

Canyon Creek

Rules & Regulations – Part 1: General

Canyon Creek Homeowners Association

www.CanyonCreekHOA.com

09MAY23

Revised 10OCT23

REVISED AND APPROVED BY THE CANYON CREEK BOARD OF DIRECTORS
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Revised Internal Dispute Resolution and Alternative Dispute Resolution 10OCT23

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**CANYON CREEK HOMEOWNERS ASSOCIATION
RULES & REGULATIONS – PART 1: GENERAL**

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1. Introduction

This *Rules & Regulations* document contains rules and regulations that relate to the Association and the Canyon Creek Project, including Owners' Lots and Dwelling Structures and the Common Area. Please refer to and save the *Rules & Regulations* document for future reference. It must be given to tenants of Canyon Creek rental properties. This document and additional information is available on the Canyon Creek website (www.canyoncreekhoa.com).

Two separate documents provide additional information:

- ***Resident Handbook:*** Provides general information about the community, Board of Directors, committees, keys/transmitters, gate operation, etc. It also contains the property management contact information.
- ***Rules & Regulations – Part 2: Architectural Procedures and Standards:*** Provides important information about the type of changes to the exterior of your Lot or Dwelling Structure that require approval by the Architectural Control Committee ("ACC"), the submission and approval process, as well as the standards and guidelines that help you understand what is and is not acceptable.

This document and the two listed above are available in the "Documents" section of the Canyon Creek website (www.CanyonCreekHOA.com).

Living in close proximity to others requires thoughtful consideration about how your actions may affect others. We encourage open communication, cooperation and respect between neighbors so we can maintain a friendly environment that maximizes everyone's enjoyment of their homes.

Unless otherwise defined herein, capitalized terms used in this document shall have the same meaning ascribed to them in the Canyon Creek Declaration of Restrictions (the "CC&Rs"), which can be found at <http://canyoncreekhoa.com/documents/ccrs.aspx>.

2. Facility Rules

The following rules apply to use of the tennis/pickleball courts, tot lot/playground, pool, spa and BBQ equipment (referred hereafter as “Facility” or “Facilities”):

FACILITY HOURS
SUNDAY - THURSDAY: 7:00AM – 10:00PM
FRIDAY AND SATURDAY: 7:00AM – 11:00PM
CAUTION – A LIFEGUARD IS NOT ON DUTY

1. Facility use is reserved for Canyon Creek residents and their invited guests only. A Canyon Creek Owner or resident must accompany guests at all times when using the Facilities.
2. Any Association-installed surveillance cameras in the Project, including the Facilities, are used to record and passively monitor such areas due to the risk of potential vandalism or theft and to aid law enforcement with prosecution thereof. SUCH SURVEILLANCE CAMERAS ARE NOT MONITORED IN REAL TIME AND SHOULD NOT BE RELIED ON FOR PERSONAL SECURITY.
3. Use the Facilities at your own risk. The Association assumes no responsibility for any accident or injury in connection with such use or for any loss or damage to personal property. This applies to any use of the Facilities, whether a lifeguard and/or security personnel are present or not.
4. Private instruction for activities in the Facilities or anywhere in the Project, including, but not limited to, lessons for swimming, tennis, and/or pickleball provided by a non-resident are permitted only if the instruction is being provided to a Canyon Creek resident.
5. Residents may be required to show their key fob at any time, and residents and guests may be required to sign-in to use the Facilities.
6. The gates to enclosed areas in the Facilities, including, but not limited to, the pool and tennis/pickleball courts must be kept **CLOSED AND LOCKED** at all times.
7. The number of guests using the Facilities is limited to six (6) per Canyon Creek Lot. There will be NO exclusive use of the Facilities for private parties.
8. All trash must be put in provided trash containers or taken with you when leaving.
9. Any person(s) trespassing in the Facilities during hours it is closed or persons in the area that are not residents or guests of residents will be subject to arrest.
10. The following are not permitted in the Facilities:
 - Pets (This prohibition does not apply to service animals as defined by the Americans with Disabilities Act)
 - Smoking, including, but not limited to, any lighted or heated cigarette, cigarette, incense, pipe, electronic delivery device (e.g., e-cigarette, e-cigar, e-pipe, vape pen, etc.)
 - Alcoholic beverages
 - Glass bottles or other glass containers/objects
 - Bikes, skateboards, roller skates, roller blades, scooters, hockey sticks, baseball bats, golf clubs, soccer balls, basketballs or any such wheeled items
 - Chewing gum
 - Sound equipment (e.g., radios or other playback devices) unless headsets are used with speakers turned off
 - Surf mats, surfboards, rubber rafts, water lounges, large inflatables, diving rings or boogie boards (except teaching aids and life preservers)

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- Urinating or defecating in the pool or spa (which may result in suspension of pool and spa privileges, and monetary charges associated with draining, cleaning, refilling, re-chlorinating and water district penalties)
 - Use of safety equipment for purposes other than emergency use
 - Any activity creating excessive noise or behavior, including:
 - Obnoxious or abusive behavior
 - Loud conversations and profanity
 - Climbing on patio furniture, umbrellas, trashcans, fountain, BBQ grills, fences, or gates
 - Running, pushing, or horseplay
 - Diving
 - Jumping from any object or structure, including patio furniture
11. Any damage to equipment or furnishings must be promptly reported. Owners responsible for the damage caused by themselves, members of their household, tenant or guest will be required to reimburse the Association in a timely manner for losses related to the damage.
12. Refer to the section *Tennis Court, Pool, Spa and Restroom Keys* in the *Resident Handbook* for information regarding access and replacement keys.
13. Any infraction of the rules observed by a resident involving safety or vandalism should be immediately reported (refer to the section *Reporting Violations* in the *Resident Handbook* for more information). Other minor questionable activity should be reported in writing to the property management company. Non-adherence to the rules by a guest of a resident will be considered the same as an infraction by the host resident. Anyone not adhering to the rules may be asked to vacate the Facilities immediately.
14. Enforcement of all rules relating to use of the Facilities may be subject to warning letters, fines, and/or legal fees. The Association's Violation/Fine Procedure establish procedures available to the Association upon violation of any of the rules listed above. Refer to chapter 9 *Adoption, Amendment or Repeal of Rules and Regulations* on page 18 for more information.
15. Management reserves the right to close any Facilities, at any time, to repair, clean or maintain the premises or equipment, or for other safety reasons.
16. **Pool/spa:**
- Children under the age of fourteen (14) years must be accompanied and actively monitored by a responsible adult age eighteen (18) years or older at all times they are using the pool or spa.
 - Children under the age of five (5) should not use the spa at any time.
 - Pool furniture is available on a first-come, first-served basis and may not be taken out of the pool area or placed in the pool or spa for any reason at any time.
 - All swimmers must shower before entering the pool or spa, and must wear a bathing suit (ragged-edge garments are not permitted).
 - Swim diapers or waterproof pants, specifically for pool use, must be worn in the pool or spa by anyone who is not "potty trained" and still wearing diapers or any incontinent person.
 - Any person with a condition or disease that may be transmitted through water or open sores shall not use the pool or spas.
 - Any person entering the spa is encouraged to first consult with his or her personal physician.
 - Hot water immersion while under the influence of alcohol, narcotics, drugs or other medicines may lead to serious consequences and should be avoided.
 - Prolonged exposure to hot water may result in nausea, dizziness or fainting and should be avoided.
 - Use of the pool or spa alone should be avoided and the "buddy system" is recommended.
 - For shoulder-length hair or longer, it is recommended that hair be tied back, braided or a swim cap be worn to prevent drain clogs and drain entrapment.
 - Bathing activities (use of soap, lotions, cream, scrubbing, exfoliating, etc.) are not permitted in the pool or spa.
 - During summer months or other times of high use, the Association may, but need not necessarily, contract for pool monitoring services, but such services may only be for part of each day. Residents are advised to check the schedule for hours.

