

LAGUNA WEST ASSOCIATION

OWNERS MANUAL

WHAT IS A HOMEOWNER'S ASSOCIATION?

It is a nonprofit corporation registered with the State of California and managed by a duly elected Board of Directors. Its purpose is to maintain all common areas and to make the community an enjoyable place to live.

WHAT ARE THE CC&R'S?

The recorded Declaration of Covenants, Conditions and Restrictions, commonly referred to as CC&R'S, are the guidelines established in order for the Common Interest Community to enhance and protect the value of the project. These guidelines usually cannot be changed without a specified majority vote. This change then becomes an amendment and is recorded with the County Recorder's office. Failure to abide by the CC&R'S can possibly result in a fine if the Board determines a violation has occurred. **You should carefully review the CC&R'S.**

WHAT ARE THE BYLAWS?

The Bylaws are the adopted guidelines and rules established for the operation of the Homeowner's Association. These Bylaws aid in the election of the Board of Directors, define duties and responsibilities of the Board and Officers and set other specifics, which are necessary to properly operate the Association. **Again you should carefully review the Association's Bylaws.**

WHAT IS MY ASSESSMENT?

The assessment is the quarterly installment of the annual assessment amount due from each property. This assessment is used to maintain the property that is commonly owned or controlled by the Association. The annual assessment is based upon the estimated expenses required to operate the Association and maintain the common areas and facilities (budget).

HOW IS THE AMOUNT OF MY ASSESSMENT DETERMINED?

The Department of Real Estate requires a proforma operating budget be submitted from the developer for the first year's operation of the Association. This budget is reviewed by the Department of Real Estate, utilizing their guideline figures for all common areas and facilities which are the responsibility of the Association. There are two basic areas to the budget: the Operating accounts such as utilities, landscaping, administrative, insurance, etc., and the Reserve accounts for replacement of components such as pumps, motors and lake harvesting. These amounts are difficult to predict accurately and even if accurately estimated initially, these amounts can increase with the age of facilities and with increase costs of living.

WILL MY ASSESSMENT GO UP?

The assessments may increase after the first year due to unforeseen changes in the operations and cost increases for utilities and services. Your Board of Directors will prepare a new budget each year to reflect changes and cost increases or decreases. The Board must obtain the majority vote of the members to increase the budget more than 20% from the prior year's budget.

WHAT HAPPENS IF I DON'T PAY MY ASSESSMENT?

The CC&R'S state that not paying the quarterly installment of the annual assessment causes the homeowner to be subject to late charges of \$10.00 or 10% of the delinquent installment, whichever is greater, as well as interest at 12% per annum and collection charges.

If there is no payment from the homeowner, a lien can be filed which could eventually result in foreclosure of your home. Remember that all the owners share the responsibility of assuring payment to the Association so that the property can be properly maintained. **Be sure to closely review the Association's current adopted Assessment Collection Policy included in this manual.**

WHAT IS A MANAGEMENT COMPANY AND WHAT DOES IT DO?

A Management Company is hired to act as the agent for the Homeowner's Association. Typical responsibilities include:

ASSESSMENT COLLECTION: Collection of the installments of the annual assessments and delinquent installments.

SUPERVISION OF ALL SUBCONTRACTORS: Hiring, supervising and working with landscaping, gate attendants, cleaning services, street sweepers, utility companies, etc. The Management Company does not perform these services, but acts in a supervisory capacity only.

ACCOUNTING: Submitting monthly assessment installment billings to the homeowners, maintaining current lists of homeowner addresses as received, processing of the Association payables, and submitting monthly financial reports to the Board.

COMMUNICATION: Performing as a liaison for the Association to the developer, providing information from the Board and Management to homeowners, as well as communication between homeowners, through distribution of monthly or quarterly newsletters or mailings.

ARCHITECTURAL APPROVAL: Coordination and tracking of requests for approval from the Architectural Committee for plans for construction, alterations or improvements.

PROBLEM SOLVING: Working with the Board of Directors in interpreting and enforcing the CC&R'S, Bylaws and Rules and Regulations of the Association. Responding to homeowners requests regarding the common areas and the operation of the Association.

CONSULTING: Providing the Board with information pertaining to proper maintenance of the community, suggested project improvements and to keep the Board advised of current Association Management procedures.

WHAT ARE DEFINED AS COMMON AREAS AND FACILITIES?

The common areas that the Association is responsible to maintain include the lake, water quality ponds, wetlands, fountains, wells, and pumps. In addition, there are utility services such as electricity for the pumps and common services such as street sweeping, Transportation Management Plan, weed abatement, discing, project cleaning, etc., which the Association is responsible for paying through the collection of assessments from the owners.

WHAT IS THE BOARD OF DIRECTORS?

The Homeowner's Association is a corporation by law and, therefore, a governing body is needed to oversee the business. The Board of Directors is the elected governing body of the community. A Board of seven (7) Directors shall manage the affairs of the Association.

These Directors create the rules and regulations for enforcement within the community, oversee that money is being properly budgeted and spent, as well as work with the managing agent in maintaining Association common areas.

The Board of Directors usually organizes several committees to aid the community in decision making. Examples of this would be: Rules Committee, Architectural and Landscaping Committees, Nominating and Election Committees.

WHEN DOES THE BOARD OF DIRECTORS HOLD MEETINGS?

The Bylaws for each Association state the frequency of the Board meetings. Usually a Board will meet as frequently as each quarter. Board meetings are open to all homeowners, but the Board has the right to limit the amount of participation by individual homeowners. Depending upon the amount of business to be transacted, Board meetings may occur only once a quarter or as often as monthly.

IF I WANT TO MAKE ADDITIONS TO MY HOME OR MAKE NOTICEABLE CHANGES, WHAT DO I NEED TO KNOW?

The Association has governing regulations concerning the addition or changes to the exterior of any premise. The regulations encompass the installation of some landscaping and fences, adding a patio cover, building a patio or pet enclosure, adding structures, color of paint, etc. You should review the Covenants, Conditions and Restrictions to determine the exact requirements that will need approval. No landscaping visible from the street or from the common area shall be done until plans have been approved.

The Design Review Committee must approve all exterior changes and additions. Applications and plans should be submitted to the Management Company.

If a homeowner completes an exterior change without Committee approval, the owner may be required to remove the structure or change, and conform to the rulings of the Committee. This regulation is set up to maintain the overall appearance of the community.

Also, the City of Elk Grove requires that any structural changes be submitted and approved through its office for proper building permits.

WHOM DO I CONTACT?

Within the first year, if you have bought a home and are having warranty related concerns, contact the Customer Service Representative of the builder. Reports must be made in writing and it is advisable to send the letter certified, to guarantee that the builder did, in fact, receive the work request.

Should concerns not be reported by the homeowner, or declined under the warranty by the builder, then the homeowner is responsible for pursuing repairs.

