CANYON GRANADA OWNERS ASSOCIATION RULES AND REGULATIONS

(Revised: June 29, 2015)

TABLE OF CONTENTS

Rules and Regulations	Pages 2-7
Owners Information Form	Page 8
Air Conditioner Guidelines/Notice of Completion	Page 9-10
Leasing Form	Page 11
Architectural Guidelines/Request for Variance	Page 12-16
Satellite Dish Policy/Installation Guidelines	Page 17
Enforcement Procedure	Page 18-25

COMMON AREAS

Exclusive Use Common Areas are so defined:

Lower Level Units—The area immediately in front of (entry adjacent) sliding door and the rear patio.

Upper Level Units—The area immediately in front of (entry adjacent) sliding door and the rear deck.

Common Areas are defined as all *other* areas outside of a homeowner's unit.

Personal property (patio furniture, planters, décor items, etc.) can only be placed in exclusive use common areas.

- Colors must be compatible with the Canyon Granada architectural palette.
- Sizes of items must be in proportion to the area of placement. Suggested pot and planter sizes are 12" to 24" in diameter with a maximum height of 30".
- Materials must complement and enhance the appearance of the complex.
- No items may be placed on stair treads or stair landings, or on top of outer walls of decks, patios and stairways.
- Owner is responsible for the maintenance of all items placed in subject areas by owner, tenant or guests.

The proposed placement of items that do not conform to the aforementioned must be submitted in writing to the Board of Directors for approval, with review by the architectural committee.

COMMON AREA AMENITIES

All common area amenities (pool, spa, tennis courts, etc.) are for use by homeowners, invited guests and tenants only.

<u>P00LS</u>

POOLS/SPA AREAS are defined as the entire area surrounding pools and spas, which includes the landscaped portion of the areas.

POOL/SPA USAGE-GENERAL: Use is permitted from 7:00 a.m. – 11:00 p.m. daily. In respect of members who reside in and around the pool/spa areas, due consideration should be given to keeping noise to a minimum at all hours of usage. Timers must be turned off when spas are no longer in use. Battery operated radios and portable stereo equipment may be used, provided they are played at volumes that do not disturb other guests and members.

POOLS/SPAS HEALTH: Non-potty trained children are to wear Huggies "Little Swimmers." No diapers, rubber pants or similar garments are allowed in the pool or spa. Proper swimwear must be worn at all times. The Riverside County Environmental Health Department recommends that persons under the age of 14 not be permitted to use the spa for health reasons.

POOL/SPA SAFETY: All perimeter gates are required by law to remain closed at all times. No diving, running, pushing, or horseplay shall be permitted in and around the pool or spa areas at any time. No water polo, volleyball, or other games shall be permitted. No glass or breakable dishes, cups or other dinnerware should be taken to the pool/spa areas. Only unbreakable plastics or paper drinking and eating ware may be brought to the pool/spa areas. Life preservers and life saving hooks should be used for rescues only, not as pool toys. No devices powered by electric cords are permitted in pool/spa areas at any time. All persons under the age of 14 require adult supervision at all times. No lifeguard on duty.

TOYS, FLOATS, WATER-WINGS are permitted in the pools, provided their usage is kept to a minimum and do not interfere with the enjoyment of the pool by other guests and pool users. When pools are crowded, please do not use toys, floatation devices or other pool appurtenances of any kind. Toys are not permitted in the spa.

POOL FURNITURE is not to be removed from the pool deck or placed on adjacent lawns or landscaping. Usage of pool furniture is on a first-come, first-served basis. Please place towels on pool furniture for protection from oils & lotions.

CLEANLINESS: Please remove all personal effects, towels, clothing, lotions, beverage containers and reading materials, and properly dispose of refuse when leaving the pool/spa area. Soaps or oils of any kind are not to be used in the pools or spas. Association is not responsible for personal items of owners or guests.

TENNIS COURTS

Appropriate tennis footwear--without black soles or heels--is required on the tennis courts at all times.

PLAY IS LIMITED: Use of the tennis courts is limited to the hours of 7:00 a.m.–10:00 p.m. daily. Owners/Members are not permitted to provide lessons. When others are waiting to use a court, please limit play to one hour. Guests must be accompanied by an owner.

TRASH, REFUSE, AND LIGHTS: Please remove all tennis balls, refuse, beverage containers, etc. from the tennis courts when play has completed. Please turn off lights before leaving the courts.

TENNIS ONLY: Only tennis is to be played on the courts. Paddleball, basketball, bicycles, tricycles, rollerblades and skateboards are not permitted on the courts at any time

PET RULES

Under no circumstances are pets allowed in the pool or spa areas. Tethering of pets in the common areas and pet maintenance/care must comply with Federal, State and local ordinances. In accordance with the City of Palm Springs and Riverside County Health Department, dogs must be on a leash in common areas at all times, and pet droppings must be picked up immediately. Only 2 household pets are allowed per unit.