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17. Tennis/pickleball courts:

- Tennis/pickleball courts are open play (i.e., no reservations may be made). Play is to be on a first-come, first-served basis. If others are waiting, play is limited to one (1) hour for singles and one and one half (1½) hours for doubles. Time starts when you take the court.
- Tennis/pickleball courts shall only be used for playing tennis/pickleball. Playing basketball, riding skateboards, bikes, or other such wheeled items or any non-tennis/non-pickleball activity is not permitted.
- Appropriate attire and white rubber-soled shoes must be worn by all persons using the tennis courts.
- Chairs, lounges, tables or other furniture are not permitted in the tennis/pickleball court area.

18. Tot lot/Playground:

- The tot lot/playground is intended for open play (i.e., no reservations may be made). Play is to be on a first-come, first-served basis.
- The tot lot/playground is intended for use by small children, who must be supervised by a responsible person who is capable of addressing any safety concerns.
- Chairs, lounges, tables or other furniture are not permitted in the tot lot/playground area.

19. Barbeque grills:

- Barbeque grills are available on a first-come, first-served basis.
- To use a grill, open the access door below the grill and turn the timer valve to start the gas flow. Then turn the knob(s) on the grill for the burner(s) and press the ignition switch to light the burner(s).
- After using the BBQ grills:
 - Grill grates must be cleaned using the provided grill brushes
 - Flames must be extinguished and the gas supply turned off
 - All food must be removed from the BBQ area and counter tops must be wiped clean
 - Do not use any abrasive materials to clean any exterior stainless-steel surfaces
 - Overhead lights should be turned off

3. Vehicle and Parking Restrictions

All streets in the Project Canyon Creek are private. Nevertheless, the Association is empowered to enforce the California Vehicle Codes (“CVC”) as if the streets were public (Vehicle Code Section 21107.7). The Association has the authority to enforce, cite and tow vehicles that are in violation of the CVC, local ordinances, specific restrictions contained in the CC&Rs and these Rules & Regulations. The Association, Board of Directors, the property management company and patrol service shall not be held liable for any costs, damages or loss of use related to vehicles that have been towed due to violations.

The speed limit on all Common Area community streets in the Project is 15MPH.

3.1. COMMON STREETS

A driver of a vehicle entering the Project must adhere to the posted speed limit and stop signs, as well as the CVC. There may be persons playing in streets, and extreme care and adherence to the rules is necessary. Owners are responsible for their guests, tenants and service providers adhering to the rules, and advising them of such. Vehicular noise, including, but not limited to, loud exhaust or stereo levels, is not prohibited.

3.2. DRIVEWAYS AND GARAGES

Parking is permitted on individual driveways only where the parked vehicle does not extend over the Common Area sidewalk or street. Parking for more than two (2) continuous weeks on any driveway without moving the vehicle is prohibited. Vehicles in driveways must be maintained in a clean and presentable manner. Vehicle covers, if used on vehicles parked in driveways, must be removed during daylight hours.

Under no circumstances should residents or guests block the driveway of another resident. Residents and guests are encouraged to use garage and/or driveway parking whenever possible leaving on-street parking available for visitors.

3.3. PARKING ON THE STREETS

All vehicles must be parked on Common Area streets in the normal direction of traffic flow. Vehicles parked on the Common Area streets may not be stored under a vehicle cover, and must be maintained in a clean and presentable manner. As a courtesy to your neighbors, residents and their guests utilizing on-street parking should park in front of your own Lot whenever possible.

Parking for more than 96 continuous hours on any Common Area street in the Project without moving the vehicle is prohibited. If a vehicle is parked in the same location without moving for more than 96 hours, the vehicle may be ticketed. If the vehicle is not moved within an additional 96 hours after being ticketed, it may be towed and stored without further notice at the vehicle owner’s sole expense.

If you know that you will need to leave a vehicle on the street for a period longer than 96 hours (for example, during an extended vacation), to avoid ticketing and possible towing, please contact the management company ahead of time and request that the vehicle be “Safe Listed” with the patrol service. A vehicle may be “Safe Listed” a maximum of 21 consecutive days at a time, and a total maximum of 100 days in any calendar year. A “Safe Listed” vehicle must not be parked at the curb in front of any other neighbor’s Lot; it must be parked at the curb in front of your Lot or at a curb where Dwelling Structures do not face the street. “Safe Listed” vehicles must be owned by a resident, not a visitor or guest. If you need to leave a vehicle unattended for longer than 21 consecutive days at a time, it must be parked in your driveway or garage, or you should arrange to have it moved periodically or stored off-site.

3.4. NO PARKING AREAS

Parking is not permitted at any time (whether painted red or not) within fifteen (15) feet of fire hydrants, in community entry drives, on corners/curves, in a manner that interferes with entrance to or exit from a resident's neighbor's driveway, crosswalks or any area marked "No Parking." Vehicles parked in violation may be towed and stored without notice at the owner's expense.

3.5. TRAILERS AND VEHICLES

The following shall not be parked, stored or permitted to remain upon any area within the Project, other than temporarily (i.e., no more than twelve (12) hours in any two (2) week period) or completely within an enclosed garage, without the prior written consent of the Board:

- Boat
- Bus
- Camper
- Commercial vehicle (whether or not identified as such with signage or commercial messages). According to CVC Section 260, a commercial vehicle is a vehicle used or maintained for the transportation of persons for hire, compensation, or profit; or designed, used, or maintained primarily for the transportation of property. A vanpool or rideshare vehicle is only a commercial vehicle when being used for such purposes.
- Vehicles designed to accommodate more than ten (10) people
- Vehicles that have more than two (2) axles
- Horse trailer
- House trailer
- Inoperable automobile
- Mobile home
- Motor home
- Trailer
- Truck (other than standard size pickup truck)
- or similar equipment/vehicles

Vehicles used by service providers may be parked on streets on community streets in the Project only while providing services to residents. Sedans or standard size pickup trucks owned by residents used both for business and personal use may be parked in the Project as long as any signs or markings of a commercial nature on such vehicles are unobtrusive and inoffensive as determined by the Board. Noisy, smoky, off-road and/or unlicensed vehicles shall not be operated in the Project.

3.6. MOVING TRUCKS

The turning radius for large trucks to enter and exit the Project may present challenges for moving companies. Using the Sonrisa East or Sonrisa West gate may be preferable to another (and might be different for entering versus exiting). Please consult with your moving company representative at the time of estimate to consider the best options. Any damage to gates, bollards, streets, sidewalks or other Common Area will be the responsibility of the Owner.

3.7. PORTABLE ON-DEMAND STORAGE (PODS)

Portable on-demand storage (PODS) units are a temporary convenience while moving or remodeling. Any resident using a POD must pack and move it to a remote storage location.

A maximum of one (1) such storage unit (small, medium or large) may be placed on a driveway (or, if construction makes that impractical, on the street immediately in front of the Owner's Dwelling Structure) for the immediate loading and unloading of items for a maximum of seven (7) consecutive days. This may be repeated up to three (3) times in any six (6) month period.

To prevent damage to driveway or street, please request that wood boards be placed below wheels and other supports. If placed in the street, PODS must have reflectors or reflective tape to minimize night driving accidents. PODS must remain locked when not in use. Any damage to streets or other Common Area as the result of your Improvement or use of POD(s) will be repaired by the Association and charged to the Owner.

Also refer to section 3.10 *Dumpsters* on page 7.

3.8. EXIT GATES

Under no circumstances should vehicles enter the Project via the exit gates. Doing so risks damage to the gates and the vehicle. While driving out, if you observe a vehicle waiting to get in that may attempt to drive through the exit gate, please pause for a moment for the gate to close behind you. Doing so may save the Association (you) money in gate repairs.

