the event damage occurs, but is denied by the Owner or Resident, the decision of the Board in its sole and absolute discretion will prevail.
- k. Premises must be cleaned thoroughly and trash removed.
- l. All electrical appliances and lighting should be turned off prior to leaving.
- m. All doors, including restroom doors, must be locked prior to leaving.

9.4 Sauna Rules.

- a. Sauna and Locker Room Hours. 7:00 a.m. to 11:00 p.m. daily or as posted
- b. All guests must be accompanied by the Resident that the guest is visiting at all times. Due to limited space, Residents are limited to one (1) guest unless prior arrangements have been authorized by the Professional Manager.
- c. Children. For health and safety reasons, children under the age of six (6) are not permitted in the saunas. Children between the ages of six (6) and eighteen (18) must be accompanied by an adult at all times.
- d. Water in plastic containers is allowed in the sauna but only for consumption by the user. The sauna is a dry sauna. Pouring water on the heater is prohibited because it will damage the equipment.
- e. Proper Attire. Appropriate swimwear must be worn at all times.
- f. No Cell Phones. No cell phones are allowed in the Sauna and Locker Room area.
- g. No Smoking. No smoking is allowed in the Sauna and Locker Room area.
- h. No Food. No food is allowed in the Sauna and Locker Room area.
- i. No Alcohol. No alcohol is allowed in the Sauna.
- j. No Pets. No pets are allowed except trained service dogs.

SECTION 10 PETS AND ANIMALS

For most people, their pets are part of their family. This policy is a reflection of the importance of pets, while balancing the concerns of the Association and all of the Owners. Residents who are disturbed by any animal are urged to first contact the Owner to resolve the matter. The Association reserves the right to expel or control any pet which becomes a nuisance, and to require pet insurance as a condition to permitting any pet within the Development. In addition to the provisions in the CC&Rs, the following guidelines apply to all pets:

10.1 Disruptive Pets. Any animal that creates disruptive noise, such as dogs barking during late night and early morning hours or continually during daytime hours, must be removed from the Association. Note: Special collars are available to prevent excessive barking. These collars are available through most veterinarians.

10.2 Type of Pet. Only typical and ordinary domestic pets, including dogs, cats, fish, and birds inside cages may be kept as household pets, provided that they are not kept, bred, or raised for commercial purposes. No exotic pets are permitted in the Development.

10.3 Number of Pets. The Association's Declaration of Covenants, Conditions & Restrictions, Article V1, Section 2.A restrict the number to two (2) usual and ordinary pets (exclusive of tropical fish and caged birds) may be kept in any unit.

10.4 Licensing & Tag Requirements. All dogs must have a current license and name tag attached to their collar at all times when in the Common Area. Loose, unattended animals without a license or name tag may be reported to the county for pickup.

10.5 Pet Waste. All pet waste and droppings must be removed immediately and disposed of correctly. Please respect your neighbors and do not allow animals to urinate on Common Areas.

10.6 Tethering. Pets may not be tied to trees, stakes, or any exterior building structure, or left unattended at any time.

10.7 Leash. Animals must be kept within an enclosure or on a leash held by a person capable of controlling the animal at all times in the Common Areas. No structure for housing or confinement of an animal may be erected, placed, or permitted to remain on any property, except as approved by the Board in advance.

10.8 Injury/Damage by Animal. Any damage caused by an animal must be repaired and/or replaced at the expense of the animal owner or the Owner may be liable for all damages caused by Guest and Tenant pets or other animals. Owners are responsible and liable for any injury or damage caused by their pets. If the pet owner is a Tenant, the Owner of the home may be held liable for injury and damage.

10.9 Cats. To reduce the threat that domestic cats pose to native birds and reptile populations, cat owners are requested to put a collar with a bell on cats that are permitted outdoors.

10.10 Facilities. Pets are not permitted in the Pool, Spa, Tennis Courts or Clubhouse areas.

10.11 Stray Animals. Do not encourage stray animals to remain on the property or cause constant return by feeding them.

SECTION 11 SATELLITE DISHES AND ANTENNAS

Except for satellite dishes, no antennas or towers of any kind are allowed on the exterior of your Unit. Satellite dishes larger than one meter in diameter are prohibited. Dishes one meter or smaller are permitted if they are placed in the least intrusive location as determined by the Association. *Note: FCC rules also apply to antennas.*

11.1 No Roof Installations. Roof installations are strictly prohibited.

11.2 Installations. Satellite dishes may be installed within the confines of the Exclusive Use Common Area of the Unit which will be using the dish, but not on balcony railings, columns, ledges or fences. Dishes may be placed on a tripod within the confines of your Exclusive Use Common Area (patio or deck) in the

locations previously approved in writing by the Board and/or Professional Manager. Attaching dishes to the Common Area is strictly prohibited, unless the Board or ARC has given approval after receipt and review of a variance application request.

11.3 Cables. Cables may penetrate a wall but only to the extent necessary to expose the least amount of cable required to connect to the dish. All cabling must be securely fastened to the wall in horizontal or vertical runs to match the lines of the building. Any exposed cabling, mounting hardware and the dish itself must be painted to blend with the building's exterior paint color.

11.4 Waterproofing. All exterior penetrations and all fasteners must be properly waterproofed to prevent water penetration into the Common Areas. Installations must not be seen from adjoining Owners' Units.

11.5 Damage. Members must repair any damage to the Common Areas or other Units caused by the installation of a satellite dish or any of its components. In addition to any other rights the Association may have against Members, if a Member fails or refuses to make repairs, the Association may repair the damage and specially assess the Member for all costs including any administrative and legal expenses.

11.6 Interference. Installation may not cause unreasonable broadcast interference with television or radio reception at a neighboring Unit.

11.7 Maintenance and Repair. Members must, at their sole expense, maintain and keep in good repair all components of their satellite dish and cabling. Failure to do so will result in fines and penalties against the Member as well as special assessments for all expenses incurred by the Association including any administrative and legal expenses.

11.8 Inspection by Association. The Association may perform an inspection to ensure compliance. Failure to comply with the above will subject the Member to fines and potential legal action.

11.9 Removal of Dish and Cables. In the event the dish and cables are removed, the Common Areas must be repaired, waterproofed and returned to their original, or better, condition at the Member's sole expense.

SECTION 12 MEMBERS' MAINTENANCE OBLIGATIONS

As in the maintenance of a home, the maintenance inside your Unit or exclusively servicing your Unit is your responsibility. You own, and are responsible to maintain everything in your Unit including, without limitation, the following:

12.1 Member Maintenance Duties.

- a. Interior Walls & Partitions. The walls and partitions which are contained inside Members' Units excluding the perimeter walls and any internal load-bearing walls.
- b. Walls, Ceilings & Floor Coverings. The interior surfaces of the perimeter walls, floors and ceilings including, without limitation, plaster, paint, wallpaper, paneling, fabrics, mirrors, carpets, rugs, linoleum, hardwoods, marble, granite, tile, window coverings, or any other materials used to decorate the interior surfaces of your Unit.
- c. Cabinets. All cabinets and counter tops.

- d. Appliances. All appliances including refrigerators, stoves, ovens, dishwashers, garbage disposals, microwaves, washers and dryers, and the like.
- e. Heating and Air Conditioning. All mechanical equipment, heating and air conditioning equipment, heat exchangers, drip pans, valves, thermostats, compressors, control equipment and any other mechanical equipment exclusively servicing your Unit. Members are responsible for any damage to other Units or the Common Areas caused by their air conditioning units.
- f. Security Equipment & Telephones. All locks, house phones, and security systems are responsibility of each owner.
- g. Utilities and Phones. All utilities exclusively servicing your Unit including (i) all telephones, telephone lines, electrical wiring, light fixtures, electrical outlets, circuit breakers, and switches; (ii) all plumbing equipment including plumbing fixtures, toilets, faucets, bathtubs, tub and shower valves, shower pans, drain lines, angle stops, garbage disposals, etc.; and (iii) all gas lines. This includes lines located in the Common Areas once they leave meters and/or switching equipment.
- h. Windows /Doors. Members must keep clean and in good repair (i) the interior and exterior of their windows/doors together with weather stripping, window frames, latches, screens, and related hardware
- i. Cable Television. Cable and/or satellite television lines, if any, exclusively servicing your Unit.
- j. Misc. Improvements. Any other improvements to your Unit.
- k. Storage Units. The storage locker in the garage.

12.2 Plumbing Repairs. Any time you have a leak or flood in your Unit, turn the water off to prevent any further damage. Any plumbing repairs which require turning off water to all 4 Units in your building, other than an emergency, require at least 24 hours notice to the other Units that will be affected. Plumbers must be licensed and insured and bonded. Please tell your plumber that NO PVC is allowed. All repairs must be with copper.

12.3 Electrical Repairs. The electrical wiring in the walls of your Unit is for your exclusive use and is your responsibility to maintain. This includes switches, outlets, light fixtures, breakers, breaker panels, etc.

12.4 Heating and Air Conditioning Repairs. Owners are responsible for maintaining and repairing their own air conditioners. It is recommended that filters be changed approximately every three (3) months. Your system should be checked annually and the condensation drain lines cleaned otherwise the line may clog and cause water overflows. A/C units are not permitted to be installed anywhere in the Common Area or on any roof.

12.5 Balconies and Patios.

- a. Furniture. Residents may install patio furniture in the confines of their balconies and patio areas only.
- b. Drains. Residents must NOT wash or sweep leaves, cat litter, dog droppings, etc. down the balcony drains. Residents must be careful NOT to puncture the waterproofing material on the balcony floor.
- c. Sliding Glass Doors. Owners are responsible for waterproofing under their sliding glass doors.
- d. Screen Doors. Privacy screen doors are permitted with prior approval from the Board.

12.6 Awnings. Awnings are only permitted if approved by the Board of Directors.

12.7 Windows. Owners are required at their sole expense to maintain service and repair their windows. This includes interior and exterior maintenance, all waterproofing, and all cleaning. However, because of

the difficulty of reaching the exterior of certain windows, a licensed, bonded and insured company must do the work.

