

RULES

of the

ALVARADO COMMUNITY ASSOCIATION

A California Nonprofit Corporation

As Amended April 6, 2005

ALVARADO COMMUNITY ASSOCIATION
Rules of the Association
including Architectural Standards
As Amended on February 16, 2005

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Introduction

These Rules ("the Rules") have been adopted by the Board of Directors of the Association ("the Board") in accordance with the authority given to the Board by the Articles of Incorporation of the Association, the Bylaws of the Association ("the Bylaws") and the Covenants, Conditions and Restrictions recorded on each of the Lots comprising the Association ("the CC&Rs"). Additional copies are available from the Secretary by paying the cost of copying incurred by the Association. They are also available on the community web site: www.alvaradoestates.org. The Board annually distributes to each Lot Owner a listing of all the Lot Owners (which is a confidential document and is not to be used for commercial or solicitation purposes), together with a listing of the directors, officers and committee members of the Association and their contact information. Periodically, the Secretary also distributes a community-information listing with contact numbers for various services and for public officials. Each Lot Owner is expected to keep the information for his or her residence up to date. The information is used for communications purposes and for resident identification purposes to protect the Lot Owners. If there is a change in the residence, including changes of phone numbers, identification of the regular residents and cars, the change should be reported promptly to the Secretary and the Gate Chairperson in order to ensure new residents ready access to their homes. (See Forms under Section 14.)

The Rules of the Association may change from time to time. New Rules will be reported in the minutes that are distributed shortly after each meeting of the Board and on the community web site: www.alvaradoestates.org. Thus, it is important that someone in each family read the minutes to keep all informed of the changes and of other news. The Board meets at least quarterly. The date of the next regular meeting is contained at the close of the minutes of each meeting. Special meetings of the Board will be noticed by mail, e-mail, or delivered for Lot Owners' information. The annual meeting of Lot Owners, normally held on the second Saturday in March of each year, is the only meeting Lot Owners are strongly urged to attend.

1. General Rules

1.01. Registration. To provide information for Association gate controls, security, and other essential records, each Lot Owner is responsible for keeping up-to-date his/her own information regarding:

- a.** Name in which the lot is vested in the Real Property Records (a copy of the grant deed or subsequent quit-claim deed is the easiest way to present this information with accuracy).
- b.** The names of all regular residents in the household (which is of importance for identification at the gate should there be any confusion). [Optional Information]
- c.** The description of each vehicle regularly parked at the Lot Owner's residence (including year, make, model and license number). [Required Information]
- d.** The telephone numbers at the lot residence at which the Lot Owner or other residents of the home can be contacted, specifying which number should be used for the Gate directory automatic dialer. If the number given is not equipped with "call waiting", another number that can be used when the first number is in use is helpful.
- e.** If available, business cellular and paging phone numbers that can be used to contact the Lot Owner and other residents in the event of a problem. [Optional Information]
- f.** Fax numbers at the lot residence and at the Lot Owner's and lot resident's business (or both) at

which a communication could be sent to avoid the delay of mailing. [Optional Information]

g. E-mail address(es), if available, for the same purposes. [Optional Information]

(See Section 4.01 - Vehicles and Section 14 - Forms)

Personal information will be held in confidence and will be made available only to those who have a need to know. Personal information is never be used for commercial or solicitation purposes (including charity).

1.02. Resident and Guest Compliance. Each Lot Owner is responsible for informing each member of his or her household regarding the existence and the contents of the Association CC&Rs and Rules, and regarding the obligations of residents to be good neighbors. It is expected that all adult members of the household will have access to the Rules, which are also available on the Internet web site: www.alvaradoestates.org, and be familiar with their content, as well as be kept informed of current Association events, issues and problems. Any violation of the Rules by a member of the household or a guest of a household member (including trades people), whether by an adult or by a child, is the personal responsibility of the Lot Owner. When necessary, the enforcement may result in penalty against the Lot Owner, enforceable under Section 12.01 by penalty assessment and lien. Therefore, it is important that Lot Owners inform their household members and guests of pertinent Rules, particularly as they affect the safety and comfort of others. .

2. Governance

2.01. Annual Meeting. The Lot Owners meet annually, as provided by the By- Laws, to elect directors, hear reports and discuss current issues. Lot Owners have a vote on any expansion of the Association territory, any amendment to the CC&Rs, any amendment to the Articles of Incorporation, in certain instances, any amendment to the By-Laws and to confirm any extraordinary penalty assessment as provided in Section 12.01 hereof. On occasion, the Board may submit resolutions or questions to the Lot Owners for advisory votes, but the governing documents do not require such votes or make their result binding on the Board. The Association is a representative form of democracy.

2.02. Elections. In any election in which there are expected to be more candidates for the Board than positions, the following shall apply:

a. Each candidate may submit a one page statement that may include a personal background description, indication of issues of concern and of his or her qualifications for the Board.

b. Ballots and proxies shall be prepared that shall make it possible for Lot Owners to cast secret ballots directly or through their authorized proxies.

c. No statements shall be contained in mailings made by the Association that are in the nature of campaigning unless the Board authorizes a mailing on behalf of all candidates. Except for the one-page statements authorized for all candidates, Association funds shall not be used to print or distribute any such campaign materials, and no Board member or officer shall sign any campaign communication by showing his or her title with the signature or use Association letterhead on his or her communication.

Candidates for the Board need to be mindful that, while serving on the Board is an honor, it also involves substantial responsibility to protect the interests of a community worth well in excess of \$100 million. Directors spend many hours in meetings and in reviewing committee reports, correspondence and proposals in advance of their meeting attendance. Each Board member is expected to chair one or more committees, attend all meetings and contribute experience, expertise and inspiration. To the extent some members do less, the burden increases for the others, all for no payment. The compensation may be negative, as directors are often criticized more than they are recognized for their devotion.

2.03. Open Board Meetings. All meetings of the Board of Directors will be open to attendance by Lot Owners, except as provided in California law.

2.04. Board Meeting Scheduling. To extent practicable, the next meeting of the Board shall be scheduled before the adjournment of each Board meeting to permit the minutes to inform Lot Owners thereof. To the extent feasible, a regular schedule of meetings shall be adopted for the year so that Lot Owners will have a reasonable expectation of when the Board will meet in order to present proposals or request Board action.

2.05. Minutes Distribution. (see By-Laws 4.1)

2.06. Board Decision-Making. The Board shall take no action, except under emergency circumstances, that affects particular Lot Owners substantially more than others, without first giving reasonable notice to those Lot Owners that action is in contemplation and offering those Lot Owners the opportunity to be present at the meeting at which the proposed action is to be considered. Such Lot Owners shall have the opportunity to be heard, to be represented by legal counsel or other experts or professionals to advise them on the significance of the action. For this purpose, the Board shall, if time will allow, postpone actual action until the Lot Owners shall have had the opportunity to make an informed response. Pending such an informed consideration of the issue, the Board shall not, unless time pressures are critical, adopt tentative positions, shall not announce a position subject to confirmation at a subsequent meeting and shall refrain from soliciting approvals from other Lot Owners.