3.9. PERSONAL TRANSPORTATION EQUIPMENT

Some personal transportation equipment violates the Use Restrictions of the CC&Rs (Article VII, Section 2 of the CC&Rs, concerning noise and activities that cause an increased liability risk to the Association). Therefore, the following types of personal transportation equipment, excluding wheelchairs, mobility aids, and other power-driven mobility devices as defined by the Americans with Disabilities Act and human-powered bicycles, are prohibited and may not to be used anywhere within the Project at any time:

- Gas-powered motor scooters
- Gas- or electric-powered mini-bikes
- Gas- or electric-powered mini-motorcycles
- Gas- or electric powered go-karts
- Gas-powered motor bikes

The following personal transportation equipment are permitted but must be ridden on paved streets (not on sidewalks or pathways) at reasonable speeds:

- Hover boards
- Segways
- Electric bicycles
- Wheelchairs, mobility aids, and other power-driven mobility devices as defined by the Americans with Disabilities Act operated by a disabled person requiring same
- Human-powered bicycles

Personal transportation equipment may not be left or parked on any Common Area including streets, sidewalks, pathways and landscaped areas.

3.10. DUMPSTERS

If the nature of an Improvement requires a dumpster for storage and hauling of debris associated with an Improvement project, the use of a dumpster itself does not require prior Architectural Control Committee (ACC) approval. However, the Owner must provide advance verbal or written notice to the property management company of the dumpster delivery and removal dates. If the Improvement involves exterior or other modifications requiring ACC approval, the dumpster requirement and delivery and removal dates should be indicated on the appropriate Home Improvement Application.

Dumpsters may only be placed in the driveway (preferred) or street immediately in front of the Lot where the work is being performed. To prevent damage to driveway or street or any person or real or personal property within the Project, please request that wood boards be placed below wheels and other supports. If placed in the street, dumpsters must have reflectors or reflective tape to minimize night driving accidents. Closed storage containers must remain locked when not in use. Dumpsters must be removed within thirty (30) days of being delivered unless a written extension request is submitted to and approved by the property management company. Any damage to streets or other Common Area as the result of your Improvement or use of a dumpster will be repaired by the Association and charged to the Owner. A Waste Management “Bagster” or similar disposable or flexible dumpster is considered the same as a dumpster and the rules above apply.

Also refer to the section 3.7 *Portable On-Demand Storage (PODs)* on page 6.

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3.11. STREET SWEEPING

To maximize the benefits of sweeping, it is suggested that parking on the streets be avoided on street sweeping days. Refer to section *Recurring Events* in the *Resident Handbook* or the Canyon Creek website for the street sweeping schedule.

4. Service Provider Guidelines

Owners must ensure that any contractor, vendor, or service provider (collectively “service provider”) they hire to perform work on their Lot or its Dwelling Structure adhere to the following. The Owner may be held responsible and subject to hearings and possible fines for failure of their service provider to comply with these requirements.

1. In accordance with Irvine Municipal Code, construction activities and landscaping operations may occur between 7:00AM and 7:00PM Mondays through Fridays, and 9:00AM and 6:00PM on Saturdays. Construction and landscaping activities shall not be permitted outside of these hours or on Sundays and federal holidays.
2. Service provider shall abide by all parking rules and regulations, speed limits, traffic safety rules and signs, posted and otherwise. The Project is a residential community. Watch for persons in the streets.
3. Vehicles and other equipment must be parked in the normal direction of traffic flow and in such a manner so as not to block traffic or access to fire hydrants, driveways or streets.
4. Except as provided below, service providers shall not leave vehicles, equipment, trash, construction debris or material on Common Area, such as streets or sidewalks overnight.
5. Service providers shall adhere to all local ordinances in the performance of work.
6. Portable sanitation facilities (portable toilets or “porta-potties”) are generally discouraged if the Owner can make suitable arrangements with the service provider. If the nature of the Improvement and situation dictates that a portable sanitation facility will be required, this fact and its proposed location should be noted on the appropriate Home Improvement Application. The portable sanitation facility must be placed in the driveway or other portion of the Owner’s Lot. Prior permission is required from the property management company if the portable sanitation facility is required to be placed on the street. The portable sanitation facility must be serviced for waste removal no less than two (2) times per week and must remain locked when not in use. The portable sanitation facility must be removed within seven (7) days of the Improvement completion date.
7. If the nature of an Improvement requires a dumpster for storage and hauling of debris associated with an Improvement project, the use of a dumpster itself does not require prior ACC approval. However, the Owner must provide advance verbal or written notice to the property management company of the dumpster delivery and removal dates. If the Improvement involves exterior or other modifications requiring ACC approval, the dumpster requirement and delivery and removal dates should be indicated on the appropriate Home Improvement Application. Dumpsters may only be placed in the driveway (preferred) or street immediately in front of the Lot where the work is being performed. To prevent damage to driveway or street, please request that wood boards be placed below wheels and other supports. If placed in the street, dumpsters must have reflectors or reflective tape to minimize night driving accidents. Closed storage containers must remain locked when not in use. Dumpsters must be removed within seven (7) days of the Improvement completion date unless a written extension request is submitted to and approved by the property management company. Any damage to streets or other Common Area as the result of your improvement will be repaired by the Association and charged to the Owner.
8. Community landscaped areas and Common Area sidewalks shall be protected during construction. The Association will repair any damage to the Common Area caused by the construction activity and will charge the Owner for the repairs. For major remodels, the Association reserves the right to require fencing that may include the use of a six-foot chain link fence and gate(s) with dark green or black mesh and secured by a lock when construction is not being performed. Such fencing must be positioned on the Owner’s Lot behind the Common Area sidewalk and shall be maintained in good condition. The fence must not extend onto Common Area without prior approval from the property management company. All construction materials must be kept behind the fence.

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9. If lumber or other packaged material is unloaded in the street, street access must not be blocked and safety-warning devices must be used while the material is being unloaded. If left overnight, the area around the material should be marked off with reflective traffic cones. The maximum length of time that material can be stockpiled in the street is twenty-four (24) hours. Unpackaged material, such as sand or soil, may not be unloaded or stockpiled in the street.
10. Service providers must take all necessary safety precautions and shall erect and maintain fences, barriers, lights, signs and other safeguards to give adequate warning to everyone on or near the site of dangerous conditions associated with the construction activity. Such devices must be removed in a timely manner when the dangerous conditions no longer exist.
11. All construction activity must comply with local governmental codes/permits as well as plans approved by the Association's ACC.
12. Construction equipment, materials, debris or trash shall not be allowed to accumulate or be stored on the Common Area. At the end of the workday, Common Area, such as streets and sidewalks, must be left broom clean.
13. Construction equipment, materials and supplies should be stored in the Owner's garage during construction. However, if required, some items may be stored on the Owner's Lot (e.g., driveway) as necessary during the construction. However, materials (e.g., sand and cement) that are subject to disbursement due to wind or rain shall be covered (and particular care must be taken during windy or rainy conditions) at the end of the workday. All debris (e.g., paper, bottles, cans and litter) must be removed at the end of a workday from the exterior of the job site if visible from the Common Area. Construction materials and liquids must NOT be allowed to go into storm drains.
14. Street washing is strictly prohibited.
15. Service providers shall not play radios or other musical appliances so that the sound extends across the Lot property lines. Service providers shall minimize noise impacts from generators or other construction equipment.
16. Service providers must perform work in accordance with Best Management Practices and the Master Water Quality Management Plan. For example, erosion and sediment controls must be in place, washing must be confined to the Lot, and materials may NOT be discharged into the storm drain.
17. Service provider signs advertising a work project or site are not permitted in the Project.
18. Service providers must minimize external odors, dust, or other nuisances during construction.