12.8 Unit Front Doors. The Association will replace the front door (not hardware) to a Unit when necessary and only after an inspection has been performed. If the door has to be replaced due to damage from the Unit owner or Residents or their guests, the cost to replace the door will be the Owner's sole responsibility.

12.9 Garbage Disposals. To avoid backed-up sinks, take special care in using your garbage disposal: only use cold water with your disposal; turn water and disposal on first; then feed only non-fibrous material into it slowly; be careful with potato peels, onions, and other "skins;" and never put bones or grease in your disposal.

12.10 Independent Contractors. Following the written approval of the Board or ARC if applicable, Members may use independent contractors to perform work in their Units. Members engaging independent contractors must ensure that the contractor is licensed, insured and bonded. Members are responsible for any damage caused to the Common Area by their vendors and contractors. You must notify the Professional Manager prior to any work being done in the unit by an independent contractor.

12.11 Contractor Insurance. The Association requires that all contractors and sub-contractors, such as plumbers and electricians whom you may hire to work in your Unit, must be licensed, insured and bonded.

12.12 Liability for Water Damage. Water damage in a Unit does not automatically make the Association liable for the damage. Although there may be exceptions to the rule, the following guide should be followed.

- a. From Inside Unit. Members are normally responsible to the Association and their neighbors for any damage caused by water originating from their Unit or from any component of their separate interest therein. This includes shower leaks, overflowing sinks and bathtubs, broken or leaking angle-stops, risers, and water valves, and broken or leaking drain lines, washing machines, toilet wax rings and air conditioners, etc. In such cases, claims are made against the Member's insurance.
- b. Acts of God. If the water damage is from the Common Area (a burst water line) or from outside of the building (storm damage) and no one caused the damage through any act or omission which was negligent, then the damage is categorized as an "act of God" and each party turns their claim into their own insurance carrier.
- c. Association Caused. If the Association caused the leak through its negligence or failure to properly maintain the Common Area, then it may be liable for the damage and will either repair the damage or turn the claim into the Association's insurance carrier.
- d. Mitigation of Damage. Members will be liable for all expenses incurred by the Association mitigating damages to the Common Area and other Units caused by water damage, fire, insect or rodent infestation, etc. originating from a Member's Unit.

SECTION 13 GENERAL RESTRICTIONS

13.1 Noise and Nuisances. Noise and other nuisances such as cooking fumes or smoke, occur in every community. Residents are encouraged to be tolerant of occasional noise and other minor disruptions, and to be sensitive to the fact that everyone in the Development lives in relatively close proximity to their neighbors. Nevertheless, noise and other nuisances must be kept to an absolute minimum.

The Association has only limited authority to respond to noise and other nuisances. While the Association will notify Owners when a complaint is received, the Association cannot intervene unless a Resident's conduct is a direct violation of the CC&Rs or of these Rules and Regulations. In instances involving just two neighbors such as loud music heard through a wall, the Association has little authority. The Association cannot act as a landlord would act.

Above all, please make every effort to avoid disrupting your neighbors' quiet use and enjoyment of their homes. Following a few simple guidelines will greatly enhance the living environment at Casa De Oro for all:

- a. Notify your neighbors before you have a party, barbecue, or gathering that may involve music or loud talking/voices.
- b. Observe "quiet hours" between 10:00 p.m. and 8:00 a.m. Sunday through Thursday, and between 11:00 p.m. and 9:00 a.m. Friday and Saturday.
- c. Explain to your children (if any) that when they are playing, they must be careful not to disturb other Residents.
- d. Be respectful and courteous of your neighbors' reasonable requests regarding noise and nuisances.
- e. Do not cause any significant odors to emanate from any part of the Development.
- f. Do not use or attach to your home any horns, sirens, bells, whistles, bright lights, wind chimes, or other devices that may disturb your neighbors (except security devices approved by the Board).

13.2 Bicycles, Skateboards, Roller Skates/Blades, etc. Bicycles, skateboards, roller skates, roller blades, pogo-sticks, motorbikes, cars, trucks and/or any wheeled vehicle or toy are not permitted on sidewalks or landscaping.

13.3 Clotheslines. No clothing, rugs or other articles may be hung, dried or aired in any portion of the Development, including the interior of any home if visible from other homes, or the Common Area. In addition, please do not shake rugs, towels, etc. from balconies, patios or windows.

13.4 Common Area Damage. Owners are responsible for any damage to the Common Area caused by themselves, members of their families, their Guests, Tenants, pets, etc.

13.5 Exterior Fires. Exterior fires are strictly prohibited, except barbecue fires contained within receptacles specifically designed to contain the fire. Fire pits or any other type of receptacle for a fire must be approved in advance in writing by the Board of Directors.

13.6 Holiday Decorations. The following holiday decorations policy has been created in order to maintain the high value of all the homes in the Development, and to insure the safety of all the Units and Owners. Please help keep the Association safe and beautiful by following these guidelines.

- a. Acceptable time-frame. Winter holiday decoration is from the day after Thanksgiving until January 10th. All other decorations must be displayed no more than 15 days prior to the day of the holiday, and must be removed within 7 days after the holiday.
- b. Structure Penetrations. No part of any structure (stucco, wood, metal, drywall, etc.) may be penetrated, punctured or damaged in any way – including by the use of hooks or nails. There are a variety of alternatives to install holiday decorations. For example, front door wreaths can be hung from the top with an inexpensive hanger over the top of the door. Please use alternatives such as this, which will not damage or alter the buildings in any way.
- c. Holiday Lighting. All holiday lighting must have a "UL" or comparable rating. Outdoor lights must be designed for outdoor use.

- d. Attaching Decorations. Lights and other decorations may be displayed around window areas and must be installed with tape or plastic clips that will not damage the mounting surface.
- e. Common Area. Please do not place holiday decorations on plants in the Common Area.
- f. Disturbance. Please make every effort to insure that holiday lights do not disturb other Residents.
- g. Common Area Damage. Please make every effort to avoid damage to the Common Area, including holes (however small) tape marks, abrasions, paint removal, etc.

13.7 Keys.

- a. Mailbox. The Association does not keep extra mailbox keys on file. You must obtain keys from the prior Owner or current Owner if leasing unit. If you lose your key, you may contact the Post Office for a new installation of a new lock and key for a fee.
- b. Common Area. Residents must obtain "Common Area keys" from their prior Owner or landlord/current Owner, if leasing unit. Replacement keys may be purchased from the Professional Manager for a fee. Reproducing keys is strictly prohibited and violators will be subject to disciplinary action.
- c. Unit. Keys to units are not provided by the Association. Residents may supply the Professional Manager with keys to their Units for emergency use only, and these keys are kept in a locked key cabinet/safe at the Professional Manager's office location.

13.8 Patio Trees. Members are required to maintain and trim all trees located within their Exclusive Use Common Area patios. Palm trees must be trimmed to remove palm fronds from falling and damaging roofs, neighbors property etc. Trees should be maintained at a height so as to not obstruct the views of neighboring Units.

13.9 Planting. No planting or gardening shall be done or fences, hedges, walls or structures shall be erected in the Common Area.

13.10 Signs & Flags.

- a. Flags. Owners may display a United States flag made of fabric, cloth, or paper, from a staff or pole or in a window.
- b. For Sale/Rent/Lease signs. Owners may display one ordinary "For Sale/Rent/Lease" sign advertising the property, so long as the sign is not displayed in the Common Area. The sign must be displayed from inside of the home (such as inside of a window), or in a yard that is not part of the Common Area.
- c. Noncommercial signage. Noncommercial signs, posters, flags, and banners are permitted on or in an Owner's separate interest, unless protection of public health or safety is threatened or if the posting or display would violate a local, state, or federal law. However, said signs cannot be made of lights, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component, or include the painting of architectural surfaces. The Association also reserves the right to prohibit noncommercial signs and posters that are more than 9 square feet in size and noncommercial flags or banners that are more than 15 square feet in size.

13.11 Solicitation. Solicitation of any kind in the Development is prohibited. Please do not solicit your neighbors. Contractors and vendors are not permitted to solicit or distribute any materials on the property.

13.12 Trash Collection. Please keep Casa De Oro neat, clean and free of unsightly and unsanitary trash and trash containers at all times by adhering to the following guidelines.

- a. Disposing of Waste. Trash, garbage, rubbish and other waste must be disposed of in tightly sealed trash bag or other plastic bag in the trash receptacles provided on the property.
- b. Prohibited Waste. The deposit in the community trash receptacles of large household items such as furniture or appliances is prohibited. No weeds, rubbish, debris, objects or material of any kind shall be placed or permitted to accumulate in a manner that is unsanitary, unsightly, offensive (by odors, for example) or detrimental to the Development, or to the Residents of the Development.
- c. Illegal dumping. Members will be charged for the cost to remove any items illegally dumped in the Common Area.
- d. Hazardous/Flammable Materials. Dumping motor oil, or any other hazardous or flammable material, liquid, or substance is strictly forbidden.
- e. Recycling. Is encouraged. A recycling bin is available for your use which is located in the trash facility between 2070 and 2050 N. Mira Vista Way.

13.13 Window Coverings. Curtains, drapes, blinds may be installed on the inside of the Units only. No window shall be covered with aluminum foil or similar material.

SECTION 14 INSURANCE

14.1 Association Insurance Coverage. The Association complies with the comprehensive notice requirements set forth by California law regarding the Association's insurance policies. All Owners are notified at least annually, and whenever coverage's are changed, regarding the Association's insurance. The Association purchases insurance based upon the advice of a professional insurance representative who is experienced with community associations. If your agent or broker requires information about the Association's insurance that you do not have, please contact the Professional Manager.

14.2 Member Insurance Coverage. The Association's insurance does not cover individual Owners, or any individual Owner's property. It is the Owner's duty and not the responsibility of the Association, to purchase at the Owners expense any insurance the Owner deems prudent. This is just some of the coverage's available and each Owner should discuss their own individual insurance needs with their broker or agent.

