

The following rules have been resolved by the Board of Directors in support of and supported by the Covenants, Conditions and Restrictions (CC&R's) of Sierra Bonita Village Homeowners Association.

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LIVING CONDITIONS:

Age Restrictions Paragraph 3 CC&R's A sole resident of a unit, whether an owner or lessee, shall be at least fifty-five years of age as of the first day of occupancy.

Of the persons residing in a unit, whether or not related by blood, one must have attained the age of fifty-five, and none shall be under the age of twenty-five years.

Number of Resident Restrictions Paragraph 3,D The number of residents in a unit shall be no more than three for a two-bedroom unit or more than five for a three-bedroom unit.

Transfer Fees 2013-01: A transfer fee of \$150.00 will be due and payable upon close of escrow.

Anti-Discrimination 2006-02The Board of Directors of Sierra Bonita Village Homeowners' Association does not condone any action of bigotry, be it behavior, verbal, or written, and that any legally qualified individual can maintain residency within Sierra Bonita Village/Turtle Creek Estates. And any such acts are considered to be an annoyance or nuisance and thereby not in concurrence with the *Declaration of Restriction* for Sierra Bonita Village HOA, Inc. and are therefore subject to prosecution.

Absentee Owners Resolution 2018-02

Owners are responsible for all CC&R violations associated with their property whether or not in residence at the time of the infraction.

1. Absentee owners shall submit in writing their *current name, address and phone number* to Sierra Bonita Village Homeowners Association, Inc., PO Box 3345, Paso Robles, CA 93447.
2. Absentee owners who rent/lease or otherwise allow someone other than themselves to occupy their unit shall provide in writing to the Homeowners Association the current occupant's, age name and phone number.
3. All rentals are for residential purposes only, for 30 days or more. Short term/holiday/vacations rentals are not allowed.
4. All rental agreements shall be worded as such to require tenants to abide by Sierra Bonita Village Homeowners Associations' and continued violation will be grounds for eviction.
5. Absentee owners shall provide a copy of the CC&R's to tenants at their own expense.
6. A copy of all rental agreements shall be mailed to the Sierra Bonita Village Homeowners Association, Inc, PO Box 3345, Paso Robles, CA 93447.

7. Owners shall require that all occupants of the property are listed on the rental agreement and the number of occupants shall not exceed the number of occupants allowable for each unit.
8. Owners shall verify the age of all occupants. One shall be 55 years of age or older and none shall be under the age of 25 years.
9. Pursuant to Resolution 2015-01 any owner who allows any tenant/occupant of their unit to continue to violate any CC&R regulation may be assessed a fine of \$500.00.

Nuisance and Obnoxious Behavior Resolution 2016-01

Defines paragraph 14 of the CC&R's and in response to increased incidences of acts which are considered to be an annoyance or nuisance and which compromise the value of adjacent properties.,

Any activity that is noisy, hazardous, noxious, illegal, or offensive emanating from any lot or portion of the properties shall be a violation. Anything being done or kept on lots or common area which may be or become an annoyance, a disturbance, safety hazard to the neighborhood, or which shall unreasonably interfere with the quiet enjoyment of other residents in the community shall be considered a nuisance and a violation of the Covenants, Conditions and Restrictions.

Pets: According to paragraph 11 of the CC&R's: Only two domestic pets are allowed per household. All pets shall be confined to and owners' lot or be under leash control at all times.

Residential Purposes Only Paragraph 13 C&R's No commercial business shall be conducted on any lot.

Garage Sales and Furniture Sales Resolutions 2018-05

Supports paragraph 13 of CC&R's prohibiting conducting of businesses in the village.

Garage Sales: Each household may have only one garage sale within a 3-month period. It is prohibited to sell furniture and other items out of one's garage on a consistent basis. It is up to the discretion of the Board of Directors to determine what is consistent.

PROPERTY CONDITIONS:

Plans & Specifications CC&R's Paragraph 8 No building, improvement, or other structure shall be commenced upon any of said lots until the location and the complete plans and specifications, including the color scheme of each building, fence and/or wall to be erected upon the lot have been approved in writing by the Board of Directors. No structure shall be located on any lot in front of the setback line as noted in the City ordinance. Nothing shall be done in any unit which will impair the structural integrity of the building, or which would structurally change the building, except as is otherwise provided herein.

