

CANON DEL SOL

HOMEOWNERS ASSOCIATION

RULES AND REGULATIONS

HANDBOOK

Revised: January 2008

INTRODUCTION

Living in a town home development as an owner or tenant requires a slightly different approach to everyday activities other than that which is followed when we live in individually owned residences. The principal reason is our joint ownership and maintenance of the exterior of our residences, common areas and recreational facilities. Some form of this policy has to be established by us as an Association for the use and maintenance of the retention of the attractive appearance of our development. Community standards need to be fair and reasonable, not infringed upon individual rights and freedom, and they must be respected.

The following Rules and Regulations have been written and approved by the Association's Board of Directors and are intended for the mutual benefit of all owners and residents. All members of our community are asked to cooperate to allow each owner and resident full enjoyment of his or her home. These rules are offered as a positive rather than negative contribution toward the improvement of conditions in living in what, for many, is a new type of environment. It is hoped that they will likewise be received in a positive manner. These standards were established in the belief that every resident should, at all times, exercise an attitude of consideration and common sense with regard to individual rights, as well as your neighbors and to the benefit of all residents.

These regulatory provisions are applicable to all town home residents and visitors. Owners, including off-site landlords, will be held responsible for the actions of their tenants and guests. Owners or their agents are obliged to provide tenants with this information.

The Homeowners Association will maintain a roster containing-the name and address of each owner. An up-to-date list of owners is essential for efficient management of the Association's operation. Members are asked to notify Anderson & Company of change of address, phone number, etc., in writing. It is also essential that an up-to-date list of owners, tenants or agent be maintained. All owners who are renting their units are asked to notify the Board of Directors of their status of their unit and advise them of name, address, and telephone number of their tenant or agent either in writing or by telephone.

This information will be used only for conducting business of the Association and will be kept completely confidential.

Rules and Regulations are a supplement to the complex documents known as the Declaration and Bylaws which were established by the developer. The Rules and Regulations do not supersede or change the Declaration. The Rules and Regulations are binding on all owners and residents.

ADOPTION

These Rules and Regulations were adopted by the Board of Directors of the Canon del Sol Homeowners Association on February 21, 1989; revised May 20, 1995 and updated January, 2008 pursuant to the authority granted by Article V, Section 5.2D of the Declaration of Covenants, Conditions and Restrictions dated and recorded on February 17, 1989 in Book 3488, Page 197 of the Official Records of Santa Cruz County (the "Declaration").

CHIMNEY AND DRYER VENT CLEANING

1. The Association requires that all chimneys and dryer vents be inspected by a licensed chimney cleaner on a bi-yearly basis in every even-numbered year. The Association is responsible for the costs of the inspections provided that they are scheduled in accordance with the pre-defined dates established by the Board. The owner is responsible for cleaning costs.
2. If confirmed appointments are not kept, the owner will be billed a trip charge of \$125.00. Failure to schedule an appointment for an inspection during the established time period will result in an initial fine of \$50.00.
3. If the chimney and/or vents require cleaning, the owner must arrange to have them cleaned.
4. The owner may retain the owner's own contractor to perform the chimney cleaning; however, the Association reserves the right to re-inspect the chimney at the expense of the owner.

ARCHITECTURAL CONTROL

1. Every homeowner is reminded that any exterior change must be approved by the Board of Directors. No building, fence, wall, obstruction, outside or exterior wiring, balcony, screen patio, patio cover, tent, awning, carport, carport cover, trellis, improvement, or structure of any kind shall be commenced, installed, erected, painted or maintained upon the property, nor shall any alteration or improvement of any kind be made thereto, or to the exterior of any residence, until the same has been approved in writing by the Board, or by an Architectural Control Committee ("ACC") appointed by the Board. Repainting an exterior door of a residence requires architectural approval unless the door will be repainted the exact same color (which was previously approved by the Board or ACC). Requests for proposed architectural changes shall be made in writing to the Board (or the ACC) and shall include detailed drawings and specifications, along with such additional information and materials as may be reasonably requested by the Board or ACC. The Board or the ACC will consider the application in light of factors such as the quality of workmanship, the design and harmony of external design with existing structures, the location in relation to surrounding structures, topography and finish grade elevation. Any construction approval given by the Association does not negate the necessity for obtaining required governmental permits and approvals. Conversely, obtaining governmental permits or approvals does not imply automatic Association approval. Owners are also advised of the necessity of obtaining permits for any electrical, plumbing or other interior alteration of a residence.
2. Prior to commencing work, the owner shall provide the Association with a copy of any and all required governmental permits or approvals for the work. Upon Board approval

of the proposed work, the homeowner must sign an agreement assuming responsibility for any increased maintenance cost associated with the work. The agreement shall be recorded in the Official Records of the County, and shall run with the land in perpetuity.