5. Home-Based Business Guidelines

The Association has adopted the following guidelines to determine whether a home-based business is prohibited within the Project. The CC&Rs generally prohibit residents from conducting a trade or business on any Lot within the Project. Resident use of Common Area, including, but not limited to, the Facilities for any commercial business purpose is prohibited. The Board, in its discretion, may allow a home-based business based on the following non-exclusive criteria that may be modified from time to time by the Board as it sees fit or need arises.

1. Residents must comply with city and county zoning ordinances and any other requirements city and county, especially those pertaining to permits and licenses.
2. The home-based business shall be an incidental and accessory use and shall not change the principal residential character of the Lot and the Project.
3. Residents may conduct business activities on the Lot and in its Dwelling Structure provided there are no negative impacts on surrounding Lots and residents.
4. The Dwelling Structure shall not be the primary point of customer pickup or delivery nor shall the home-based business cause a significant increase in vehicular traffic in the Project.
5. Residents with home-based businesses expecting customers or deliveries to the Lot should provide their personal four-digit vehicle entry code if you do not want to answer your phone to provide access. You may request a different, temporary four-digit vehicle entry code from your personal code. The temporary (for business) code can be activated for a limited time or deactivated when appropriate without impacting your personal code. Refer to the section *Temporary Gate Code* in the *Resident Handbook* for more information.
6. Each home-based business must conduct only legal business and must be appropriate for a residential community.
7. There shall be no signs or other exterior evidence relating to the home-based business.
8. The home-based business may be conducted in the garage but shall not use any space required for off-street parking.
9. Only the residents of the Lot may be employed by, franchisee or affiliate of, or in any way working with the home-based business.
10. A Lot must not be purchased or operated primarily for purposes of a home-based business with residential use being incidental to those purposes. Instead, each Lot must be purchased and occupied for residential use and there shall be no external signs of any home-based business operated at the Lot.
11. Electrical, mechanical, or other equipment that is noisy and/or creates visible or audible interference in radio, television, or telephone or causes fluctuations in line voltage outside the Dwelling Structure, or otherwise creates a nuisance, shall be prohibited.
12. A home-based business shall not create noise, odors, traffic, or any type of activity that is not typically associated with a residential use.

6. Sign Regulations

The Association has policies regarding alarm, service provider, election, garage sale, real estate (for sale, lease, open house), and other types of signs as described in the sections below. All signs shall comply with the City of Irvine Municipal Code and any other applicable governmental ordinances regarding signs. All permitted signs shall be maintained in good condition and must conform to the specifications described below. Broken signs must be promptly removed or repaired.

6.1. ALARM SIGNS

Signs for the identification of alarms/security services are permitted, but are not to exceed:

- One (1) metal stake sign per Lot, placed no farther than two (2) feet from the front of the Dwelling Structure and not to exceed a height of thirty-six (36) inches from the adjacent ground level.
- Two (2) window stickers, not to exceed five (5) by seven (7) inches each.

6.2. NO SOLICITOR SIGNS

A small sign (not to exceed three (3) inches by six (6) inches) prohibiting solicitors may be placed with the closest edge no farther than twelve (12) inches from the front door at a height not to exceed five (5) feet.

6.3. BEWARE OF DOG SIGNS

A sign (not to exceed eight (8) inches by twelve (12) inches) providing notice of the presence of a dog may be placed at a height not to exceed five (5) feet on the center of the gate leading to the backyard of a Lot. The sign must be in black and white or colors that complement the paint color(s) of the Dwelling Structure. Red, orange or yellow lettering and/or graphics are not permitted.

6.4. SERVICE PROVIDER SIGNS

Service provider signs advertising a work project or site are not permitted on the Owner's Lot or in the Common Area.

6.5. ELECTION SIGNS

Exterior signs promoting candidates, initiative measures and/or voting that are directly related to an upcoming election are limited to one (1) sign per candidate and/or measure per Lot and may not exceed maximum dimensions of nine (9) square feet. Election signs may not be posted earlier than forty-five (45) days prior to the election and must be removed within five (5) days after the election.

6.6. GARAGE SALE SIGNS

Since garage sales are not permitted within the Project (unless a community-wide event is planned and approved in advance by the Board of Directors), Owners and residents are not permitted to post Garage Sale signs.

6.7. REAL ESTATE SIGNS AND FLYERS

To facilitate the exchange of real property within the Project, the Board has approved a policy that will allow the use of unique, Canyon Creek-specific real estate signs when advertising a Lot is for sale, rent, lease, or being held open. Real estate signs may not be placed on a neighbor's Lot without permission of the affected Owner. All Owners are responsible for advising their real estate agents of the information in this section and ensuring their cooperation. Re-member, only approved Canyon Creek signs will be permitted, with non-conforming signs subject to removal.

Although many companies can make this sign, Reichert's Signs (714-513-9199) in Fountain Valley has been provided the artwork for your convenience.

For Sale/For Rent/For Lease Signs: For Sale, For Rent and For Lease signs may not be larger than twelve (12) inches high by eighteen (18) inches wide and must be mounted on a single metal push-stake. The top of the sign must

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not be higher than forty-eight (48) inches above the adjacent ground level. Only one (1) sign may be placed in the front yard of the Lot for sale/rent/lease, and NO CLOSER to the street than three (3) feet back from the Common Area sidewalk. The sign must be removed no later than close of escrow or within forty-eight (48) hours after a rental or lease agreement is signed. Aside from the mandatory Canyon Creek logo and the words "For Sale," "For Rent" or "For Lease," the sign may also include the real estate agent's name, the company's name, website address and one phone number only. A "Coming Soon" sign rider attached above or below the main "For Sale/For Rent/For Lease" sign is permitted for twenty-one (21) days prior to the Lot going on the market. An "In Escrow" sign rider attached above or below the main "For Sale" sign is permitted during the period when the sale is in escrow. Flags, banners or "Sold" signs are not permitted.

Real Estate Flyers: One box containing flyers describing the Lot and Dwelling Structure for sale, rent or lease may be attached to the "For Sale," "For Rent" or "For Lease" signpost so that it is positioned below the sign or on a separate post adjacent to the sign. The box must be constructed of a durable material, such as metal, plastic or wood (not paper or cardboard). Flyers should be secured by a top on the box or other method to prevent the flyers from getting wet or blowing around and littering the Project.

Open House Events: Owners are responsible for arranging access for your real estate agent and prospective buyers. Well in advance of your first open house, contact the Association to obtain a temporary vehicle gate code and give the code to your agent who can communicate the code to prospective buyers for access to the Project without placing a call from the entry system. Alternately, when they arrive at the gate, prospective buyers may call the real estate agent's cell phone and the real estate agent can then communicate the temporary code and directions to the Lot. Refer to the section *Temporary Gate Code* in the *Resident Handbook* for more information.

Open House Signs: Canyon Creek-specific "Open House" signs have been purchased by the Association and are available for rent. Real estate agents may use three (3) signs within the Project. One Canyon Creek-specific "Open House" sign may be placed in front of the Dwelling Structure (using the same guideline as "For Sale," etc. signs above) and other signs must be placed at street intersections only and only within Common Area grounds. "Open House" signs may not be placed on a neighbor's Lot. "Open House" signs may only be posted no sooner than one hour (1) before and no later than one (1) hour after the open house.

Open House signs are available from the property management company. Signs must be returned and in the same condition they are received or a replacement fee may be charged.

Important Gate Code Reminder: Do not post the gate code number on the entry phone system, real estate signs, flyers, documents, advertisements, listings, public websites, etc. Failure to comply with this restriction breaches the integrity and security of our access system and may subject the Owner to a fine or further enforcement action. The Owner is responsible for notifying the real estate agent of this restriction.