Exterior Alterations CC&R's Paragraph 9 No alterations shall be made in the exterior design or color of any structure unless such alteration, including any addition, shall have been first approved in writing by the Board of Directors. All colors must be neutral, including repainting. Colors of attached units must match, Garage doors manufactured in white or off/white will not have to match adjoining unit, all other colors of garage doors must match the attached unit.

Maintenance Requirements Resolution 2016-02

The goal of the maintenance inspection is to maintain a pleasant environment in Sierra Bonita Village and to preserve the property values of neighboring units. Supports paragraph 12 of the CC&R's.

YARDS ARE TO APPEAR MAINTAINED

Front and side yards will be cited if there are weeds and overgrowth of lawn or bushes. *Dead trees or bushes* visible from the street must be removed.

Back Yards: Overgrown weeds in the back yard that are visible through a side gate will be cited. Backyard weeds that are dry, growing against a fence and causing a possible fire hazard.

Corner Lots: The owners of corner houses are responsible for the area between their fence and the sidewalk:

Trees & Bushes in the front or side yard which hang over or extend onto the sidewalk will be cited.

Fences and gates that are visible from the street must be maintained.

CLUTTER: Items may not be stored in the front or side yards visible from the street.

Front yard statuary or landscaping will not be included in the inspection; however, front yard gazebos or other structures such as fencing must be approved by the Board.

DRIVEWAYS: Asphalt driveways must not contain open cracks, weeds or crumbling slurry coat. If old cracks are visible but have been filled and the slurry is not crumbling there is no violation. It is not a sign of deterioration when small weeds are growing up between the driveway and the sidewalk.

FASCIA AND WOOD TRIM: All fascia and wood trim visible from the street must be maintained. It will be noted whether or not the fascia needs painting only or must be replaced/repainted.

PAINT COLORS: All paint colors for fascia, trim, garage doors and stucco must match the adjoining unit. All stucco and trim colors must be uniform on a single unit.

TRASH RECEPTACLES: All Trash receptacles must be stored out of sight.

PARKED VEHICLES: No vehicle may be parked on the front or side yard. (According to paragraph 7 of the CC&R's no RV, trailer, Boat or unlicensed/inoperative vehicle may be stored in the driveway or side yard of any lots that is visible from the street.)

Fencing Regulations: Resolution 2018-01 Before construction can begin, Board approval is required to install or replace a fence.

Back yard and side yard fences shall be limited to 6 feet in height. Side fences may not extend past the front corner of the house. Solid wood or vinyl materials are acceptable; however, chain link fencing is not allowed.

Front yard fences must be of a design that allows visibility through it and must meet city set-back requirements from the sidewalk, utility boxes and street lights etc. Construction materials may be wood, vinyl or metal, no chain link fencing is allowed. The Board, at its discretion may allow up to 4 feet in height pending approval by the City.

Wherever the City of Paso Robles building codes and the rules of this resolution are in conflict, that which is more restrictive shall be enforced. **(City Code 21.20.140 Fences and Hedges shall not exceed three feet in the front yard; however, the city may approve a fence in the front yard up to four feet in height provided it is constructed in a manner to allow reasonable visibility through it.)**

Front Doors Resolution 2017-02 The Board understands that owners may want to change the front door/front screen door to their home and such changes are allowed; however, the front door color must be approved by the Board of Directors prior to a change in color. In this instance the color may be different from the adjoining unit.

This resolution does not change the requirement for home/trim/garage doors of adjoining units to match. All color changes need Board approval.

Satellite Dish Requirements 04/13/1995 The installation of an 18" satellite dish may shall comply with the following regulations: Shall not be located in the front or side of any residence or attached to a fireplace chimney. Shall be installed at the ridge of the rear roof and not exceed 24" in height. The installation of an satellite dish must be approved by the Board of Directions upon written request.