3. Residents are not permitted to alter the common area landscaping, or the landscaping on portions of lots that are visible from the street or from any common area, without the prior written approval of the Board or ACC. Residents are prohibited from adjusting the common area irrigation or sprinkler system in any way. Residents should promptly notify the Board of Directors or Managing Agent if a problem exists.
4. The Board or the ACC shall notify the owner in writing of the action taken on the owner's architectural change application within five (5) business days of a decision. If a decision has not been made within thirty (30) days after submittal of the application and all additional information and materials requested by the Board or the ACC, then the application shall be automatically deemed approved. Any decision disapproving a request shall include both an explanation of why the proposed change was disapproved and a description of the procedure for reconsideration of the decision by the Board. The decision of the Board on any request for architectural change shall be final. If the Board appoints an ACC, then a homeowner may appeal any adverse decision of the ACC to the Board by submitting a written appeal within ten (10) days after the date of the decision. The decision of the Board on the appeal shall be final.
5. Once an architectural change request is approved, the owner shall commence work within 1 year of the date of the approval and shall diligently proceed to complete the work; however, the owner may request the Board or ACC to grant an extension of the one-year time period for good cause.

FRONT DECK ADDITION

A minimum distance of ten (10) feet measured from the face of curb to the actual deck structure shall be maintained for all front deck additions which may encroach into front yard setback areas. For purposes of these Rules, the "face of the curb" means the base of the rolled curb, at its lowest point, when measured from the front towards the back, or rear edge of the curb. Notwithstanding the foregoing, all front deck additions shall be subject to permitting requirements of applicable governmental agencies. If a larger setback is required by any such governmental agency, then a larger setback shall be maintained.

GLASS NOT PICKETS ON DECK BALCONIES

From and after February 5, 2001, all new proposed deck additions and repairs of existing upper balcony decks will not include pickets and will, in their place, use safety or tempered glass.

1. If existing picket railings have to be replaced due to dry rot, decay, etc., the Association will replace the entire deck railing with safety or tempered glass, not just those pickets that are affected.
2. If an individual owner applies for a balcony deck addition, the addition will require glass not pickets.

Any deviation from the above must be approved by the Board or the ACC before work is performed. Please contact the On Site Manager to request a form.

LANDSCAPE LIGHTING STANDARDS

1. Owners should contact the On Site Resident Manager to discuss their landscape lighting plans and to obtain approval from the Association before their installation.
2. The landscape lights must conform to a standard design; that is, an intermatic, three (3) tier, 18 watt capacity 14 ½” high, 6” embedment fixture (such as the Malibu brand that can be purchased at a hardware store). The maximum numbers of lights that are allowed are ten (10). Solar lights are preferred for their low maintenance and cost. Solar lighting systems must also comply with the above requirements.
3. The 120 volt house current must be supplied through a GFCI protected, outside electrical outlet with a waterproof cover.
4. The 120 volt house current must then be delivered to a transformer to step down the 120 volt current to 12 volts. The transformer should have enough capacity to support the cumulated wattage of the lights in the system.
5. The cable should be buried a minimum of 4 inches deep.
6. It is the homeowner’s responsibility to maintain the lighting in a safe, working condition. Broken light fixtures or bulbs may not be left unrepaired for any length of time. If the lights are not maintained, the Association will remove them and bill the owner for the removal cost.

PLANTS, POTS, DÉCOR ITEM RESTRICTIONS

1. No plants can be hung from the bottom decks.
2. Hanging items from roof eaves are limited to 1 item per each 4 linear feet of roof.
3. No plants or decorative items can be placed on deck railings or porch railings.
4. No lattices are allowed except those previously approved by the ARC for privacy purposes, those affixed to unit walls, or those whose height is lower than the deck railing height.
5. Any board approved privacy lattices must be fixed in place per the ARC approved plan.
6. All plants in the common ground must be defined by the CDS Board.
7. Plants should be allocated evenly throughout the complex.
8. Planters and umbrella stands residing on decks must be elevated or sit on large saucers to prevent dry rot on wood surfaces.
9. Ceramic or metal charcoal burning units are a fire hazard and cannot be placed on owner decks.

DECKS AND PORCHES

“Deck Clutter” has been raised as a problem so the following guidelines are now in place. The On Site Manager, in conjunction with the Board of Directors, will evaluate any deck clutter issues brought to their attention and have final approval as to the safety and suitability of items placed on decks and porches.

1. All items stored on decks and porches must be aesthetically covered; all “unsightly” items must be removed.
2. Dangerous conditions that could relate to structural failures, result in premature replacement or general hazards to the owners, common area, or structures must be corrected immediately. Such situations include items built on decks/porches with “footprints” that exceed design loadings of 20 lbs/sq. ft. items fastened to railings, open flamed clay pots etc. Planters and pots that sit on decks/porches’ wooden surfaces should have a 1” air space clearance.
3. Excessive outside wall décor, lattices between decks and lattices displayed above the railing level are prohibited unless approved the Board or ACC in writing. Free standing lattices/arbors must be physically attached to building walls using approved construction techniques per the Board or the ACC.