DRIVEWAYS AND PARKING AREAS

Owners must park in assigned carport only. Guest parking areas are generally for guests or second vehicle in the owner's unit. There is no parking in the common driveway areas at any time. Campers, trailers, motorhomes, boats, recreational vehicles, trucks (other than pickup trucks) or commercial vehicles may not be parked in the common driveways or parking areas at anytime, unless prior approval has been given by the Association's Board of Directors. Parking by commercial vehicles for the purpose of making deliveries is permitted. Vehicles not in compliance with these rules may be subject to a fine/tow away at the owner's expense. Please refer to your association's CC&R's for additional information.

Parking lots, driveways, streets and sidewalks are common areas and are not to be used as recreational areas. Bicycles, rollerblades and skates may be ridden inside the complex only to enter or exit the complex. Skateboards are NOT permitted anywhere in the complex at any time. Owners must supervise their family members and guests when using the common areas.

PEDESTRIAN GATES must remain closed and locked at all times. Violators may be fined

<u>MISCELLANEOUS</u>

INDIVIDUAL CONDO WATER SHUT OFFS: Know where your water valve shut-off for your condo is located. In most cases, they are located under the kitchen windows, and in most cases they affect both the upper and lower units. Please notify management if circumstances cause water to be closed off.

GARDENING: Customary planting of flowers and shrubs within the member's patio area is permitted. No planting or gardening outside of the member's patio area is permitted without the prior written consent of the Association's Board of Directors.

Association's landscape crews should not be requested to attend to a member's plants or gardens.

GARAGES: Garage doors must be kept closed at all times except when entering or exiting.

QUIET ENJOYMENT: No owner, guest or resident shall permit any activities that will interrupt the right of others to quiet enjoyment.

PATIO WALLS AND BALCONIES: Patio walls and balconies must be kept free of extraneous materials and may not be used for drying of wet bathing suits, towels or any other clothing. No exterior clotheslines are permitted.

TRASH AND REFUSE: All trash and garbage shall be placed in bags and placed inside the bins/containers provided. All cardboard boxes must be flattened before placing in dumpster. Construction debris must be hauled away by individual owner's contractor and not placed in the trash bins.

RESIDENCES ARE FOR RESIDENTIAL USE ONLY: Member's unit may only be used for residential use. No commercial uses of a unit or the common areas are permitted. Home occupations may only be permitted in compliance with the Palm Springs City Ordinances.

RENTALS: Owners are reminded that all guests or renters are subject to full compliance with the CC&R's and these Rules and Regulations. Accordingly, owners are advised to notify renters and guests of the CC&R's and these Rules and Regulations, and that full compliance with renters/guests is required. Owners will be responsible for failure of guests or renters to abide by the CC&R's and these Rules and Regulations. Pursuant to Article 3, paragraph 1 of the Association's CC&R's, units may not be used for transient or hotel purposes; hence, participation in a rental program shall not be for less than 30 days. Names and contact information must be delivered to the Association within 15 days prior to the effective rental date.

NUMBER OF RESIDENTS: The number of persons occupying the unit overnight should be in compliance with the Municipal Code for the City of Palm Springs. Sleeping bags, outdoor sleeping equipment, air mattresses and the like, are not permitted on patios or on the common areas, including pool areas.

WINDOW COVERINGS: All window coverings, other than customary window coverings (blinds, drapes, louver drapes, interior shutters, etc.), are prohibited. By way of example, but not by limitation, windows may not be covered with paper, foil, or be painted out. To ensure a neat and orderly appearing community, all window coverings should be kept clean, neat, and in good repair.

EXTERNAL APPURTENANCES: Holiday decorations are permitted in keeping with the tradition of the holiday for which decorations are displayed. Please remove all holiday decorations within two weeks after the end of the holiday.

DRONES: Drones or other flying objects are prohibited within the boundaries of Canyon Granada.

SIGNAGE/FLAGS/BANNERS

Customary FOR SALE and FOR RENT sign advertising the sale or rental availability of a member's unit is permitted. Only one for sale/lease sign is permitted, and must be located at one of the following locations: the northeast corner of the main entrance gate of the Association property, or in the window of the unit. Sign design is subject to approval by the Association's Board of Directors. NO other commercial signs are permitted.

NON-COMMERCIAL signs, posters, flags and banners may be displayed on owner's separate interest/exclusive use property, except as required for the protection of public health or safety or if the posting or display would violate a local, state, or federal law. A NON-COMMERCIAL sign, poster, flag or banner may be made of paper, cardboard, cloth or plastic, but may not be made of lights, roofing, siding, paving materials, flora or balloons, or any other similar building, landscaping/decorative component, or painting of architectural surfaces. Signs and posters more that 9 square feet in size, or flags and banners more than 15 square feet in size are prohibited.

A flag of the United States of America may be displayed by an owner *on or in owner's exclusive use common area* by the means of attachment to a pole fastened to a bracket attached to a unit's exterior wall, with prior approval issued in writing by the Association's Board of Directors, except as required for the protection of public health or safety.

(For the purposes of this section, "display of the flag of the United States of America" means a flag made of fabric, cloth or paper, displayed from a staff, pole, or in a window. It does not mean a depiction of the flag of the United States made of lights, paint, roofing, siding, paving materials, flora, balloons, or any other similar building, landscaping or decorative component.)