2.07. Unauthorized Representation of the Association. The Board shall be guided by the principle of law that actions by the Association can only be taken by its Board in duly noticed meetings at which a quorum is present or by unanimous written consent without a meeting or, by delegation from the Board, through its officers . No member of the Board shall purport to act for the Association unless specifically authorized by Board resolution or unless such person is an officer acting in accordance with the By-Laws. Board members and officers are not to use letterhead of the Association or its envelopes for communications which are not specifically authorized by the Board or the By-Laws.

2.08. Committees. The By-laws and the CC&R's of the Association provide for the appointment of committees. In addition, the President of the Association appoints committees from time-to-time to handle specific projects or issues. All appointments are for a term of one year. Except for delegated authority or as provided in the CC&Rs, the committees all report to the Board and their decisions are only effective with Board approval as recorded in the minutes. The following are the current committees:

a. Architectural Committee. As set forth in the CC&R's, the Architectural Committee shall consist of at least three but not more than five members. All committee members except licensed architects, must be Lot Owners or officers of Owner entities. A minimum of one and a maximum of two members must be a licensed architects. This committee is charged with the enforcement of those provisions in the CC&R's, the ByLaws, and the Rules that relate to construction improvements and landscaping of Lots .

b. Gate Committee. This Committee is charged with of the responsibility of supplying each incoming resident with forms appropriate for maintaining community Residents' Roster up-to-date; maintenance of the gate, the gatehouse, security equipment and gate plaza, supervision of gate staff and the company that staffs the Gatehouse. It participates in the negotiation of gate staffing and maintenance contracts, takes reports from the attendants, distributes entry clickers and stickers, and reports any information regarding incidents and need for changes in gate arrangements to the Board.

c. Landscape & Park Committee. This Committee is charged with improvement and maintenance of the community park, the entrance plaza landscaping, the entry-way trees and shrubs, and shall have the task of monitoring the condition of Owner's Lots relative to the accumulation of trash or overgrowth of vegetation to prevent a fire hazard or an aesthetic problem

d. Newsletter Committee. This Committee collects information of interest to Association members regarding community events, news and issues and supervises the publishing and distribution of a Newsletter to the Lot Owners and residents.

e. Nominating Committee. This Committee is appointed by the President in January, to interview current members of the Board whose terms are expiring to determine if they are willing to stand for re-election at the Annual meeting in March. The Committee shall organize election procedures as established in the By Laws and the Rules. The Committee shall seek out and encourage Lot Owners to become candidates, giving priority consideration to individuals who have demonstrated interest in Association activities. The Committee shall announce the proposed slate prior to the Annual meeting in time for the election meeting notices to include the list and campaign statements.

f. Planning and Policy Committee. This Committee is charged with the development of long-range planning for the Association.

g. Rules Committee. This Committee is charged with the development of policies to handle current community problems and the preparation of changes to the Rules, the By-laws and the CC&R's, as necessary.

h. Social Committee. This Committee plans, organizes and conducts the annual social affairs of the Association, including the Home Tour, Summer Picnic, Summer Concert and other events. It arranges for name tags and refreshments at the annual meeting, welcomes new neighbors to our Association, provides copies of our Governing Documents to new neighbors, and recommends various awards for distribution at the Summer Picnic.

i. Street Committee. This Committee is charged with the supervision over maintenance of the streets, curbs, gutters, street lights within the Gate, and arrangements for refuse removal within the Gate. The Committee shall also enforce the Rules of the Association that relate to long-term parking on the streets and shall monitor overgrowth of vegetation that obstructs the vision of drivers such as to create safety hazards.

2.09. Officers. The By-laws provide for a President, one or more Vice Presidents, a Secretary and a Treasurer. Their duties are set forth in the By-laws. The Board has authority to appoint assistant officers.

3. Use of Premises

3.01. Rentals Lot Owners are permitted to rent their homes, in their entirety, but not portions thereof, with Board approval and in accordance with the CC&R's and Rules. An exception is available for tenants who provide services to the Lot Owner or residents or members of the family of the Lot Owner or residents. All pertinent forms (Registration and Gate Security Forms) listed under Section 14 must be completed and submitted to the Board by the tenant. No renter shall be permitted to enter into occupancy without first having been provided with a copy of the CC&Rs and the Rules. The Lot Owner must notify the Secretary and obtain a signed acknowledgment from the renter that he, she or they have read the documents, understand them and agree to comply with them during their occupancy and agree that a failure to comply is a default under the lease. The acknowledgment shall be filed with the Secretary. Lot Owner are liable for any failure of the tenants to comply or otherwise provide all the information which is required under Rule 1.01. The Lot Owners shall be responsible for informing the tenant of any change in the Rules. Tenants do not receive the minutes of Association meetings, but do receive newsletters and social event announcements and invitations. Lot Owners shall keep tenants informed of any information in the minutes that affects them. The minutes are otherwise confidential.

3.02. Time Shares. No Lot Owner may divide his ownership or the rights to occupy the premises into timeshares, in which each occupant has the right to use the premises for a specified period during the term of the arrangement.

3.03. Business on Premises. Home occupations which adhere to the prohibitions and limitations in the CC&Rs regarding the use of premises are permitted as long as (a) they are consistent and compatible with the typical residential use of the Community, and (b) do not have a significant

detrimental effect on neighboring Lots or the Community. A specific written waiver from the Board of Directors and approved in the minutes of the Board is required for the employment (except domestic-service employees) on the premises of more than one nonresident or the frequent arrival of customers, suppliers or employees.

3.04. Storage of Recreational Vehicles. Lot Owners are required to store recreational vehicles in a manner that does not detract from the residential character of the neighborhood. Therefore, all such vehicles are to be either wholly garaged or stored away from the street frontage and screened (by approved structures or plantings) in a manner that makes them hardly noticeable to neighbors or visitors. The Architectural Committee shall be available to work with Lot Owners to plan acceptable methods of compliance. Under provisions of California Vehicle Code section 22658.2, violations may result in the removal of such vehicles within the Community.

3.05 Street Parking The parking of cars on the street is considered to be an aesthetic problem as well as an obstruction to pedestrian and vehicular traffic, creating a safety concern for all. Social gatherings and temporary visitors are deemed to be justifiable exceptions to the policy of keeping the streets clear. Lot Owners are required to arrange for off street parking for every vehicle regularly kept at the premises, with the exception of lots with insufficient frontage to permit sufficient garage or car port space off the street for the number of cars owned, as specifically approved by the Board. The Street Committee shall investigate any vehicle reported to be street-parked for more than three days and shall ascertain the Lot Owner's plans for its continuing disposition.