Areas in which your Association is involved include:

1) **Common Area Concerns**

Issues or complaints concerning common area maintenance or usage should be submitted through the Management Company or to the Board of Directors. As the Homeowner's Association matures, committee heads may be set up to monitor all complaints and aid in the timely correction of any problem area.

2) **Difficulty With Neighbors**

Hopefully this will not occur, however, sometimes there does develop a difficulty with a neighbor over the parking of vehicles, loud and excessive noise, animals, etc. These complaints should be made to the Management Company. The Management Company, in turn, will send a letter stating the violation or disturbance and enforce, through the Board of Directors, any fine or other remedies which the CC&R'S provide for such occurrence. At times the enforcement may necessitate the notification of local police.

3) **Utility, Water, Gas, Fire**

Depending upon the nature of the concern or emergency, contact the appropriate agency **FIRST**. It is best to receive immediate service in the event of these type problems, and of course, in the event of an emergency. The Management Company should also be aware of these situations, as it allows for a monitor of recurring problems. Be sure to keep handy the emergency telephone numbers for the local companies and official agencies.

**LAGUNA WEST ASSOCIATION
RULES AND REGULATIONS
EFFECTIVE OCTOBER 1, 1993**

A. PREAMBLE

A-1. The authority for the Board of Directors to form and enforce rules and regulations is provided by the Declaration of Covenants, Conditions and Restrictions (CC&R'S) under Article IV, Section 4 and Article IX, Section 1(d) of the adopted Bylaws. A copy of the CC&R'S and Bylaws were given to each owner at the time of purchase of their lot.

A-2. The Board of Directors has or will create a Rules and Regulations Advisory Committee. The duty of this committee is to advise the Board of Directors regarding the Rules, the Bylaws and the CC&R'S.

A-3. The Manager of the Laguna West Association has been instructed by the Board of Directors to require the compliance of all persons on Association common areas with the provisions of all Rules, By-laws and the CC&R'S. In the instance of a person violating the Rules, the By-laws or the CC&R'S, the Manager has further been instructed to do any of the following:

- a) Obtain names and addresses of violators and report to the Board of Directors.
- b) Remove the persons from the Association common areas, if necessary.
- c) Call upon a law enforcement agency for assistance.
- d) Call upon residents to assist him in his duty.
- e) In the case of residents' children, make an effort to contact their parents immediately, prior to making the action called for in (b), (c) and (d) above.

A-4. The Rules as contained herein are issued by the Board of Directors. They are supplemental to the conditions of ownership in the Declaration of Covenants, Conditions and Restrictions. If there is any conflict the provisions of the Declaration will prevail.

The Rules are intended as a guide to the conduct and activities of all members, lessees and residents of the Laguna West Association and their guests, to the end that everyone living in and using the facilities will enjoy the maximum pleasure without annoyance or interference from others. The Board of Directors urgently requests strict observance and adherence.

B. COMMUNITY RELATIONS

B-1. REGISTRATION All members and residents must be registered with the Manager.

- a) Association members are those individuals owning a lot or unit at the **Laguna West Community**.
- b) Residents are defined as owners and members of their families living on the premises of the project, or lessees and members of their families living on the premises of **Laguna West**.
- c) Owners leasing their home retain their voting right in the Association but assign the use of all common facilities of the project to the lessee of their home. The lessee assumes the privileges and responsibilities of membership as hereinafter stated, but do not have a voting right. The vote belongs only to

the owner. Non-resident owners are not permitted to use any common area facilities when so assigned to a lessee except as a guest of a resident.

- d) The lease or rental agreement must be in writing and must be for a term of not less than 30 days and **be subject to the CC&R'S, Bylaws and adopted rules.**

B-2. GUESTS

- a) A host or hostess of the Association must accompany guests when using the common areas of the Association.
- b) It is the right of each resident to question the presence of any person who appears to be trespassing on the common areas and/or advise the Manager regarding the situation.

B-3. COMMON AREA DAMAGE Members, lessees and residents are responsible for payment of all cost of repairs for all damage to the Association's common areas caused by themselves, members of their families or their guests.

B-4. NEIGHBORLY CONDUCT All activities, whether individual or group, shall be conducted at a noise level that is reasonable and not disturbing to other residents. Each owner or resident is responsible for the conduct and behavior of their children, guests, and any visiting children and for any property damage caused by such persons.

B-5. EXTERIOR APPEARANCE/SIGNAGE

- a) Signs, advertising or other devices, or miscellaneous paraphernalia shall not be exposed or attached in any fashion to or on windows, fences and exterior walls or any other areas of buildings or grounds, unless written approval has been obtained from the Board of Directors. **NO VENDOR ADVERTISING SIGNS ARE PERMITTED.**
- b) One sign of reasonable dimensions advertising the home for sale or rent may be displayed in the window of a home, yard area or other areas designated by the Association. Only approved signage specifications may be utilized.
- c) Political signs not to exceed three (3) square feet are permitted provided any such signs are removed within 24 hours after the appropriate election.
- d) In order to maintain the uniform aesthetic attractiveness of the Association and compliance with the CC&R'S, residents are requested to ensure that all window treatments visible from the outside are neutral or lined with a neutral backing. Aluminum or metal foil or other reflective materials is prohibited.

B-6. COMMON AREA SYSTEMS Common area, time clocks and lighting systems are to be adjusted and/or set by authorized personnel only.

B-7. PARKING

- a) Garages are solely to be used for the parking and storage of cars, boats or

similar vehicles. They are not to be used or converted for any type of living or recreational activities. Garages shall be kept clear so as to permit parking of the number of vehicles for which the garage was designed. **THE PLACEMENT OR MAINTENANCE OF MOBILE HOMES, MOTOR HOMES, TRUCKS, COMMERCIAL VEHICLES, CAMPERS, BOATS, TRAILERS, MOTORCYCLES, TRAIL BIKES, OFF-ROAD VEHICLES, BICYCLES, OR SIMILAR VEHICLES IS PROHIBITED EXCEPT WITHIN ENCLOSED GARAGES OR SCREENED FROM VIEW OF THE ADJOINING LOTS AND STREETS.**

- b) Garage doors must remain closed except for entering/exiting and when the garage is in use and attended.
- c) Residents must keep the driveways clean of any oil or other stains at all times.
- d) Vehicles, toys, or bicycles may not be parked or placed so they block or interfere with pedestrian traffic on the sidewalks. The placement of unattended tricycles, play toys, or other equipment in front yards and areas visible from adjoining lots is prohibited.

B-8. **STREET PARKING** Indefinite parking exceeding 72 hours of any vehicle including trailers on any street or on any driveway is prohibited.

B-9. **ANTENNAS** No outside radio aerials, television aerials, microwave or satellite dishes, or connections shall be installed, erected or constructed on any separate interest or any common area.