EXTERIOR OF UNITS: No member is to alter, modify or change the exterior of their unit in any manner without the prior written consent of the Association's Board of Directors. The exterior of the unit includes exterior walls, stairwells, patios, glass, windows, light fixtures, fascia, roofing and doors.

INTERIOR OF UNITS: No member is permitted to alter, modify or change the interior of the Member's unit, which might interfere with any unit owner or occupant's right to quiet enjoyment, in accordance with association's governing documents, or change the

structural integrity of the building within which the Member's unit is located, unless authorized in writing by the Association of the Board of Directors.

(January 12, 2010 Amendment to CC & Rs) In order to prevent the transmission of unreasonable noise to units below, the following shall apply to second story units: (1) No hard flooring, including, without limitation, tile, stone, wood or marble, is allowed in the living room or bedrooms, and owners may not remove floor coverings to leave the concrete slab exposed; and (2) The installation of hard flooring in any other area of the unit shall be subject to the prior authorization and approval of the board.

BUILDING PERMITS: The City of Palm Springs could require a permit for interior or exterior changes (i.e.; installation of new air conditioning unit, construction projects, remodels, or installation of new hot water heaters.) Individual owners must contact the City of Palm Springs for clarification. Permits, when required, must be posted in a visible location from the street, and a copy of the permit must be submitted to management of behalf of the Association.

ENFORCEMENT

Please see addendum for enforcement procedures as adopted October 2014. Subject to procedures provided for in the CC&R's, members determined to be in

<u>Please refer to the Association's Governing Documents/Policy of Operations for more information.</u>

Canyon GranadaC/o Desert Resort Management
42-635 Melanie Place, Ste. 103 Palm Desert, CA 92211 (760)346-1161 Fax (760)346-9918

UNIT INFORMATION / EMERGENCY SHEET

Date		
Unit #		
Unit Address		
Unit Phone #		
Owner Name		
Owner Mailing Address		
Phone # (H)	(W)	
Other	(E-Mail)	
Full Time Resident	Part Time Resident	Rental
(T	enant Information if applicable)	
Tenant Name(s)		
Tenant Phone # (H)	(W)	
In Town Emergency Contact_		
Phone #		
Does this person have a key to	your Unit?	

HOMEOWNER ASSOCIATION MANAGING AGENT

PHONE: 760-346-1161 FAX: 760-346-9918

GUIDELINES FOR AIR-CONDITIONER REPLACEMENT

- 1. Only licensed air conditioner contractors are to be used. The name of the contractor, phone number and license number must be delivered to the Association prior to work starting.
- 2. Applicable permits are to be obtained from the City of Palm Springs Permit Department at the expense of the individual owner/contractor.
- 3. A certificate of insurance naming the Association as beneficiary is to be in the managing agent's possession before work begins.
- 4. After existing air conditioning unit is removed from the platform, it is the individual owner's/air conditioner contractor's responsibility to check the existing platform for weather tightness and proper fit for new air conditioning units.
- 5. If new air conditioner does not fit onto existing pad, the installation of a new raised platform and metal cap must be installed and signed off by the installer of the air conditioner and a roofing contractor and approved by the Association.
- 6. A copper condenser line must be run to the roof drain.
- 7. All conduit, gas, electric and condensation lines must be placed on appropriate blocks.
- 8. Upon completion of installation, the Association must be notified by using the above phone or fax numbers, and Notice of Completion submitted.
- 9. A representative of the Architectural Committee/Member of the Board, or an Association-appointed licensed contractor, or a member of the Palm Springs Permit Department will then inspect the installation of the unit and roof area, regardless if a new or existing pad is utilized.
- 10. Unit owner is responsible for any damage incurred to Association's property during the installation process by their contractor.
- 11. Unit owner is responsible for any inspection fees that may be required (this fee will be the cost charged by the appropriate appointed inspector.)

NOTICE OF COMPLETION OF INSTALLATION OF AIR CONDITIONER/PLATFORM/PAN/METAL CAP

(To be submitted by Home Owner on completion of work)

Notice is hereby given:
The undersigned is the owner of the property located at:
The modification/construction/improvement on the above described property Was completed on
Description of work performed in accordance with the Association's Guidelines
Name of Owner(s)
Signature of Owner(s)Contact #

Work inspection completed by Representative/Permit Department
Inspection Results:
() Inspection meets requirements
() Installation needs the following to meet requirements:
Please note: Any concealed damage to roof that causes a roof leak is individual owner's responsibility
Please note: Association's contact information Landon Burt, DRM 42-635 Melanie Place, Ste.103 Palm Desert, CA 92211 760-346-1161/fax 760-346-9918