NUISANCES

1. No noxious, illegal, or offensive activities shall be carried on upon any town home or in any part of the property, nor shall anything be done thereon which may or may become an annoyance or nuisance to or which may in any way interfere with the quiet enjoyment of each of the owners respective town home, or in which shall in any way cause insurance policy to be canceled or to cause a refusal to renew the same, or which will impair the structural integrity of the building.
2. No person shall play upon or allow to be played any musical instrument, or operate or permit to be operated any phonograph stereo, radio, television set, or other amplified sound system in any outdoor area between the hours of 10:00 p.m. and 9:00 a.m. No persons shall permit any party or activity in the common area, or town home which makes or causes to make noises which might tend to unreasonably interfere with the peace and quiet of the other owners or occupants.
3. No radio or other sound system shall be operated in any outdoor area of the subdivision except at a low sound level. No offensive noise, language or behavior is allowed. The use of fireworks, firecrackers and any types of firearms in the community is prohibited and is subject to formal complaint to the Police Department.

VEHICLES

1. No trailer, camper, mobile home, truck (other than standard size pickup) inoperable automobile, or similar equipment shall be permitted to remain upon any area within the property other than temporarily, unless placed or maintained within an enclosed garage. Parking of any commercial vehicle, rental or u-haul trucks or trailers, or unsightly equipment is not permitted except for service and delivery to a resident. Commercial vehicles shall not include sedans or standard size pickup trucks which are used for both business and personal use. No off-road unlicensed motor vehicles shall be operated upon the property. Applicable State Vehicular Codes to street traffic will be enforced in the community. All vehicles must be operated in a safe manner and by a licensed driver at all times. All stop signs and parking signs shall be heeded and obeyed. Failure to do so jeopardizes the safety of both pedestrian and vehicular traffic and may result in possible disciplinary action.

2. All unmarked or unassigned parking spaces are considered guest parking spaces and are to be used only for that purpose. Owners of illegally parked vehicles are subject to penalty assessments and possible tow away at the owners' expense, particularly for repeated violations. Vehicles cited for any violations are automatically checked through the Department of Motor Vehicles for ownership and address.
3. To assure maximum use of the limited parking, residents must park their vehicles in a manner that does not waste a possible parking space for another vehicle. No vehicle shall be parked in such a manner as to impede or prevent ready access to any entrance or exit from a building. The sidewalks, roadways, and driveways shall not be obstructed or used for any purpose other than entering and leaving the project. Parking is not allowed along any painted red curb, adjacent to a fire hydrant, in a posted fire lane or any posted NO PARKING zone.
4. A vehicle parked in violation of these Rules will generally be issued a warning citation on the first offense, although if the vehicle poses an immediate hazard or obstruction to traffic within the project, the vehicle may be towed on the first offense. A second offense, however, will result in the vehicle being immediately towed by the Association at the owners' expense without any further notice. Each day that a violation exists shall be considered a separate offense.
5. A vehicle will be deemed abandoned if it also carries an expired license plate and has been in inoperable condition in excess of seventy-two (72) hours. The Association may have such vehicle towed at the owners' expense and/or subject to a penalty assessment. Abandoned vehicles are subject to tow away at owners' expense. The actual tow away of any violator's vehicle will be performed by a private towing service authorized by the Board. The Police Department will also be notified. Engine overhaul or body repair equipment, acetylene or welding equipment is prohibited. Sweeping or hosing of parking area of debris is permitted provided such debris is then picked up and the area left in a clean condition. Other than immediate emergency repairs, no vehicle repair is permitted in the parking area.
6. Any spillage of oil, coolant, gas or other unsightly or damaging materials must be cleaned up immediately. Any damage caused by these materials will be repaired at the owners' expense with a possible penalty assessments levied. Any vehicle found to be leaking oil, gas, coolant, etc., in the common area must be moved immediately due to possible fire hazard and pavement damage. Failure to do so is subject to tow away at owners' expense plus any cost incurred by the Association for the repair and/or clean up of any damage. Offensive vehicular noise such as loud radios, squealing of tires or brakes etc. is strictly prohibited.
7. If a resident has a guest or family member who will need to use a guest parking place on a temporary basis (3 to 30 days), the resident must obtain and fill out a Variance Request Form from the On-Site Manager and receive Board approval.
8. Owners are responsible for the parking and vehicle use of their guests as well as family members. Landlords are responsible for their tenants and will be liable for fines incurred by guest or tenant failure to comply with the Association rules.

SIGNS

No signs shall be displayed to the public view on any units or on any portion of the property except such signs as are approved by the Board of Directors. "For Sale" or "For Rent" shall be allowed provided they do not exceed five (5) square feet in size. Only one (1) sign per town home is permitted. All signs must be removed at the time of sale or rental. When listing a town home for sale or rent, the owner is responsible for informing his or her real estate agent of this policy.

1. No signs of any kind may be nailed or attached to any tree, lamp posts, mail boxes, fences, gates or other common area structures.
2. Noncommercial signs that do not exceed 9 square feet in size shall be permitted in accordance with the provisions of California Civil Code Section 1353.6.

ANIMALS

1. No animals, birds, insects or reptiles of any kind shall be raised, bred or kept in any town home or in the common areas except usual and ordinary household pets, such as dogs, cats, birds, etc. Pets may be kept provided they are kept under control at all times.
2. According to the CC&R's, Article VII USE RESTRICTIONS, Section 7.8, "No more than one (1) household pet may be kept, and it must be kept under control at all times." It was previously noted that some full time residents have more than one pet which is in violation of the limit defined by the CC&Rs. As of June 6, 2005, the Directors voted to "grandfather in" all full time residents with two (2) pets who formally applied for a variance by August 31, 2005. The Directors agreed that no action will be taken against any resident who received the variance as long they keep their pets under control and clean up after them. However, if one pet should die, the resident will not be permitted to replace it. New and current full time residents will not be allowed to have more than one pet from and after June 6, 2005.