- a. Property Coverage which insures their Unit's improvements, furnishings and all contents against damage or loss.
- b. Premises Liability which includes protection for bodily injury and property damage.
- c. Loss of Use which protects an Owner for additional living expenses should his or her Unit become uninhabitable due to a covered loss.
- d. Automobile Insurance covering any vehicle parked or driven across Association property.
- e. Loss Assessment Insurance Coverage. This valuable coverage is uniquely designed for owners in condominiums/associations. It recognizes the potential for owners to be assessed for certain kinds of loss (excluding Earthquake and Flood). Here are examples of circumstances that might require the Association to assess all Owners:
 - i. Someone is seriously injured in the Common Area (perhaps at a swimming pool) and the courts award a judgment that's higher than the amount of liability coverage provided by the Association policy.
 - ii. Major damage occurs to the Common Area and it is not fully covered by insurance. Payment of a deductible and/or amounts that exceed policy limits.
- f. Earthquake Insurance. This would provide coverage for damage as a result of an earthquake to Unit improvements, furnishings, contents and loss of use.

- g. Earthquake Loss Assessment. This coverage is very important. While regular homeowners policies typically provide coverage for assessments made by your homeowners association, that coverage doesn't apply if the assessment is made to pay for loss or damage resulting from earthquake or flood (both are excluded perils under the homeowner's policy). In order to have coverage for an assessment resulting from earthquake (or flood), you have to have loss assessment coverage that is built in to an earthquake policy.

14.3 Insurance Deductible. In the event a loss is covered by the Association's insurance, payment of the deductible, if any, shall be as follows:

- a. Negligence of Member. If a loss occurs as a result of the negligence or breach of CC&Rs of a Member or Member's family, guest, invitees or tenants, or as a result of a failure of a portion of the Unit or its improvements within Member's or Member's tenant's care, custody and control, and the loss results in a payment by the Association's insurance, then that Member shall pay the Association's deductible.
- b. Negligence of Association. If a loss occurs as a result of the negligence of the Association or as a result of a failure of a portion of the Common Areas that are within the Association's care, custody and control, and the loss results in a payment by the Association's insurance, the Association shall pay the deductible.

SECTION 15 RENTING / LEASING

15.1 Residential Use Only: Homes may be rented or leased for residential use only.

15.2 Signage: No sign, notice, flag, or advertisement of any kind may be displayed around your Unit or in or around the Association. One (1) sign inside the unit may be displayed from one of the windows.

15.3 Rental Agreement: A rental agreement or lease is required to be on file with the Professional Manager, which is:

- a. For a term not less than thirty (30) days;
- b. Subject to all the provisions of the Governing Documents; and,
- c. Specifically states that a violation of the Governing Documents constitutes a violation of the lease.
- d. Includes an executed copy of the Association's required "Lease Addendum".

15.4 Compliance with Rule & Regulations: All Owners must provide their tenants with a copy of the Governing Documents, including these Rules.

15.5 Timesharing: No home may be divided or conveyed upon any form of time increment basis (commonly referred to as "time sharing") as this is strictly prohibited.

15.6 Owners' Rights to Common Areas: Upon leasing their Units, Members automatically relinquish to their tenants their right to use the Association's Common Area facilities until such time as they re-take possession of their Units.

15.7 HOA Required Lease Addendum: Prior to a tenant moving in to the unit, an executed lease addendum must be on file with the Association.

15.8 Fines/Suspension of Common Area privileges: Fines and suspension of common area privileges may be imposed against owners for violations committed by their tenants and by such third parties. Owners are responsible for the actions and behavior of their tenants, including any damage to the Common Area, and for violations of these Rules.

SECTION 16 SELLING YOUR UNIT

16.1 Selling Units. If you decide to sell your unit, Members must inform the Professional Manager in writing that their Unit is listed for sale.

16.2 Realtors. Members may list their units with any real estate agent of their choice.

16.3 Signs & Flags. Posting of signs, notices, flag or other advertisements are not permitted to be displayed anywhere around your unit or in or around the Association. One sign inside the unit may be displayed from the window.

16.4 Open Houses & Caravans. Open houses and caravans are permitted as long as someone is supervising the visitor activity.

16.5 Disclosure to Buyer. Members, not the Association, must disclose to potential buyers information about the Association and their Unit. You should consult with your attorney and/or real estate broker about your disclosure requirements. Some of the items you should disclose are: (i) CC&Rs, Bylaws, Articles of Incorporation, Rules and Regulations; (ii) financial documents and assessment information; (iii) a summary of the Association's insurance; (iv) any litigation the Association is involved in; and (v) any CC&RS and/or Rules violations involving your Unit. The buyer will be responsible for correcting such violations if they are not resolved prior to the close of escrow.

SECTION 17 RESIDENTIAL USE

17.1 Use Restriction. Units may be used for single family, residential use only. Conducting a business is prohibited except as permitted and regulated by the Palm Springs Municipal Code, which is incorporated into these Rules and Regulations by this reference, as though set forth in full. Regardless of compliance with the Municipal Code, however, the Association has the right to directly prohibit any business activity that is disruptive to the Development and which has resulted in unresolved complaints.

17.2 Occupancy Restriction. The maximum number of persons, including children, who may permanently reside in any Unit, is two (2) per bedroom plus one for the Unit.

SECTION 18 ASSESSMENTS

The Association has the right and duty under its governing documents and California law to impose and collect assessments so that the Association can, among other things, manage, maintain and operate your development.

Timely payment of assessments is of critical importance to the Association. Although most property Owners consistently pay their assessments on time, the failure of any Owner to pay assessments when due creates

a cash-flow problem for the Association and causes those Owners who make timely payments of their assessments to bear a disproportionate share of the Association's financial obligations. Therefore, to encourage the prompt payment of assessments and as required by law and/or the Association's governing documents, the Board of Directors has enacted the following policies and procedures (this "Collection Policy") concerning collection of delinquent assessment accounts, subject to Civil Code section 1357.100, et seq., if applicable.

18.1 Assessment Due Date. Regular assessments are payable monthly in twelve (12) equal installments. Each installment is due on the 1st day of each month and delinquent if not paid by the 15th of the month. Billing statements are sent as a courtesy. Payment of assessments is required even if you do not receive a billing statement. Special Assessments shall be due and payable on the due date specified by the Board in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. In no event shall a Special Assessment be due and payable earlier than thirty (30) days after it is imposed. The Association will be the collectors of the assessments (current and delinquent), late charges, interest, and collection costs (which may include attorneys' fees). Assessments may be paid by personal check, bank drafts, cashier's checks and/or money orders, as well as by electronic payment if available. A charge of \$25.00, in addition to late fees, if applicable, will be assessed against any account whose check has been returned for Non-Sufficient Funds (NSF). When an Owner makes a payment, the Owner may request a receipt and the Association will provide such receipt, which will indicate the date of payment and person who received such payment. (Civil Code Section 1367.1(b).) Any Owner is entitled to inspect the Association's accounting books and records. Any request for a receipt of payment must be submitted directly to the Association's business address (separately from any actual payment). Overnight payment of assessments may be sent/delivered to the following address: [See attached Annex A.]

18.2 Secondary Address. Upon receipt of a written request by an Owner identifying a secondary address for the purposes of assessment collection notices, the Association shall send collection notices required by this Collection Policy to the secondary address provided. The Owner's notice of a secondary address must be in writing and mailed to the Association in a manner that shall indicate that the Association has received it. The Association shall only send notices to the indicated secondary address at the point in time the Association receives the written request.

18.3 Delinquent Assessments. Delinquent assessments will be subject to late charges and interest as follows:

- a. **Late Charge.** All assessments shall be delinquent if not paid within **fifteen (15) days** after they become due and will result in the imposition of a late charge of **ten percent (10%) of the delinquent assessment or ten dollars (\$10.00), whichever is greater**. Furthermore, the Association shall be entitled to recover any reasonable collection costs, including attorneys' fees, that the Association then incurs in its efforts to collect the delinquent sums. If a delinquent assessment payment is not paid within **fifteen (15) days** after it becomes due, a late letter or current ledger may be sent to the Owner reminding the Owner of his or her delinquent account status. The Association, however, is in no way required to send a late letter or ledger before sending a pre-lien letter referenced below.
- b. **Interest.** If an assessment payment is not paid within **thirty (30) days** of its original due date, interest may be imposed on all sums due, including the delinquent assessment, attorneys' fees, collection costs, and late charges, at an annual percentage rate of **twelve percent (12%)** or the rate specified within the CC&RS, whichever is less.

18.4 Liability for Collection Costs. All late charges, interest, penalties, and fines, in addition to all attorneys' fees and collection costs incurred by the Association will be added to the Member's account and will become the liability of the Member.

18.5 Application of Payments. Payments received on delinquent assessments shall be applied to the Owner's account in the following order of priority: First, the principal on the assessments owed; then to accrued interest and late charges; then to attorneys' fees; then the title company and foreclosure service company charges and other reasonable costs of collection. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first.

18.6 Pre-Lien Letter. If an assessment payment from the Owner is not paid within **thirty (30) days** after its original due date (for example, if an Owner fails to pay an assessment which was due on June 1 and the failure to pay continues through July 1st, then the June assessment would not have been paid within 30 days after its original due date), a notice of delinquency (Pre-Lien Letter) may be sent to the Owner by regular first-class mail and certified mail, return receipt requested. The Pre-Lien Letter shall provide at least 30 days' written notice to a delinquent Owner prior to recording an Assessment Lien and further provide an itemized statement of the charges owed, including a breakdown of the following items: (a) The principal amount owed; (b) any late charges with the method of calculation used to determine such charges; (c) any attorneys' fees incurred; and (d) a description of collection practices, including the right of the association to the reasonable costs of collection. A copy of the Association's collection policy shall be attached to the Pre-Lien Letter.