B-10. **PETS** A reasonable number of normal and customary uncaged household pets may be maintained within a home under the following conditions:

- a) Whenever pets are outside of the resident's lot, they must be on leash.
- b) Residents must clean up after any mishap performed by their pets.
- c) Residents shall be responsible for any personal injury or property damage caused by their pets.
- d) Pets emitting excessive noise, or in any manner unduly disturbing other residents, may be removed by order of the Board of Directors after notice and a hearing pursuant to the Bylaws.
- e) Guests are not allowed to bring pets onto Association common landscaping areas.
- f) No animals shall be maintained for any commercial purposes.
- g) **RESIDENTS MUST PREVENT DOGS AND OTHER PETS FROM CONTINUOUSLY BARKING OR MAKING OTHER LOUD NOISES.**

B-11. **CLOTHESLINES** No outside clothes lines are allowed to be installed except within fenced yards so as not to be visible from streets or the ground level of adjoining lots.

B-12. **BUSINESS ACTIVITIES** No business activities of any kind are to be established, maintained, permitted or conducted in any home or on any portion of the common areas. The use of front yards and garages for garage sales which clutter areas visible from the street for more than two (2) days within any twelve (12) month period are prohibited. Exterior signs advertising garage or yard sales are prohibited.

B-13. LIGHT FIXTURES Residential lighting fixtures are to be unobtrusive and compliment the design of the home with no observable glare. The Design Review Committee must approve all exterior light fixtures.

B-14. LAKE USE

- a) The lakes are available for use by residents and their guests only.
- b) **NO BOATS OR WATERCRAFT IN EXCESS OF 16 FEET ARE ALLOWED TO OPERATE ON THE LAKE. NO GASOLINE, COMBUSTION-TYPE, POWER ENGINE BOATS OR WATERCRAFT ARE ALLOWED.**
- c) **NO LIVE BAIT OTHER THAN EARTHWORMS SHALL BE USED FOR FISHING.**
- d) **NO SWIMMING OR WADING IS ALLOWED IN THE LAKE.**

B-15. ARCHITECTURAL CONTROL

- a) The Design Review Committee (Committee) has developed guidelines concerning exterior changes to your home and improvements to your lot. These guidelines conform to the CC&R'S of our Association. The purpose of these guidelines is to provide the required information and forms regarding any exterior changes and modifications of the home so the Committee may render its decision. **Please refer to the "Single Family Design Guidelines" and the "Single Family Landscape Design Guidelines" for specific requirements.**

Please send all applications for approval to THE MANAGEMENT COMPANY at:

**VierraMoore, INC.
P.O. BOX 348600
Sacramento, CA 95834-8600**

- b) When applying for approval, please send as much information as you can and include the following specific items:
 - 1. Completed Application Form
 - 2. Exact location: use a scale drawing if applicable
 - 3. State color, size, composition and description
 - 4. Photo, sketch, copy of an advertisement or facsimile
 - 5. The contractor's name or the name of the company that manufactures the item etc
 - 6. Two sets of plans

Please remember that you must get approval BEFORE making any changes or additions.

- c) Alterations, additions or modifications made to your lot or the exterior surfaces of your home must have prior written approval from the Architectural Committee or the Board of Directors. This includes some landscaping improvements, exterior lights, solar energy systems, fences, walls, sun screens, bamboo blinds, decks, lattices, pools, spas, color changes,

sheds, flagpoles, sports apparatus and other improvements. **NO BASKETBALL STANDARDS VISIBLE FROM A NEIGHBORING LOT OR THE COMMON AREA ARE ALLOWED.**

- d) The homeowner will remove any alterations that do not have prior written approval by the Committee or Board of Directors and the area will be restored to its original condition. Should the homeowner fail to comply, the Association will pursue its legal remedies including, but not limited to having the alteration removed at the owner's expense.

HOMEOWNERS ARE RESPONSIBLE FOR THE ACTIONS OF THEIR TENANTS AND GUESTS.

**IT IS EVERY RESIDENT'S RESPONSIBILITY TO OBEY THESE RULES.
PERSONS WHO REPEATEDLY VIOLATE RULES MAY LOSE THEIR PRIVILEGES.**

REMEMBER THAT THE COMMON AREAS ARE FOR THE ENJOYMENT OF ALL LAGUNA WEST ASSOCIATION RESIDENTS.

**LAGUNA WEST ASSOCIATION
DESIGN REVIEW COMMITTEE
SUPPLEMENTAL RULES AND REGULATIONS
EFFECTIVE FEBRUARY 2, 1994**

The Master Declaration of Covenants, Conditions, and Restrictions (CC&R'S) for Laguna West County of Sacramento, recorded on July 18, 1991, in the office of the Sacramento County Recorders Office in Book 910718, Page 1113, (CC&R'S) and the Supplemental Declaration of Restrictions recorded January 18, 1993 in Book 921229 at Page 1687, authorize the formation of a Design Review Committee which shall have the duty to consider and act upon such proposals or plans submitted to it pursuant to the terms of the CC&R'S, to adopt Design Guidelines, and to carry out all other duties imposed upon them by the CC&R'S. The "Single-Family Design Guidelines" (revised November 1990) and "Single-Family Landscape Design Guidelines" have previously been adopted and included in the Supplemental Declaration.

Article VII, Section 1, of the CC&R'S provides that no construction, grading, landscaping, decoration, excavation, alterations, modifications, additions, or other improvements including fences, walls, basketball standards, antennas, etc. may be made to the exteriors of residences and/or lots without obtaining architectural approval in accordance with the provisions of the CC&R'S and subject to the approval of the City.

1.0 SUBMISSION OF PLANS FOR APPROVAL

The following Rules have been adopted by the unanimous vote of the Members of the Board of Directors and apply to submission of plans for approval by the Design Review Committee. These Rules contain minimum standards and any plans submitted which do not meet or exceed these standards shall not be approved.

1.1 All plans, specifications and any work thereunder must conform to the requirements of the CC&R'S, these Rules or the adopted Design Guidelines, whichever is more restrictive. In the event of a conflict between these Rules and the CC&R'S, the more restrictive shall apply. It shall not be the obligation of the Design Review Committee to determine if plans, specifications or any work thereunder comply with any governmental law, ordinance or regulation, including but not limited to applicable laws regarding building permits, building codes and standard or safety regulations. All applicants must comply with such laws, ordinances and regulations, in addition to the CC&R'S and these Rules. The Design Review Committee shall have no responsibility to determine the structural adequacy of any plans submitted for approval.

1.2 The Design Review Committee may review and act upon plans submitted by prospective Owners prior to their acquisition of title. Any such action of the Design Review Committee for prospective Owners shall be conditioned upon such prospective buyer acquiring a fee simple interest in the property described in the plans. Such approval is not applicable to any other property without the express written consent of the Design Review Committee.