GARBAGE AND REFUSE DISPOSAL

1. Clean up of the recreational and common area is self-policing, and it is the responsibility of the users to maintain the areas in a litter free condition. All rubbish, trash, garbage, etc., shall be regularly removed from the property, and shall not be allowed to accumulate so as to not attract rodents, etc. All trash shall be placed in proper trash receptacles and stored in each town house garage after weekly garbage pick up.
2. Debris of any kind is not to be intentionally discarded in any common area. Any debris swept or hosed from the common area must be swept up and put into the appropriate container.

RADIO AND TELEVISION ANTENNAS AND SATELLITE DISHES

1. No alteration to or modification of a central radio or television antenna system or cable television system, whichever is applicable, as developed by the original developer and as maintained by the Association, shall be permitted, without prior written consent of the Board. No owner may be permitted to construct or use and operate his own external radio, television antenna, or satellite dish without the prior consent of the Board.
2. The Board shall be permitted to impose reasonable restrictions on antennas and satellite dishes in accordance with Civil Code Section 1376.

WINDOW COVERINGS

Curtains, drapes, gutters, or blinds must be installed as interior window covers within ninety (90) days from the close of escrow. No window is to be covered with sheets, aluminum foil, paper or similar material. All window coverings other than white require the prior written approval of the Board or ACC.

CLOTHES LINES

No article of clothing, including bathing suits, wetsuits, towels, etc. shall be hung out doors visible from the street. Further, no clothes washers, clothes dryers, water heaters, refrigerators or freezers may be kept stored or operated on any exterior area.

POWER EQUIPMENT AND CAR MAINTENANCE

No power equipment, hobby shops, or car maintenance (other than emergency work) shall be permitted on the property except with prior written approval from the Board.

LIABILITY OF OWNERS FOR DAMAGE TO COMMON AREA

1. Neither the Association nor the Board has any liability for damage, loss, or theft of any personal property stored in the common area or town homes.
2. Owners will be held liable for any reasonable costs incurred by the Association for the repair or replacement, due to negligent or willful damage or destruction to structures, fences, gates or landscaping or recreational areas caused by said owner, tenant or guests.

Such costs, plus possible penalty assessments, will be charged to the owners as determined by the Board.

LEASING OR RENTING

1. The project is subject to Santa Cruz County Ordinances, specifically including the ordinance relating to short-term rental units in a Planned Unit Development. No owner may lease less than the

entire town home. Any lease agreement shall be required to provide that the term of the lease shall be subject in all respects to the provisions of the Declaration, Articles and Bylaws and that any failure of the lessee to comply with the terms of such document shall be default under lease. All leases shall be required to be in writing. All owners leasing or renting their lots shall promptly notify the managing Agent of the Association in writing of the names of all tenants and members of the tenant's families occupying such lot and of the address and telephone number where such owner or agent can be reached.

2. Upon rental of their unit, owners agree that their rights and privileges as residents at the Canon Del Sol Homeowners Association are passed on to their tenants. Owners will no longer have access to the swimming pool, tennis courts, etc.

USING BARBECUES AT RESIDENTIAL UNITS

Because of the Association's concern regarding proper fire safety procedures, the following rules shall apply regarding barbecue use at individual residential units.

1. Both briquettes and/or charcoal burning barbecues and gas-operated barbecues are permitted.
2. All barbecues must have an air tight lid which can be closed after cooking to completely extinguish the fire.
3. Gas barbecue units must have an annual, maintenance safety inspection completed by a qualified person, to verify that all equipment is operating in a safe and satisfactory manner.
4. All barbecue equipment must be operated in safe manner, including (without limitation) being located a safe distance from nearby walls, overhangs, shrub and tree limbs, etc. to prevent any accidental fires from starting.
5. All residents using barbecue equipment shall be required to have a current operating condition type "B" fire extinguisher readily available for use in case of emergency.

POOL AND POOL AREA

1. There is no lifeguard on duty. Persons using the pool do so at their own risk. Hours are from 9:00 A.M. to 10:00 P.M. Posted pool hours must be strictly observed; after hours users, including owners, shall be cited and/or fined.
2. No child not potty trained may use the pool. No child under fourteen (14) years of age may use the pool unless accompanied by a responsible adult, Homeowners Association member, or a qualified adult tenant. One responsible adult may not supervise more than four (4) children or minors. Children who create a noise problem are not permitted in the pool area at anytime. Non-resident owners who rent or lease their units are responsible for their tenants' actions while using the community pool. Owners are to make sure that their tenants have a copy of the Rules and Regulations.
3. No animals are permitted in the pool area. Bathing suits must be worn at all times, "cut-offs" are not allowed. No bobby-pins, hair-pins, etc., are to be worn in the pool. Metal

objects cause great damage to the filtering system. Suntan oils must be removed before using the pool.