LEASING DATA

CONTACT PERSON FOR ASSOCIATION'S USE: ADDRESS NAME OF LESSEE OWNER: NAME: PHONE #____ CONDO ADDRESS_____ LEASED FROM TO (NOT LESS THAN A 30 DAY PERIOD) REPROGRAMMING ENTRY DIRECTORY FEE OF \$12.00 (CHECK PAYABLE TO CANYON GRANADA OWNERS ASSSOCIATION) KEY/REMOTE FEE: \$5/\$35 PARKING SPACE # _____ VERIFICATIONS: OWNER/AGENT HAS RELEASED TO LESSEE COPY OF BASIC RULES AND REGULATIONS: LESEE HAS RECEIVED COPY OF BASIC RULES AND REGULATIONS: WITH SIGNATURES IN PLACE SIGNER AGREES TO ABIDE BY THE POLICY OF OPERATION OF THE ASSOCIATION. (COPIES OF BASIC POLICY OF OPERATIONS AVAILABLE AT COST OF \$20, WHICH INCLUDES POSTAGE)

ARCHITECTURAL GUIDELINES ARCHITECTURAL APPROVAL PROCEDURE/STANDARDS

1. ESTABLISHMENT OF ARCHITECTURAL COMMITTEE

The BOARD OF DIRECTORS (Architectural Committee) has been established pursuant to the Declaration of Covenants and Restrictions (CC&R'S). The Committee Members shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties.

2. PURPOSE AND INTENT

The purpose of the Committee to standardize architectural designs and to insure that the proposed plans are in conformance with, and are harmonious to the exterior design and existing materials of the homes in the project, while maintaining the highest quality of environment within the Association.

In the event of a conflict between this document and the Declaration, the Declaration shall prevail.

The Committee does not seek to restrict individual creativity or personal preference, but rather to help assure continuity in design, which will help preserve and improve the appearance of the Community and enhance the property values of all owners in the Community.

3. ARCHITECTURAL COMMITTEE APPROVAL

According to the CC&R's, the Committee shall approve the plans and specifications submitted for it's approval only if it deems that: (a) the improvement will not be detrimental to the appearance of the surrounding area of the project as a whole; (b) the appearance of any structure affected thereby will be in harmony with surrounding structures; (c) the upkeep and maintenance thereof will not become a burden on the Association. Additionally, the Architectural Committee retains the right to physically inspect any improvements made during and/or after completion.

The Architectural Committee may, from time to time, and with approval of the Board of Directors, adopt, amend, and repeal rules and regulations to be known as "Architectural Rules."

4. PROPERTY IMPROVEMENT REQUIREMENTS

The term "improvement" includes, but is not limited to, additions or modifications of condo units, patios, fences, hedges, trees, shrubs, signs, alterations in exterior doors or windows, awnings, sun screens, and all other exterior structures or landscaping improvements of every type and kind. Any condition or materials not defined within the above list shall become a matter of judgment on the part of the Committee when the governing documents do not clearly define restrictions. Owners must have the Architectural Committee's approval prior to beginning any improvements.

Failure to obtain the required approvals before making any improvement is a violation of the Declaration affecting your home, and may require modification or removal of unauthorized works of improvement at your expense.

5. PLAN SUBMITTAL PROCEDURE

Owners are encouraged to read the CC&R's and By-Laws, keeping in mind that they have the force of law to govern what you may or may not do.

- 1. Approval of any project by the Committee does not waive the necessity of obtaining any required City permits. Also, obtaining a City permit does not waive the need for Committee approval.
- 2. Complete the information requested on the Application form (Exhibit C). Contact management with your mailing address or fax number when additional forms are necessary.
- 3. Submit two (2) sets of the following with the Application form to:

 Desert Resort Management; c/o Landon Burt Application Fee of \$25; Checks only
 42-635 Melanie Place, Ste.103

 Palm Desert, CA 92211
 - a. The final drawing, specifications and color samples.
 - b. A plot plan showing specifically what exists and the changes requested as they affect your property and any surrounding properties.
 - c. Upon approval by the Committee, one (1) set of plans will be returned to the owner, and one (1) set will be retained in the files of the Association. Please do not submit your original drawings, but be certain your submittal includes all detail.

6. INSTRUCTIONS FOR PREPARING PLAN SPECIFICATIONS

Drawings must be of sufficient professional quality, adequately detailed and dimensional to enable the Committee to determine the extent of the proposed

improvements and their effect on existing and surrounding structures. Simple drawings are adequate for minor improvements.

7. FINAL APPROVAL BY COMMITTEE

The Committee shall give final approval or disapproval of your request within forty-five (45) days from submission of a completed application (including all the required supporting information and documentation.) Any disapproval shall contain an explanation of the reason for the disapproval and a description of the procedure for reconsideration of the decision by the Board of Directors. In the event that the Committee fails to respond within forty-five (45) days from receipt of your completed application, your request shall be deemed approved.

In the event the plans and specifications submitted to the Committee are disapproved, the party or parties making said submission may appeal in writing to the Board of Directors of the Association within thirty (30) days following the final decision of the Committee. Within forty-five (45) days following receipt of the request for Board appeal, the Board shall render a written decision. The Board shall meet in open session to consider and make the decision whether to reverse the Committee's disapproval of the party's application.

If the decision to disapprove an application is made by the Board of Directors, the applicant shall have no right to an appeal or reconsideration of the decision, so long as the decision was made at a meeting that satisfies the requirements of the Common Interest Development Open Meeting Act, including the requirements for giving notice of the meeting to the Association's members and opening the meeting to attendance by the members.