1.3 Plans must be submitted **IN TRIPLICATE AND ACCOMPANIED BY THE APPROVED APPLICATION**, showing the Homeowner's name, address, lot, number, telephone number, and Owner's signature, to:

LAGUNA WEST ASSOCIATION DESIGN REVIEW COMMITTEE
c/o VierraMoore, Inc.
P.O. Box 348600
Sacramento, California 95834-8600

1.4 Plans must be drawn to scale, showing location, color and dimensions of existing structures, driveways, sidewalks and fences, as well as location, color and dimensions of proposed additions and/or improvements, including but not limited to patios, patio covers, landscaping areas, walls and fences, gazebos, sports apparatus, balconies, spas and pools. Plans shall be accompanied by a description and/or sample of all materials and colors proposed to be used and construction schedule. Lake edge landscaping or front yard landscaping plans shall include the type of sodding, seeding, trees, hedges, shrubs, and irrigation. Any major alterations to the installed front yard landscaping requires approval of the Committee. **Non-lake backyard landscaping plans need only to show any structures, trees, or plants that will exceed the height of the fence or are visible from adjoining lots or streets.**

1.5 **POSITIVE DRAINAGE MUST BE CONSIDERED TO ASSURE THAT WATER DOES NOT DRAIN TOWARDS THE FOUNDATION OR INTO A NEIGHBORS YARD.**

1.6 If there is a particular view of importance or obstruction to any Homeowner, it should be noted.

1.7 The Design Review Committee may request any additional information, plans and details as it reasonable sees fit to adequately review the request for approval.

1.8 Within forty-five (45) days of receipt of plans for approval which comply with the above Rules, the Design Review Committee shall review the plans (as set forth under "Design Review Committee Meetings" below) and shall grant written approval, written denial, or a written request for additional information or clarification of information submitted. Any plans submitted which do not comply with these rules may be rejected by the Design Review Committee. Such rejection shall be accompanied by a statement of what deficiencies must be corrected prior to formal review by the Design Review Committee.

2.0 **GENERAL ARCHITECTURAL GUIDELINES**

The following are **supplemental** general guidelines which the Design Review Committee will follow in approving or disapproving your plans. The Committee reserves the right to amend them from time to time without prior notice. For more specific guidelines, refer to the CC&R'S.

2.1 **Patio Structures, Sunshades, Arbors, Trellises, Sheds and Gazebos:** Structures shall be made of wood or masonry construction only.

2.2 The side elevations of the above structures shall not be enclosed in any manner, except in the case where a wall on a main dwelling forms a natural enclosure to some or all portions of a side elevation. Tool sheds and similar enclosed structures may not exceed the height of the backyard fence lines and all neighbors affected have approved the proposed structure.

2.3 The following materials shall NOT be used for the roof (top cover surface) on patios, sunshades, and sheds;

- A. Metal structures and supports, including metal awnings.
- B. Plastic and fiberglass panels.
- C. Plastic webbing, reeded or straw like materials.

2.4 No balcony may be built that may infringe upon a neighbor's privacy unless the neighbor gives their consent in writing. Such consent letter shall be attached to the submitted plans.

2.5 **Exposed Equipment:**

- A. No equipment shall be exposed to public view including sport apparatus. Basketball standards **may** be approved by the Committee if they are located in rear or side yard areas only and not attached to the front of residences or garages. **Basketball standards are subject to the Guidelines contained in the policy adopted by the Board of Directors, a copy of which is attached hereto.**
- B. Television or radio poles, cables or antennae of any description installed outside of a dwelling are strictly prohibited if visible from the common area or another lot and may not be placed on the building roof.

2.6 **Fences:** No fences, hedges or walls shall be erected or maintained other than those initially installed by Declarant, unless first approved by the Design Review Committee. Fences shall be of a material that is compatible with the surroundings and of a material similar to that of existing fences and meet the guidelines contained in the Single Family and Single Family Landscape Design Guidelines.

No landscaping or fences installed shall prevent adequate driver visibility from the streets within the project.

2.7 **Signs:** Please refer to Article VI, Section 2 of the CC&R'S regarding various sign uses permitted.

2.8 **Utility Service:** No lines, wires, or other devices for communication or transmission of electric current or power, shall be constructed, placed or maintained anywhere in or on any lot, unless contained in conduits or cables underground or concealed in, under or on a buildings or other approved structures, excluding temporary power or telephone services incidental to construction of approved buildings.

2.9 **Temporary Occupancy:** No trailer, tent, shack, barn, garage, basement of any incomplete building, or temporary building or structure will be used as a residence, either temporary or permanent.

2.10 **Nuisances:** No plans shall be approved which might, in the opinion of the Design Review Committee, render any lot portion thereof, unsanitary, unsightly, harmful or detrimental to any property in the vicinity or to the occupants thereof. No exterior speakers, horns, whistles, bells,

or other sound devices, except security devices used exclusively for security purposes shall be located, used or placed on any lot.

2.11 **Clothes Drying Facilities:** No outside clotheslines or other outside clothes drying or airing facilities are allowed on a lot.

2.12 **Fires:** No exterior fires whatsoever, except barbecue fires contained within receptacles designed for such purpose, are permitted.

2.13 **Mailboxes:** Mailboxes and mailbox structures, unless installed by Declarant, must be approved by the local postal authority and the Design Review Committee.

2.14 **Structures for Animals:** No structure for the care, housing or confinement of any animal shall be maintained so as to be visible from neighboring property unless approved by the Design Review Committee.

2.15 **Outside Lighting:** No exterior yard lighting without adequate and proper shielding shall be installed on any residence.

2.16 **Approval of City of Elk Grove:** Without approval of the City of Elk Grove, no Owner may construct an addition to or remodel a residence, or construct or architecturally alter a swimming pool, spa, or accessory structure.

2.17 **Storage of Materials:** Storage of construction materials is not allowed in the streets. Construction debris shall be removed from the front yard of a residence on a daily basis.

3.0 **DESIGN REVIEW COMMITTEE MEETINGS**

3.1 The Design Review Committee shall meet as necessary to properly perform its duties. The Committee can convene by telephone if necessary.

3.2 Notice of meetings shall not be in writing and may be given by telephone. Meetings shall be held not more than thirty days after receipt of a plan submitted for approval.

3.3 The Committee shall keep records including copies of its Rules, Guidelines and Procedures, plan approvals and/or rejections, and copies of correspondence to Homeowners and others.

3.4 In reviewing plans, the Committee may, but is not obligated to, have the plans reviewed by and consider the opinions of professional consultants and others including those who are not Members of the Association, conduct open hearings and consider evidence and comments from all relevant sources, and make a personal inspection of the property involved without the presence of other Members of the Design Review Committee or the Owner of the property. If the Design Review Committee chooses to conduct an open hearing, at least five (5) days prior written notice of such hearing must be given to the Owner submitting plans for approval. Such hearing may be adjourned and reconvened at a time no later than twenty-five (25) days from the date the plans were submitted for approval.

3.5 The Design Review Committee Members will review the plans and either grant

approval in entirety, disapproval in entirety, or approval subject to conditions. Management shall notify the Homeowner in writing of the action taken by the Committee.

3.6 Any Member of the Design Review Committee, or any consultant retained by the Design Review Committee who has an ownership or financial interest in the property for which an application is being processed, or is legally related to the applicant, must disqualify himself or herself from participating in the architectural review process of that application.