6.8. OTHER SIGNS

Special event signs, such as graduation, birth announcements or birthdays are permitted to be displayed on a Lot but must be removed within five (5) days of posting. Signs painted on an architectural surface, or made of flora, balloons, lights, roofing, siding, paving materials, or other similar building, landscaping or decorative components are not permitted. Signs displaying obscenity, inciting discrimination, violence or other unlawful activity are not permitted. Also refer to the section *Decorative Elements* in the *Architectural Procedures and Standards* document for information about flags.

Other than as permitted in the sections above, other types of banners or signs are not permitted on any Common Area, including, but not limited to, fences, walls, gates, sidewalks, streets, traffic control signposts, utility poles, street signs, trees, etc. unless it is a sign authorized by the Board of Directors (such as pool safety signs, meeting notices, etc.).

7. Rental Rules and Regulations

7.1. GENERAL RENTAL RULES AND RESTRICTIONS

1. An Owner shall be entitled to rent/lease his or her Lot subject to the provisions below as well as the restrictions established in the CC&Rs and applicable law:
2. Each Owner who rents/leases his or her Lot must submit in writing to the property management company, prior to any tenant's occupancy, the following: (a) verification of the date the Owner acquired title to the Lot; (b) the name of each prospective tenant; (c) the prospective tenants' contact information, including mailing address, email address, and phone number; and (d) the prospective tenants' vehicle information, including year, make, model, and color of each vehicle.
3. Any rental/lease agreement shall be in writing, shall state that the rental/lease is subject to the Governing Documents, and shall state that any failure to comply with any provision of the Governing Documents constitutes a default under the terms of the rental/lease agreement. An Owner renting/leasing his or her Lot must provide the property management company with a copy of the written rental/lease agreement (financial details such as deposit and monthly rental fee may be redacted) within five (5) business days of execution of the rental/lease agreement.
4. Each Owner who rents/leases his or her Lot shall provide to his or her tenants a copy of the Governing Documents, including these Rules. The leasing shall, at all times, be responsible for the conduct of their tenants as well as their compliance with the provisions of the Governing Documents.
5. Each Owner who rents/leases his or her Lot shall comply with the Short-Term Rental Policy (also referred to as "STR Policy") set forth below.

7.2. SHORT-TERM RENTAL POLICY

1. As set forth in the CC&Rs, no Owner may rent or lease all or any part of his or her Unit for transient or hotel purposes (i.e., a rental for a period of less than thirty (30) days). In support of this restriction, the Board has made the following findings:
 - Persons who rent and occupy a separate interest for less than thirty (30) days ("Short-Term Renters") stay for limited periods of time and are transient in nature.
 - Short-Term Renters are typically less likely than Owners and longer-term renters to use Common Area, including the recreational amenities, in a careful and thoughtful manner.
 - Such use of the Project results in increased costs to the Association and increased involvement and oversight by the Association's Community Manager.
 - The presence of Short-Term Renters is also more likely to expose the Association to additional liability and risks under the Association's insurance policies and, thus, are more likely increase the Association's insurance premiums.
 - Opening the Project to Short-Term Rentals will not reduce the number of people who need affordable housing or increase the number of residences available for rent in the surrounding area.
 - Short-Term Rentals in the Project would primarily have the impact of offering furnished residences that are in direct competition with higher priced hotel space for visitors and tourists and will not provide affordable housing.

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- Rules and regulations governing Owners’ Short-Term Rental of Lots are important in efforts to attempt to maintain the aesthetics of the Project, the efficient management of the Association budget, and the property value of all Owners’ properties as well as deter vandalism and other acts that may injure persons or damage property in the Project.
 - Clarification of the acceptable terms under which Owners may operate their Lots as Short-Term Rentals will assist in accomplishing the Association’s goals and attending to the issues identified in this Short-Term Rental Policy (“STR Policy”).
 - In light of these purposes and in compliance with the Association’s Governing Documents and the Davis-Stirling Act, California Civil Code Sections 4000 et seq., and after careful consideration, the Board has adopted this STR Policy, the provisions of which are further set forth below. Please read this Policy carefully. Owners are each ultimately financially and legally responsible for their conduct as well as the conduct of any of their family members, residents, or invited guests.
2. The fine schedule set forth herein shall control for any violations of this STR Policy. In developing the fine schedule for violations of this STR Policy, the Board considered that an Owner may receive a significant sum of money for leasing of a Lot in violation of this STR Policy. Specifically, Owners may receive substantially more money for operation of a Lot as a Short-Term Rental as compared to a longer-term rental. The fine schedule set forth herein shall control for any violations of this STR Policy.
3. Any violation of the provisions of this STR Policy is considered an egregious breach of the Governing Documents.
4. In recognition of the above, together with the strong policy of wishing to preserve the residential use of the Lots and nature of the Project, and as a disincentive against violations, and to prevent an Owner from profiting from violating the Governing Documents, the Board, in its discretion, may levy a fine (as a monetary penalty) against an Owner for violations of this STR Policy in the amounts set forth below.

VIOLATION*	FINE AMOUNT
First violation of any kind.	\$5,000 per violation
Additional violation of the same or similar kind within a twelve (12) month period.	\$10,000 per violation
* A Violation of this policy shall be determined as each occurrence of renting/leasing any Unit for less than thirty (30) days.	

5. Any fine imposed under this STR Policy shall be in addition to any assessment levied to reimburse the Association for expenses and costs.
6. All fines, including assessments representing the attorneys’ fees and costs incurred by the Association in enforcing the Governing Documents, shall be a charge against the Owner of the Lot. Any and all fines shall be billed to the Owner’s account for the Association.
7. The Association reserves the right to immediately use any available legal remedy available to enforce the Governing Documents including this STR Policy against an Owner, which may include, without limitation, the collection of any fines imposed against an Owner for violating the Governing Documents, injunctive relief, declaratory relief, or other legal action pursuant to the terms of the Declaration and as allowed by law.
8. The foregoing fine(s) shall be in addition to any other disciplinary action or remedies available to the Association (after providing the Owner notice and an opportunity for a hearing). The foregoing shall not be construed to limit or restrict the Association from immediately proceeding with filing legal action or pursuing other available enforcement action to remedy a violation.

8. Miscellaneous Rules and Regulations

The following additional miscellaneous Rules and Regulations have been established:

1. To maximize on-street parking, it is recommended that, whenever possible, trashcans be placed at the curb no earlier than 4:00PM the day before trash pickup and must be removed from the street and stored no later than 10:00AM the day following the scheduled collection. At all other times, trashcans must be stored behind a side gate or in the garage and out of view from the Common Area.
2. Common Area sidewalks and walkways must be kept clear for use by others who are walking. Items such as bicycles, toys, sports equipment, etc. should not be left or stored on the Common Area.
3. Driveways and Common Area sidewalks should be kept clean and free of debris. Oil drips and stains on driveways, Common Area sidewalks and public streets shall be periodically removed. Oil pans, cardboard, plastic sheeting, carpeting or other materials shall not be placed on driveways or streets.
4. Unless otherwise mentioned herein (e.g., dumpsters), all items stored outside, such as yard equipment, wood piles, dog houses, trash containers, recycling bins and compost containers, must be completely screened from the Common Area. Garden hoses, if visible from the Common Area, should be stored on a rack or reel, or neatly coiled, close to the Dwelling Structure when not in use. Objects with a height greater than six (6) feet shall not be stored in a manner that is visible from the Common Area.
5. Residents may own or care for usual and ordinary household pets such as dogs, cats, birds, and the like, if they are not kept, bred, or maintained for any commercial purposes, and further provided they are kept under reasonable control at all times. The total number of dogs and cats owned or cared for by any resident is limited by city ordinance (contact the city of Irvine for more information).
6. Dogs anywhere on the Common Area must be on a leash that is held by a person capable of controlling the dog.
7. If a pet soils a portion of the Common Area or a resident's Lot, the person in control of the pet shall immediately clean up after the pet.
8. Problems associated with animals, including noise disturbances, off-leash, aggressive behavior or other problems must be directed to Irvine Animal Services (949-724-7092). The Association may require that animals exhibiting aggressive behavior or biting any person within the Project be removed from the Project temporarily or permanently, whichever is deemed necessary in the Board's reasonable discretion for the safety and welfare of everyone in the Project.
9. Private or commercial kennels, domestic animal care facilities, stables or aviaries over six (6) feet and visible from the Common Area are not permitted.
10. Animals that make sounds or noise that disturb others' enjoyment of their Lot or engage in any conduct that creates a nuisance or endangers other's real or personal property or physical safety may not be kept in the Project. The Association may require that such animals be removed from the Project temporarily or permanently, whichever is deemed necessary in the Board's reasonable discretion for the safety and welfare of everyone in the Project.
11. Exterior paint shall be maintained at all times. Peeling, chipping, stained or faded painted surfaces, and stucco, wood siding, shingles, trim and roofing shall be repaired as necessary within a reasonable amount of time.
12. Wrought-iron fences mounted to the top of walls dividing an Owner's Lot from the Common Area are owned by the Owner, and it is their responsibility to maintain, repair/replace and periodically paint such fences so that they

