Highlands at Silverado Owners Association

COOPERATIVE PRINCIPLES "Rules By Which We Live"

Mission Statement

The Highlands at Silverado is a residential community established for the mutual benefit of its homeowners. The Association is dedicated to the principles of shared governance, equal responsibility, and promotion of the common interest to maintain the neighborhood; ensure the fiscal viability of its resources and property values; and serve as stewards to protect the beauty and environment that is unique to The Highlands setting.

Pets

For health, safety and the well-being of humans and other animals, all pets within Highlands property boundaries shall be kept under reasonable control at all times. Pets are not permitted to be in or around the pool area at any time, leashed or otherwise. Dogs are required to be on a leash on all common area property. Owners must pick up after their pets. Dog droppings are harmful to the common area vegetation, unsightly and hazardous to health.

Speed Limit and Auto Safety

For the protection of all, the speed limit in the Highlands is no more than 25 MPH. Please observe the speed limit for your safety, as well as others. Skateboarding is prohibited within the community due to the steep grades and blind curves.

Storage

Each owner is responsible for ensuring that their personal items are appropriately stored out-of-sight within the confines of their own homes, garages, or off-site facilities. Decks, porches and common areas are inappropriate for personal storage. Also, as a reminder, please pick up recreational or personal items from the common areas after usage, such as toys, bikes, pool towels, balls, etc.

Noise

To minimize disruption and maintain a quiet and peaceful community, homeowner use of loud tools or equipment such as leaf blowers and saws is restricted to the hours of 8:00 AM to 4:00 PM. Consideration of your neighbors when using such equipment is appreciated.

The standard hours for all contractor activities (including subcontractors and laborers) are restricted to 8:00 AM to 5:00 PM Monday through Friday. These hours have been extended to 7:00 AM to 5:00 PM Monday through Friday and 8:00 AM to 4:00 PM on Saturdays to facilitate reconstruction after the Atlas Fire. This extension is temporary and will be rescinded once rebuilding activities subside.

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The standard hours for landscapers and gardeners are 8:00 AM to 4:00 PM Monday through Friday. They are also permitted to work from 8:00 AM to 4:00 PM on Saturdays but may not use loud tools or equipment such as leaf blowers on the weekend.

No work is allowed on Sundays or holidays. Contractors, subcontractors, gardeners and laborers may not be in the community outside of the allowable times.

Construction Job Sites

Contractors are responsible for cleaning their job sites daily. No loose dirt, garbage or debris may accumulate on the lot, or on the street in front of the site. Any rock or other debris excavated during construction must be removed from the site.

The HOA must be informed immediately of any damage to HOA property in the vicinity of the job site caused by the construction, including water and sewer line breaks, broken sidewalks, driveways, roads and landscaping. If the contractor does not repair the damage in a timely manner, the HOA will make the repair and bill the owner.

Contractors may not install any landscaping, plants, rock or stone on Villa parcels.

At the end of the project, all construction materials, debris boxes, temporary fencing, portable toilets etc. must be removed and all construction signage must be taken down.

Drones

The private use of drones is prohibited. Please refer to the recent California laws regarding drone activity.

Parking

- 1. Homeowners and long-term guests are to use their garages or driveways for vehicle (including golf carts) parking. Street parking is discouraged.

 Homeowners may permanently park cars in their driveway.
- 2. No vehicle shall remain parked on the street or in a Villa common area guest parking spot for more than 72 hours.
- 3. Recreational vehicles and boats must be stored within the homeowner's garage or off-site.
- 4. For the safety and convenience of others, bicycles and/or golf carts must not clutter pedestrian walkways.
- 5. All vehicles must obey California State vehicle ordinances which include parking restrictions such as no blocking of fire hydrants or red zones.
- 6. All vehicles must obey HOA parking signs.

Trash Containers

Except for the evening before (Monday) or the day of collection (Tuesday), trash containers are to be stored out of view either in existing enclosures or within the owner's garage/utility closets.

