

AMENDED AND RESTATED ASSOCIATION NEIGHBORHOOD GUIDELINES*

ADOPTED: June 24, 2013

INTRODUCTION

These Association Neighborhood Guidelines (“Rules”) set forth the rules for all Owners and Occupants at Park Homes and Lofts. These Rules amend and restate in their entirety, and supersede, any earlier Association Neighborhood Guidelines related to the Community.

Each Owner remains responsible for the actions of its family members, tenant(s) and its and their guests, invitees, visitors and “Service Providers” (defined below). Therefore, it is important that all Owners review, understand and comply with these Rules. For clarification of any of the Rules set forth herein, please contact the association management company retained by the Association from time to time (the “Property Management Company”).

These rules supplement certain rules and guidelines established in the Declaration, which shall be enforced as provided in these Rules. See, for example, Article II of the Declaration.

ENFORCEMENT OF GOVERNING DOCUMENTS

The Association has the responsibility and right to enforce compliance with the Rules set forth in this Handbook and the terms of any other Governing Document. Depending upon the severity and frequency of the violation and the violator, the choice of enforcement procedure(s) and/or the enforcement remedy utilized may vary.

Owners may report violations to the Association by submitting a written notice to the Property Management Company describing the violation in detail. Unless accompanied by a photograph clearly showing the type and location of a violation, all written notices require the signature of Owners of at least two different Condominiums. Similar notices will not be accepted from any Resident other than an Owner. Except for emergency situations, any Resident who is not an Owner who wishes to report a violation must coordinate such violation notice(s) through the Owner of its leased Condominium. The Property Management Company may also report any violations within the Property Management Company personnel’s personal knowledge or as described to the Property Management Company personnel with personal knowledge of the violation.

Once the Association receives a written notice of a violation, the enforcement process may be started against the alleged violating Owner, as set forth below. However, nothing in this section shall obligate or require the Board, or any authorized committee, to take any such action.

Actions That May Be Taken By The Association. The Association may implement one or any combination of the following actions to address violations of and enforce the Governing Documents:

1. **Notice and Hearing.** At the time a violation is reported, action may be taken as follows:

(a) To the extent practical, the Property Management Company will verify the accuracy of the reporting. If deemed valid, the Property Management Company, on behalf of the Association, will provide a first written notice to the violating Owner. The first notice will contain a description of the violation, provide the corrective action and a timeframe in which the corrective action must be taken. The notice will also include instructions regarding responses to the violation notice.

If an allegation concerns a tenant, the first written notice will be addressed to the applicable Owner and, provided the Property Management Company has been provided appropriate contact information by the Owner, a copy will be sent to the accused tenant. Unless otherwise determined by the Board, all further communications and/or correspondence concerning corrective actions, hearings, charges, or fines will be addressed to the applicable Owner only. However, the Association shall have the right, but not the obligation, to deal directly with a tenant; therefore, the Board may send communications to both Owner and tenant as it deems appropriate. It is the Owner’s responsibility to enforce compliance by its tenant(s) with any corrective actions promulgated by the Board.

*Section 4.2.6 of the Declaration provides the Board with the power to adopt, amend and repeal these Rules as it deems reasonable and provides the Association with the right to enforce these Rules. In the event of any conflict between these Rules and the Declaration or Bylaws, the Declaration and Bylaws shall prevail.

(b) If the violation continues or is repeated after the first written notice, a second written notice to request the Owner appear before the Board will be sent ("**Notice of Hearing**"). The Notice of Hearing will be delivered to the applicable Owner no less than ten (10) days prior to the date of the hearing. The notice shall include the date, time, and location of the hearing and the nature of the alleged violation. An Owner will be provided an opportunity to address the Board at the hearing. This process is referred to herein as "**Notice and Hearing**".

For any allegation of a continuing violation against a tenant, the applicable Owner must appear on behalf of its tenant. The accused tenant(s) may attend the hearing, however, such tenant may not speak or address the Board unless the Board asks the tenant to answer specific questions.

(c) At the hearing, the Board will allow the Owner to present evidence and testimony as reasonable under the circumstances. The Board may ask questions of any person present at the hearing providing evidence and the applicable Governing Documents will be reviewed, if necessary.

(d) After the hearing, the Board will deliberate and vote in executive session. The Owner will be notified of the Board's decision, in writing, within fifteen (15) business days after the hearing.

(e) If the Board concludes that the alleged violation occurred, the Board may impose monetary penalties, temporarily suspend voting privileges or take any other disciplinary action permitted under the Governing Documents. The Board may also concurrently refer the matter to the Association's legal counsel for further action. If a lawsuit is filed to correct a violation, the Owner may be liable for the Association's legal costs and fees as indicated below.

2. **Enforcement Assessments.** The Association may impose a special assessment to reimburse the Association for costs of repairing damage to the Association Property, to reimburse the Association for costs incurred in bringing the Owner's Condominium into compliance with the Governing Documents or to remove item(s) wrongfully left on or attached to Association Property, including, but not limited to, legal fees, upon Notice and Hearing as described above.

3. **Suspension of Member Privileges.** The Association may suspend an Owner's voting rights or rights to use the Association Property facilities following Notice and Hearing.