3.06. Garages. Garages shall be used primarily for parking authorized vehicles and not for purposes which prevent the parking of the number of vehicles for which the garage was intended. Authorized vehicles are to be inside garages, on Lot Owner's driveway or within another completely housed or vegetation-screened approved location. Open garage doors are an aesthetic problem. Garage doors shall be kept closed, except as reasonably required for ingress to and egress from the interiors of the garages and other temporary purposes. No unauthorized vehicles shall be kept upon any portion of the Community so as to be visible from the Common Area or another Lot. Unauthorized vehicles include, but are not limited to junk, derelict, or unregistered vehicles. No motorized vehicle or equipment may be dismantled, rebuilt, repaired, serviced or repainted on the Covered Property unless performed within a completely enclosed garage or other structures located in a dwelling that completely screens the sight and sound of such activity from the street, Common Areas and neighboring dwellings."

3.07. Safe Play Areas The Association is necessarily concerned about the safety of children and adults who use the streets for recreation. In the absence of sidewalks, places for outdoor activities are necessarily limited. Children need to be carefully supervised and warned of the hazards of the streets. The gate does not eliminate traffic; it only reduces it. Particular attention needs to be paid when street activities are conducted at locations with limited visibility or where streets are straight, giving motorists confidence that they can travel at higher rates of speed. Street play is better conducted at cul-de-sacs. Excellent public parks are located in the Del Cerro area at which concrete paths are available with good safety features. Our own community park, located at 5774 Yerba Santa Drive, is available for children to use, but young children shall not be left there unsupervised, since the Association does not provide any staffing to assure safety and security, and the area is not fenced and has wildlife hazards. Lot Owners shall not permit young children to play in places that are, or in a manner that creates, unacceptable hazards.

3.08. Golf Carts The Association permits only those golf carts on the private streets that are considered by law to be street-worthy for public streets.

3.09. Sales. In addition to the prohibitions of commercial activities listed in the CC&Rs, it is not permitted to conduct a yard sale, garage sale, estate sale or auction within the Association area.

3.10. Signs The posting of commercial signs on lots is prohibited, except For Sale signs and residential security-system protection warning signs. Political signs are to be taken down the day after elections.

3.11. The Community Park .

a. **Private Events at The Park:** The Community Park is available for private functions for all Owners. To reserve the Community Park for private events, such as, weddings, Bar Mitzvahs, etc., contact the Landscaping Committee Chairperson. A reasonable charge may be required for janitorial and landscaping services related to the event.

b. **Damage:** Any damage to the Common Area known herein as the Community Park shall be repaired by the Association and the cost borne solely by the responsible Owner, as defined in CC&R's Article 6, Section 6.

4. The Gate

4.01. Vehicle Registration. Each vehicle regularly kept at the Lot Owner's residence shall be registered with the Association Gate Committee. (See Section 14 - Forms.)

4.02. Gate Access Codes. To assure privacy of our residents, it is the responsibility of each Lot Owner to protect codes from unauthorized use. This can be done by reporting to the Gate Committee any update, change or compromise of a code or device (i.e., loss of a transmitter) or any situation in which someone possessing a code is no longer welcome in the Association area so that the affected code can be deactivated. (See Section 14 - Forms.)

a. **Personal Access Codes for Gate Entry:** Each Lot Owner may choose a five-digit Personal Access Code (not higher than 65534) that can be entered manually at the gate. Any change in this code number shall be made at the Lot Owner's request. If charges are incurred by the Association in complying with a requested change, they will be passed on to the Lot Owner. (See Section 14 - Forms.)

b. **Bar-Code Stickers for Gate Entry:** To provide automatic entry at the Gate, Bar-code Stickers containing Gate Access Codes may be ordered from the Gate Committee for a fee of \$25 each by Lot Owners who have executed the Association private street easement for recordation. Upon disposing of a vehicle with a sticker, Lot Owners are responsible for obliterating or removing the sticker to disallow unauthorized re-entry by that vehicle. In the event the owner fails to remove or obliterate the sticker, (s)he is obligated to promptly report that to the Gate Committee or the attendant at the gate to disallow unauthorized re-entry by that vehicle. (See Section 14 - Forms.) Bar-code stickers shall not be made available to anyone without the consent of the Board.

c. **Portable Transmitters for Gate Entry:** Lot Owners may also purchase from the Association (through the Gate Committee) a hand held portable code transmitter (similar to a garage door opener) that will open the gate as the car approaches the Gate. Such transmitters are available at a charge of \$75 each.

d. **Limited Duration Gate Access:** Owners may obtain temporary gate entry codes for workers, delivery people or temporary guests. The duration, as specified by the Lot Owner, will be honored. Though occasional updates may be requested by the Gate Committee for inventory purposes, it is the Lot Owner's responsibility to keep Gate-entry stickers and clicker codes up-to-date. (See Section 14 - Forms.)

e. **Vendors Codes for Gate Entry.** Vendors that the Lot Owner employs on a regular basis (such as gardeners, pool service, pest control, housekeepers, medical attendants, water and newspaper delivery) shall be registered with the Gate Committee on "Vendor Registration Forms." (See Section 14 - Forms.) A master list of approved vendors shall be kept by the Committee for Gate Attendants' reference.

4.03 Special Events. In the event that a resident inside the gate anticipates arrivals for an event to exceed 50 guests, the City of San Diego requires an attendant to be present at the Gate for 30 minutes

before and one hour after the start of the event. The resident shall give two business days' advance notice to the Gate Committee and request guests to mention the event to the Gate Attendant upon entering. If no attendant is scheduled at that time, the resident may supply his or her own attendant (with no access to the kiosk) with the guest list and a valid clicker or access code to let in the expected guests for 30 minutes before and one hour after the start of the event. Or, the resident may request the Gate Committee to contract for an attendant at the established after-hours rate with the cost of the arrangement to be passed on to the Lot Owner whose event necessitates it.

5. Architectural and Landscape Standards & Submissions: The purpose of this section is to provide Owners, architects, building designers, contractors and other interested parties with guidelines and standards required for residential construction and landscaping changes in Alvarado Estates. If any rule herein is inconsistent with the CC&Rs, the CC&Rs will control.

5.01. General Requirements. Except as set forth herein, prior approval of the Board, or, in some instances, the Architectural Committee is required for any proposed improvement, alteration or landscaping visible from the street or by immediate neighbors, or from the common area. Approval applies, but is not limited to the nature of the change, its kind, shape, color, size, height, materials to be used and location. Not subject to prior Board approval are alterations that do not change the exterior size, shape or appearance of the dwelling or Lot, replacement of doors or windows with the same size and style. However, since the opinion of the Board regarding the exemption will prevail, the Lot Owner is advised to check with the Architectural Committee before proceeding with a project if there is any uncertainty as to whether or not Board or Architectural Committee approval is required.