Signs

The general contractor of each reconstruction site is allowed to display one 2 x 4-

foot sign per lot. No additional construction signs will be allowed. All signs must be removed on completion of the project.

Pool

For the enjoyment, health and safety for all, please observe the following guidelines:

Pool

- 1. The ordinary use of the pool area is available to residents, their families and up to six guests per household. The pool may not be used for private parties.
- 2. Each homeowner is responsible for the conduct of their guests and clean-up. Pool area tables and umbrellas must remain in their locations (evenly allocated around the pool terrace). Umbrellas should be closed after use.
- 3. The locked gate to the pool area must be closed at all times.
- 4. An adult or qualified childcare provider must accompany children under 14 years in order to utilize the area.
- 5. Breakable items (such as bottles, glasses, dishes, etc.) are not permitted in or around the pool.

Water Safety and Health

- 1. No lifeguard is on duty; it is the responsibility of the homeowner to monitor and supervise guests and family members for water safety and appropriate behavior.
- 2. Unless a certified swimmer, children less than 14 years of age must be supervised in the water by adults or qualified childcare providers at all times.
- 3. Babies must be potty trained or appropriately dressed to safeguard against accidental human waste in pool area.
- 4. For the safety and well-being of all enjoying the area, diving, running, jumping or other unsafe and/or disruptive behaviors are not permitted.
- 5. Appropriate bathing suits must be worn.
- 6. Pets are not allowed to be within the pool area.

Hours of Operation

The Pool is open from 9:00 AM and closes at 10:00 PM, 7 days a week. Weather permitting; the pool is open for the season between mid-May and mid-October. Please note the gates are locked at all times for safety reasons.

Permanent Generators

Public Safety Power Shutoffs are anticipated to continue occurring sporadically into the future. Some homeowners are considering the installation of a permanent generator as a solution to these infrequent shutoffs. For those pursuing the option to install a permanent generator, the Homeowners Association has adopted the following minimal procedure to ensure the safety of both the homeowner and the Community, and minimize any negative impacts from the generator.

1. All permanent generators require prior approval from the Architectural Review Committee. In making its review, the ARC will review the location of the generator and noise level of the selected generator. Only natural gas generators are allowed. Generators may not exceed the air conditioner noise level. Units must be placed per manufacturer specification

- installation guidelines, with neighbors 'quiet enjoyment in mind ideally near the air conditioner unit and not near neighboring home bedrooms, patios or living areas.
- 2. A noise reducing enclosure may be required if neighbors are adversely affected by generator operations.
- 3. Once approved by the ARC, the generator will require a permit from the County of Napa and must be installed by a certified and licensed electrical contractor.
- 4. Generators may only be employed during Public Safety Power Shutoffs. The periodic testing of the generator may only be done Monday through Friday between 8:00 AM and 5:00 PM.

Architectural Improvements

All changes to the exterior of existing homes must be approved by the Architectural Review Committee. This includes repainting projects.

Estate Landscaping

All landscaping shall be Firewise in accordance with the Vegetation Management Plan.

All significant changes to Estate Landscaping including major replanting, hardscape, fences and pools must be approved by the HOA. Plans must follow the current Landscape Guidelines.

Villa Landscaping

All landscaping, both inside and outside of Villa lots, is the responsibility of the HOA. No homeowner hardscape, planting, tree or plant trimming or removal is allowed.

Common Area Landscaping

Please report dead, dying plants or trees to the Property Manager.

Board Enforcement and Fine Policy

The Board of Directors has a fiduciary responsibility to ensure that the Governing Documents of The Highlands are honored. In most situations, the desire to be a good neighbor is all that is needed to ensure compliance. However, when formal action is required, Section 5.6 of the CC&Rs grants the Board enforcement powers. One of the most effective is the ability to impose monetary fines. The goal of the fine is to encourage compliance, not to increase revenues. The Board therefore establishes the following fine process¹:

Fact Finding and Diligence

The Board will conduct diligence to determine the facts, including open dialogue with the relevant parties. The Board will discuss the findings in Executive Session(s). At this point and throughout the process below, an Internal Dispute Resolution (IDR) process may be requested by either the HOA or the homeowner in accordance with Section 12.2 of our Bylaws.