18.7 Alternative Dispute Resolution Process.

- a. Assessment Lien. Prior to recording an assessment lien, the Association shall offer the Owner and, if so requested by the Owner, the option of participating in dispute resolution, consistent with Civil Code section 1363.810, et seq. The Association's offer shall either be placed within the Association's Pay or Lien Letter or in a separate written communication to the Owner. An Owner who desires to accept the offer to "meet and confer" under this section shall elect such option by submitting a written request to the Association or the Association's legal counsel, which written request must be received by the Association within twenty (20) days from the date of the offer to "meet and confer." If the offer to "meet and confer" under section 1363.810, et seq. is accepted by the Owner, the Association shall designate a prompt date and time for the meet and confer, at a location that shall either be the Association's principal office or another convenient location as designated by the Association. The Association shall designate a Board officer, along with its Property Manager to participate in the meet and confer with the Owner.
- b. Foreclosure. Prior to initiating foreclosure proceedings against an Owner's separate interest, the Association shall offer the delinquent owner, and if so requested by the Owner, to meet and confer with a delinquent owner (Civil Code section 1363.810, et seq.) OR alternative dispute resolution (Civil Code section 1369.510, et seq.) to resolve any dispute related to the total amount of delinquencies owed by the delinquent Owner to the Association and/or the Association's Collection Policy ("ADR Offer"). The Association's ADR Offer shall either be placed within the Association's Pay or Lien Letter or in a separate written communication to the delinquent owner. An Owner who wishes to accept the ADR Offer must do so by submitting his/her/its written request to facilitate the ADR that is elected with the Association, which written request must be received by the Association within thirty (30) days from the day the ADR Offer is submitted to the delinquent owner. The Association shall designate a prompt date and time for the elected ADR. If a "meet and confer" is elected by the delinquent owner, the Association shall designate a Board officer, along with its Property Manager to participate in the meet and confer with the delinquent owner. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of

the Owner, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

18.8 Show Cause Hearing. Additionally, the Association may elect to provide a delinquent owner a written notice (either in the Pay or Lien Letter or in a separate written document, as determined by the Board of Directors) of a hearing before the Board of Directors, wherein the Owner shall be invited to show good cause why (a) the Owner's voting privileges; and/or (b) the Owner's privileges for use of the common area/recreational facilities (hereinafter collectively "Membership Privileges") should not be suspended for non-payment of the delinquent assessment(s) ("Show Cause Hearing"). The notice and hearing procedures shall be in accordance with the following rules and restrictions:

- a. Written notice shall be mailed to the Owner not less than ten (10) days prior to the date of such hearing by first class or certified mail at Owner's last known address as shown on the Association's records. The notice shall set forth the amount of delinquency owed by the Owner and the time, date and place on which the hearing shall be held;
- b. The Board of Directors shall provide an opportunity for the Owner to be heard, orally or in writing, at the Show Cause Hearing prior to making any determination on the suspension of any Membership Privileges;
- c. In the event good cause is not shown and the Owner's account has not been brought current, then the Board may suspend any of the Owner's Membership Privileges. The Board shall hold the hearing in Executive Session; provided, however, if the Board is requested by a Member to have his or her matter be heard in an open Board meeting, then the matter must be heard in an open Board meeting, and not in Executive Session.
- d. After the Show Cause Hearing, the Board of Directors shall provide within fifteen (15) days of the Show Cause Hearing written notice to the Owner of the suspension of any Membership Privileges.

18.9 Assessment Lien

- a. If the delinquent owner does not bring his or her account current within the deadline set forth in the Pay or Lien Letter, the Board of Directors may proceed with recording an assessment lien against that Owner's separate interest.
- b. For liens recorded on or after January 1, 2006, the decision to record a lien for delinquent assessments shall be made only by the board of directors of the Association and may not be delegated to an agent of the Association. Prior to causing an assessment lien to be recorded, the Board of Directors must approve the recordation of an assessment lien against the delinquent owner's separate interest. The Board of Directors for the Association shall approve the decision to record an assessment lien by a majority vote in an open meeting; the Board shall record the vote in the minutes of that meeting. The Board's action should refer to the Unit number of the property that is delinquent, rather than the name of the owner.
- c. The Assessment Lien shall be recorded in the County Recorder's Office itemizing all sums that are then delinquent, including the delinquent assessment(s), the then current monthly assessment amount which will also accrue and be a part of the lien, interest, late charges, collection costs and reasonable attorneys' fees. Recording this notice creates a lien, which may be foreclosed upon by the Association.

18.10 Foreclosure

- a. ADR Procedure. The Association, prior to initiating foreclosure proceedings against a delinquent owner's separate interest, must comply with the alternative dispute resolution procedure set forth above (except that the timeline for the delinquent Owner to accept a meet and confer would be thirty (30) days from the date of the Owner's receipt of this pre-foreclosure offer) or alternative dispute resolution consistent with *Civil Code* §1369.510, *et seq.* ("IDR/ADR Offer"). The Owner

shall have thirty (30) days from the date of the IDR/ADR Offer to decide whether or not the Owner wishes to pursue dispute resolution or a particular type of alternative dispute resolution (except that binding arbitration is not available to any delinquent Owner if the Association intends to initiate a judicial foreclosure).

- b. Board Approval. Prior to initiating foreclosure proceedings, the Board of Directors must, in executive session, approve the decision to proceed with foreclosure by a majority vote. The decision to initiate foreclosure of a lien for delinquent assessments that has been validly recorded shall be made only by the board of directors of the Association and may not be delegated to an agent of the Association. The Board shall record the Board's executive session decision in the minutes of the next meeting of the Board open to the members by referencing the Unit number of the property that is delinquent, not the name of the delinquent owner. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale. The Board of Directors shall provide notice by personal service to an Owner of a separate interest who occupies the separate interest or to the Owner's legal representative, if the Board votes to foreclosure upon the separate interest. If the Owner does not occupy the subject lot/unit, the Board shall provide written notice via first-class mail to the most current address shown on the books of the Association.
- c. Threshold. The Board of Directors shall not proceed with any form of foreclosure unless and until the amount of delinquent assessments (exclusive of any accelerated assessments, late charges, fees, costs of collection, attorneys' fees or interest) equals or exceeds One Thousand Eight Hundred Dollars (\$1,800.00) or the assessments have been delinquent for more than twelve (12) months ("Threshold"). Once the Threshold has been met and all other requirements identified above have been completed, the Board may proceed with foreclosure of the assessment lien pursuant to the Association's governing documents and *Civil Code* §§1367, 1367.1, 1367.4, 1367.5. Unless otherwise provided herein, the procedure used shall be private foreclosure pursuant to *Civil Code* §2924, *et seq.*, and *Civil Code* §§1367, 1367.1. The foreclosure action shall include, but is not necessarily limited to the following procedures:
 - i. Notice of Default (NOD). A NOD will be recorded at the County Recorder's office. The cost of all attorneys' fees and/or trustee's fees will be added to the debt.
 - ii. Notice of Trustee's Sale (NOS). If the delinquency is not paid within ninety (90) days after the NOD is recorded (and a lawsuit has not been filed), the Association will proceed with the recording and publishing of an NOS. The Owner is responsible for all publication, recording, posting and mailing costs, as well as attorneys' and/or trustee's fees.
 - iii. Sale of Property by Public Auction. If the trustee's sale proceeds, it is conducted as a public auction in the county in which the separate interest is located, during normal business hours on any business day. ANY OWNER WHOSE SEPARATE INTEREST IS IN FORECLOSURE IS URGED TO CONSULT WITH COMPETENT LEGAL COUNSEL OF THE OWNER'S SELECTION IN ORDER TO BE PROPERLY ADVISED OF THE OWNER'S RIGHTS AND OPTIONS AND THE TECHNICAL REQUIREMENTS OF THE FORECLOSURE PROCESS.
 - iv. Right of Redemption. The Trustee's Sale shall be subject to a statutory right of redemption, which shall terminate ninety (90) days after the trustee's sale is completed

18.11 Money Judgment Option. If the Association determines that the property is over-encumbered, or otherwise makes a determination that a lawsuit is appropriate, the Association may file a personal lawsuit against the delinquent Owner to recover all delinquent assessments owing to the Association. If a lawsuit is

necessary to collect the delinquent assessments from the Owner, all expenses, costs and attorneys' fees in connection with said lawsuit, including but not limited to pre- and post- judgment costs for filing fees, personal service, witness fees, interest, execution of judgment and/or writ fees shall be recovered from the Owner defendant. The Association may also refer certain accounts to collection agencies.

18.12 Release of Lien. When a delinquent Owner has paid in full all delinquent assessments and charges, the attorney shall prepare a Release of Lien, which shall be recorded in the County Recorder's Office within twenty-one (21) days of receipt of the sums necessary to satisfy the delinquent amount and mail a copy of the lien release to the Owner of the residential Lot.

18.13 Payment Plans. An Owner of a separate interest which is not a timeshare or who is not a developer may, if mailed to the Association within fifteen (15) days of the postmark date of the pay or lien notice, submit a written request to meet with the Board to discuss a payment plan for the payment of any delinquency. The Association shall provide the Owner with the Association's standards for payment plans, if any exist. The Board shall meet with the Owner in executive session within forty-five (45) days of the postmark of the request, unless there is no regularly scheduled Board meeting within that period, in which case the Board shall designate a committee of one or more members to meet with the Owner. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans shall not impede an Association's ability to record a lien on the Owner's separate interest to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Owner is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Association may resume its efforts to collect delinquent assessments from the time prior to entering into the payment plan. The Association shall have the power and authority to include (without limitation) the following elements/terms in any payment plan agreement that is reached with the Owner:

- a. That Owner comply with the governing documents during the course of the payment plan agreement;
- b. That Owner waive any defenses or claims related to the Association's collection efforts;
- c. That the Association may place a lien against other real or personal property owned by Owner;
- d. That Owner agrees to waive any homestead rights he/she may have relative to the delinquent assessments;
- e. That Owner assign the Association all amounts owed under any rental/lease agreement; and,
- f. That Owner be required to provide identifying information, including social security number, driver's license number, off-site address(es), phone numbers, etc.

18.14 Rejection of Partial Payments. Once a delinquent account has been turned over to the Association's legal counsel, the Association and its legal counsel may choose not to accept partial payments and may reject such partial payments until the Owner's account is brought current and paid in full. Owners shall not send any assessment payments to the Association once the matter has been turned over to the Attorney for collection; such payments shall only be accepted by the Association's legal counsel. Any payments delivered to the collection agent shall be forwarded to the attorney's office; the attorney shall then release the lien if payment in full was made by the delinquent Owner.