HOMEOWNERS OBLIGATIONS:

Annual Census Completion Resolution 2017-01 All homeowners are required to complete the census questionnaire attached to the bottom of their dues invoice and return it along with their due's payment.

Homeowners who do not comply with this rule may be subject to a fine of \$25.00 per incident.

Fines and Assessments Resolution 2015-01

Maintenance: The following is the schedule of fines for non-compliance of required maintenance within the time required:

A fine of \$ 50.00 will be assessed if required repairs are not completed within 30 days of the date of the first notice. The fine will be increased to \$100.00 if the repairs are not completed within 60 days from the date of the original notice and will increase to \$200.00 if repairs are not completed within 90 days from the date of the original notice. At that time the Board will make arrangements for an outside vendor to complete the required repairs and the homeowner will pay the cost of those repairs.

Homeowners may request an extension of time to complete necessary repairs if there are extenuating circumstances. The request must be in writing and approved by the Board of Directors. No extensions will be given to any homeowner who is receiving rental income from their property.

CC&R's Infractions (with exception of Maintenance requirements addressed in paragraph 1.) Owners may be assessed a fine up to five hundred dollars (\$500) for any violation of the CC&R's that continues for more than forty-five (45) days from the the date of the notification letter, except obnoxious or offensive behavior. A fine of five hundred dollars (\$500) may be assessed for homeowners who continue to exhibit obnoxious or offensive behavior thirty (30) days from the date of the notice of violation.

Guests and Tenants: All owners are responsible for the behavior of their tenants/guests and may be assessed a fine of up to five hundred dollars (\$500) if tenants/guests continue to exhibit obnoxious or offensive behavior thirty (30) days from the date of the notice of a violation or continue to violate any other conditions of the CC&R's, for (45) days from the date of the letter of notification. All landlords must include in their rental/lease agreements that failure of the tenant or their guests to adhere to the CC&R's is grounds for eviction.

Twenty-four Hour Caregivers Under Minimum Age: A homeowner requesting approval for a 24 hour caregiver under the minimum age allowed but over 18 years of age, must submit a letter from their attending physician stating that the patient is in need for 24 hour care. A 24 hour "care giver" will be required to submit a completed "Care Giver Application", which needs to be approved by the Board of Directors prior to the caregiver moving in. No "care giver" shall be under the age of 18 years of age and must provide identification of such to the Board of Directors.

Unapproved Improvements: With regard to paragraphs 8 and 9 of the CC&R's. For all replacements, improvements or new installations done by a property owner without prior Board review and approval, the property owner may be assessed a fine of up to Five Hundred Dollars (\$500) for said unapproved additions or alterations if not removed or

brought to Association standards within forty-five (45) days of written notification from the Association.

All replacements, improvements or new installations shall be fabricated of appropriate materials, be permitted by the city when required and shall be of a neutral color which would include white.

6. *Collection Procedures:* Any dues, fines or assessments not paid within forty-five days (45) days shall be subject to a minimum of a \$10.00 late fee or a 10% increase (whichever is greater) and if not paid within ninety (90) days, will be turned over to the attorney for collections and/or a Notice of Claim of Lien which may be recorded in the office of the County Recorder in accordance with the laws of the State of California. Attorney's fees for this procedure will be added to the lien.
7. *Legal Intervention:* Legal intervention may commence 90 days after the date of the first violation letter and the homeowner will be liable for all attorney fees and filing fees necessary to bring the homeowner into compliance and or to collect assessments, including letters, lien preparation and filing fees.
8. *Annual Dues:* Annual dues are due on the first day of each January and cover the fiscal period of January first through December thirty first each year. Dues are delinquent if not received by the first day of February and will be subject to a Late Fee assessment. Checks deposited by the Association and returned uncollectable by the bank are subject to a \$50.00 returned check fee. Payments by homeowners will be applied to the homeowners account in this order: Unpaid association fees, returned check fees, late fees, and collection costs. Annual dues and late fees will be determined by the Board of Directors during the formulation of the annual budget.
9. *Exceptions:* Notwithstanding the foregoing, the Board of Directors from time to time may make exceptions or grant extensions of time to a member, when, in the sole discretion of the Board, it has been determined that extenuating circumstances exist so as to warrant such exception and/or extension, and the Board receives reasonable assurances that such moneys as may be due the Association will be paid by virtue of said exception and/or extension.
10. *Assessments:* The Association intends the word "assessment" to include but not be limited to the Association fee; any individual owner of the Association fines, penalties, interest, or other charge the Board of Directors may levy against an owner or owners in accordance with its authority under the CC&Rs and By-laws.