4. Diving, running, playing ball and all boisterous activities are prohibited. Noise must be kept at an appropriate level considering courtesy to neighbors and the time of day. Radios must be turned down for individual listening purposes only. No such equipment shall be operated while in the pool or when wet. No musical instruments are allowed. No inflated toys, rafts, etc., are permitted except for those deemed safety floatation devices.
5. Residents are requested to maintain a conversational voice level and to refrain from obscene language. No indecent behavior offensive to others using the pool area or to neighbors will be tolerated. Pool furniture may not be reserved or removed from the pool area. Users of suntan oil must cover the chair or lounge with a towel.
6. The pool may not be used while it is being cleaned or serviced. The Association has the right to refuse the use of the pool to anyone and restrict the number of people using the pool for health, safety or related reasons. Use of the pool or pool areas by any person is an acknowledgement of these pool rules and an agreement to abide by them.
7. No glass or other breakable containers may be used in the pool area.

POOL RULES

1. No lifeguard will be on duty. Accordingly; persons using the pool, do so at their own risk.
2. There shall be no diving in the pool.
3. Dispose of all trash in the can provided for this purpose.
4. Keep gates and doors locked.
5. Turn off spa jets and cover spa when you leave.
6. No lotions, soaps or oils are allowed in the pool or spa. Please shower off before entering the pool or spa.
7. Children under the age of fourteen (14) shall be accompanied and supervised by an adult.
8. Pool hours are from 9:00 A.M. 10:00 P.M. daily.
9. The privilege of using the pool and spa facilities may be revoked at anytime due to misuse of equipment, objectionable behavior or failure to follow the rules.
10. No radios (earphones are okay), bicycles, skateboards, or roller blades are permitted in the pool area.

SPA & SPA AREA

1. All rules, regulations and restrictions of the pool and pool area also apply to the spa and spa area. In addition the following rules and regulations apply for using the spa facilities.
2. No person under five (5) years of age is permitted in the spa at anytime.
3. No person under fourteen (14) years of age is permitted in the spa at anytime without adult supervision in the spa area.
4. The spa is open for use during the hours of 9:00 a.m. until 10:00 p.m., daily.
5. Elderly persons, pregnant women, infants and those with health conditions requiring medical care should consult with a physician before entering the spa.
6. To reduce gas and electric consumption, all timers must be turned off and spa cover replaced when done using the spa.

DRUGS AND ALCOHOL IN COMMON AREAS

1. No person under 21 years of age may drink alcoholic beverages in any common area.
2. No drugs or alcohol may be used or possessed in pool area or any other common area.
3. Intoxication is not permitted in the pool area or any other common area.

CLUBHOUSE

CLUBHOUSE RESERVATIONS

1. All requests to reserve and use the recreation room for parties and other social gatherings shall be made through the Homeowners Association by calling the Canon del Sol office at (831) 722-4048. At the end of each use, the entire recreational facility shall be left in a clean and orderly condition. Furthermore, at the end of each function, those persons who have reserved it shall be responsible to determine that the facility is properly locked up and secured. Keys are to be returned within twenty-four (24) hours after use.
2. To insure reservations, two (2) checks are required:

A non-refundable check in the amount of \$50.00, to help offset the costs of maintaining the clubhouse; i.e., electricity, cable, garbage collection, etc.

A security deposit in the amount of two hundred seventy five dollars (\$275.00). The full amount will be returned to the renter if the clubhouse is left clean and there is no damage.

3. Any party using this facility will release the Association from any and all liability resulting in any harm, which may occur at the facility to any homeowner or guest present.
4. If any damage is done to the facility, furniture, pictures, carpeting etc., in or about the recreation room, the resident who reserved and used said facility will be financially responsible and billed for any damages, cleaning repairs and/or replacement costs over and above the \$275.00 deposit.
5. The recreation room is available for the use and convenience of the homeowners; however, it is not intended and may not be used for profit making purposes.
6. Two months written notice must be given in advance to the Board for approval of any event with over fifty (50) people present. In such an event, the Board may impose extra rules (i.e. increase deposit for security and professional cleaning service).

7.

CLUBHOUSE RULES

Owner Use:

1. May not be used by a non-owner although originally scheduled by the owner.
2. Assumes all liability for any damage, which will be billed with the next monthly dues statement.
3. Must end by 11:00 p.m.
4. Must have responsible adults present at all times.

COMMON AREA BARBEQUE OPERATIONS (Adopted January 5, 2004)

The following rules shall apply to the use of the barbeques located in the Common Area behind the Club House.

When you would like to use the barbeque facilities, please call the On Site Canon Del Sol Manager in the clubhouse Office (831) 722-4048 to confirm availability.

1. Before using the barbeques, please make sure that you have located and have immediate accessibility to the clubhouse garden hose in the event that you need to quickly extinguish the fire. The hose is located behind the clubhouse.
2. Do not use paper to ignite the briquettes.
3. When you have finished using the barbeque, it is your responsibility to extinguish the coals and to remove the ashes from the pit. Please put the ashes in the lidded metal container that is also located behind the clubhouse.
4. Do not burn any trash in the barbeque.