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remain stable and in good visible condition. Refer to the sections *Exterior Painting* and *Fences, Gates, Walls and Planters* in the *Architectural Procedures and Standards* document for more information.

13. Owner's irrigation sprinklers must be positioned in a way that prevents, as much as possible, overspray onto Common Area metal fencing. Repairs for damage to Common Area fencing because of improper irrigation spray may be charged to the Owner.
14. Potted plants or other items are not permitted to be placed on or on top of the Association's perimeter walls.
15. Garage sales are not permitted unless a community-wide event is planned and approved in advance by the Board of Directors.
16. Patio umbrellas shall be maintained in an aesthetically acceptable condition and shall not display advertising or endorsements if visible from above a fence/wall or from the Common Area.
17. Personal items that detract from the appearance of the Dwelling Structure may not be left or stored in areas visible to the Common Area.
18. Outdoor holiday lighting and/or decorations must conform to the following standards:
 - All outdoor holiday lighting and/or decorations shall not be installed any sooner than thirty (30) days prior to the holiday and shall be removed no later than thirty (30) days after the holiday.
 - If visible from the Common Area, hooks and other devices used for the installation of holiday lighting and/or decorations are to be removed upon removal of the lighting and/or decorations, or shall be of a color (or painted) to match the surface to which they are attached.
19. All portable basketball hoops and other portable sports equipment must be stored when not in regular use. Storage out of view from the Common Area is preferred, but this equipment may be stored on the Owner's driveway if other storage is not practical. Such equipment shall not block any Common Area sidewalk at any time.
20. "Bounce houses" and any other temporary party equipment associated with a resident's personal party may not be placed on any portion of the Common Area and must be supervised by a person cable of addressing any safety concerns.
21. Drones and other radio-controlled devices may not be flown in such a way that it invades the privacy of any Lot. The device's owner/operator shall be fully responsible for any personal injury and/or damage to Common Area. An Owner hiring a contractor that will use a drone for commercial purposes (e.g., real estate photography, roof inspection) must ensure that the contractor has a valid remote pilot airman certificate and complies with FAA Part 107 regulations and any other regulations.
22. Residents with floor plans that have corner garage windows must have normal interior window coverings on the windows (such as blinds) and must not place objects, such as boxes, which are visible from the Common Area.
23. Absentee Owners must provide current contact information to the property management firm so the Owner can be contacted for architectural neighbor awareness, in the case of an emergency, or any other Association business and needs. You may submit this information by completing the Management Contact form (Contacts > Management) on the Canyon Creek website (www.CanyonCreekHOA.com).
24. The Project is subject to all federal, state and local requirements of the National Pollutant Discharge Elimination System (NPDES) adopted pursuant to the Federal Clean Water Act. Residents may not dispose of hazardous waste, substance or material into any street gutters, storm drains or other drainage device located anywhere in the community.
25. The Association shall not become involved in resident disputes unless the issue involves violation of the CC&Rs, Rules & Regulations or other Governing Documents.
26. Any fines or fees assessed by the city, county or other government agency that are assessed against the Association because of acts by an Owner, resident or their guest(s) will be the Owner's sole responsibility.
27. Conduct or activities that may increase liability to the Association or its rate of insurance or creates an annoyance, nuisance, or interference with the quiet enjoyment of another Owner's Lot is prohibited.
28. Consistent with City of Irvine regulations, fireworks of any type are prohibited in the Project.

9. Adoption, Amendment or Repeal of Rules and Regulations

The Board of Directors may, in its discretion, adopt new Rules and Regulations, and, amend or repeal Rules and Regulations included in this *Rules & Regulations* or *Architectural Procedures and Standards* documents from time to time. Owners will receive a written draft of the proposed change(s) at least thirty (30) days in advance of a scheduled Board meeting at which the Board will vote on the change(s).

Owners with comments about the proposed change(s) may attend the Board meeting or submit written comments to the Board prior to the meeting. The Board will decide at the meeting after considering all comments. If approved by the Board, the change(s) will be mailed or otherwise distributed to the Owners within fifteen (15) days after the Board adopts the change(s). The change(s) will go into effect thirty (30) days after the Board adopts the rule change(s). If the change(s) include any new or modified Architectural and Landscaping Standards, the new or revised guidelines and standards will only apply to new Home Improvements, which are submitted for approval after the effective date. The approved change(s) will be incorporated into a reprint or as an addendum to the affected document.

The Board may adopt, amend or repeal rules on an emergency basis without providing thirty (30) days' notice if it reasonably determines that there is an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the Association. If the Board adopts a rule change on an emergency basis, Owners will be given notice of the change within fifteen (15) days. The emergency rule change will go into effect as soon as possible as reasonably determined by the Board, and may only be effective for up to 120 days, but may be re-adopted after following the above-adopted notice procedures.

10. Rules Enforcement Policy and Fines

10.1. RULES ENFORCEMENT

In accordance with the Governing Documents and applicable California law, the Association, acting through the Board of Directors, is charged with the responsibility for maintaining and managing the Common Areas of the Association and for enforcing the provisions of the Governing Documents. The procedures described herein describe the methods available to the Association for ensuring conformity within the Project and compliance with the Governing Documents and supersede all rules enforcement procedures previously adopted by the Board of Directors.

WHEREAS, the Board of Directors deems it in the best interest of the Association to set forth the policies and practices of the Association in establishing an Enforcement Policy regarding continued non-compliance of the Association's Governing Documents.