First Violation Notice

In addition to a courtesy email or phone call, a letter will be sent to the responsible

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¹ For clarity, the document entitled Fine and Enforcement Policy, dated November 30, 2006, had been largely superseded by prior versions of the Cooperative Principles, and is now retired.

homeowner to identify the violation, ensure understanding of the problem and, if applicable, to indicate a timeframe to correct the violation.

One-Time Violations

If the violation cannot be corrected the Board may immediately proceed to a hearing (per Section 12.1 of the Bylaws) and disciplinary action and impose a One-Time Penalty. Examples of these violations include:

- failure to obtain approval from the HOA before making exterior modifications
- damage to HOA landscaping or property
- violating other provisions set forth in governing documents

One-Time Penalty

- Up to \$5,000 per occurrence
- Other applicable penalties as set forth in CCR 5.6(iv)
- If applicable, reimbursement assessments per CCR 6.5

Ongoing Violations

Second Violation and Hearing Notice

If the problem has not been resolved in a timely manner, per Section 12.1 of the Bylaws, a written Second Violation and Hearing notice with proposed penalties will be mailed to the homeowner no less than fifteen (15) days prior to the Hearing date. The Hearing, allowing the homeowner to be heard by the Board, will be held in an Executive Session if requested.

The homeowner will be sent a written notification of the disciplinary action, if any, within 15 days following the disciplinary action decided upon at the Hearing.

Grace Period to Correct

From that point, a 30-day grace period will be provided before levying fines in order for the homeowner to comply, unless it is determined that the seriousness of the issue endangers the safety, welfare and harmony of The Highlands and requires immediate action.

Daily Penalty

After the Grace Period, depending on the severity of the problem, the Board may at its discretion choose to impose daily penalties on each continuing Violation that is not corrected, up to:

- Initially = \$100 per day
- After 90 days = \$500 per day

If a fine is levied, it will be billed and added to the homeowner's account monthly and it will be due and payable ten days after it is billed.

Other Remedies

The Association retains the right to combine any fine with other authorized sanctions or conditions depending on the seriousness of the infraction. The Fines set forth above shall in no way limit the other remedies available to the Association pursuant to the Governing Documents or otherwise available pursuant to applicable law, and supplement, rather than replace all available remedies. Failure of the Association, the Board, or its agents, representatives, employees, officers, or vendors to take any action set forth herein or in the Declaration or to

pursue other remedies shall not be deemed to constitute a waiver of any of the Association's rights pertaining thereto.

Board Adoption and Review

The "Cooperative Principles: Rules by Which We Live" document is based on governing policies of the Highlands at Silverado Owners Association and shall be reviewed and updated by the Board of Directors. In compliance with the Davis-Stirling Common Interest Development Act (Article 4; Section 1357), the Board of Directors shall provide written notice of a proposed rule change 28 days prior to making the change. As defined by and under law and governing policy, the Board retains the right to develop and implement an emergency rule change. In conclusion, if this document or any rule change is in conflict with the Association's CC&Rs and/or other official governing materials, then those provisions shall govern.

Contacts

Those desiring to communicate with Board of Directors should do so by addressing their written communication to: The Board of Directors, 1601 Lincoln Avenue, Napa, CA. 94558 or email tanner@crownpm.com. The Board President or designee will reply in writing or by email. If you wish an item to be on the Board Agenda, all requests must be submitted ten (10) days prior to the next Board Meeting to provide Board Members sufficient time to review all agenda items.

Manager

Crown Property Management Tanner Bushby 1601 Lincoln Ave. Napa, California 94558 (707) 255-0880