3.7 Approval of any plan by the Design Review Committee does not waive the necessity of obtaining City permits which may be required. If Design Review Committee approval is obtained and modifications to the plans are required by the City or other authority, such modification to the plans must be reviewed and approved by the Design Review Committee pursuant to procedures set forth in these Rules, prior to the start of any work.

4.0 **PROCEEDING WITH WORK**

4.1 Upon receipt of approval from the Design Review Committee, the Owner shall begin and complete work within one year from the date of approval or approval given shall be deemed revoked.

5.0 **NON-COMPLIANCE AND ENFORCEMENT PROCEDURES**

5.1 If the Design Review Committee finds that the work has not been done in substantial compliance with the approved plans, the Committee shall notify the Owner in writing and request that the Owner remedy same. If the Owner fails to remedy the non-compliance within thirty days after the date of the notice of non-compliance, the Design Review Committee shall then set a date on which a hearing will be held before the Board of Directors.

6.0 **WORK PERFORMED WITHOUT PRIOR APPROVAL**

6.1 If work is commenced or completed without Design Review Committee approval, the Committee may require the Homeowner to submit plans for approval and may approve or disapprove the plans, notwithstanding the fact that work has commenced prior to Design Review Committee approval. If plans submitted for approval are found to be in violation of the CC&R'S, these Rules or otherwise by the Design Review Committee, or the Owner fails to submit plans as requested by the Design Review Committee within thirty days after the date of written request from the Design Review Committee, the Design Review Committee shall then set a date on which a hearing will be held before the Committee.

6.2 In the event the Design Review Committee receives a complaint that work has been commenced or completed without Design Review Committee approval, the following procedures will be taken.

- A. The Design Review Committee will make an investigation to verify the complaint is accurate.
- B. The Design Review Committee will make a determination whether such construction is in violation of the CC&R'S, including the failure to obtain Design Review Committee approval.

- C. If a determination of violation of the CC&R'S is made by the Design Review Committee, Management will notify the Owner in writing of the violation and request that the violation be remedied.
- D. If, within thirty days from the date of notice of violation, the Owner fails to remedy the non-compliance, the Design Review Committee shall set a date on which a hearing will be held before the Board of Directors.

7.0 **GENERAL CONDITIONS**

7.1 Any condition or material not defined within these Rules and Guidelines shall become a matter of judgement on the part of the Design Review Committee unless described in the CC&R'S. See the CC&R'S for the general use restrictions.

7.2 Neither the Design Review Committee nor any Member thereof shall be liable to any Owner for any damage, loss, or prejudice suffered to claimed on account of:

- A. the approval or disapproval of any plans, drawings and specifications, whether or not defective;
- B. the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications;
- C. the development of any property within the project; provided, however, that such Member has acted in good faith on the basis of such information as may be possessed by him.

7.3 Pursuant to Article VII, Section 13 of the CC&R'S, "Declarant" under the CC&R'S is exempt from the Design Review Committee; therefore, these Design Review Committee Rules shall not apply to the Declarant.

7.4 The Design Review Committee Rules may be amended only by a unanimous vote of the Board of Directors.

**LAGUNA WEST ASSOCIATION
BASKETBALL STANDARD POLICY AND GUIDELINES
EFFECTIVE JUNE 23, 1998**

Article VI, Section 2(g) of the Master Declaration of CC&R'S for Laguna West provides as follows:

No basketball standards or fixed sports apparatus shall be attached to any Residence or building containing Condominium Units or erected on any Lot in a location which is visible from any neighboring Lot, the Association Property or any Common Area.

Pursuant to its authority to adopt reasonable rules and regulations interpreting and implementing the Master Declaration of CC&R'S, the Board of Directors of Laguna West Association hereby adopts the following guidelines for basketball standard submittal and installation:

1. The basketball standard is required to be located either in the rear yard or the side yard, at least ten (10) feet from all property lines. The backboard should be directed away from the adjacent property as much as possible. The Design Review Committee requires a plot plan delineating house location on site, proposed basketball standard location and direction of shooting. The Committee shall approve the final location. No basketball backboards may be affixed to the front of a home or garage.
2. The basketball standard height shall not exceed 2 1/2 feet above the rim/hoop and the width of the backboard shall not exceed basketball regulations.
3. The basketball standard and backboard will be quality products typical of those purchased in stores or, if not store bought, applicant shall submit appropriate details including materials, finishes, design and dimensions. Basketball backboards may not be attached to the garages; they must be freestanding on poles.
4. Once installed, the basketball standard and backboard must be properly maintained.
5. The Committee will require that the submittal reflect an attempt to minimize any negative impact to the neighbors, such as visibility of standard, backboard and any lighting designed to illuminate the standard, the backboard or the proposed playing area.
6. The Board will require that the basketball standard be used in a way, which does not create excess noise or unreasonable nuisance to neighboring owners to interfere with their quiet enjoyment of their properties. The playing of basketball is **NOT** allowed prior to 8:00 A.M. or later than 9:00 P.M.
7. Portable basketball standards are permitted in driveways subject to the above rules. Portable basketball standards must be removed from the driveways to an area behind the front façade of the house when not in use. They shall not be placed on sidewalks or at a location that promotes playing in the public streets within the Community.

LAGUNA WEST ASSOCIATION
CONSTRUCTION RULES AND POLICIES
Effective April 1, 1994

The following adopted construction rules and policies are to be adhered to by all owners who are doing improvements on their lots, including landscaping, alterations, additions and construction of homes.

1. No noise generating equipment may be operated at any time other than between the hours of 7:00 a.m. to 5:00 p.m. on weekdays, 10:00 a.m. to 5:00 p.m. on weekends. Noise generating equipment includes radios, hammers, saws, compressors, generators, concrete pumps, forklifts, grading equipment and construction material deliveries. At all times, Owner shall demonstrate reasonable consideration for residents within the vicinity of the Owner's lot.
2. No construction activities are permitted in violation of any applicable City ordinances.
3. No speeding, reckless or hazardous driving is permitted anywhere within Laguna West.
4. No alcohol, non-prescription drugs, loud radios or dogs are permitted except dogs which are on leashes and secured to a vehicle to protect workmen's tools and equipment.
5. Owner shall cooperate and coordinate work with all of the Association's and site work employees, contractors and subcontractors.
6. No materials may be stored at any time within the street rights-of-way or upon any lot or pad other than Owner's lot except for merchant builders who are constructing multiple residences.
7. **Mud and debris shall be removed from the streets daily (and prior to 3:00 p.m. on every Friday).** No trash, garbage or construction debris (collectively "debris") shall be stored within ten (10) feet of any curb or be permitted to enter open space areas, common areas or other portions of Laguna West. Any debris which enters these areas shall be immediately removed. All debris must be stored in appropriate containers which must be located at least ten (10) feet back of curb. **All uncontained debris shall be removed by 3:00 p.m. each Friday or, if sooner, within three (3) days after receipt of a demand from the Association.** If the Owner violates this rule, the Association shall have the right, but not the obligation, to remove such debris or mud and the cost thereof, plus reasonable interest, shall be promptly reimbursed by Owner.
8. In no circumstances may any street parking impede the flow of traffic. Overnight parking is prohibited.
9. Unless otherwise approved by the Association, no construction trailer may be placed on any lot prior to the issuance of a building permit for the construction of a residence(s) on that lot and construction trailers must be removed within thirty (30) days after the issuance of a certificate of occupancy for custom homes. Merchant builders are allowed to utilize their construction trailers until their project is completed. Construction trailers must be in good condition and be painted a light, neutral earth-tone color.