8. NON-COMPLIANCE

If no plans have been submitted and work has commenced or has been completed, or if work that has been approved was not done in substantial compliance with the plans approved, homeowner shall be in violation and the Committee as per the Homeowner Association CC&R's, shall have the authority to require the owner to take such action as may be necessary to remedy the non-compliance.

When non-compliance is discovered, a notice will be sent to the homeowner regarding the non-compliance, to correct as indicated in the notice within sixty (60) days.

If upon the expiration of the sixty (60) days from the notification date, the owner has failed to remedy the non-compliance, the Committee shall notify the Board of Directors in writing of such failure to correct. The Board shall then give the offending owner a Notice of Deficiency, which outlines the problem and sets a date for hearing before the Board to determine whether there is non-compliance

and if so, the nature thereof and the estimated cost of correcting or removing the same.

The Board of Directors will hear the complaint and issue a ruling to owner not less than fifteen (15) days after the hearing.

The owner has forty-five (45) days from the "Notice of Board Ruling" to remedy the situation.

If not remedied with forty-five (45 days, the Board may commence a lawsuit for damages or injunctive relief, as appropriate, to remedy the non-compliance, and the owner shall reimburse the Association, upon demand, for all expenses (including reasonable attorney's fees) incurred in connection therewith, or the owner may be fined for each month of non-compliance. Fine shall be: REFER TO BASIC FINE SCHEDULE ENCLOSED located in the Enforcement Procedure section.

If the owner does not promptly pay such expenses to the Association, the Board shall levy an Extraordinary Charge against the owner for reimbursement as provided in the Declaration.

In the event that a member shall correct an alleged violation prior to the hearing date, the Board shall discontinue the proceedings.

Canyon Granada

C/o DRM
42-635 Melanie Place, Suite103
Palm Desert, CA 92211
(760)346-1161 Fax (760)346-9918
App Fee Included: \$____ Check#_____

REQUEST FOR ARCHITECTURAL VARIANCE APPROVAL (Exhibit C) (Please allow 2-4 weeks for a response)

APPLICANT	PHONE	_DATE
MAILING ADDRESS		
PROPERTY ADDRESS APPLICABLE TO INSTA	LLATION OF VARIANCE:	
DESCRIPTION OF REQUEST		
TWO (2) COPIES OF A SKETCH/BROCHURE/DI LOCATION ON PROPERTY (PLEASE CHECK):	RAWING OF PROJECT IS RE	EQUIRED
() REAR () FRONT	()ROOF	
TYPE OF MATERIALS TO BE USED		
COLOR OF FABRIC/MATERIAL		
NAME OF CONTRACTOR		
CONTRACTOR'S PHONE NUMBER		
PROJECTED START DATEPROJE	CTED COMPLETION DATE	
PLEASE NOTE: WORK TO START ON OWNER FROM THE ASSOCIATION'S BOARD OF DIRECT		APPROVAL
IT IS THE RESPONSIBILITY OF INDIVIDUAL OPERMITS FROM THE APPROPRIATE GOVERN IS NOT LIABLE FOR ANY CONSEQUENCES W	MENTAL AGENCY. THE AS	SSOCIATION
OWNER'S SIGNATURE		

CANYON GRANADA OWNERS ASSOCIATION

Policy of Operations

Satellite Dish Installations

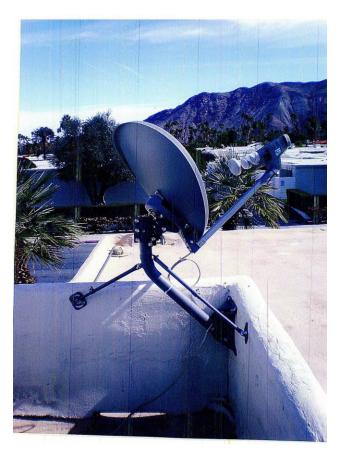
(Guidelines 05/14; Revised 05/14)

Installations of satellite dishes may not be refused, but in compliance with the FCC Guidelines, the Association may establish rules of this installation to be used in conjunction with review of Architectural Variance Requests.

The guidelines are:

- 1. No penetrations into roof membranes,
- 2. Wiring and fasteners shall be a neutral color,
- 3. All Damages to building which occur as a result of "Dish" installation / removal are to be repaired at the cost of the individual owner,
- 4. Each installation must receive approval prior to installation by submitting a completed Architectural Variance Form indicating location of the "Dish",
- 5. "Dish" shall not exceed 36 inches in diameter, and
- 6. Dish to be mounted on a pony wall (see example below)

All vendors must dispose of installation debris off site, not in Association's trash bins.