18.15 Personal Obligation to Pay Assessments and Charges. Assessments, together with late charges, reasonable fees and costs of collection, reasonable attorneys' fees, and interest determined in accordance with California Civil Code Section 1366 and the Association's governing documents are a debt of the Owner of a separate interest (the Owner's lot) at the time that the assessment or other charges are levied. Whether or not the Association records a notice of delinquent assessment (lien) on your property, the Association has a right to look to the Owner, personally, to pay the debt and pursue collection of that debt in a court action. The Association is also entitled, upon compliance with the requirements of California

law and provided certain criteria and procedures as specified by law are satisfied, to record a lien against your property and to take enforcement action to sell your property without court action by non-judicial foreclosure. The recording of a lien against your property does not limit the right of the Association to pursue any Owner personally for payment of all monies due.

18.16 Courtesy Statements and Timely Payments. It is the Owner's responsibility to allow ample time to drop off or mail all monies due before the delinquency date. As a courtesy only, invoices or statements for regular assessments may be regularly sent to an Owner by first-class mail addressed to the Owner at his or her address as shown on the books and records of the Association. However, it is the Owner's responsibility to be aware of the assessment payment due dates and to pay any and all assessments when due, whether or not an invoice or statement has been sent. Owners should promptly advise the Association of any changes in the Owner's mailing address. The Association also reserves the right to send out coupon booklets in lieu of sending invoices or statements.

18.17 Right to Request Validation of Debt. An Owner has the right to request validation of the debt by notifying the Association in writing of such request within thirty (30) days of the Association's initial communication to the Owner. Upon such request being made, an account history or other document reflecting the delinquent balance will be forwarded to the Owner. Any information obtained in the collection process or obtained from an Owner will be used for the purpose of collecting any monies owed.

18.18 Compliance with Civil Code Section 1365.1. The following notice is set forth to comply with Civil Code sections 1365.1(a), (b):

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or

a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code). At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code).

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code).

SECTION 19 ENFORCEMENT

The Association makes an effort to identify violations of these Rules and Regulations, and to notify Owners in writing. In the unusual instance when a violation of the Rules and Regulations cannot be resolved easily, the Association follows the following policy for enforcement. Since violation enforcement is a cost that is borne by all of the Owners in the Development, the Association makes every effort to recover the costs of enforcement from the Owner involved, including attorney fees.

19.1 Remedies for Enforcement. The Board of Directors may impose one or more of the following remedies as it deems appropriate to be effective. The selection of one remedy does not preclude the Association's right to pursue others.

- a. Warning letters;
- b. Monetary penalties;
- c. Suspension of membership privileges;
- d. Self-help;
- e. Alternative dispute resolution (arbitration or mediation); and/or
- f. Litigation

The following notice and hearing procedures will be used whenever the Board meets to consider an alleged violation which could result in disciplinary action against a Member.

19.2 Notice of Hearing. Notice of the hearing will be sent at least ten (10) days prior to the hearing and will be given either personally or by prepaid first-class mail to the most recent address shown in the Association's records. The notice shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a Member may be disciplined, and a statement that the Member has a right to attend and may address the Board at the meeting.

19.3 Opportunity to Be Heard. Members have the right to send a letter, send a representative, or appear in person to present evidence as to why they should not be disciplined. Members also have the right to bring an attorney with them to advise them or to speak on their behalf. The hearing will be held in executive session unless the member requests otherwise.

19.4 Rescheduled Hearing. Upon timely written request, for a worthy cause, an accused party may be granted a continuance to a new hearing date. In the event a person fails to appear for a hearing, the Board will review the evidence presented and make its decision accordingly.

19.5 Correction of Violation. In the event the violation is corrected prior to the hearing date, the Board may, if appropriate, discontinue the proceedings.

19.6 Notice of Decision. Within fifteen (15) days of the Board's decision, the Member will be given notice of the decision.

19.7 Conflicts of Interest. If members of the Board have a conflict of interest (i.e., they filed the complaint, or the complaint was filed against them) such persons may not vote on the issue.

19.8 Fine Schedule. Fines may be levied in accordance with the following schedule:

Hazardous Activities.	\$ 50.00 - \$500.00 maximum
Use Restrictions.	\$ 25.00 - \$500.00 maximum
Vehicle and Parking Restrictions.	\$ 25.00 - \$500.00 maximum
Any violation of the Bylaws, CC&R's, or Rules and Regulations not specifically mentioned.	\$ 25.00 - \$500.00 maximum
Unauthorized Architectural Improvements.	\$250.00 minimum plus up to \$100.00 per day for each day a violation exists after notice to owner.

Fines shall be in addition to an assessment equal to any applicable cost of repair. Fines for repeated violations may be increased in \$100.00 increments. For the purposes of this Fine Schedule, a "repeated violation" shall be one which is assessed to a single lot more than once within a twelve month period. However, should a twelve month period pass without any violations, a first notice to correct the violation must be sent by the Association prior to imposing any fines.

Fines for continuing violations may be assessed on a daily basis (at a maximum rate of \$25.00 - \$100 per day), until the violation is abated by the owner at the discretion of the Board of Directors. For the purposes of this Fine Schedule, "continuing violations" shall refer to violations that remain unchanged and ongoing until abated by the owner, including architectural changes which have been made without authority from the Board and/or ARC. If the continuing violation is not cured by the time the fines accumulate to the maximum amount, the Association may elect to take legal action to cure the violation.

The imposition of such fines shall be subject to the notice and hearing procedures described below. The suspensions and sanctions may be imposed singly and/or in such combination as the Board determines to be appropriate to be effective. The Association has the right to pursue one or more remedies simultaneously. The selection of one remedy does not preclude the Association's right to pursue others. Any fines which remain unpaid thirty (30) days after they become due shall bear interest at the same rate as unpaid assessments.

19.9 Suspension of Privileges. The Board may suspend the Common Area privileges of Members and their family, tenants, and guests. Use of the Association's recreational and other Common Area facilities will be suspended and the person will be asked to leave the facility and/or fined if they use the facilities. For non-continuing violations the suspension will be for a period of time not to exceed thirty (30) days. For continuing violations, the suspension may be imposed for as long as the violation continues. Suspended privileges may include, but not be limited to, the following:

19.10 Suspension of Voting Rights. The Board may suspend a Member's voting rights for failure by Members or their family, tenants, or guests to comply with the provisions of the Association's Governing Documents. Any such suspension will be for a minimum of thirty (30) days for any non-continuing violation. For continuing violations, the suspension may be imposed for as long as the violation continues, and the length to be determined by the Board of Directors. Regular and special assessments will continue to accrue and will be due and payable notwithstanding the suspension of Membership rights and privileges.

19.1 Judicial Enforcement. In addition to monetary penalties, suspension of privileges and suspension of voting rights, the Association may file a lawsuit for damages and/or injunctive relief.

19.12 Right to Stop Work. The Board and its representatives have the right to stop any work that is in violation of its Governing Documents, creating a fire or safety hazard, or unreasonably interfering with activities in the Common Areas.

19.13 Association Right to Cure. The Association may also cure a violation provided; however, the Association gives the Member not less than thirty (30) days prior written notice of the violation and the Association's intent to cure such violation. The Association's expense in curing the violation will become a reimbursement assessment against the Member. In case of an emergency the right of entry and cure will be immediate.

19.14 Reimbursement Special Assessments. The Board may levy reimbursement special assessments against Members for expenses incurred by the Association arising out of actions or omissions of such Members or their family, tenants, guests, or pets. Such expenses will include but not be limited to: (i) enforcing compliance with the Association's Governing Documents, (ii) collecting delinquent assessments, (iii) mitigating or repairing damage to Association property or Common Areas, and (iv) attorneys' fees and costs regardless of whether legal proceedings were instituted. Reimbursement special assessments will be fully enforceable by all means provided for in the Governing Documents including lien and foreclosure.

19.15 Cumulative Remedies. The enforcement rights described above are cumulative and the Association may exercise one or more of their rights or remedies including those which may not be listed.

19.16 Failure to Pay Penalty. In the event Members fail to pay penalties assessed against them, the Board may seek judicial enforcement of the penalty including all costs of collection, attorneys' fees, court costs and related expenses.

19.17 Internal Dispute Resolution (Civil Code section 1363.810, et seq.). California Civil Code section 1363.810, et seq. applies to a dispute between the Association and an Owner involving their rights, duties or liabilities under *California Civil Code* Sections 1363.810, et seq. under the Nonprofit Mutual Benefit Corporation Law, or under the governing documents of the Association.

Either party to a dispute within the scope of Civil Code section 1363.810, et seq., may invoke the following procedure:

- a. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- b. An Owner may refuse a request to meet and confer; however, the Association may not refuse a request to meet and confer;
- c. The Board shall designate a member of the Board to meet and confer;
- d. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute;
- e. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association. (*Cal. Civ. Code* § 1363.840(b).)

An agreement reached under Section 1363.810 referenced above binds the parties and is judicially enforceable if both of the following conditions are satisfied: (1) The agreement is not in conflict with law or the governing documents of the Association; and (2) the agreement is either consistent with the authority granted by the Board to its designee or the agreement is ratified by the Board. (*Cal. Civ. Code* § 1363.840(c).)

19.18 Alternative Dispute Resolution (Civil Code section 1369.510, *et seq.*) California Civil Code section 1369.510, *et seq.*, requires that prior to filing an enforcement action, an association or an owner shall endeavor to submit their dispute to alternative dispute resolution pursuant to section 1369.510, *et seq.*

The Association or an Owner may not file an enforcement action in the Superior Court unless the parties have endeavored to submit their dispute to alternative dispute resolution, consistent with California Civil Code Sections 1369.510, *et seq.*, and other successor California statutes and law. This prelitigation requirement applies to enforcement actions in the Superior Court solely for (1) declaratory relief; (2) injunctive relief; (3) writ relief; and (4) relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Code of Civil Procedure Sections 116.220 and 116.221. This prelitigation requirement does not apply to Small Claims actions and assessment disputes. (*Cal. Civ. Code* § 1369.520.)

Any party to a dispute may initiate Alternative Dispute Resolution under this section by serving on another party to the dispute a Request for Resolution. Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the Request. The Request for Resolution must include:

- a. A brief description of the dispute between the parties;
- b. A request for alternative dispute resolution; and,
- c. A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt of the request, or it will be deemed rejected. (*Cal. Civ. Code* § 1369.530.)