ASSOCIATION'S OBLIGATIONS:

Reserve Funds Resolution 2015-03 A reserve in the amount of \$44,330.48 will be set aside for repair or replacement of major assets and \$30,311.63 will be set aside for the cost of legal negotiations and litigation. These funds will be designated as a long term liabilities.

These funds are currently in CD's and a Money Market fund. Interest earned on these funds will be added to the reserve account balances annually.

As required by law an audit will be performed annually to determine if and when it will be necessary to include in the dues an assessment in order to maintain an adequate level of funding for these major expenses.

Investment Policy Resolution 2012-2 WHEREAS the board of directors desires to manage reserve funds as good stewards, be it resolved the following reserve funds investment policy be adopted:

Investment objectives:

- A no risk policy with regards to principal
- Insure that adequate funds will be available for reserve needs
- Will strive for the best interest rate with FDIC insured accounts

Investment Strategy:

A. The board will review the reserve schedule for the upcoming year to determine the amount of liquid funds required for expected expenditures and make sure that there will be enough liquid funds to cover the cost of replacing equipment or the cost of litigation. These funds will be placed in a money-market account.

B. Reserve funds will be invested in federally insured CD certificates or accounts and/or securities that have staggered maturity dates of one year or more. Funds will be divided into several accounts with varying maturity dates rather than invested in a lump sum in one security with one maturity date thereby allowing funds to become available periodically without invoking early termination penalties or to take advantage of increasing interest rates. If interest yields are relatively low, the board will invest for shorter terms. If rates are relatively high, the board will invest for longer terms to take advantage of the higher yield.

C. Interest earnings shall be earmarked as reserve contributions to be used for equipment replacement/repair, litigation expense or any unexpected capital expense that is not included in the annual operating budget.

Approved FDIC Investments:

- Savings accounts
- Money market accounts
- Certificates of deposit in FDIC-insured financial institutions with no more than \$100,000 in any such institution, unless additional private deposit insurance is provided by the bank.
- Treasury bills, notes or bonds.

Review & Control

- All investments will be purchased in the name of the homeowner association.
- The signatures of both the President and the Treasurer are to be required for withdrawals.

- The Treasurer may make transfers of reserve funds upon a vote by the Board of Directors.
- The board will review regular financial statements and make adjustments as needed to ensure that Goals & Objectives are being met.

Use of Reserve Funds Resolution 2010-01 WHEREAS it is sometimes necessary for the Association to enter into litigation to uphold the CC&R's and, WHEREAS it is sometimes necessary for the Association to acquire, maintain or improve its depreciable property (i.e., signs, bulletin boards, etc.) and WHEREAS the cost of litigation and or property acquisition, improvement and maintenance are not included in the annual operating budget, The Board of Directors of Sierra Bonita Village Homeowners' Association, Inc. hereby adopts the following policies and practices whereby reserve funds will be used to cover the cost of litigation and the replacement, improvement and or maintenance of Association owned property.

Litigation:

In the event of necessary litigation funds will be transferred from the reserve fund account to the operating bank account to facilitate payment to attorneys and to pay court costs.

Maintenance, Improvement or Replacement of Association owned property:

Reserve funds will be used to replace, maintain or improve all association owned property to include but not limited to the Sierra Bonita Village signs and bulletin boards.

Replacement of Reserve funds:

All monetary awards received from litigation will be deposited back into the reserve fund accounts. A portion of annual dues receipts will be allocated to replenish the reserve funds. This amount to be determined during the budget allocation process each year.

THIS IS A LIST OF THE DAY TO DAY RULELS. FOR A COMPLPTE DETAILED AND LEGASL DESCRIPTION OF CC&R REGULATIONS, PLEASE CONSULT THE CC&R'S.