LAGUNA WEST ASSOCIATION

BOAT AND WATERCRAFT MOORING ON THE LAKE ENFORCEMENT POLICY

AUGUST 17, 1994

WHEREAS, the Board of Directors has the authority and responsibility to enforce the provisions of the "Amended and Restated Declaration of Covenants, Conditions and Restrictions of Laguna West Association" (CC&R'S) recorded August 13, 1994;

WHEREAS, Article VI, Section 3(g) of the CC&R'S, among other things, prohibits residents from mooring boats, paddle boats, sailboards or other watercraft to the shoreline and the Board of Directors is desirous of clarifying and enforcing these restrictions;

NOW, THEREFORE, BE IT RESOLVED, *that the Board of Directors of the Laguna West Association does hereby resolve that the following shall serve as the official Boat and Watercraft Mooring on the Lake Enforcement Policy of the Association:*

- 1) Boats, paddle boats, sailboards or other watercraft must be moored to a dock on the lake. The dock must be approved by the Design Review Committee prior to construction and installation in conformance with the Design Guidelines. No boats, paddle boats, sailboards or other watercraft may be moored or secured to the shoreline, bulkhead or lot.*
- 2) Any boat, paddle boat, sail board or other watercraft must be stored out of sight of other lots and the Common Area lake when not in use or moored to a dock.*

LAGUNA WEST RULES FOR GOVERNING DOCUMENT ENFORCEMENT

A. Purpose of These Enforcement Rules.

These Rules establish procedures that the Laguna West Association will follow when the Association is enforcing the Laguna West Declaration of Covenants, Conditions and Restrictions (the "Declaration") and other governing documents of the Laguna West development. The Rules are intended to ensure compliance by the Members of the Association with the Governing Documents and to give Members the assurance that violations of the Governing Documents will be dealt with in a uniform and consistent manner. Because tenants and renters of Laguna West property owners cannot have rights that are greater than the person(s) from whom they are renting or leasing a residence, the Association also has authority under the Governing Documents to pursue Governing Document enforcement when the violator is a tenant rather than a property owner.

The Declaration will control in the event that there is any discrepancy and/or conflict between the requirements or restrictions set forth in the Declaration and these Rules. All capitalized terms used in these Rules are terms defined either in the Rules, the Declaration, the Association's Bylaws, or the Design Guidelines for Laguna West. The Association's authority to adopt these Rules is set forth in Article IV, Section 4, of the Declaration.

B. Powers Available to the Association to Remedy and Correct Violations.

The Association may apply any or all of the following measures it deems necessary to remedy and correct any violation of the Governing Documents which occur as the result of any action or failure to act by an Owner or tenant. Those remedies that are available in response to Governing Document violations are summarized in numbered paragraphs 1 through 5, below. Whenever possible, the Association and its management company desire to promote and encourage voluntary compliance with the Laguna West Governing Documents. To that end, under circumstances when the violation does not involve nuisance activity, a breach of the peace, or an immediate threat to person or property, the initial step in the enforcement process will be the issuance of a courtesy notice informing an owner or other resident that they are, or appear to be, in violation of the Governing Documents and requesting the recipient's voluntary compliance. Under those circumstances, it is only when the recipient of the courtesy notice fails to voluntarily initiate action to correct, cease or eliminate the condition giving rise to the notice that further enforcement action will be taken.

When a person who receives a courtesy notice from the Association or a person whose conduct is so egregious that immediate enforcement action is warranted fails to correct the condition or cease engaging in the conduct that gives rise to the Association's action, the following rights and remedies are available to the Association:

1. ***Imposition of Reimbursement Assessments:*** If an Owner or resident engages in activity or conduct that violates the Governing Documents and the Association is compelled to spend its money to either repair damage to the common area or to enforce the Governing Documents, the Association is empowered by the Declaration to recoup its expenditure from the violating owner as a Reimbursement Assessment (see Declaration at Article V, Section 7). The Reimbursement Assessment may be collected is imposed to recover costs incurred by the Association to repair damage to the common areas and facilities for which the assessed owner, or the owner's guests or tenants were responsible, the Assessment can be collected by using lien and foreclosure remedies against the violator's lot.
2. ***Imposition of Fines or Monetary Penalties.*** In the case of any violation, except the failure to pay an Assessment, the Association may impose monetary penalties. The levy of Monetary Penalties is subject to the notice and hearing requirements of these Rules, and is a penalty for purposes of these Rules. See the Declaration at Article XI, Section 6. The levy of any penalty for a violation of the Governing Documents does not excuse or permit the continuation of the violation that caused the fine to be imposed. Instead, the Association reserves the right to enforce the applicable remedy at any time without regard to the imposition of any previous penalty. Exhibit "A" to these Rules presents the Association's current schedule of fines.

3. ***Suspension of Membership Rights:*** In the case of any violation, the Association may suspend the Owner's right to use recreational common facilities of the Association or suspend the Owner's voting rights as a Member of the Association. Suspension of the Owner's rights is subject to the notice and hearing requirements of these Rules.
 4. ***Initiation of Legal Action to Enforce the Governing Documents:*** In the case of any violation, the Association may also commence legal action including injunctive relief to compel adherence with the Governing Documents. Under certain circumstances, State law conditions the right of community associations to initiate law suits for CC&R enforcement by requiring the association to try – as a first step in the enforcement process—to send violators a notice called a “Request for Resolution” which invites the alleged violator to participate with the association in some form of alternative dispute resolution (ADR) before a legal action can be initiated. See Civil Code section 1354. Only after those ADR efforts have failed to resolve the dispute can the association file a law suit seeking enforcement.
 5. ***Special Remedies for Enforcement of Design Standards:*** In the case of any violation involving the correction of an improvement, physical condition or nuisance involving the Owner's Lot or Residence, the Association shall follow the enforcement procedure as listed and detailed in Article VII, Section 19 of the Declaration.
- C. **Members' Right to Notice of Disciplinary Action and Right to be Heard.**

All officers and directors, management agents, and employees of such management agent are hereby designated to issue citations to Members and other residents who are believed to be in violation of any of the Governing Documents. Citations, notices and hearings on alleged violations shall comply with the following procedures:

1. ***Notice of the Violation:*** Before any community association can discipline an association Member, the Member must be given at least 10 days prior written notice specifying the nature of the damage or alleged violation and stating the time, date and place of the next Board meeting where the Member who is the subject of the disciplinary action will have an opportunity to be heard. Notice shall be delivered to that Member either personally or by first-class mail. If the notice is given by mail, it must be sent by first class mail to the last address of the Member as shown on the Association's records. The notice must also advise the Member of his or her right to attend the meeting and address the Board

If the Member wants to address the Board regarding the alleged Governing Document violation or to make a presentation to the Board as to why the Member believe he or she is not in violation of the Governing Documents, that portion of the meeting devoted to the hearing can be conducted in executive session at the request of the Member. See Civil Code sections 1363(h) and 1363.05(b). When fines are levied by the Association in accordance with the accompanying Fine Schedule, the notice of the fine will advise the Member that he or she has two alternatives, which must be exercised within five (5) days following receipt of the notice of the fine, namely: (i) to pay the fine; or (ii) request a hearing before the Association's Covenants Committee to present contentions as to why the fine was inappropriate or improperly imposed. If a timely request for a hearing is received from a fined Member, the Committee shall provide the Member with notice of a hearing on the matter which shall comply with this paragraph of the Rules. If a timely request for a hearing is not made, the fine may be approved by the Board at its next regularly scheduled meeting on the consent calendar.

2. ***Hearings Before the Covenants Committee:*** Article XI, section 7 of the Laguna West Declaration of CC&Rs empowers the Board of Directors to appoint a Covenants Committee to conduct hearings involving alleged violations of the Governing Documents. Pursuant to that authority, the Board of Directors has appointed a Covenants Committee and therefore all further references to hearings in these Rules shall be to hearings before the Covenants Committee, unless a disciplined Member subsequently appeals a determination of the Covenants Committee to the Board of Directors (see D 4, below)
3. ***Conduct of the Hearing:*** At any disciplinary hearing the Member will be given an opportunity to be heard, and may submit a written brief, provide oral testimony at the hearing or provide both a written brief and oral testimony. The Member who is the subject of the disciplinary action shall have the opportunity to present witnesses on the Member's behalf and to cross-examine any witnesses that may testify on behalf of the

Association against the Member.

After the hearing, the Covenants Committee shall determine whether a violation has occurred, and if so, may impose a penalty in the form of discipline and/or a Reimbursement Assessment. If the Covenants Committee imposes a penalty upon the Member, the Committee must provide the Member with notification of such action within fifteen (15) days of making that determination. The penalty imposed upon the Member shall become effective not less than five (5) days after the date of the hearing. The Committee may also take such other action as may be appropriate. If the notice requirements are not followed as indicated above, the discipline imposed upon the Member will not be effective.

4. ***Representation by Legal Counsel:*** All Members who are involved in a disciplinary proceeding have the right to be represented by legal counsel, although it is not the custom and practice of the Association to be represented by its attorney at covenants enforcement or member disciplinary hearings. Accordingly, the notice of hearing sent or delivered to a Member in accordance with paragraph C 1, above, will include a request that the noticed Member advise the Association, through the Association's management company, at least three days prior to the scheduled hearing date of whether the Member intends to be represented by counsel. The purpose of that notice requirement is to enable the Association to schedule its own representation, if desired, and therefore, if a Member appears at a hearing with legal counsel and without giving the Association proper notice of the Member's intention to have counsel present, the Association's Covenants Committee shall have the discretion to adjourn the hearing to a later date in order to arrange for the Association's counsel to be present.
5. ***Appeals From Decisions of the Covenants Committee:*** If the Covenants Committee makes a finding of a violation and determines to impose discipline and/or levy a Reimbursement Assessment, the Member may appeal such determination to the Board of Directors. Such appeal must be made in writing to the Covenants Committee or to the Board of Directors no later than 10 days after notice of the disciplinary action and/or penalty has been given to the Member and the appeal shall state a basis for the Member's appeal.

The Board shall act in good faith in considering appeals from actions of the Covenants Committee, however the Board, in its discretion and based on a review of the record of the Committee's proceedings and the grounds stated in the Member's appeal petition, may decline to hear any appeal that the Board considers to be without merit. The Board (acting through the management company) shall advise the Member of the date, time and location of the appeals hearing, if one is to be held, at least 10 days prior to the hearing date. The Board shall promptly hear the appeal at its next regular meeting or at a special meeting called for that purpose and any fine or disciplinary action will be held in abeyance pending the outcome of the appeal. The Board of Directors shall notify the Member of its decision in writing no later than 15 days after the date of the hearing. A Member may not appeal a decision rendered by the Covenants Committee unless such Member personally appears at the hearing or the Member can demonstrate to the Board that the failure to personally appear before the Covenants Committee was due to hardship or other meritorious extenuating circumstances. In the Board's discretion, it may limit appeals to the most severe violations and Reimbursement Assessments.

6. ***No Authority to Expel a Member or Terminate Membership:*** Nothing in the Governing Documents or these Rules shall permit the Association to expel a Member or to terminate a Membership in the Association.
7. ***Waiver of Penalties:*** The Board may waive a proposed Reimbursement Assessment or other Penalty, or rescind a currently imposed Reimbursement Assessment or previously imposed Penalty at any time, upon finding that a Member has complied with the Governing Documents or for other good cause.
8. ***Example of Typical Enforcement Procedure Progression:*** To illustrate how the Association will routinely apply these enforcement procedures, assume that the Member who is considered to be in violation of the Governing Documents (either by a confirmed complaint from another property owner, by observance by the Association's management personnel, or by other credible means) is brought to the attention of the Association's management on December 1, 2002 and that a Courtesy Notice is sent to the alleged violator on December 2, 2002. For purposes of this hypothetical example of an enforcement process, it is assumed that the next regularly scheduled meeting of the Laguna West Covenants Committee has previously been set for December 10, 2002, and that the next regularly scheduled meeting of the Committee will be on January 14,

2003 (following the Holidays).

Under this set of facts, the Association's initial Courtesy notice will contain a reasonably detailed description of the alleged violation (with a citation to the Governing Document provision that is claimed to have been violated), and notify the recipient Member of the date, time and location of the next meeting of the next meeting of the Covenants Committee when the violation is on the agenda to be heard.

By law, that notice of the Committee meeting must be given to the Member by either first-class mail or personal delivery at least 10 days prior to the date of the meeting and the notice must inform the Member who is the subject of the disciplinary action of his or her right to attend the meeting, address the Covenants Committee and to have the meeting conducted in executive session if the Member so desires. Accordingly, because the next scheduled meeting of the Covenants Committee is less than 10 days following the date of delivery of the Courtesy Notice, the hearing must be scheduled at the next regularly scheduled meeting that is more than 10 ten days from the date of the Notice (the January 14th meeting of the Committee). The Courtesy Notice can impose a date for the Member to correct the alleged violation or to cease the conduct or activity that gave rise to the Courtesy Notice that is prior to the date of the Covenants Committee meeting where the matter is scheduled for disciplinary action. However if the violation is not corrected prior to the Covenants Committee hearing date on January 14, 2003, the matter shall be heard, with or without the presence of the noticed Member, and any fine previously imposed shall be confirmed, eliminated or modified at that hearing.