5.02. Permit Application Fees If there is no expense anticipated to the Association, no expense will be charged to the Lot Owner. However, in order to provide the Architectural Committee the financial flexibility to perform a professional plan review without cost to the Association, the following application fee schedule became effective July 1, 2002:

- a. New home construction.....\$750.00 - \$1,000.00
- b. Additions or replacement construction 1,000 square feet.....\$750.00 - \$1,000.00
- c. Remodel, additions, garages less than 1,000 sq. ft.....\$500.00-\$750.00
- d. Decks, retaining walls..... Up to \$250.00
- e. Fence construction, replacement; landscape alteration.....Up to \$100.00
- f. Other activities not described above, such as alterations to approved plans..... \$100.00 - \$1,000.00 (at the discretion of the Architectural Committee Chairperson)

5.03. The Application Process.

a. The application submitted with the plans serves as a checklist for the things that must be shown or included to properly evaluate the plans. The application must be completely filled out and signed in all areas applicable to your project. Samples of the Application Form and Plan Application Agreement are available for review on our website: www.alvaradoestates.org. The actual applications and agreements for submittal may be downloaded from the website or obtained from the Architectural Committee. Forms are the same whether submitted for a fence or the construction of a new home, although the amount of information required on the application will vary with the type of project. The Architectural Committee has the discretion to waive some information requirements for small projects.

b. Additional inspection relating to impact of proposed improvement. Before the Board grants final approval of construction plans and specifications, there may exist issues that require inspection beyond a simple review of the plans. For instance, if the Lot Owner requests a waiver (see: Variances) of height or other restrictions, the Board may require that the property be staked with poles indicating the various heights of the structure.

c. Variances: There are occasions when, for various and carefully considered reasons, the Board will grant exceptions (“Variances”) to the rules and standards that it has applied in the past. From time to time, Variances that had been approved in the past, may not be approved. Therefore, it is best to rely on the written guidelines, and to the extent that they seem to be contradicted by existing construction in the community, concerns and questions should be discussed with a member of the Architectural Committee, before starting the construction plans. All Variances granted shall be in writing and shall become effective upon final approval by the Board. The granting of a Variance shall not operate to waive any of the terms and provisions of the Governing Documents for any purpose, nor shall it affect in anyway the Lot Owner’s obligation to comply with all governmental laws and regulations affecting the use of the premises, including, but not limited to, zoning ordinances and lot setback lines or requirements imposed by the City of San Diego. The Association may charge a reasonable fee to cover any costs associated with the Variance approval process or for issuance of a Variance. The Board may require the execution of indemnity or other agreements by the Lot Owner as a condition to issuance of a Variance.

d. Cutting Trees. No trees over four inches in diameter at a point 4 feet above the base are to be cut on native ground without prior approval of the Board. A request to remove trees should be included on the application with photographs of existing trees.

e. Professional Drawings. It is recommended that the design and drawings of any structure to be built or remodeled, be prepared by a professional. Accurate and comprehensible presentations are essential in order to make an assessment during design review. The architect or drafting professional will likely know what documents to submit for review. If additional assistance is required, a list of suggested drawings and documents may be requested from the Architectural Committee.

f. Preliminary Sketches. To save unnecessary expense in redrafting plans and specifications in the event that the Board requires changes, it is advisable that the Lot Owners initially submit preliminary plans and specifications, including a site plan, landscape plan, floor plans, exterior elevations and sections, showing the nature, kind, shape, color, size, height and materials to be used, and location of the proposed structure. Then, after the Board or Architectural Committee has given a conditional approval as to such preliminary plans, the Lot Owner should have his or her professional prepare and submit final plans and specifications, conforming to the approved preliminary plans and specifications, which final plans will include all plans and specifications for the construction of the structure and landscaping. Final approval will only come after submission of final plans and specifications for the structure and landscaping, as set forth below.

g. Required Submissions. *Three* complete sets of preliminary or final plans must be submitted with the application.

h. When submission is complete. The submission of preliminary sketches does not formally constitute the submission of plans. While the homeowner may submit preliminary sketches to get a preliminary opinion from the Board, the Board is not required to approve or deny the preliminary sketches within any specific time frame. The formal submission of plans occurs when all final construction plans and the appropriate fee are submitted to the Architectural Committee. When all such final plans and fees are submitted, the Board must provide a response to the Lot Owner within 30 days.

5.04. Plan Review

a. Review by the Architectural Committee. Review and determinations for most applications will be made by the Architectural Committee, which shall provide a written recommendation of approval or disapproval, including the reasons for any negative or modification decision, to the requesting

Lot Owner within 30 days of receipt of such submission.

b. Review by the Board. Review and determinations for new homes and additions or replacement construction exceeding 1,000 square feet will be made by the full Board. The Architectural Committee shall provide a written recommendation of approval or disapproval, including the reasons for any negative or modification decision, to the Board and the requesting Lot Owner within 30 days of receipt of such submission. The Board shall review the recommendation within 30 days of its receipt and provide a written response to the requesting Lot Owner, including reasons for such response. Board meetings are open to members of the association. The Lot Owner and project designer are welcome to attend and contribute to the discussion.

c. Approved Plans. When approved, one set of the submitted plans will be signed (on each page) and dated as approved by the Architectural Committee and returned to the Lot Owner. A duplicate set of plans will be permanently retained by the Board. The approved plans must be available for inspection at the building site. The copy retained by the Board will be utilized to ensure that the construction proceeds according to the approved plans. Any modifications to the approved plans must be submitted to the Architectural Committee for additional approval before the work is started on the modifications.

d . Rejected Plans. If the plans are rejected or required to be modified, the Lot Owner will receive written notice that will explain the required corrections. When the changes have been made, the plans may be resubmitted. Provided the plans are substantially the same as originally submitted, additional fees may be waived.

e. Construction. No demolition or construction, such as earthwork, tree trimming or removal, may begin until the Owner has received the final written approval from the Board or the Architectural Committee.

f. Extension for Previously Approved Plans. All approvals shall remain valid for a period of one year from the original approval date. In the event the approved activity is not completed within this period of time, the applicant may request, in writing, an extension of time. Such extension may be granted at the discretion of the Architectural Committee, for an additional period of up to one year. If approved activity is not completed within any extension period, the approval shall be considered canceled and the applicant Lot Owner may not proceed without approval of a new application, repeating the process.

g. Undergrounding of Utility Wires. All significant construction or remodel activity will require that the Lot Owner underground all overhead utilities to the Lot, which shall be shown on the application plans

h. Construction Inspections. To assure compliance with the approved plans, any member or representative of the Architectural Committee shall be allowed to inspect the approved construction activity during normal working hours.