The party receiving a Request for Resolution has 30 days following receipt to accept or reject alternative dispute resolution. If not accepted within 30 days the Request may be deemed rejected. (*Cal. Civ. Code* § 1369.530(c).) If alternative dispute resolution is accepted, it must be completed within 90 days of the date of receipt of the acceptance by the party initiating the Request, unless extended by written stipulation signed by both parties. (*Cal. Civ. Code* § 1369.540.)

At the time of filing a civil action, the party filing the action shall file with the complaint a certificate stating that alternative dispute resolution has been completed in compliance with California Civil Code section 1369.560. Failure to file a certificate may be grounds for a demurrer or motion to strike unless the Court finds that dismissal of the action for failure to comply with this requirement would result in substantial prejudice to one of the parties pursuant to Section 430.10 of the California Code of Civil Procedure. (*Cal. Civ. Code* § 1369.560.)

The cost of the alternative dispute resolution hearing must be borne equally by the parties. (*Cal. Civ. Code* § 1369.540(c).) Refusal to share costs equally constitutes rejection of alternative dispute resolution, regardless of prior acceptance.

Failure of a Member of the Association to comply with the alternative dispute resolution requirements of California Civil Code Section 1369.520, *et seq.*, may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law. (*Cal. Civ. Code* § 1369(a).)

19.19 Attorneys' Fees. If the Association is required to take legal action to enforce the Governing Documents, the prevailing party may be awarded attorneys' fees and costs by the court. In addition, the Association will levy special assessments for reimbursement of attorneys' fees and costs from those

Members against whom the Association must employ the services of an attorney to ensure compliance with the Association's Governing Documents regardless of whether legal proceedings are instituted.

SECTION 20

ARCHITECTURAL STANDARDS / IMPROVEMENTS BY MEMBER

A primary feature of a community such as Casa De Oro is that the ability of the Owner to make improvements is limited, and carefully regulated. The reason is that the value of each Unit in the Development is highly dependent upon the relatively uniform appearance of the entire Development. Thus, please strictly observe the guidelines regarding improvements. Most of the improvements Residents make are made to the inside of a home. Interior improvements such as painting and decorating generally do not require the approval of the Association. There are certain exceptions, however, including window coverings that are visible from the outside, and any alteration that might affect the structural integrity of the building. Outdoor improvements are generally limited to landscaping, potted plants and flowers, installing patio covers, etc. within Exclusive Use Common Area only.

Because violation could result in fines, suspension of work, suspension of privileges, and/or litigation, *please take time to read this information and ask questions about anything you do not understand.* Also, please do not schedule any work until your plans have been reviewed and approved by the Association.

20.1 Architectural / Variance Request. If you plan to add to, remove, modify or alter any part of your Unit or patio, you must submit plans/scope of work or variance request, which must be approved before you begin work. Before you hire any contractors or commit to any timetables, you must do the following:

- a. Agreements. Prior to the start of any work, the Owner and Contractor(s) must sign an agreement.
- b. Scope of Work. You must submit scope of work or plans to the Association for review. Incomplete plans and lack of information may slow the approval process. You should allow *at least* thirty days for the Association to review your submitted scope of work and any other information you may have provided. In addition, you should allow additional time for review and approval by the City's Building Department.
- c. Approval. Approval by the Association is to general conformance with the Associations Architectural Standards and NOT to Building and Safety Code compliance.
- d. Building Permits. You must separately obtain all appropriate building permits from the City. However, obtaining building permits does not constitute approval by the Association nor does review by the Association constitute a waiver of any requirements of applicable statutes, these are two separate procedures and both must be followed.
- e. Licensed and Insured Vendors. Members should use only licensed and insured vendors.
- f. Concealed Conditions. Any concealed conditions, Building Code violations and/or deficiencies discovered during the Project or at any time after completion, must be corrected at Members sole expense whether such conditions are found in the Unit or the common areas surrounding the Unit.
- g. Warranties. Members, not the Association, are responsible for obtaining copies of any warranties issued by their contractors and material suppliers.
- h. Expiration of Approval. Approvals by the Association are valid for six (6) months. If work is not started before the expiration of this period, or if the property is sold, plans must be resubmitted. Extensions may be granted only by the Board for delays beyond Members control.

20.2 General Provisions. To avoid unnecessary expenses and delays, please make sure your plans/request is in accordance with the following provisions.

- a. Submitting Request. Scope of work, plans, variance requests and all other information must be submitted for review by the Associations architectural review committee or Board prior to commencement of any work.
- b. Variances. Any variances from the Associations architectural standards must be a specific request made for the variance and submitted to the Association for review.
- c. Engineering and Code Compliance. The Association does not approve scopes of work for engineering design or building code compliance. All technical and engineering matters are the Member's responsibility. Members must fully comply with applicable building codes, ordinances and specifications.
- d. Original Plans. Original Building/Unit layout Plans can be obtained from the City. NOTE: they may be the original developer plans and the Association cannot attest to their accuracy. In addition, the plans may not reflect As-built conditions or any subsequent changes or alterations.
- e. Fees. Any fees for such plans are the owner's responsibility.
- f. Structural Changes. No structural changes are permitted.
- g. No Common Area Encroachments. No common area encroachments are allowed.
- h. Home Theater Systems. Stereo and home theater equipment must be properly insulated to avoid sound transmission through walls, ceilings and floors. Steps must be taken to protect against sound transmission, especially from subwoofers. You should consult with an acoustical consultant about how best to suppress the transmission of sound.

20.3 Common Walls.

- a. Alterations. Any alteration to common walls requires a minimum of two layers of 5/8 inch type gypsum board being attached to the studs, on the remodel side. All common walls must have a minimum one-hour fire rating.
- b. Acoustical Standard. All common walls must meet or exceed Noise Isolation Class (NIC) 52 dB.
- c. Penetrations. Penetrations or openings for piping, electrical devices, recessed cabinets, bathtubs, soffits, or HVAC ducts must be sealed, lined, insulated or otherwise treated to maintain the required sound ratings. There must be no contact between the installed gypsum board and any mechanical ductwork, plumbing piping or electrical conduit.
- d. Structural. No structural changes are permitted.
- e. Fire Stops. Any penetrations of walls, floors or ceilings must be properly fire-sealed.
- f. Metal Studs. All wall construction must use metal studs and non-combustible construction materials.

20.4 Floors. Plans must show existing conditions and proposed alterations and must include the following:

- a. Hardwood, Tile, Stone Flooring. Hard-surfaced floors such as marble, granite, tile and hardwood must have proper noise insulating materials installed so as to avoid noise problems with your neighbors. Make sure your installer knows that he or she needs to meet a 52 dB FIIC rating. The manufacturers can supply the installer with specifications they need for material installation.
- b. Electrical. No aluminum wiring is allowed. All electrical wiring must be copper. All electrical boxes in common walls must be acoustically insulated.
- c. Floor Outlets. All floor outlets must be GFI (ground fault interrupt) outlets.
- d. Telephone/Data Lines. All telephone CPUs, switching equipment, and system upgrades must be installed inside the Members Unit. Such equipment may not be installed in the Associations common areas.

20.5 Plumbing Lines. Plans must show existing conditions as well as proposed alterations.

- a. Sound Isolation. All plumbing must be isolated from walls, studs, joists, ceilings, and flooring.
- b. Waste and Vent Lines. All lines must be cast iron. Where there is exposed contact between a waste and/or vent line (or waste or vent line will be replaced) and the building structure, re-align waste and vent lines so there will be no contact and/or create clearance by shaving the stud, drywall or enlarging the opening around the line. Do not stuff resilient materials between the pipe and the structure.
- c. Water Velocity & Load Calculations. Size all piping so water velocity does not exceed five (5) feet per second. No additional fixtures are allowed such as wet bars, toilets, bidets, showers, tubs, clothes washers, etc., unless load calculations show the volume of waste produced does not overload the existing plumbing system. *Angle Stops and Risers*. Replace all angle-stops under sinks, toilets and bidets with high-grade products.
- d. Isolation Valves. Isolation valves must be installed for all water lines servicing the unit.

20.6 Plumbing. High-quality fixtures must be used throughout so as to avoid plumbing failures and problems with hot and cold water cross currents. All fixtures including tub and lavatory must incorporate the use of an aerator in their design. Valves and fixtures must comply with ISO 3822/1 having an appliance noise level of 20 dBA or less.

- a. Acoustical Standard. Daytime sound transmission between units must be no greater than 10 dBA above the prevailing ambient noise level. (L90) or 55 dBA, whichever is less. Nighttime sound transmission between adjacent units must be no greater than 10 dBA above the prevailing ambient noise level. (L90) or 45 dBA, whichever is less.
- b. Toilets. Low-flow, water-saving toilets must be installed. No ATurbo@ toilet or any other kind of noisy toilet is permitted.
- c. Steam Showers. A Smitty Pan must be installed under steam shower equipment. Venting *must* go to existing venting only. Manufacturer information sheets must be included with the plans.
- d. Washers and Dryers. Washers must use approved braided metal hot and cold water hoses. Washers must be vibration isolated. Venting for dryers *must* go to existing venting only.
- e. Spas tubs. Both pump and tub must be isolated for noise and vibration. Show connection details, lip details, etc. The tub must be isolated from the floor.

20.7 Mechanical. Plans must show existing as well as proposed alterations. Manufacturing information sheets should be included with all new equipment installations.

20.8 Entry Doors. No changes to the entry doors may be made other than the hardware. Privacy screen doors may be installed which is cream in color with the design pattern being approved by the Board prior to installation.

20.9 Windows. Plans must show any alterations to windows, window walls and balcony doors.

- a. Visual Conformity. All glass replacement must be in harmony with the exterior of the building.
- b. Windows. Shall conform to those manufactured by California Windows & Doors (A.M Integrity, Heritage/Legacy Style, Bronze color) or equivalent which shall be subject to prior approval from the Board. All windows shall be complete with all necessary frames, hardware, thresholds, weather-stripping and glazing accessories to ensure a weather-tight installation.
- c. Tempering and Tinting. All glass must be tempered. Tinted glass is permitted provided it has received prior written approval by the Board. Mirrored finishes are prohibited.