CANYON GRANADA OWNERS ASSOCIATION

A California Nonprofit Mutual Benefit Corporation

ENFORCEMENT PROCEDURE OCTOBER 2014

* adopted October , 2014

IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON RACE, COLOR, RELIGION, SEX, GENDER, GENDER IDENTITY, GENDER EXPRESSION, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, GENETIC INFORMATION, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (p) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE

REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT CODE. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

CANYON GRANADA OWNERS ASSOICATION ENFORCEMENT PROCEDURE

This document is the Canyon Granada Owners Association's (hereafter referred to "Association") enforcement process ("Enforcement Procedure"). The entities engaged in enforcing the Association's First Amended and Restated Declaration of Covenants, Conditions and Restrictions (CC&Rs), Bylaws, Articles of Incorporation, and Rules and Regulations, Architectural Guidelines and Enforcement Procedure (collectively, "Rules") (hereafter, all collectively, *Governing Documents*) are:

Board of Directors — The Board of Directors is charged with overseeing the enforcement of the Association's Governing Documents and working with the Architectural Control Committee, if such committee has been created and delegated powers regarding architectural modifications. The Board of Directors has the authority to conduct violation hearings, impose Special Assessments and Individual Assessments, including but not limited to fines, cause violations to be remedied, suspend voting rights, common area privileges, use of the recreational facilities and/or any other privilege of any Member or Person deriving rights from any Member ("Membership Privileges"), and promulgate Rules. The Board of Directors, in its sole discretion, may review any committee decision and thereafter modify any ruling in the Board's discretion regardless of an appeal from a Member, provided, however, that it gives notice to the Member and committee within ten (10) business days of the committee's date of its Ruling Notice.

Architectural Control Committee — The Architectural Control Committee, if so created and delegated to, is charged with primarily reviewing and approving proposed architectural modifications.

For the purposes of this Enforcement Procedure, the following definitions shall apply:

The term *violation* shall mean and include any failure to follow and/or observe the Association's Governing Documents.

The term *recurring violation shall* mean any violation of the Association's Governing Documents, which has a definite commencement and cessation, but has occurred more than once. Examples of recurring violations are: (1) violation of leash rules regarding pets on more than one occasion or (2) speeding or other motor vehicle violations on more than one occasion.

The term *continuous violation* shall mean any violation of the Association's Governing Documents, which is ongoing and has not ceased for a period of time in excess of twenty-four (24) consecutive hours. Examples of continuous violations are: (1) a poorly maintained Unit, or (2) retaining an unapproved improvement on the Owner's Unit in violation of the Governing Documents. Upon the Owner's curing the violation, the Board of Directors may, but is not obligated to, waive any portion or all of the monetary fine imposed for a continuous violation.

A violation hearing may be suspended if an Owner cures his/her violation (as determined by the Association) before said hearing; however, the Board of Directors may, but is not obligated to, waive any portion or all of the monetary fine imposed for a continuous violation.

The Enforcement Procedure related to any disciplinary action shall be as indicated below. For enforcement of the Governing Documents related to parking violations unrelated to disciplinary action against the Owner, such as towing, the enforcement procedure may begin at Step 5.

STEP 1. INITIATION.

If a Violation Report is completed by a homeowner, a Board member, Association Manager, Architectural Control Committee member, or another designated representative of the Association, the Violation Report will be verified as set forth in Step 2.

STEP 2. VERIFICATION

Verification of a Violation Report for non-architectural violations is accomplished by a review of the Association's Governing Documents and/or inspection by the Association Manager, Board of Directors, appropriate committee or other designated Association representative. Verification of a Violation Report for architectural violations is accomplished by a review of the Association's Governing Documents and/or inspection by the Architectural Committee. *Violation* shall be defined as an act in direct conflict with the Association's Governing Documents, and/or local, county or state requirements.

STEP 3. DOCUMENTATION

A. FOR NON-ARCHITECTURAL VIOLATIONS

- 1. The Board has the following three options for enforcing non-architectural violations:
- A Warning Notice is completed by the Association Manager or his/her designated representative and forwarded to the violating homeowner (hereinafter *Violator*). At the discretion of the Board or Association Manager, this step may be skipped if, based on the seriousness of the violation, more immediate action is warranted; or
- If the violation persists after the Warning Notice has been issued OR if the Board or Association Manager determines to proceed directly to a Violation Notice, said Violation Notice is sent to the Violator, stating a deadline by which to cure the violation; or
- o If the violation warrants immediate action, an Expedited Hearing Notice is sent to the Violator, stating a date, time and place where the Violator may be heard before the Board of Directors.
- 2. If a Violation Notice is sent and the Violator fails to take the necessary action by the deadline given, a Hearing Notice will be sent to the Violator, setting forth the date, place and time upon which the Violator may be heard before the Board of Directors.
- 3. Failure to appear at any hearing, could result in immediate discipline including, but not limited to, imposition of a Special or Individual Assessment, and/or suspension of Membership Privileges. Association must give at least ten (10) days written notice of the hearing to the Violator before any action is taken, pursuant to the Association's Governing Documents.

B. FOR ARCHITECTURAL VIOLATIONS

1. Examples of architectural violations are:

a. Owner of the property has not submitted the requisite application, related documents and plans and/or the requisite fees to the Architectural Control Committee or the Board of Directors, if appropriate, or secured requisite written approval from the Association.