5.05 Assessments for Failure to Comply

a. Assessment of penalties. In order to encourage members to comply with the architectural approval process, the Board may impose, on the recommendation of the Architectural Committee, penalty fines against the Lot Owner in the event that any activity after July 1, 2002, including grading, listed below, is begun prior to receiving written approval to proceed from the Board or the Architectural Committee. Penalties shall take into account the number and nature of any previous offenses by the Lot Owner, as well as the circumstances of the current offense.

b. Amount of penalties or fines. The approximate minimum amounts of fines for particular violations are as follow:

Failure to obtain Board approval for:	
Commencement of construction of new residence:.....	\$1,000
Additions or replacement construction of over 1,000 square feet of living space:.....	\$1,000
Additions or replacement construction of under 1,000 square feet of living space, or addition or remodel of garage:.....	\$750
Commencement of construction of new or remodeled decks, retaining walls, fences:.....	\$300
Commencement of any landscape construction or alteration involving planting of trees on either side of the residence, or in front of the residence, or within 20 feet of the property:.....	\$300
Destruction of trees anywhere (in the case of the destruction of trees, the full fine shall apply to each mature tree destroyed -- mature trees shall be defined as any tree over 4 inches in diameter at a point 4 feet above the ground):.....	\$300
Changing the color of an existing structure:.....	\$200
Changes during construction without Board approval.....	\$500
Failure to comply with written requests from the Board concerning any construction or required maintenance item	\$250

If the Board provides written notice to the Lot Owner that he or she is in violation and the Lot Owner, without consent of the Board, does not commence the corrective action within 30 days after notice is given, the Lot Owner shall incur an additional penalty of \$100.00 per day from the expiration of 30 days after the giving of notice until the date of full compliance. Such fines and penalties shall be in addition to, and not lieu of any other remedy available to the Association under the organization of documents of the Association or California law, including but not limited to injunctive relief.

c. Landscaping Compliance. It is not the desire of the Association to micromanage the planting or transplanting of every flower, plant and shrub, or to require approval for each such truly minor alteration of landscaping. While the Board does have the right to approve or disapprove all landscaping modifications, just as it does landscaping of new construction, minor modifications such as planting or transplanting of flowers, shrubs and bushes, hedge and tree trimming, and related maintenance, the Architectural Committee will exercise discretion and can be expected to provide perfunctory approvals on an informal basis in such instances. If the Lot Owner has any doubt about the need for approval of landscape modification, he or she need only call the Chairman of the Architectural Committee, and give a brief description of what is to be done, to get guidance.

5.06. Decisions and Appeal of Board Decisions

a. Decisions of the Committee: The Board, or the Architectural Committee, when it has full discretion, shall give written notice of the decision of the Committee in response to any request for construction permit within 30 days' of submission of complete plans and specifications, and all other information required by the Committee to make its decision.

b. Appeal of Board Decisions: Any decision of the Board or the Architectural

Committee, denying an application for construction permit, or modification thereof, or levying fines and penalties for failure to comply with the Rules, is subject to appeal by the Lot Owner. The Lot Owner's written notice of appeal must be provided to the Board within 30 days of the date of written notice of the decision of the Board, or Committee, to be appealed, or the right to appeal is waived. Notice of appeal shall be sent to the President. Upon receipt of such notice of intent to appeal, the Board shall schedule the appeal hearing for the next meeting of the Board, or, at the request of the Lot Owner, the meeting next following. The Lot Owner shall not have the right to further delay any appeal hearing brought in connection with construction already commenced without the Board approval. Appeals in relation to construction projects not already commenced may be brought up to 90 days after written notice of the decision to be appealed. The Lot Owner should, but is not required to, submit a written statement to the Board in support of his or her position, in advance of the appeal hearing, and may bring his or her drafting professional to the appeal hearing. The Board's written decision on appeal shall be mailed to the Lot Owner within 30 days. The minutes of that Board meeting (if timely mailed) may suffice as written notice

c. Dispute Resolution. The CC&Rs require that the Lot Owner submit any dispute with the final decision of the Board or Architectural Committee to mediation as a prerequisite to filing a lawsuit.

5.07. Height of Structures. No structure may exceed one story, as defined by generally accepted architectural standards, from the level of the street running in front of the structure. Structures may be constructed downward from street level, into canyons, with multiple levels in a fashion appropriate to the lot size. Structures may not exceed 21 feet in height from the level of the street running in front of the structure, or from natural grade, whichever is higher, without a variance granted by the Board.

5.08. Color. Structures shall be finished in colors that are understated, softened, and natural so as to blend with the natural setting, with brighter colors permitted in smaller areas such as trim and semi-enclosed areas, all as approved by the Board. Any change in the color of a structure is subject to approval by the Board. Any approval based upon a chip or other sample provided by the Lot Owner shall be preliminary in nature, and subject to final approval by the Board when a sample of the color is viewed on the structure, itself.

5.09. Setbacks. Setbacks from the street are 30 feet from the street curb. Side and rear setbacks are 20 feet, except for cul de sac and other properties previously designated as ten feet.

5.10. Hedge & Fence Heights.

a. Fences and walls. No fence or boundary wall may be higher than six feet above the finished graded surface;

b. Fences and walls within setback areas. No front yard wall, fence, hedge or vegetation screen shall have a height greater than 42 inches

5.11. Size of Residence and Garages. There is no stated maximum limit on the square footage of a structure, other than the appropriateness of the structure to the Lot size. The size of all homes shall be appropriate to the Lot size and is subject to the discretion of the Board. Unless otherwise restricted by Lot size, new residences shall be a minimum of 2,000 square feet and that shall include at least a three-car garage. Existing garages may not be reduced to less than that required for three vehicles.

5.12. Failure to Maintain: In the event a Lot Owner fails to maintain the Lot and Dwelling in a clean, safe and sanitary condition necessary to preserve Community standards and protect the property values thereof, the Board may issue (in the absence of a safety hazard) a 30-day written notice to the Lot Owner of the work required. If the Lot Owner fails to complete the required maintenance following such notice and fails to file an appeal as set forth in paragraph 5.06-b, the Association or any officer or agent thereof, shall have the right to enter on or upon the Lot without being deemed guilty of any manner of trespass, to cause such work to be completed. The cost incurred shall be reimbursed by such Lot Owner to the Association and until paid shall bear interest at a rate no greater than the maximum authorized by law.

5.13. Antennae and Satellite dishes. No Lot Owner shall erect or display any antenna, satellite dish or similar external protuberance that is visible from the street or any neighbor's property.