20.10 Balconies and Patios

- a. Light Fixtures. All external light fixtures must be in keeping with the Associations existing architectural and must not create a nuisance by flooding light into neighboring units.

- b. Balcony Enclosures. Balcony Enclosures are not permitted.
- c. Satellite Dishes. Satellite dishes one meter or smaller may be installed with prior approval from the Association. An application form showing proposed installation needs to be completed for Board consideration.

20.11 Miscellaneous

- a. Variances. Where circumstances justify it, the Association may allow reasonable variances. The granting of such variances does not constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for review.
- b. Existing Nonconforming Improvements. Existing nonconforming improvements do not constitute a basis for allowing any new nonconforming improvements. The acceptance of any plans, drawings or specifications for any work done or proposed does not constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for review.
- c. Building Department Alterations. Any changes made by the City's Building Department must be forwarded to the Associations for review and approval before work may commence.
- d. Conflicts between City and Association. Any construction, repair, modification, or alteration of any improvements requiring the issuance of a building permit must be submitted to the appropriate governmental entity for review and approval. In the event of a conflict in the conditions of approval imposed by the entity and the Association, the more restrictive conditions will control. Nothing in these Architectural Standards limits the Association from imposing conditions of compliance which are more restrictive than conditions imposed by governmental agencies.
- e. Corrections and Comments to Plans. Corrections to plans or comments made by the Association do not relieve the Member of his or her responsibility to engineer the proposed work properly and to comply with applicable building codes, ordinances, and CC&Rs.

20.12 Contractor Rules. To avoid damage to the common areas and unnecessary disruption, please make sure your contractors review these restrictions carefully. Failure to follow them may result in fines and suspension of construction.

20.13 Insurance & Safety. Only licensed and insured contractors, subcontractors, and vendors are allowed to make alterations to the inside of any unit or exclusive use common area. The insurance shall be maintained for the duration of the project. Certificates of insurance shall be submitted to the Property Manager prior to the commencement of any work.

- a. Workers Compensation. Contractors shall maintain Workers Compensation insurance for all persons performing services.
- b. Commercial General Liability. Contractors shall maintain Commercial General Liability insurance with the Association named as additional insured.
- c. Automobile Liability. For vehicles that may be permitted to be on the property (for loading and unloading only), contractors shall maintain automobile liability insurance.

20.14 Pets, Children, Clothing. Workers are not allowed to bring minors or pets on to the Development. All workers must wear appropriate clothing at all times. Workers are also prohibited from using radios or creating nuisance noise unrelated to the construction work and are prohibited from eating meals or taking breaks in the common areas.

20.15 No Drugs or Alcohol. No alcoholic beverages, intoxicants, drugs or other controlled substances are permitted to be brought onto Association property or used by workers at any time.

20.16 Demolition & Noise Rules.

- a. Notice of Construction. Prior to the start of construction you must notify in writing the surrounding units of the start date for the construction, that there will be noise associated with the construction, the name of the supervisor, and his phone number, with a copy to the Property Manager.
- b. Noise Abatement. Whenever demolition is involved, efforts must be made to minimize noise into surrounding units.
- c. Trash & Debris. All trash and debris must be carried off-site on a daily basis at the Members sole cost and expense. The trash bins located on the property are not to be used for disposing of construction debris.
- d. Containment of Dust and Dirt. All dust, dirt, noise, fumes, etc. must be contained in the Unit.

20.17 General Construction Rules

- a. Parking. Parking in the driveway areas is prohibited. Commercial vehicles are not permitted to park in the South Parking lot.
- b. Construction Hours. Working hours are limited to Monday through Friday, 9:00 a.m. to 5:00 p.m. No work is allowed on Saturdays and Sundays or the following holidays: New Year's Eve, New Year's Day, Presidents Day, Memorial Day, 4th of July, Labor Day, Yom Kippur, Thanksgiving, Christmas Eve, and Christmas Day.
- c. Industry Standards. All construction must meet or exceed industry standards.
- d. Work Location. All work must be done inside the Unit or exclusive use patio/balcony area. Workers may not set-up or work in the common areas.
- e. No Balcony/Common Area Storage. No equipment or construction materials may be stored in the common areas or on any balcony.
- f. Water Shut-Offs. If the water needs to be shut off to your unit, then be considerate and notify your neighbors at least 24 hours in advance prior to the shut off if their unit(s) will be affected.
- g. Concealed Conditions. Any concealed conditions, Building Code violations and/or deficiencies discovered during the Project or after completion must be corrected at Owner's expense whether such conditions are found in the Unit or the common areas surrounding the Unit. This includes any common area deficiencies such as plumbing, duct work, walls, patios, electrical, etc. Written notice of the condition and the proposed corrective must be given to the Management Office.
- h. No Association Equipment. Workers must use their own equipment. No equipment, if any, which is the property of Association, may be used at any time. Workers are prohibited from using common area electrical outlets to power their equipment.
- i. No Signs. No signs are permitted to be displayed in or around the Unit. Contractors are prohibited from distributing advertising brochures.
- j. Diligent Construction. Project shall be completed within six (6) months of the Associations approval of the Project. The Boards discretion for delays caused by strikes, fires, holidays or other events beyond Owner's control.

20.18 Enforcement Provisions.

- a. Monetary Penalties. Violation of the Associations contractor rules could result in monetary penalties as follows: (i) first violation, up to \$100.00, (ii) second violation, \$150.00, (iii) third violation, \$200.00, (iv) continuing violations \$100.00 daily until violation is rectified.
- b. Suspension of Work. In addition, to monetary penalties, work may be stopped and/or workers suspended from the project.
- c. Legal Action. Depending on the violation, the Association may take legal action to enforce its rules and obtain damages.

ANNEX A

Professional Manager Contact Information

John Murphy
Community Manager
Tel: (760) 475-2265

E-mail: j.murphy@hoaempire.com

Empire Management, Inc. 555 N. Benson Ave. Suite F, Upland CA 91786

Office (909) 920-0255 - Fax (909) 981-1705

**CASA DE ORO OWNER ASSOCIATION
LEASE ADDENDUM**

This Lease Addendum ("Addendum") is made this day _____ by and between the Casa De Oro Owners Association ("Association"), _____ ("Owner") and _____ ("Tenant").

- A. Tenant wishes to lease Unit Address # _____ ("Unit").
- B. As provided in Article V111 Section 2 (A) of the Association's Declaration of Covenants, Conditions and Restrictions ("CC&Rs"), no transient leasing (for less than 30 days) is permitted. A copy of the lease is required to be on file with the Association prior to the Tenant taking possession of the unit.
- C. The Association is prepared to transfer membership privileges to Tenant and allow Tenant to cross the Association's Common Areas to take possession of the Unit if Tenant agrees to the terms and conditions of this Addendum.

THEREFORE, in consideration of the promises contained in this Addendum, the parties agree as follows:

1. Possession and Membership Privileges. Subject to the terms of this Addendum, the Association agrees to transfer all common area privileges which are appurtenant to the Unit to Tenant and permit Tenant to cross the Association's Common Areas during the term of Tenant's lease of the Unit. During the term of the lease, Owner agrees that Tenant shall have the exclusive right to enjoy the Common Area privileges which run with the Unit.

2. Tenant Bound by Governing Documents. Tenant hereby agrees to adhere to and be fully bound by all of the terms of the Association's governing documents including but not limited to the CC&Rs and Rules and Regulations. Without in any way limiting the foregoing, Tenant agrees to adhere to the following restrictions and acknowledges if he fails to do so it will constitute a breach of the governing documents and of his lease and may subject him at the Association's discretion to eviction proceedings and any other remedy provided by law:

- a. Tenant shall not engage in any unlawful activity or behavior while on Casa De Oro Property or cause or allow any of his guests or invitees to do so.
- b. Tenant shall not engage in any conduct or otherwise create or allow a situation or condition to arise where any other resident is embarrassed, intimidated, inconvenienced, or otherwise has his or her quiet enjoyment disturbed.
- c. Tenant shall not engage in any conduct or otherwise create or allow a situation or condition to arise where the security of Casa De Oro is compromised in any way.
- d. Tenant shall not engage in any conduct or otherwise create or allow a situation or condition to arise which creates a threat of property damage or physical harm to any other resident of Casa De Oro Association.
- e. Tenant shall not engage in any conduct or otherwise create or allow a situation or condition to arise which may result in cancellation or an increase in the cost of any of the Association's insurance coverage. In the event Tenant violates the Governing Documents or any of the foregoing provisions, Tenant and Owner agree that individually or collectively they may be subject to the sanctions described in paragraph 7 below.

3. Term of Lease. Tenant warrants that the term of his or her lease with the Owner is for a term not less than **30 DAYS**.

4. No Right to Sublease. Tenant shall not sublease the Unit, in whole or in part, or assign his or her interest in the Unit to any other person.

5. Renter's Insurance. Prior to receiving possession of the Unit and membership privileges, Tenant shall furnish the Association with a Certificate of Insurance evidencing (i) a Renter's Insurance policy with appropriate limits to cover Tenant's personal property within the Unit and (ii) Personal Liability coverage. Such insurance shall be endorsed to state that coverage shall not be canceled except after thirty (30) days prior written notice to the Association by certified mail. Tenant shall keep the insurance in full force and effect for as long as Tenant shall have possession of the Unit. Failure to maintain the insurance in full force and effect shall (i) constitute a default of this Agreement; (ii) automatically terminate Tenant's right of possession which the Association may enforce by means of an unlawful detainer action against Tenant; and (iii) automatically cancel Tenant's membership privileges.

6. Assignment of Rents. Tenant understands that, as security for the payment of the Owner's assessments to the Association, Pursuant to Section 10 of the CC&R's, Owner has assigned to the Association the right, power and authority to collect the rental income from the Unit in the event Owner becomes delinquent in the payment of his or her assessments to the Association. Tenant agrees to make rent payments directly to the Association, upon demand by the Association, until the Association notifies the Tenant the delinquency is cured. If Tenant fails to adhere to this paragraph it shall constitute a breach of the lease, of this Addendum, and of the CC&Rs, subjecting Tenant and Owner to the sanctions set out below.