S:193-167\EnfProcedure\EnforcemenlProcedure.091114.wpd

ENFORCEMENT PROCEDURE OCTOBER

- b. Owner of the property has obtained prior approval but has not complied with the approved final plans and specifications of the proposed work.
- c. Owner has failed to maintain his/her/its Unit which Owner is responsible to maintain.
 - 2. The Board has the following three options for enforcing architectural violations:
- A Warning Notice is completed by the Association Manager and forwarded to the violating homeowner (hereinafter *Violator*), At the discretion of the Board or Association Manager, this step may be skipped, and the Association may proceed directly to a Violation Notice or an Expedited Hearing Notice; or
- If the violation persists after the Warning Notice has been issued OR if the Board or Association Manager determines to proceed directly to a Violation Notice, said Violation Notice is sent to the Violator, stating a deadline by which to cure the violation; or
- If the violation warrants immediate action, an Expedited Hearing Notice is sent to the Violator, stating a date, time and place where the Violator may be heard before the Board of Directors,
- 3. If a Violation Notice is sent and the Violator fails to take the necessary action by the deadline given, a Hearing Notice will be sent to the violating homeowner, setting forth the date, time, and place where the Violator may be heard before the Board of Directors.
- 4. Failure to: (1) appear at any hearing; and/or (2) comply with a written Violation Notice could result in immediate discipline including, but not limited to, imposition of an Enforcement Assessment/ Reimbursement Assessment and/or suspension of Membership Privileges. Association must give at least ten (10) days written notice of the hearing to the Violator before any action is taken, pursuant to the Association's Governing Documents.

STEP 4. HOMEOWNER HEARING PROCEDURE

- **A.** Findings of Fact and Recommended Action: The Board of Directors must make specific findings as it relates to the violation of the Governing Documents, noting them on the Homeowner Hearing Procedure form and Ruling Notice form with the facts which support its decision. The decision of the Association and action recommended/taken should also be noted on the Homeowner Hearing Procedure form. NOTE: If no violation is found, then no remedy is required, and the Association would then issue a Ruling Notice pursuant to Step 4.0 below.
- **B.** Remedies of the Board of Directors. If it is determined a violation has taken place, the Board of Directors may take any or all the following actions:
- 1. Special / Individual Assessment Even if the violation is not of a continuing nature and does not lend itself to a self-help remedy, the Board of Directors still has the authority to impose a Special Assessment or an Individual Assessment for failure to comply with the provisions of the Governing Documents. The Board of Directors may only impose an assessment after providing notice and hearing to a Violator, pursuant to the minimum requirements set forth herein. The following assessment structure is

based upon a reasonable determination of the costs (i.e. attorneys' fees, property management fees, etc.) expended by the Association in performing its functions in enforcing the Governing Documents, as well as the imposition of appropriate sanctions for violation of said Governing Documents.

S:\93-167\EnfProcedure\EnforcementProcedure.091114.wpd OCTOBER 2014

ENFORCEMENT PROCEDURE

The Enforcement/Reimbursement Assessment structure is detailed in Paragraph 4.D below:

- 2. Right and Authority to suspend Membership Privileges for each violation of the Governing Documents and/or for any period during which the Member is delinquent in the payment of any assessment, fine or monetary penalty, or as otherwise provided in the Governing Documents.
- 3. Self-Help Remedy for Continuing Non-Architectural Violations If the violation of the Governing Documents continues and can be cured through a self-help remedy, the Board has the right to demand correction of the continuing violation and a date certain upon which a homeowner must comply (a reasonable period of time shall be given to the homeowner) *via* the Notice of Ruling. The Notice should further indicate that if the homeowner fails to comply within the time provided by the Association, the Association would bring the homeowner into compliance and charge the cost of same to the homeowner as a Special / Individual Assessment.
- 4. Self-Help Remedy for Continuing Architectural Violations If it is determined a violation has taken place, the Board of Directors shall make findings of fact and request corrective action (removal, replacement, repair and/or modification) by the Violator. If corrective action is not taken by the Member and the violation can be cured through a self-help remedy, the Ruling Notice shall further indicate that if the Member fails to comply within the time provided, the Board of Directors shall bring the Member into compliance and charge the cost of same to the Member as a Special Assessment or Individual Assessment, However, any demand letter which requires the Association to go onto a Members' property to rectify the violation should be reviewed and sent by Association's counsel.
- 5. Other Potential Remedies / Sanctions Notwithstanding anything set forth herein, the Board of Directors in its discretion shall have the power to require any other applicable remedy and/or sanction for as long as it deems necessary, provided, however, that said remedy/sanction is in accord with the Association's Governing Documents and law. If the violation is of such a serious nature that potential legal action is contemplated, the Association's general counsel should be consulted for determination whether Internal Dispute Resolution ("IDR") and/or Alternative Dispute Resolution ("ADR") should be offered to the Violator (as well as consideration of other potential remedies).
- C. Ruling Notice. Regardless what remedy the Board chooses to take, even if no violation is found, the Association must mail to the Violator a Ruling Notice within fifteen (15) days after the date of hearing. If it is ruled that an Enforcement Assessment or a Reimbursement Assessment shall be imposed against the Violator, then the Board must give notice of the ruling to the Violator and request payment of such assessment within thirty (30) days after the Ruling Notice is mailed. This is to be recorded in the Executive Session minutes or regular minutes, whichever is applicable.
- **D.** Special / Individual _Assessment Structure. If any Member's failure to comply with the provisions of the Governing Documents results in the Association's expenditures of monies or incurs costs related to the action or noh-action of a Member, the Association may levy a Special Assessment or Individual Assessment against such Member. Additionally, the Association may levy fines consistent with Tables 1, 2 and 3 below. The amount of the assessments may be amended from time to time by the Board of Directors. The present structure of the Association for Special / Individual Assessments for