Thus, NOW, THEREFORE, BE IT RESOLVED that the Association hereby adopts the following Enforcement Policy for compliance with the Governing Documents:

1. Where possible and if applicable, the complainant is encouraged to contact the violator and resolve any annoyances created because of violations of the Governing Documents. The complainant may issue a complaint in writing to the property management company or use the violation form found in the "Documents" section of the Canyon Creek website.
2. The Board of Directors (or the property management company acting on behalf of the Board) will take appropriate action on a reasonable complaint filed by an Owner. The Board of Directors or the property management company may also initiate an action based on inspections or observations. Upon substantiation of the violation of the Governing Documents, the Board of Directors may proceed with a Notice of Violation, Notice of Hearing, Preliminary Internal Dispute Resolution Process (refer to chapter 11 on page 22), legal action or other remedy the Board, in its discretion, believes is appropriate under the circumstances. In most cases, the Board will choose to issue a Notice of Violation followed by a Notice of Hearing, if necessary. Procedures with respect to the Notice of Violation and Notice of Hearing shall be handled as follows:
 - a) If sent, a written Notice of Violation will be sent to the Owner (not a tenant or service provider), notifying them of the violation. The Owner will be given a reasonable period of time (the "Cure Date") to cease or correct any act or omission that appears to be in violation of the Governing Documents. The Board of Directors or the property management company will verify that the violation is not continuing after the Cure Date set forth in said notice.
 - b) If the violation continues after the Cure Date, or is repeated within twelve (12) months, or if the violation is reasonably deemed by the Board to be significant such that a Notice of Violation is not appropriate, a Notice of Hearing concerning the violation will be sent that will set the time and date at which chargers will be heard. The Owner will be given ten (10) days' advance notice of the hearing to defend his/her position. No proceedings will be brought against any Owner (who is responsible for the actions of his/her family members, tenants, service providers, and/or their guests) unless a Notice of Hearing has been sent to the Owner.
 - c) At such Hearing, the Owner shall have the right to present oral and written evidence and witnesses to ensure a fair Hearing. The Board of Directors may limit the time allocated for hearing the Owner's evidence. A decision will not be rendered during the Hearing.
 - d) The Board of Directors shall meet in a closed Executive Session to review the situation and shall deliver to the Owner, within fifteen (15) days after the Hearing, a written decision, which shall specify the fines or penalties levied, if any, and the reasons therefore.

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- e) If an Owner shall correct an alleged violation prior to the Hearing date, upon notification to the property management company, the Board of Directors shall discontinue the proceedings. If it is subsequently found that the alleged violation has not been corrected, a new Hearing Notice will be sent with a new Hearing scheduled at which the Homeowner must appear.
- f) If an Owner cannot attend the Hearing as scheduled, the Owner must request from the property management company a re-scheduled Hearing date no later than twenty-four (24) hours before the originally scheduled Hearing time and date.
- g) In the event an Owner does not appear for a Hearing, the Board of Directors may make its decision based on the available evidence.

APPROPRIATE LEGAL ACTION MAY BE TAKEN AT ANY POINT DURING THIS PROCESS. THE ASSOCIATION SHALL BE ENTITLED TO COLLECT REASONABLE ATTORNEYS' FEES AND LITIGATION COSTS.

Financial obligations incurred by the Association because of a violation or other act by an Owner, their family members, tenants, service providers and/or guests (e.g., damage to a wall, tree, light fixtures or the Common Area, etc.) will be charged to the responsible Owner.

The Board of Directors reserves the right to waive the initial notice and call the matter directly to a Hearing or refer the matter to legal counsel for action for issues that can be deemed harmful, unsafe, or pose a liability to the Association, any individual, the environment, or the Common Area.

10.2. FINES AND PENALTIES

After a Hearing at which the Board of Directors determines that there has been a violation of the Governing Documents, the following fines and penalties may be imposed at the discretion of the Board, provided, however, the Board may impose double the amount of a fine on a first offense if the Board, in its discretion, determines that such a fine is appropriate.

1) UNLESS OTHERWISE PROVIDED BELOW, PENALTY ASSESSMENT FOR VIOLATIONS

VIOLATION	FINE AMOUNT
First penalty assessment.	\$100.00
Every thirty (30) days after the first penalty assessment until the violation has been resolved, or for repeat violations more than thirty (30) days apart.	\$200.00

2) PENALTY ASSESSMENT FOR ARCHITECTURAL VIOLATIONS

VIOLATION	FINE AMOUNT
For MINOR improvements (exterior painting, doors/windows, roofing, etc.): Failure to submit required application prior to making the improvements, or making changes to an approved improvement without submitting a new application and obtaining prior approval for the additional change(s). This fine may repeat every thirty (30) days after the first penalty assessment until the violation is resolved.	\$200.00
For MAJOR improvements including, but not limited to, <i>major landscaping changes</i> (hardscape, landscape that affects more than half of the front yard area or artificial turf grass regardless of amount visible from the Common Area) and <i>architectural changes</i> (room additions, structure modifications, exterior remodels, etc.): Failure to submit required application prior to making the improvements, or making changes to an approved improvement without submitting a new application and obtaining prior approval for the additional change(s). This fine may repeat every thirty (30) days after the first penalty assessment until the violation is resolved.	\$500.00

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3) PENALTY ASSESSMENT FOR RENTING A PROPERTY FOR LESS THAN THIRTY (30) DAYS

VIOLATION*	FINE AMOUNT
First violation of any kind.	\$5,000 per violation
Additional violation of the same or similar kind within a twelve (12) month period.	\$10,000 per violation
* A Violation of this policy shall be determined as each occurrence of renting/leasing any Unit for less than thirty (30) days.	

4) SUSPEND OR CONDITION THE RIGHT OF THE OWNER (AND/OR HIS FAMILY MEMBERS, TENANTS AND/OR GUESTS) TO USE RECREATIONAL FACILITIES.

5) A VIOLATION OF THE GOVERNING DOCUMENTS RELATING TO VEHICLE PARKING MAY RESULT IN TOWING AND STORAGE OF THE VEHICLE AT THE VEHICLE OWNER'S SOLE EXPENSE. The Association, Board of Directors, the property management company and patrol service shall not be held liable for any costs, damages or loss of use related to vehicles that have been towed due to violations.

1. Penalties shall be paid by the Owner within thirty (30) days after assessment.

11. Internal Dispute Resolution Process (IDR)

This information is a summary of California Civil Code Sections 5900 through 5920 current as of the date of publication of this *Rules & Regulations* document. Please refer to sections of the California Civil Code indicated for further information (<http://leginfo.legislature.ca.gov/faces/codes.xhtml>).

In accordance with California Civil, the Association provides a fair, reasonable, and expeditious procedure for resolving disputes between the Association and an owner involving rights, duties or liabilities under the Davis-Stirling Common Interest Development Act, the Nonprofit Mutual Benefit Corporation Law, or the Association's Governing Documents. In most cases, because it is quicker and less costly to all involved, the Association will use the Notice of Violation and Notice of Hearing process described in chapter 9. However, as an alternative and at its discretion, the Board of Directors may choose to use the Internal Dispute Resolution (“IDR”) procedure to resolve disputes. An Owner may also request to use PIDR to resolve disputes.

The IDR procedure is designed as a first step to supplement, but does not replace the Alternative Dispute Resolution (“ADR”) pre-litigation process summarized in chapter 12 and included with the Association's annual budget packet sent to the Owners.

In accordance with Civil Code §§ 5900 et seq., the Association has adopted the following internal dispute resolution process to be followed by the Association and Owners in connection with disputes relating to enforcement of the Governing Documents, the Davis-Stirling Common Interest Development Act (California Civil Code §§ 4000 et seq.) and Sections 7110 et seq. of the Nonprofit Mutual Benefit Corporation Code (individually referenced herein as “Dispute” and collectively as “Disputes”).

Either party to a Dispute may invoke the following procedure:

2. The party may request the other party to meet and confer in an effort to resolve the Dispute. The request shall be in writing.
3. Parties may be assisted by an attorney or another person at their own cost. If so, the member must notify the Association at least seven (7) days prior to the meeting date of their plan to bring counsel. The Association may cancel the meeting if such prior written notice is not provided.
4. An Owner may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
5. The Board shall designate a member of the Board to meet and confer, and more than one Board member may attend.
6. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the Dispute.
7. A resolution of the Dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board's designee on behalf of the Association.
8. The agreement reached binds the parties and is judicially enforceable if both of the following conditions are satisfied: (a) The agreement is not in conflict with law or the Association's Governing Documents; and (b) The agreement is either consistent with authority previously granted by the Board to its designee or the agreement is subsequently ratified by the Board.

Please note that a member of the Association may not be charged a fee to participate in the process.

12. Alternative Dispute Resolution Summary

This information is a summary of California Civil Code Sections 5925 through 5965 current as of the date of publication of this Resident Handbook. Please refer to sections of the California Civil Code indicated for further information (<http://leginfo.legislature.ca.gov/faces/codes.xhtml>).