TENNIS COURTS

1. Hours for tennis are from 9:00 A.M. to dusk
2. Tennis shoes must be worn at all times - no bare feet, jogging, black soled shoes or other types of shoes are allowed.
3. Tennis courts are for tennis only - no roller skating, skateboarding, bicycle riding, baseball tossing or other activities allowed.
4. No animals allowed at any time.
5. No glass or pottery containers of any kind or radios or any musical instruments and equipment are allowed in the tennis enclosures at anytime.
6. Courts are for the exclusive use of residents and their guests. Should more than 6 guests per unit be anticipated, written request must be submitted to the Board of Directors. With approval, courts may be reserved for a time slot not to exceed two (2) hours. Notice of date and time of reservation must be posted on tennis court gate one week in advance of upcoming event.
7. Abuse of net screens and court services is not permitted. Damage to the facility will be charged to the responsible person with residents responsible for damage by their guests. Obscene language and unsportsmanlike behavior is prohibited. No commercial tennis lessons will be allowed on the premises. Tennis court gate must be locked at all times.
8. When courts are full and others are waiting to use them, please limit your play to one hour. No more than three balls per court.
9. Failure to comply with these rules can result in fines and/or loss of court privileges.

COMPLAINT AND RULE ENFORCEMENT PROCEDURE

The following complaint procedure is for alleged violations of these Rules. Homeowners are urged to first attempt to resolve neighborhood complaints (such as excessive noise, barking dogs, etc.) on their own; however, if necessary, a homeowner may employ the procedure outlined below.

1. Any owner should report a violation or infraction to a member of the Board by a written report of facts. A signed and dated letter should be submitted which comprehensively lays out the basis of the complaint and provides the information of when, where, who, what and how the violation occurred. No enforcement procedure will be initiated without a signed and written ---complaint. Any verbal communications of complaint are always welcome, however, residents must confirm their grievance in writing as outlined herewith. The Board has authority to initiate its own complaint against a homeowner for an alleged violation of the Rules.

2. An owner is strictly liable for violations of these rules by his or her guests or tenants, and is therefore responsible to provide all tenants and guests with a copy of these rules and regulations. Where a tenant or occupant is in violation of a rule, the owner will be served notice and have the responsibility per subsequent action as outlined hereafter.
3. Tenants and guests are bound by the governing legal documents including these Rules and Regulations of the Association. Owners and tenants are held responsible and liable at all times for the action and conduct of their families and guests while on community property. All tenant and guest violations will be cited against the homeowner. A copy of the violation will be sent to the tenant also. The owner will be held liable for the payment of the penalty assessment levied for his tenant or guest violations, as well as reasonable costs, if applicable, incurred by the Association for the repair and replacement of any damage caused to the community.
4. When the Property Manager, On-site Manager, or Board Member determines that the complaint is valid, for the first notice, the Property Manager, On-site Manager or Board Member will place a telephone call to the homeowner notifying him/her of (1) the specific problem, (2) suggested remedies, (3) deadline for remedy, (4) potential penalties, and (5) ensuing procedure. This is to be followed by a formal letter summarizing the telephone conversation and sent or delivered to the homeowner of record to his or her last known address within two calendar days after the telephone notification. However, failure to deliver the written notification within two days will not eliminate the complaint.
5. All complaints will be heard at the next regularly scheduled Board meeting if the owner has received at least ten (10) days prior notice of the hearing. If the offending owner has not received at least ten (10) days notice, the complaint will be heard at the second Board meeting following the date of the letter. The notice must include the date, time, and place of the meeting, the nature of the alleged violation, and a statement that the owner has the right to attend and may address the Board at the meeting. Upon written request of either party to the grievance, the Board may conduct a special hearing to review and act upon the complaint. Upon request of the owner who is charged with the alleged violation, the Board shall meet in executive session.
6. If the offending owner has corrected the violation, the Board may opt to impose no penalty and close the complaint, or may proceed to make a formal determination as to whether the alleged violation occurred.
7. If the violation is found, the Board will determine what sanction is appropriate for the violation. Should the offending owner not appear at the hearing, the Board will make a decision on the matter in his or her absence. Any such determination would be binding. The decision of the Board will be final except when in any manner state law allows for recourse by another authority. Notice of Action will be sent to the owner of record or their designated agent at his or her last known address within 15 days following the action.
8. The Board of Directors has at its disposal several enforcement alternatives ranging from a simple oral warning to legal action. In general, the alternatives fall into the following categories but are not limited to:

1. Oral and/or written warning.
 2. Penalty assessment.
 3. Late charges on delinquent dues and assessments.
 4. Lien and foreclosure against owners unit.
 5. Court conjunctions.
 6. Notice of violations of the City, County and State codes and or laws to the appropriate Police and/or Regulatory Agency.
9. Where damage to association property occurs, a reimbursement assessment may be levied against an owner to reimburse the association for all costs incurred in repairing or replacing the damage to the association property caused by the owner, the owner's tenant or the owner's family member or guest.
10. If there is a violation of architectural standards, a penalty assessment may be levied, or a court injunction instituted against any owner who undertakes the improvement or alterations to a townhouse which might affect the architectural integrity or accepted standards of the community without prior Association approval.
11. If the violation endangers the health or safety of the community, the Board can take immediate action to ensure the health and/or safety of the community, including making a report to the Police Department or seeking court injunctions as a legal restraint.
12. In addition to any fine levied, the Board shall impose any additional sums which amount to actual costs to the Association to repair the Association property or correction of the violation.
13. All fines and charges assessed against an owner for a violation of the Rules will be shown on a written statement or invoice provided to the owner.
14. Any unpaid balances will be subject to late fees and charges as applied on the statement. Except to the extent prohibited by law, unpaid fines and reimbursement assessments shall become a lien against the owner's unit.
15. If the nature of a violation is a continuing one, then thirty (30) days following the mailing of a letter notifying the owner of the Board's action, the complaint will be checked to determine if the violation has been rectified. If the violation has not been rectified, a new complaint will be filed, and the offending owner could be subject to multiple fines for a continuing violation. If the violation has been corrected, no further action will be taken.
16. All fines collected will be credited to the Association's general account.

17. All letters and notices required under this procedure shall be mailed in the United States mail, first class postage prepaid, return receipt requested and addressed to the offending owner at the last known address listed or otherwise provided by the owner.

PENALTY FINE SCHEDULE

ALL CANON DEL SOL HOMEOWNER'S ASSOCIATION RULES AND REGULATIONS, AS DEFINED IN THE CC&R'S, ARCHITECTURAL REVIEW COMMITTEE (ACC) GUIDELINES, HANDBOOKS, ETC. ARE SUBJECT TO THIS PENALTY SCHEDULE. FAILURE TO PAY DEFINED FEES, AS BILLED, COULD RESULT IN LATE FEES AND LEGAL ACTION.

Recurring Violations of use of Common Area other than Vehicles/Parking (for example: documented or posted rule violations of pool, spa, tennis courts, recreation areas)

FINE: \$50 for the first violation; \$100 for each subsequent violation of the same type within three months of the last fine. The Association will bill the responsible owner costs incurred for the repair or replacement of any damage to the common area. The Board may revoke or suspend the "common area use" privileges of owners and/or renters who continue to abuse said rules.

Recurring Nuisance, Obnoxious and/or Offensive Activities on the Property (for example: loud music, parties after 10 o'clock, continually barking dogs, or any other situations which interfere with the peace and tranquility of owners, renters, or their guests.)

FINE: \$50 for the first violation; \$100 for the second violation. Each subsequent violation shall be \$50 multiplied by the total number of said violations within a 12-month period.

Recurring Violations Involving Vehicles and Parking (for example: parking of nonconforming vehicles; e.g. those "stored" or "on blocks" for repair), parking in designated Guest Parking Areas, parking in fire lanes, etc.)

FINE: \$50 for the violation; \$100 for the second violation (\$500 if a fire lane violation; i.e. unattended vehicles); each subsequent violation shall be \$50 multiplied by the number of said violations within a 12-month period. If a fire lane violation is not corrected, the vehicle may be towed away in addition to the fine.

Recurring Architectural Violations of a Non-Structural Nature (for example: use of signs, antennas, deck clutter items, fire safety items, etc.)

FINE: \$100 for the first violation; \$200 for the second violation.

Structural Violations (for example: non-approved construction, cutting down trees, alterations or physical changes to the structure of the town home without written approval from the Board)

FINE: \$200 for the first violation, plus a daily fine, ranging from \$1 to \$50 (as determined in the sole discretion of the Board) for each day that the nonconformance exists without Board approval. Fines for any subsequent violation of the same Architectural Rule

during an owner's period of ownership will be doubled.

INTERNAL DISPUTE RESOLUTION AND ALTERNATIVE DISPUTE RESOLUTION PROCEDURES OF CANON DEL SOL

In an attempt to avoid costly litigation between homeowners associations **and** their members, and to resolve certain disputes between a homeowners association and its members *as early as* possible, California law requires that each homeowners association implement (1) an internal dispute resolution process, and (2) follow an alternative dispute resolution process prior to proceeding with litigation in certain cases.

A. Internal Dispute Resolution

Civil Code sections 1363.810 through 1363.850 require that a homeowners association create a fair, reasonable, and expeditious procedure for resolving certain disputes or be bound by the provisions of Civil Code section 1363.840. The provisions set forth in Civil Code section 1363.840 governing internal dispute resolution will apply to the covered disputes in Canon del Sol. These provisions specify that:

1. Either party may invoke the internal dispute resolution ("meet and confer") process. The request must be in writing;
2. A member may refuse a request to meet and confer, but the association may not;
3. The board must designate a member to meet and confer,
4. The parties must 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; and
5. A resolution of the dispute agreed to by the parties shall be memorialized in writing, and signed by the parties, including the board's designee.

An agreement reached under this internal dispute resolution procedure is binding on both parties, and judicially enforceable, provided that:

1. The agreement is not in conflict with law or the governing documents of the homeowners association; and
2. The agreement is consistent with the authority granted by the board to its designee, or the agreement is ratified by the board.

The members of the association may not be charged a fee to participate in this internal dispute resolution process.