 $S:193-1671 Enf Procedure \% Enforcement Procedure. 091114. wpd \\ 2014$

ENFORCEMENT PROCEDURE OCTOBER

Table 1: Special / Individual Assessments for Violation of the Governing Documents		
First Violation	Costs incurred by the Association, if any, as well as a monetary fine up to \$200.00	
Recurring Violation for a Second Time	Costs incurred by the Association, if any, as well as a monetary fine up to \$400.00	
Continuous Violation	Costs incurred by the Association as well as a monetary fine up to \$200.00 per day from the date of the first notice of violation until violation is cured.	

In addition to the Special / Individual Assessments described in Table 1 above, the Board of Directors may levy the following assessments for architectural application violations, which may be added to any other Special / Individual Assessments.

Table 2: Special / Individual Assessments for Architectural Application Violations	
Assessments for commencing Architectural Improvement without • Architectural Committee Approval and/or • Submitting Application (even if Improvement is within the Governing Documents)	Up to \$200.00 plus any other costs incurred by the Association plus legal costs and any other remedies available to the Association
Assessments for failure to follow submitted plans and specifications and/or make corrections upon notice	Up to \$200.00 plus any other costs incurred by the Association plus legal costs and any other remedies available to the Association

In addition to the Special / Individual Assessments described in Tables 1 and 2 above, the Board of Directors may levy the following assessments for violation of the Governing Documents relative to tenancy requirements and advertisement of short term rentals, and which may be added to any other Special / Individual Assessments.

Table 3: Special Assessments for Violation of the Minimum Rental Period Requirements (i.e. leasing and/or advertising)	
First Violation	\$200.00 monetary penalty plus Costs incurred by the Association, if any, as well as determination that it is a Continuous Violation (see below)
Recurring Violation for a Second Time	\$400.00 monetary penalty plus Costs incurred by the Association, if any, as well as determination that it is a Continuous Violation (see below)

The applicable Table 3 fines PLUS an amount up to \$200.00 per day from the date of the first notice of violation until the violation is cured
PLUS possible suspension of common area privileges.

S:\93-167\EnfProcedurelEnforcementProcedure.091 I14,wpd

ENFORCEMENT PROCEDURE OCTOBER

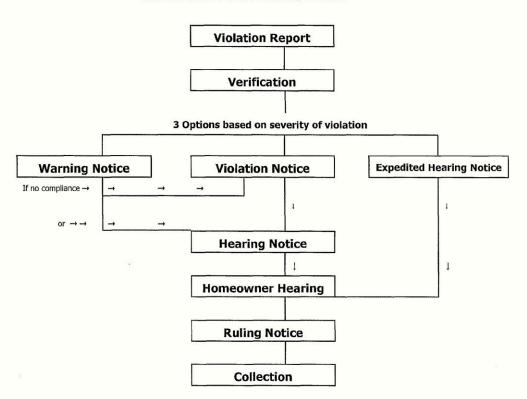
E. Collection of Special / Individual Assessments. Pursuant to the

Association's collection policy and the CC&Rs, if a Special / Individual Assessment was levied for failure to comply with the Governing Documents or for costs incurred by the Association in repair of damage to the Common Areas and is not paid within thirty (30) days after mailing the Ruling Notice, then the Board may suspend the Owner's Membership Privileges after notice and hearing as set forth in the Association's governing documents.

STEP 5. TOWING OF IMPROPERLY PARKED VEHICLES

The towing of improperly parked vehicles relates to enforcement of the Governing Documents, unrelated to disciplinary action against an Owner. Accordingly, the Association has the right to tow vehicles without proceeding through Steps 1 through 4 above and, pursuant to California Vehicle Code §22658, the Association may have any improperly parked vehicles removed and towed to the nearest public garage. Prior to any towing, the Association shall place a written notice on the violating vehicle, enumerating that the vehicle will be towed to a public garage unless the vehicle is moved within four (4) hours. (Prior notice is not required if the violating vehicle is parked in a marked fire lane, within fifteen feet of a fire hydrant, in a parking space designated for handicapped without proper authority, or in a manner which interferes with any entrance to or exit from ingress or egress in and to the subdivision or any Residential Lot/ Residential Unit). In such an event, the Association shall not be liable for any damages incurred by the vehicle owner because of the removal of a vehicle or for any damage to the vehicle caused by the removal, including without limitation the charge for towing and storage of the vehicle by the towing company, the cost of which shall be the responsibility of the owner of the vehicle.

ENFORCEMENT PROCEDURE FLOW CHART



S:\93-167\EnfProcedure\EnforcementProcedure.091114.wpd

8

ENFORCEMENT PROCEDURE OCTOBER 2014