D. Authority to Adopt Fine Schedule.

The Board may adopt a schedules of fines and Penalties for specific violations and may adopt a range of possible fines for a typical type of violation or the Board may establish that each violation is subject to the same fine or Penalty no matter its classification or type of violation. Any schedule of fines and Penalties, adopted by the Board shall be incorporated into these Rules as an amendment or addendum, and shall be effective upon notice to the Members of the same. See Civil Code section 1363(g). The Association's present Fine Schedule is attached to these Rules as Exhibit "A".

E. Alternative Dispute Resolution.

California law, specifically California Civil Code §1534 ("ADR Statute") strongly encourages alternatives to litigation to resolve disputes concerning Governing Documents and enforcement issues. Such an alternative is entitled "alternative dispute resolution" or "ADR." ADR typically includes mediation and binding and non-binding arbitration. These procedures are intended either to clarify disputes prior to filing a lawsuit or actually resolve disputes in their entirety. The obligation to comply with the Civil Code ADR Statute rests not only with the Association, but also with any owner who desires to initiate his or her own CC&R enforcement action when the objective of the enforcement action is to seek declaratory relief (i.e., a court determination of the meaning of a particular Governing Document provision) or injunctive relief (i.e., a court order compelling compliance with the Governing Documents) or either of those two remedies, together with money damages not to exceed \$5000.00.

California law also recognizes the complexity of living in a common interest development managed by an association of property owners whose members do not always agree on how to enforce the Governing Documents against noncompliant owners. The law therefore requires community associations to take the lead in ensuring that all members understand and comply with the Governing Documents. One of these requirements is for the association to distribute annually to its members a summary of ADR procedures. The ADR procedures as described in Civil Code §1354 are as follows:

Unless the applicable time limitation for commencing the action would run within 120 days, prior to the filing of a civil action by either an association or an owner or a member of a common interest development solely for declaratory relief or injunctive relief or for declaratory relief or injunctive relief in connection with a claim for monetary damages, other than association assessments not in excess of \$5,000, related to the enforcement of the governing documents, the parties shall endeavor, as provided in this subdivision, to submit their dispute to a forum of alternative dispute resolutions such as mediation or arbitration. The form of alternative dispute resolution chosen may be binding

or nonbinding at the option of the parties. Any party to such dispute may initiate this process by serving on another party to the dispute a request for resolution.

The request for resolution shall include (1) a brief description of the dispute between the parties, (2) a request for alternative dispute resolution, and (3) a notice that the party receiving the request for resolution is required to respond thereto within 30 days of receipt or it will be deemed rejected. Service of the request for resolution shall be in the same manner as prescribed for service in a small claims action as provided in §116.340 of the Code of Civil Procedure. Parties receiving a request for resolution shall have 30 days following service of the request for resolution to accept or reject alternative dispute resolution and, if not accepted within the 30-day period by a party, shall be deemed rejected by that party.

If alternative dispute resolution is accepted by the party upon whom the request for resolution is served, the alternative dispute resolution shall be completed within 90 days of receipt of the acceptance by the party initiating the request for resolution, unless extended by written stipulation signed by both parties. The cost of the alternative dispute resolution shall be borne by the parties.

FAILURE OF ANY MEMBER OF THE ASSOCIATION TO COMPLY WITH THE REQUIREMENTS OF §1354 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHTS TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS.

The Laguna West Association has adopted its own internal Governing Document enforcement procedures in order to provide an expeditious and inexpensive forum for a fair hearing and resolution of disputes, concerning the Governing Documents, without having to take these matters to a professional alternative dispute resolution service provide or to court. Please consult those procedures, as set forth in these Rules of Enforcement Action, and the complete text of the Civil Code ADR statute, if you wish to initiate a Governing Document enforcement action, separate and apart from any action by the Association.

EXHIBIT "A"

FINE SCHEDULE OF THE LAGUNA WEST ASSOCIATION

The Board of Directors is authorized and empowered to delegate its authority to impose fines in accordance with this schedule to a Covenants Committee appointed by the Board or to Association personnel, such as security patrol personnel or property managers, so long as any fine imposed by such committees or persons are accompanied by a written notice, delivered personally or by first-class mail, containing the following information: (i) the amount of the fine being imposed; (ii) a general description of the alleged violation giving rise to the fine; (iii) the date, time and location of the next meeting of the Board of Directors or its Covenants Committee where it is scheduled to consider and perhaps affirm the imposition of the fine (which date shall not be less than 10 days after the fine is issued); and (iv) notification to the fined owner of his or her right to attend that meeting and to address the Board or its Covenants Committee with respect to the disciplinary action.

Article, Section Number	Provision Violated	Time Period to Correct Violation (Days)	Assessment (Dollars)
VII, 5	Design Guideline & Landscape Control	30	\$50
IV, 4	Adopted Policy	15	\$50
VI, 1(c)	Creating a Nuisance	0	\$50
VI, 1(p)	Attracting Insects or Rodents	10	\$50
VI, 1(g)	Improper Accumulation on Lots	10	\$50
VI, 2(I)(iv)	Nonstandard Vehicles/Recreational Vehicles	5	\$50
VI, 2(a)	Improper Residential Use	30	\$50
VI, 2(k)	Excessive Noise	0	\$50
VI, 2(c)(v)	Continuous Barking Dog	5	\$50
VI, 2(c)(iii)	Pet Waste Removal	0	\$50
VI, 2(c)(a)	Restricted animal, livestock or poultry	5	\$50
VI, 2(i)	Garage Conversion & Storage	45	\$50
VI, 2(g)	Improper Placement of Sports Equipment	0	\$50
VI, 3(g)	Dwelling on Lake	0	\$50
VI, 3	Improper Size (16 foot) of Water Craft	10	\$50
VI, 3(j)	Fish trapping	0	\$50
VI, 3(k)	Releasing Foreign Objects in Lake	0	\$50
VI, 3(p)	Water Fowl Feeding	0	\$50
VI, 2(d)	Business Activity	30	\$50
VI, (i), (iii)	Non-emergency Vehicle Repair	0	\$50
VI, 3(k)	Unauthorized Release of Fish/Wildlife	0	\$50
VI, 3(m)	Pumping Water out of Lake	0	\$50
VI, 1(m)	Home and Lot Maintenance	30	\$50
VI, 1(b)	Restricted Signs	0	\$50
VI, 1(f)	Hazardous Activity	0	\$50
VI, 1(g)	Improper Placement of Trash Containers	0	\$50
VI, 1(i)	Temporary Structures	0	\$50
VI, 1(l)	Improvements & Alterations Without LWDRC Approval	15	\$50