5.14 Commercial Antennas. Commercial antennas for Cellular or similar purposes shall be sited, whenever possible, on Common Area, such as streets, walkways or the community park. Approval would require that the following conditions be met:

- a. The agreement is reviewed and approved by the Association attorney.
- b. The construction is planned and designed in a way that does not create visual pollution.
- c. The construction meets existing architectural standards and the Architectural Committee recommends approval of the final plans.
- d. The Board approves the final plans.
- e. In the event the only suitable location for a proposed cellular site is located on private property within the Association, the Association will consider approval providing that the following conditions are met:

- 1) The revenue is shared 50-50 or in a mutually agreeable fashion between the Association and the Property Owner.
- 2) The agreement is reviewed and approved by the Association attorney.
- 3) The construction is designed in a way that does not create visual pollution.
- 4) The construction meets existing architectural standards and the Architectural Committee recommends approval of the plans.
- 5) The Board approves the plans.
- 6) All out-of-pocket costs are reimbursed to the Association

6. Streets and Gate Maintenance

6.01. Street Repairs. Reports of cracks, holes and damage to streets shall be made to the Street Committee. Lot Owners are urged to call attention to any such problem promptly, since repairs quickly made can avoid accelerating deterioration. The Street Committee shall recommend to the Board a compensation assessment against any Lot Owner who has intentionally or negligently caused damage to the streets within or to the Gate. This shall include damage to the street caused by the use or transport of heavy construction equipment, extraordinary loads or construction material spillage. It shall also include damage to the street caused by tree roots from the Lot Owner's property. Any such recommendation shall be noticed to the Lot Owner who shall have the opportunity to appear and make a presentation in response to such recommendation before any such assessment is made. The charge for unmeasurable, abnormal wear and tear on the streets is \$10.00 for each trip, in excess of 20 per construction project for trucks weighing more than 10 tons. It is the duty of any Lot Owner engaged in construction activity to promptly and periodically clean the streets leading to the Lot and to repair any physical, visible damage to streets and curbs caused by such construction activity.

6.02. Reserves for Replacements. The Street Committee shall, in consultation with the

Treasurer and with the assistance of independent professionals approved by the Board, annually review the condition of the Association streets within the Gate and the Gate house and equipment to ascertain the condition thereof and the likely ability of the Association to fund repairs and replacements as needed in the future. The Committee shall report to the Board of Directors following such review whether any adjustment is needed to the annual service assessment to Lot Owners within the Gate.

7. Safety and Traffic Control

7.01. Vehicle and Penal Codes. Although the streets of the Association area are private streets, the Association shall enforce the same rules that apply on public streets, including a speed limit within the Association area of 25 miles per hour on straight portions of Yerba Santa Drive, and 20 miles per hour on its curves and on other streets within the gate. Any Association officer, director or Lot Owner is empowered to cite any Lot Owner for violation of traffic laws within the Association area by any resident of the Lot or any guest of that Lot Owner or resident. In order to protect children and adults who may be on the streets, whether playing, walking or jogging, bicycling or even driving, it shall not be necessary that speed be measured with any instrument. Accordingly, it shall be sufficient to cite a vehicle that, in the opinion of the officer, director or Lot Owner, the vehicle was being driven at an excessive speed or in a manner that presented an issue of safety to others. Reports of violation need to include sufficient identification of the vehicle or driver to be matched with vehicle registration with the Association or with video surveillance cameras.

7.02. Vehicle Offenses. Any citation for unsafe operation of a vehicle within the Association area shall be presented to the Board for determination of its validity and the remedy. The Board has discretion to either admonish the Lot Owner who permitted the vehicle to enter the Association area and be driven in such manner, to impose a penalty for such incident or to bar the driver from operating a vehicle within the Association area for a period of time or permanently. In deciding such remedy, the Board shall consider the prior record of such driver and such Lot Owner, as well as the particular conduct cited and its potential hazard for the community. Penalty assessments shall normally have reference to the fine that would be imposed in the courts for similar offenses on public streets, but if necessary to assure future compliance, may be enhanced in the discretion of the Board, as provided in Rule 12.01.

8. Pets

8.01. General Statement. Usual and ordinary household pets ("Pets") may be kept on a Lot Owner's property in a manner that does not constitute an unreasonable annoyance or nuisance to Community Residents, provided they are not maintained for commercial purposes or in unreasonable numbers. Pets on a leash held by a person capable of controlling the Pet shall be permitted in the Common Area when observing the Rules regarding the immediate removal and clean-up of such Pet's waste. Each Lot Owner shall be liable for all personal injury or property damage caused by Pets brought upon or kept upon any Lot or the Common Area by the Lot Owner or Lot Owner's guests. Upon the written request of any Lot Owner, the Board shall conclusively determine, in its sole discretion, whether a particular Pet constitutes a nuisance, or whether the number of pets on any Lot is unreasonable. Any decision rendered by the Board to exclude a Pet from the Common Area shall be enforceable by penalty fines for non compliance. Although the streets in the Association area are private, the jurisdiction of the public authorities to regulate stray animals continues. Laws regarding leashes, nuisance barking and the maintenance of vicious or dangerous animals also apply within the Association area.

8.02 Leashes and Mess. As required by the San Diego Municipal Code, pets not confined to the house or a fenced yard shall be kept on a leash by the resident responsible for the animal. It shall be the responsibility of the person who walks a pet to assure that the pet does not leave droppings on the street, on lawns or driveways or in shrubberies of any other lot in the Association area. Thus, a dog walker is expected to carry a tool for scooping and a container for collecting the droppings and is responsible for placing the droppings in an appropriate disposal site, which cannot be Common Area or the Lot of another without specific written consent.

9. Lot Maintenance

9.01. Fire Hazards and Aesthetics. Due to the special hazards of canyon fires, the Board and the Architectural Committee is empowered to inspect, identify and recommend corrective action to enforce Fire Department recommendations regarding removal of dry brush within the specified distances from buildings. Lot Owners are required to promptly remove trash accumulations and incendiary materials from their Lots. In addition, the Architectural Committee is empowered to identify and require the removal of dead and diseased trees and shrubs that could be hazards to persons or other trees and shrubs. The Architectural Committee is to identify any particular condition of overgrowth of vegetation or the accumulation of trash that is particularly unsightly. Such conditions shall be discussed with the Lot Owners involved first and, if not abated, proposed for Board consideration. If the Board deems the condition to require abatement, it shall require the Lot Owner to remedy the condition. The failure of the Lot Owner to take corrective action within 30 days after notice shall subject the Lot Owner to a penalty assessment as set forth in Section 12.01. The foregoing does not limit the powers of the Board or the Architectural Committee as set forth in the CC&Rs.

9.02 Tree & Vegetation Maintenance. Trees and vegetation provide privacy and enhance the beauty of the Association. At the same time, they may be considered a nuisance or threat by your neighbor. Lot Owners are required to maintain their trees and vegetation in a fashion that does not produce a hazard or nuisance and that preserves an attractive appearance. No tree or vegetation shall be permitted on any lot that unreasonably impairs the sunlight or the view from another lot or obstructs views around curves and corners for pedestrians or vehicular traffic. The Board shall determine the standards of such maintenance. Upon receipt of a written complaint related to trees and vegetation from any neighbor, the Architectural Committee will contact the parties concerned to resolve the issue. If no resolution is reached, the Architectural Committee shall make a written determination identifying the violation or lack thereof, including recommended actions, if any, with copies to the Lot Owners involved. In the case of a violation, either the Architectural Committee or the complaining neighbor(s) may take corrective action. Should the Architectural Committee determine to do so, with the consent of the Board, the Committee may exercise its power to enter and correct the issue at the offending Lot Owner's expense. The Board may assess expenses, including legal fees, as provided in Section 12.01. Should the complaining neighbor determine to do so, they may proceed under the rights provided to Owners in Section 11.1 of the CC&Rs.