Please be advised that Civil Code §§ 5925 et seq. requires that the Association and Owners endeavor to submit certain types of disputes to ADR prior to initiating a lawsuit. This notice provides a summary of the statute. If there is a dispute that may require ADR pursuant to Civil Code §§ 5925 et seq., please review the provisions of the statute, the CC&Rs, and/or seek your own independent legal counsel.

12.1. PARTIES BOUND BY THE STATUTE

The parties required to comply with the relevant statute are the Association (through the Board of Directors) and any Owners of record.

12.2. DISPUTES SUBJECT TO THE STATUTE (QUALIFYING DISPUTES)

Civil Code § 5930 provides that the Association or Owners may not file an enforcement action in the Superior Court unless the parties have endeavored to submit their dispute to ADR. An “enforcement action” is defined as a civil action or other proceedings for any of the following purposes:

1. Enforcement of the Davis-Stirling Common Interest Development Act (Civil Code §§ 4000 et seq.);
2. Enforcement of the California Nonprofit Mutual Benefit Corporation law commencing with Corporations Code § 7110 of Division 2 of Title 1; or
3. Enforcement of the Governing Documents.

However, where an Owner has a private dispute with another Owner or a Tenant, or the Board has a dispute with a third party such as a landscaper, such a dispute is not within the confines of the statute.

12.3. DISPUTES SPECIFICALLY EXCLUDED FROM THE STATUTE

The ADR statute applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of \$5,000.00. The following types of disputes are specifically excluded from the required ADR:

1. A small claims action;
2. Assessment collection, except as provided for in Civil Code § 5620;
3. Claims for money damages in excess of \$5,000.00 in conjunction with a claim for declaratory, injunctive, or writ relief;
4. Action for preliminary or temporary injunctive relief; and
5. The filing of a cross-complaint in response to a complaint already filed.

12.4. COMPLIANCE PROCEDURES

INITIATING PARTY: The party pursuing the dispute, prior to filing any lawsuit, must serve on the other party a “Request for Resolution” including the following information and language:

1. A brief description of the dispute;
2. A request that the matter be submitted to ADR;
3. A notice that the party receiving the Request for Resolution (“Responding Party”) is required to respond thereto within thirty (30) days of receipt or it will be deemed rejected; and
4. If Responding Party is an Owner of a separate interest, a copy of Civil Code §§ 5925 et seq.

SERVICE: A Request for Resolution may be served by personal delivery, first-class mail, express mail, facsimile transmission or other means reasonably calculated to provide Responding Party actual notice of the Request for Resolution.

RESPONDING PARTY’S OBLIGATION: Upon receipt of a Request for Resolution, Responding Party, whether the Association or an Owner, has thirty (30) days in which to either accept or reject the Request for Resolution. In the event no such response is received, the Request for Resolution is deemed “rejected.”

TIME FOR COMPLETION OF ADR: Where the Request for Resolution is accepted, the parties must complete the ADR within ninety (90) days of receipt of the acceptance; however, the parties can stipulate in writing to extend this period.

COST OF ADR: The cost of ADR shall be borne equally by the parties.

TOLLING OF STATUTE OF LIMITATIONS: If a Request for Resolution is served before the end of the applicable statute of limitations, the time limitation is tolled for certain periods specified in Civil Code § 5945.

CERTIFICATE: If a lawsuit is eventually commenced, the initiating party must file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) alternative dispute resolution has been completed in compliance with Civil Code §§ 5925 et seq.; (2) one of the parties to the dispute did not accept the terms offered for alternative dispute resolution; or (3) preliminary or injunctive relief is necessary.

12.5. CONSEQUENCES FOR FAILURE TO COMPLY WITH THE ADR LAW

The failure to file the aforementioned certificate with the court is grounds for a demurrer or motion to strike unless the court finds that dismissal of the action for failure to comply would result in substantial prejudice to one of the parties. Additionally, in awarding attorney fees and costs, a court may consider whether a party’s refusal to participate in ADR before commencement of the enforcement action was reasonable. As a result, it is important to seek independent counsel in the event that you, as an Owner, have further questions.

The Association shall annually provide its Members with a summary of the provisions of Civil Code §§ 5925 et seq. that specifically references those sections. The summary shall include the following language: “Failure of a member of the Association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your right to sue the Association or another member of the Association regarding enforcement of the Governing Documents or the applicable law.”

The preceding summary has been provided in accordance with Civil Code § 5965.

12.6. NOTICE OF ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS

This summary is intended for the general information of the Association’s members and specific reference is to be made to the actual language of the Civil Code in any particular set of circumstances. The Association shall not be liable for reliance upon or interpretation of this summary by any party.

13. Assessment Collection Policy

Assessments are due and payable on the 1st of each month (or billing period if other than monthly)..Bills are prepared and mailed on or about the 25th of the preceding month that the assessment is due.

15 Days Delinquent	A late charge will be assessed to the account in an amount not exceeding ten percent (10%) of the delinquent assessment or ten dollars (\$10.00), whichever is greater. A first notice of past due assessment including late charge will be prepared and mailed on assessments not received within fifteen (15) days of the stated due date. The delinquent account(s) will be assessed a \$10.00 late charge notification fee.
30 Days Delinquent	Per Civil Code Section 5650 (b), assessments not paid within thirty (30) days of the due date shall bear interest from the due date at a rate of 12% per annum.
45 Days Delinquent	A "Notice of Intent to Lien" letter will be sent on behalf of the Association as required by Civil Code Section 5660 by certified and first-class mail, explaining that if full payment is not received in the Association's business office within thirty (30) days, a "Notice of Delinquent Assessment" will be recorded against the property. The Owner will be charged a fee for the pre-lien letter.
80 Days Delinquent	A "Notice of Delinquent Assessment" will be recorded at the County Recorder's Office against the property on behalf of the Association. A letter will be sent, along with a copy of the "Notice of Delinquent Assessment", certified mail to the delinquent Owner within ten (10) days of the recording date. The Association authorizes its property management company to sign the Notice of Delinquent Assessment on behalf of the Association. The Owner will be charged a fee for the cost of preparation and recording.
110 Days Delinquent	An "Intent to Foreclose and/or File Legal Action Letter" will be sent to the Owner notifying them that their account(s) may be referred to an attorney to begin foreclosure proceedings. The Owner will be charged a fee.
125 Days Delinquent	Subject to the provisions of Civil Code Section 5705 or any similar superseding statute, foreclosure and/or Legal Action proceedings will start against the delinquent Owner's property. The legal costs will be assessed to the delinquent Owner's account(s).

Your Board of Directors will review requests for adjustments to collection fees for just cause. The Association may pursue collection of delinquent sums owed to the Association in any lawful manner, including, but not limited to, Small Claims Action, Non-Judicial Foreclosure and or Judicial Foreclosure/Personal Money Judgment.

Date of receipt of payment will be determined by the date received by our statement processing center or by the Association's business office. In order to avoid late charges and other penalties, be sure to allow enough time for your payments to be delivered and received. Please, always make your checks payable to CANYON CREEK HOMEOWNERS ASSOCIATION and mail c/o Total Property Management, Inc. 23792 Rockfield Blvd., Suite 100, Lake Forest, CA 92630.

Please remember that assessments are due **WHETHER OR NOT YOU RECEIVE AN INVOICE**. The invoices will be mailed to owners on or about the 25th of each month prior to the due date, but the Association cannot be responsible for the actions of the postal service. If you do not receive an invoice, be sure to mail your check with your account

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number(s) on it to the Association's business office to avoid penalties. It is each Owner's responsibility to provide a correct mailing address and ensure prompt payment of maintenance assessments. Fees are subject to change without notice.

*Canyon
Creek*