4. **Internal Dispute Resolution.** If the violation continues, the Association may invite the Owner to participate in internal dispute resolution pursuant to California Civil Code Section 1363.810.

5. **Alternative Dispute Resolution.** If the violation continues, the Association may request that a dispute be resolved through alternative dispute resolution procedures pursuant to California Civil Code Section 1369.510. Any costs incurred for the mediator or arbitrator are to be split among the parties.

6. **Legal Action.** The Association may proceed with legal action to compel compliance with the Governing Documents. The prevailing party of any dispute is entitled to recovery of attorneys' fees and costs.

7. **Immediate Cure.** Notwithstanding the foregoing, under circumstances involving conduct that constitutes (a) an immediate and unreasonable infringement of, or threat to, the safety, security or quiet enjoyment of Occupants and/or Association personnel; (b) a traffic or fire hazard; or (c) a threat of material damage to or destruction of the Association Property, the Board, or its authorized representative, may undertake any appropriate corrective or legal action without providing a Notice and Hearing. Accordingly, the Property Management Company and Association personnel have the right to enter any Condominium to address such circumstances and such person(s) entering will not be liable to the Owner of the Condominium for any acts of trespass or any damage that could not reasonably be avoided. Additionally, depending on the severity and urgency of the circumstances, the Association may immediately take any appropriate legal action, such as obtaining a Temporary Restraining Order or any other applicable legal remedy.

8. **Fines.** The fine schedule for violations is established by the Board and is subject to change from time to time. The Board may enforce the collection of any fines or other charges through a special assessment or any legal action that is available to the Board and is deemed appropriate. Payment of a special assessment or fine, or completion of a suspension period does not eliminate the Owner's obligation to correct the violation.

(a) Non-Major Violations (that is, any violation not constituting a major violation as described in subparagraph (b) below):

(i) First (1st) Occurrence: Written notice of violation with request of corrective action within the specified timeframe. Below are some of the timeframes to complete certain corrective action. For infractions not listed below the Board will inform the Owner of the timeframe to complete the corrective action.

- a. Architectural Application Infraction – Immediate Cease and Desist and one week (7 days) to submit a complete Architectural Application, which must be reviewed and approved prior to proceeding with improvements.
- b. Anything left in Common Area outside of front door of Condominium in the Lofts buildings, or visible from the public sidewalk in the Park Homes, in violation of these Rules, the Declaration or the Bylaws – Immediately or it may be removed by the Association immediately and without notice.
- c. Unauthorized/Inappropriate Items in Exclusive Use Common Area or in garage space- 48 hrs to remove item from patio or garage space
- d. Holiday Decorations – 48 hrs to remove decorations.
- e. Oversized BBQ propane tank – 24 hrs to remove from Community.
- f. Nuisances (noise, barking dogs, etc.) – Immediately

(ii) Second (2nd) Occurrence and/or failure to correct within the required timeframe: Notice and Hearing and depending on the outcome of the hearing, a potential fine ranging between \$50-\$500 depending on the severity of the violation.

(iii) Third (3rd) Occurrence and/or failure to correct within required timeframe of 2nd occurrence or continued failure to correct 1st violation: Referral to the Association Attorney and a potential fine of \$100-\$1000 depending on the severity of the violation or imposition of the maximum fine permitted by law.

(b) Major Violation Fine Schedule:

(i) Notice and Hearing and depending on the outcome of the hearing, a potential fine ranging between \$500-1000 per occurrence plus any cost of homeowner damage; and referral to the Association Attorney.

(ii) An example of a major violation is failure to obtain architectural approval prior to making a structural modification, negligent damage to Common Property/Association Property, life threatening or safety violations, tampering with or wrongfully activating fire or methane detection or suppression systems, propping open or manually holding Lofts elevator doors open, etc. except in the case of a violation related to propping or manually holding a Lofts elevator door open, the fine may be up to the amount of an after hour service call by elevator maintenance company, without regard to whether a service call is required or can be found to result from such actions.

(c) Move-In/Move-Out & Furniture Delivery Fine Schedule):

(i) First (1st) Occurrence: Notice and Hearing and depending on the outcome of the hearing, a potential fine of \$500 plus cost of any damage occurred determined by the Association; except in the case of a violation related to propping or manually holding a Lofts elevator door open, the fine may be up to the amount of an after hour service call by elevator maintenance company, without regard to whether a service call is required or can be found to result from such actions.

(ii) Second (2nd) Occurrence: Notice and Hearing and depending on the outcome of the hearing, a potential penalty of maximum fine permitted by law.

(iii) Third (3rd) Occurrence: Referral to the Association Attorney.

(d) Absent decision by the Board to the contrary, after Notice and Hearing, fines will double with each repeat occurrence or any failure to remedy any violation. A matter will be considered a repeat occurrence if it relates to the same Condominium which is owned by the same Owner even if the Owner has entered into a new lease and has a new tenant or a different person otherwise resides in the Condominium than resided in the Condominium on the earlier occurrence.

9. **Other Remedies.** The Association may take any other actions or a combination of actions, as permitted under the Governing Documents and/or applicable law.