7. Failure to Abide by Governing Documents/Sanctions and Unlawful Detainer. Tenant understands and agrees that failure to abide by the Governing Documents and/or this Addendum shall be deemed a breach of lease and of the CC&Rs and may result in the Association taking formal action to (i) suspend Tenant's Common Area privileges and Owner's membership rights, (ii) impose monetary fines against the Tenant and Owner, (iii) file a legal action against Tenant and Owner to enforce the governing documents, and/or (iv) file an unlawful detainer action against Tenant to evict Tenant from the Unit. In the event the Association elects to file an unlawful detainer action, Owner shall be deemed to have assigned the lease to Association who may act as landlord in commencing eviction proceedings.

8. Indemnity by Owner. Owner and Tenant agree to indemnify, defend, and hold harmless the Association and its officers, directors, committee members, members, residents, employees and agents against all claims, demands, liabilities, obligations, judgments, awards, costs, expenses and attorney's fees arising out of or related to (i) Tenant's lease or possession of the Unit, (ii) any act or omission of Tenant or Tenant's guests, family members, invitees at the Development, including, without limitation, any breach of this Addendum or the Governing Documents, and (iii) the use by Tenant and his guests, family members, and invitees of the common areas.

9. Attorneys' Fees. Any attorneys' fees and costs incurred by the Association in enforcing this Addendum and/or the Association's Governing Documents against the Tenant or Tenant's family or guests shall be paid by the Tenant and Owner jointly and severally and shall become a reimbursement assessment against the Unit which shall be fully enforceable as provided for in the CC&Rs and California law.

10. Supersedes Owner Lease. This Addendum is supplemental to and supersedes any conflicting terms and conditions which may exist in the lease agreement between Owner and Tenant.

Member Signature: _____

Unit Address: _____

Tenants Signature(s): _____

Date: _____

**CASA DE ORO
ARCHITECTURAL / VARIANCE REQUEST**

The undersigned (Owner) of Unit # (_____) wishes to remodel or make improvements or alterations to the Unit or Exclusive Use Common Area and OWNER AGREES as follows:

- A. Scope of Work.** Owner's proposal shall be submitted for review and approval by the Association's Architectural Review Committee (ARC) or Board. Upon written approval, the approved scope of work shall constitute the Project. Owner shall obtain all necessary Building Department permits prior to the commencement of the Project, and shall perform no work except that which has received prior written approval for.

Description of work

Additional information may be submitted as an attachment to this request.

- B. Approval of Scope.** Approval of scope of work by Architectural Review Committee (ARC) or Board is to general conformance with the Association's Architectural Standards and not to Building and Safety Code compliance and not to adequacy of a particular acoustical systems ability to meet the Associations acoustical standards under the specific conditions encountered in Owners Unit. Neither the Association Board nor its architectural Review Committee shall be liable for mistakes in judgment or negligence arising out of or in connection with the Associations approval or disapproval of plans. Owner shall comply with all Architectural Standards unless a waiver for a particular Standard is specifically requested in writing by Owner and specifically waived in writing by the Association. If work has not begun within six (6) months of the approval, the approval shall expire.
- C. Reimbursement of Expenses.** Should any cost be incurred to review the Scope of Work (consulting, inspection, and attorney's fees if required) shall be at Owners expense.
- D. Compliance with Architectural Standards.** Owner acknowledges receipt of the Associations Architectural Standards and Contractor Rules. Owner shall ensure that all contractors and subcontractors receive a copy of the Rules and abide by them.
- E. Liability for Damage & Mitigation.** Owner assumes liability for injuries to persons and/or property damage to common areas or other units arising from the Project. If the damage is not repaired in a timely manner, the Association may make repairs and assess the Owner. Owner also assumes liability for all expenses incurred by the Association mitigating damage to the common areas and/or

other Units arising from or related to the Project. Such expenses shall become a special assessment against the Owner.

- F. Concealed Conditions.** Any concealed conditions, Building Code violations and/or deficiencies discovered by the Association during the Project or after completion shall be corrected at Owners sole expense, whether such conditions are inside the Unit or the common areas surrounding the Unit.
- G. Licensed and Insured Vendors.** All vendors shall be licensed and insured, including all contractors, subcontractors. Each shall carry *Workers Compensation* insurance and *Commercial General Liability* insurance. The insurance shall be maintained for the duration of the project and certificates of insurance shall be submitted to the Association prior to the commencement of work.
- H. Inspections.** The Association shall have the right, but not the obligation, to request an inspection of the Project. Owner shall allow such inspections and agrees the Project may be halted by the Association and a daily fine of \$100.00 assessed until inspections are allowed. Inspections shall not relieve Owner from the duty to comply with the Associations Architectural Standards and all applicable Building and Fire Codes.
- I. Suspension of Workers.** Individuals and companies may be banned from the Development if, in the opinion of the Board, they are unreliable, unsafe or establish a pattern of violating the Association's rules, guidelines and standards.
- J. Structural and Code Compliance.** No structural changes are permitted. All work and materials related to the Project shall comply with all applicable Building and Fire Codes.
- K. Water Shut-Offs.** If the water needs to be shut off to your unit, then be considerate and notify your neighbors at least 24 hours in advance prior to the shut off if their unit(s) will be affected.
- L. Flooring Acoustics.** All flooring, whether bare concrete, carpet or hard-surfaced materials such as vinyl, marble, granite, tile and hardwood shall meet or exceed the following acoustical standards: (i) Field Impact Insulation Class (FIIC) 52 and (ii) airborne sound Noise Isolation Class (NIC) 52. It shall be the Owners duty to fully inform his or her contractors of the Owners duty to install noise insulating materials to meet or exceed these standards.
- M. Diligent Construction.** Owner shall complete the Project within six (6) months of the Associations approval of the Project. The Boards discretion for delays caused by strikes, fires, holidays or other events beyond Owners control.
- N. No Mechanics Liens.** Owner shall indemnify and hold harmless the Association and all other members of the Association against liability or loss arising from mechanics liens resulting from work on the Project.
- O. Indemnity.** The Associations consent to the Project shall not give rise to any liability by the Association or its representatives. Owner shall indemnify, hold harmless and defend the Association and its officers, directors, employees and agents from claims arising from the Project or its approval by the Association. This indemnity shall survive the termination of this Agreement.

P. Enforcement Provisions. The Association shall have the authority to impose monetary penalties, suspend the Project and workers access to the Project, obtain restraining orders, obtain damages, and cure the violation or repair the damage and special assessment for reimbursement. Unless otherwise provided for in this Agreement, monetary penalties may be assessed as follows: (i) first violation, \$100.00, (ii) second violation, \$150.00, (iii) third violation, \$200.00, (iv) continuing violations will be \$100.00 daily.

Q. Attorney's Fees. In the event proceedings are brought to enforce the terms of this agreement, the prevailing party will be entitled to recover all costs and reasonable attorneys' fees. If the Association is the prevailing party, the monies awarded shall become a special assessment against the Owner.

I have received the Casa de Oro Architectural Standards dated_____. I agree to abide by the Associations CC&Rs, Rules and Regulations, and Architectural Standards, as modified from time-to-time.

Unit Address:_____

Members Name:_____

Member Signature:_____

Date:_____

CONTRACTOR OBLIGATIONS

The undersigned Contractor working in unit # (_____) AGREES AS FOLLOWS:

R. Scope of Work. Contractor shall adhere to the scope of work contained in the plans or documents approved by the Association. No additions, deletions, or changes to the scope of work shall be made without prior written approval from the Association.

S. Compliance with Architectural and Industry Standards. Contractor acknowledges receipt of the Associations Architectural Standards including Plan Requirements and Contractor Rules and agrees to comply with them. Furthermore, all construction shall meet or exceed current industry standards. Contractor shall comply with all applicable Building and Fire Codes.

T. Licensed and Insured. Contractor shall be licensed and insured for the duration of the project. Certificates of insurance shall be submitted to the office prior to the commencement of work.

- a. Workers Compensation. Contractors shall maintain Workers Compensation insurance for all persons performing services.
- b. Commercial General Liability. Contractors shall maintain Commercial General Liability insurance.
- c. Automobile Liability. For vehicles brought onto the property, contractors shall maintain automobile liability insurance.

U. Liability for Damage. Contractor assumes liability for injuries to persons and/or property arising out of Contractors acts or omissions. Failure to make repairs or compensate for damage in a timely manner may result in Contractors temporary or permanent suspension from the building.

V. Liability for Mitigation. Contractor assumes liability for all expenses incurred by the Association mitigating damage to the common areas and/or other Units arising out of Contractors acts or omissions.

W. Inspections. The Association shall have the right but not the obligation to request an inspection of the Contractors work. Owner shall allow such inspections and agrees the Project may be halted by the Association and a daily fine of \$100.00 assessed until inspections are allowed. Such inspections do not relieve Contractor from his duty to comply with the Associations Architectural Standards, and all applicable Building and Fire Codes. Cost incurred by the Association for such inspection is the responsibility of the owner and the costs will be billed to the owner for reimbursement to the Association.

X. Enforcement Provisions. The Association shall have the authority to impose monetary penalties, and suspend Contractors work, and or take appropriate legal action against Contractor for Contractors failure to abide by the Associations Architectural Standards. Monetary penalties may be assessed as follows: (i) first violation, up to \$100.00, (ii) second violation, \$150.00, (iii) third violation, \$200.00, (iv) continuing violations will be \$100.00 daily.

Y. Dispute Resolution. Except for injunctive relief, any dispute arising out of the Project and/or this Agreement shall be resolved by final and binding arbitration before a retired Superior Court judge (Arbitrator). The trial shall be commenced, if possible, within three (3) months from the date the matter has been submitted to the Arbitrator. Should any party refuse to or neglect to appear or participate in the arbitration proceedings, the Arbitrator shall decide the controversy in accordance with whatever evidence is presented. The fees necessary to initiate the arbitration shall be remitted by the requesting party. The prevailing party shall be awarded reasonable attorney's fees and costs. In the event the Association is the