9.03. Street Obstruction. The Street Committee shall entertain any report of condition of vegetation along the streets in the Association area requiring attention to assure a safe passage of vehicles and pedestrians in and on the streets, giving particular attention to hedges or trees which overhang the curbs at levels that may obstruct pedestrian or vehicular traffic and to any vegetation which is blocking the view around curves and corners. When construction is in progress, Lot Owners are to arrange with whoever is in charge to see that vehicles are not parked on both sides of the street, unduly restricting the flow of traffic. The Street Committee shall attempt to contact the Lot Owners needing to take corrective action and shall report to the Board any needed landscape or parking adjustments that are not accepted by the Lot Owner or is not being corrected with dispatch. The Board may direct that the conditions be corrected, shall determine whether the Association is to enter to make the correction at the cost of the Lot Owner and may decide to assess penalties for failure to make the corrections when requested.

10. Lot Owner Disputes with the Association or Each Other – (Association-Governing-Document Litigation). Section 1354 of the California Civil Code requires certain types of disputes between homeowner associations and their members, or between members themselves, to be submitted to arbitration or mediation (collectively called "Alternative Dispute Resolution"). This law prohibits the filing of a lawsuit until after certain conditions have been met. The law will affect any Lot Owner who has a dispute with the Association or with another Lot Owner. The law applies only to disputes regarding the Association's "Governing Documents," which include the CC&Rs, Articles of Incorporation, Bylaws and Rules. Further, it applies only to two types of cases. The first type of case is "declaratory relief." In this type of case, a party is asking the court to declare or interpret the parties' rights or obligations under one or more of the Governing Documents. For example, a Lot Owner may want to ask the court who has the responsibility for paying an assessment, who has the right to vote on behalf of a particular Lot, or where a Common Area boundary line is located. The second type of case is "injunctive relief." Here, a party is asking the court to order the other party to do something, or to stop doing something. Examples would be

an order that a Lot Owner remove a view obstruction, an enforcement proceeding relating to architectural rules or violation of a setback requirement. Either type of case may also include a claim for money damages as long as it does not exceed \$5,000.00. The law does not apply to cases that seek only money damages or to cases involving assessments. The Alternative Dispute Resolution procedure is commenced by serving upon the other party an offer to submit the dispute to arbitration or mediation. The offer is called a "Request for Resolution." The law requires that this document contain certain mandatory language. The party receiving a Request for Resolution has 30 days to respond. If the party accepts it, the arbitration or mediation must be completed within 90 days. If the offer is refused, the other party may then file his or her lawsuit. Refusing arbitration or mediation does carry a risk. If the court awards attorneys' fees and costs, it may consider a party's refusal to participate in arbitration or mediation when considering the amount of the award. In other words, a party could be required to pay more attorneys' fees if he or she does not agree to arbitration or mediation. The law contains a number of other technical provisions and requirements, and it should be read in its entirety and discussed with the Lot Owner's own legal counsel. It does, however, require the Association to quote the following language in this notice:

"Failure by any Lot Owner of to comply with the pre-filing requirements of Section 1354 of the Civil Code may result in the loss of your rights to sue the Association or another Lot Owner regarding enforcement of the Governing Documents."

11. Assessments

11.01. Annual Assessment.

a. Annual assessments to Lot Owners are re-evaluated and established by the Board for each fiscal year (January 1 to December 31). Annual assessments are billed in January of each year, due by February 13, and delinquent after February 28. Certain limitations on increases to assessments are set forth in Section 4.5 of the CC&Rs. The following are the categories of assessment:

- (1) For Lot Owners inside the Gate.
- (2) For Lot Owners outside of the Gate, in recognition of the lack of road maintenance and Gate services
- (3) For Lot Owners inside the Gate but without paved road access abutting the Lot until improved or 2015, whichever comes first
- (4) For Lot Owners of vacant Lots inside the Gate, but having paved road access abutting the Lot, in recognition of the lack of trash service, the annual assessment is reduced by the cost of providing that service.

b. Each Lot Owner has the option to pay the annual assessments in equal quarterly Installments, as follows:

<u>Invoice date</u>	<u>Due date</u>	<u>Delinquent date</u>
January	February 13	February 28
April	May 16	May 31
July	August 16	August 31
October	November 15	November 30

11.02. State Authority and Policy. In accordance with Section 1367 of the California Civil Code, such assessment and any late charges, reasonable costs of collection and interest on each Lot "shall be a debt of the owner . . . at the time the assessment or other sums are levied." In order to provide the services on which all Lot Owners rely, the Board shall cause the assessments to be promptly invoiced, collected and enforced with an even hand and with the objective that no Lot Owner may feel that his neighbors do not seriously and promptly comply with the assessments and that he or she is bearing an

inordinate burden.

11.03. Collection Policy. Timely payment of assessments is critical to the Association to assure the cash flow required to meet the budget and pay the Association bills. Therefore, the Board has delegated the authority for collections to a property management company and has enacted the following policies and procedures:

- a. If any assessment is not paid in a timely fashion, a reasonable collection cost, including late fees, collection expenses, administration fees, legal fees and all additional costs related to the collection shall be imposed.
- b. If any assessment is delinquent for more than 30 days, interest may be charged at a rate not to exceed the maximum established by law.
- c. If any assessment is delinquent for more than 60 days, a "Pay or Lien-Warning Letter" shall be sent to the owner. Such letter shall allow the Owner an additional 30 days to pay the account balance.
- d. If the assessment remains unpaid 30 days after the "Pay or Lien-Warning Letter" is mailed, the property management company staff shall request from the Board permission to file a lien against the Owner's Lot.
- e. Upon receipt of Board permission, a lien shall be filed by the property management company. Any such lien shall include the past due assessment, late charges, collection expenses, administration fees, legal fees and all additional costs related to the delinquency.
- f. If the lien is not paid within 30 days of the filing of the lien, the Association may enforce the lien in any manner permitted by law, including but not limited to foreclosure.
- g. Upon receipt of payment in full for all delinquent assessments and charges, a Release of Lien shall be recorded in the County Recorder's office.
- h. Failure of the Association to strictly enforce this policy is not a waiver of its right to collect delinquent sums.

12. Penalties

12.01. Penalty-Assessments Authority and Procedure. The Board has discretion to impose penalty assessments on any Lot Owner who has failed to comply with the CC&Rs, the Bylaws, these Rules or policies of the Association or determinations of the Board. When any penalty is proposed, the Board shall take into consideration the Lot Owner's awareness of the requirement and whether there was any ambiguity in the requirement in the specific instance, whether the Lot Owner has had an opportunity to explain the lapse of compliance, whether the offense is a repeat offense and whether the failure to impose the penalty will set a precedent that would later subject the Board to criticism for selective or discriminatory enforcement. When appropriate, the Board may consider the Lot Owner's control over the violation and the Lot Owner's ability to pay.