B. Alternative Dispute Resolution

If the parties are unable to resolve their differences through internal dispute resolution, then the parties shall endeavor to submit their dispute to alternative dispute resolution ("ADR") before filing an enforcement action in superior court. In general, California Civil Code sections 1369.510 through 1369.590 require that certain disputes between a homeowners association and its members, or disputes between members, including a dispute involving enforcement of an association's governing documents, be submitted to a form of ADR such as mediation or arbitration prior to filing a lawsuit.

Following the internal dispute resolution procedure, any party may initiate the ADR process by serving a Request for Resolution pursuant to California Civil Code sections 1369.510 through 1369.580, if applicable. Civil Code section 1369.530 requires that the Request for Resolution include all of the following:

1. A brief description of the dispute between the parties;
2. A request for alternative dispute resolution;
3. A notice that the party receiving the request for resolution is required and to respond within 30 days of receipt or the request will be deemed rejected;
4. If the party on whom the request is served is the owner of a separate interest, a copy of Civil Code sections 1369.510 through 1369.590 must be included with the Request for Resolution.

The party on whom the Request for Resolution is served has 30 days to accept or reject the request; failure to accept the request within that period will be deemed rejection. If the Request for Resolution is accepted, the ADR must be completed within ninety (90) days of the acceptance, unless otherwise agreed in writing by the parties. Once a Request for Resolution is served, all applicable statutes of limitations are tolled as set forth in Civil Code section 1369.550. The costs of the mediator or arbitrator shall be shared equally by the parties. Arbitration may be binding or non-binding. The Request for Resolution may be served 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. It is suggested that a person desiring to pursue alternative dispute resolution complete a Request for Resolution in the form attached hereto as Exhibit "A".

The law requires the party filing certain lawsuits, including those for enforcement of the association's governing documents, to file a certificate with the court stating that (1) ADR has been completed prior to the filing of the lawsuit, or (2) ADR was not undertaken because one of the other parties to the dispute did not accept the terms offered for the ADR, or (3) ADR was not undertaken because preliminary or temporary injunctive relief is necessary. Failure to file this certificate can be grounds for dismissing the lawsuit. This ADR requirement does not apply to the following: (1) actions seeking assessment collection; (2) when a preliminary injunction or temporary restraining order is necessary; (3) actions seeking declaratory relief, injunctions, or writs when those actions are joined with a claim for damages exceeding the limits of the small claims court; and (4) small claims court actions. When a prevailing party is entitled to recover attorney fees and costs under Civil Code section 1369.580, the court may consider whether a party's refusal to participate in Alternative Dispute Resolution before commencement of the action was reasonable when it determines the amount of the award.

FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF SECTION 1369.520 OF THE CIVIL CODE 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.

EXHIBIT "A"

**CANON DEL SOL HOMEOWNERS ASSOCIATION
REQUEST FOR ALTERNATIVE DISPUTE RESOLUTION**

Name and Address of Requesting Party: _____

Name and Address of Responding Party: _____

REQUEST FOR ALTERNATIVE DISPUTE RESOLUTION. You are hereby requested to agree to submit the dispute described below to a form of Alternative Dispute Resolution (ADR), such as **mediation or binding or non-binding arbitration, at the option** of the parties to this **dispute**. This Request for Resolution is being made in accordance with the provisions of California Civil Code sections §1369.510 – 1369.590, a copy of which is being **served along** with this Request for Resolution.

NATURE OF DISPUTE. The nature of the dispute is as follows:

FORM OF ALTERNATIVE DISPUTE RESOLUTION REQUESTED:

Mediation **Non-Binding Arbitration** **Binding Arbitration**

TIME FOR RESPONSE. You have thirty (30) days following **receipt** of this Request to accept or reject it. If you do not **accept the Request within thirty (30) days** it will be deemed rejected. If you choose to accept alternative Dispute Resolution and agree to the form of ADR requested above, ADR shall be completed within ninety (90) days of receipt of your acceptance, unless otherwise agreed in writing, by **all** parties to the dispute.

COSTS. The costs of Alternative Dispute Resolution are **shared equally by the parties.**

Signature of Requesting Party: _____ **Date** _____

I AGREE to submit the above-described dispute to the form of Alternative Dispute Resolution set forth above.

Signature of Responding Party: _____ **Date** _____

MEDIATION

Mediation is a dispute settlement process which allows you to fully participate in negotiating a satisfactory resolution of a claim. In this process, you and the initiating party submit the dispute to a third party neutral (the mediator) who works with both sides to reach a settlement of the dispute.

It is not binding. The mediator does not have the authority to impose a settlement on the parties. The mediator serves to facilitate negotiations.

Experience has shown that when parties mediate, they reach a settlement 80% to 85% of the time.

ARBITRATION

Arbitration is the submission of a dispute to one more mutually selected, impartial persons for either a **non-binding** or a final binding decision. Arbitration is a complete substitute for a trial by a judge or jury. In arbitration, the hearing procedure is less formal than in court. Discovery is limited and the rules of evidence are **relaxed**. These and other features of arbitration provide for flexibility, the availability of expert neutral arbitrators and considerable savings of time and expense for the parties **in reaching a final determination** of their dispute. **The arbitration shall be conducted in accordance with Title 9 of Part III of the California Code of Civil Procedure and the parties shall have the right** of discovery in accordance with California of Civil Procedure §1283.0.