Any penalty assessment above \$5,000 shall require confirmation by a vote of Lot Owners at the next annual meeting of Lot Owners to be effective for an amount in excess of \$5,000. All penalty assessments shall be enforceable by lien. A Lot Owner is responsible for the driving and other conduct of any person admitted to the Association area by the Lot Owner or any member of his or her household. Such responsibility requires a Lot Owner to caution his or her guests to observe the strict speed limits and conduct rules of the Association, and to investigate and take appropriate action in the event that there is any reported evidence that such a guest has failed to observe the Governing Documents or respect the property or personal rights of the Association and its residents and other guests.

Any penalty assessment relating to the operation of a vehicle by a Lot Owner or member of his or her household (which is not stayed by a court having jurisdiction over the Association) that is not collected within six months may be enforced by lien and/or by revoking the right of the Lot Owner or such member of his or her household to operate any vehicle within the Gate. Such revocation may provide for such operation with specific consent of the Board, which may place such limits on use of the streets in the Association area by such Lot Owner or his or her guests and family and household members as the Board shall deem appropriate. In addition to any penalty fee, an offending Lot Owner shall be obligated to reimburse the Association for its legal fees expended in processing the offence, whether or not legal proceedings in court are involved. Any penalty assessment may only be imposed if the Lot Owner is given 10 days' notice of the proposed assessment and given an opportunity to appear at the Board meeting at which the proposal is to be acted upon and to make a presentation thereat.

Any assessment in excess of \$5,000 that is to be submitted to the annual meeting of Lot Owners for ratification shall also require that the Lot Owner be given 10 days' notice of the proposed presentation and the opportunity to be heard at the annual meeting. A Lot Owner may have another represent him or her in any presentation at a Board or annual meeting of Lot Owners. Such representative may be anyone designated by the Lot Owner, including an attorney. If requested by a Lot Owner who accepts the penalty and promptly pays it, the proceedings before the Board may be reported without a name and the penalty shall be kept confidential, unless the offense is a repeat offense and the Board determines the confidentiality is not deserved. The imposition of a penalty that would have to be approved at the annual meeting may be accepted and promptly paid by the Lot Owner, in which case the matter may be taken off the agenda and the imposition of the penalty can be reported as paid without identification of the Lot Owner.

12.02. Schedule of Penalties. The following schedule lists the range of penalties within which the Board of Directors may impose penalties for specific infractions of the Rules, the Bylaws or the CC&Rs:

a. For late payment of assessments, see Sections 11.03-a through 11.03-g - Collection Policy. For late payment of assessments after recordation of a lien, the minimum penalty shall be \$500 plus interest and attorney fee reimbursement. However, if the Lot Owner notifies the Board prior to the due date of the inability to meet such assessment on time, the Board shall have discretion to work out a payment plan that, if observed, shall not require any late fee other than interest and attorney fees incurred by the Association.

b. For violation of any traffic rules, a minimum penalty shall be \$25 for a first offense by an individual and a maximum of \$250, depending on the severity of the offense. In the case of a repeat offense within a two-year period, the minimum penalty shall be \$100 and the maximum shall be \$1,000, depending on the severity of the offense. The Board shall take into consideration the fine imposed by the City of San Diego for similar offenses on the public streets.

c. For violation of any other Rule of the Association, the Board may issue a warning or reproof to censure or impose a penalty of up to \$1,000.

d. For failure to pay a penalty assessment within 30 days after the assessment, the Board may impose an increase in the penalty of up to 10% per month unless an appropriate plan for installment payment is promptly agreed to, in which case an interest charge of 10% per annum may be added to the penalty until paid.

e. For violation of any Architectural Rule, penalties as set forth in Section 5.05

f. For violation of any other Rule, the Board may impose an assessment of up to \$1,000.

13. Amendment and Interpretation

13.01. Adopting and Amending General Policy Rules

13.01.a. Civil Codes mandate that at least 30 days before a vote on adopting or amending a general policy rule, such as pets, parking, etc., the Board must mail a copy of the proposed change to the members, along with an explanation of their purpose and effect. After the 30-day period, the board may adopt the rules, after consideration of any comments made by association members. Within 15 days of voting on the rules, the Board must notify the membership of the results of the vote.

13.01.b. Member Veto of Rule Change. Within 30 days of this notification, at least 5% of the members can request a special meeting to reverse the Board vote. The Board must give 10 to 90 days' notice of a special meeting, at which a majority of a quorum can reverse the Board's decision. The Board must notify the members of the results of this vote within 15 days. If a general rule is reversed, it cannot be re-adopted by the Board for at least one year. However, the Board may vote on other "operating rules" covering the same subject

13.01.c. Emergency Rule Change. If the Board determines that an immediate rule change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the association, it may make an emergency rule change; and no notice is required. An emergency rule change is effective for 120 days. Civ.Code 1357.130(d)

13.01.d. Exclusions: This excludes decisions relating to common area maintenance, specific situations, assessment amounts, nondiscretionary rule changes required by law or a rule that repeats existing law or the Association's Bylaws, CC&Rs or Articles of Incorporation.

13.02. Conflict with CC&Rs or By-Laws. In the event that any provision of these Rules conflicts with the CC&Rs or the By-Laws, the CC&Rs and By-Laws shall govern

13.03. Interpretation . The Board of Directors of the Association shall be the final interpreter of these Rules. Any Lot Owner may request that the Board rule on any particular application of these Rules by submitting a written statement of the facts and statement of the issue. The request may be confidential, but any interpretation shall be reported in the minutes of the Board, omitting, if requested, the name of the Lot Owner making the request.

14. Forms: Current forms contain instructions for use. To view a current form, go to our website, www.alvaradoestates.org., under Governing Documents and click on the form by name. You may download forms according to directions on the website. Forms are also available upon request by contacting the specific committee chair or committee members. Personal information shall be held in confidence and will be made available only to those who have a need to know and never used for commercial or solicitation purposes (including charity).

14.01. LIST OF FORMS:

- **Vehicle Registration:** This authorizes entry for resident vehicles
- **Code Request:** Identifies authorized residents
- **Confidential Security Questionnaire:** Helps identify authorized entrants
- **Clicker/Sticker Registration Gate Information:** For use by authorized entrants -????
- **Regularly-Attending Vendor Registration:** For vendors the Lot Owner employs on a regular basis (such as gardeners, pool services, pest control services, housekeepers, medical attendants, water and newspaper delivery)
- **Limited Duration Gate Access:** For temporary workers, delivery people or temporary guests
- **Application for Construction or Landscaping Approval**