

RANCH OF THE SUN HOMEOWNERS ASSOCIATION

A 55+ COMMUNITY

ADOPTED RULES AND REGULATIONS

Because Ranch of the Sun is a condominium complex, we are governed by our Covenants, Conditions and Restrictions (CC&R's) and the By-Laws of the association. These CC&R's and By-Laws are administered and enforced by an elected volunteer group of Directors of the Homeowners Association. The following is a list of the rules which have been established for the safety and welfare of the residents and their guests, as well as for the assurance that the common area property is maintained for appearance and safety.

Article V of the CC&R's, which were adopted November 1981, elaborates on most of the following rules. For further clarification, you may wish to review the section listed by the rule. While this list is not complete as per the CC&R's, it does include some of the basic rules.

1. Each unit shall be occupied by at least one person not less than fifty-five (55) years of age. *Second amendment June 23, 1987.* As required by law, an Age Verification Form must be completed and submitted to the Management Company to be retained on file.
2. A qualified resident is permitted to have a visiting guest under the age of 45 for no more than sixty (60) days in any twelve (12) month period. Please complete a Temporary Residence Form by contacting the Management Company at (951) 270-3700. *Second amendment June 23, 1987.*
3. The association limits the number of rentals to 20%. *CC&R Amendment dated February 20, 2001.*
4. Only those cars that display a valid placard are to park in the designated handicapped areas.
5. Parking in fire zones and red curbs is not permitted.
6. Repairing of vehicles including oil changes may only be performed within the confines of the garage. Emergency work is permitted. *Section 5.1(14)*
7. Inoperable vehicles and/or vehicles not being used may not be stored within the project, other than temporarily placed within an enclosed garage. All vehicles must be driven weekly. *Section 5.1(11)*
8. Overnight parking permitted for residents and authorized guests only. Off-site owners may not park within the association unless visiting their tenant or inspecting their unit. Off-site owners may not store vehicles within the community. All violating vehicles are subject to towing at vehicle owners expense without prior notice.
9. Speed signs (10 MPH) and stop signs must be obeyed. No unsafe driving.
10. All exterior modifications, additions, other than those below the fence level in your own backyard/patio, must be submitted to the board in writing and have prior approval before work is commenced. *Section 5.1(12)*
11. Satellite dishes may not be installed without prior written permission from the Architectural Control Committee. Failure to obtain the proper permission may result in the resident having to relocate the satellite dish and restore the exterior of the structure at their expense.
12. Residents may not plant trees and shrubs in the common area without prior written permission from the Landscape Committee. Failure to obtain the proper permission may result in the resident being

responsible for the removal and damage cause by the planting. Maintenance of such plantings will be the unit owners and subsequent owner's responsibility.

13. Trash must be deposited inside bins. **White recycling bins** are also available for recyclable items as detailed on the bins. All trash must be placed in the dumpster, or disposed of in the proper manner. The association pays for normal trash pick-up; however; the responsibility for disposal of bulk items such as mattresses, furniture, carpet etc. is the responsibility of the individual owner. Additional trash pick-up will be charged to the responsible party at a minimum rate of \$53.00 per pick up. Rate may increase based upon the trash company's fees. *Section 5.1(10)*
14. Do not cause excessive noise, dirt or clutter. *Section 5.1(7)*
15. No trailer, camper, mobile home, commercial vehicle, truck (other than standard size pick-up truck), inoperable automobile, boat, or similar equipment may remain on the property unless placed or maintained within an enclosed garage or carport for longer than ninety-six (96) hours.

Self-contained recreational vehicles VISITING members within the Association may remain on site within the Association for up to two weeks (14 days) provided the following are abided by:

- A. No driveways or parking lots are blocked.
 - B. Written approval is received from the board.
 - C. A sign is installed in the right front corner of the windshield identifying the association member being visited.
16. Dogs must be on a leash when in the common area. Droppings must be picked up immediately. There should be no more than two (2) ordinary household pets per unit. *Section 5.1(5)*
 17. Only signs advertising real property for sale or rent shall be displayed in front yards. *Section 5.1(4)*
 18. Items may not be stored in the common area nor should there be any obstruction of the common area without prior board approval.
 19. No bicycle/skateboard riding on walkways in the center section is permitted.
 20. Garage doors may be kept open to within 18 inches of the ground for ventilation purposes. Otherwise, garage doors must be kept closed at all times unless resident is present in the garage.
 21. Legal fees or costs incurred by the association to enforce violations or collect fines will be the payment responsibility of the owner.
 22. It is the owner's responsibility to provide a copy of all the Rules & Regulations to their tenant and/or residents. Owners must provide the association with tenant information and age verification forms on each resident occupying the unit. Failure to comply may result in penalties.
 23. Holiday decorations are not permitted on roofs. All decorations must be removed by January 15.

Please be advised that violations of the Rules & Regulations and governing documents of the association maybe subject to fines pursuant to the fining policy.

Revised March 6, 2002

RANCH OF THE SUN HOMEOWNERS ASSOCIATION

RULES RELATING TO RENTAL UNITS

Pursuant to the Association's Declaration of Covenants, Conditions and Restrictions (CC&R's), Recorded on November 4, 1981, and in particular 5.5 as amended by an Amendment recorded with the Riverside County Recorder on May 14, 2001, as documents No. 208414 the following rules will apply within the association concerning the application of the provisions of Article 5.5 of the CC&R's as follows:

1. By Article 5.5(a) of the CC&R's, at no time shall more than twenty percent (20%) of the total number of units in the project be occupied or used for lease or rental purposes. As the project has 98 units in total, this means that at no time shall more than 19 units (which qualify as eligible rental units as defined hereunder) be occupied or used for lease or rental purposes, subject to the exception set out below. For the purpose of these rules and unless the context otherwise requires, the terms herein shall have the same meaning as are given to them in the CC&R's, and the relevant CC&R provisions are incorporated herein by reference.
2. A unit shall be deemed to be a "renal unit" that is, a unit which is occupied or used for lease or rental purposes, if one or more persons or entities are legally or contractually obligated to pay rent in money or monies worth for the use of such unit in an amount which is not less than seventy-five percent (75%) of the current open market rent. "Current Market Rent" means that the rent payable is equal to the full annual value of the unit when considered with other generally current open market rent shall be determined from time to time by the Board based upon such factors as the Board deems reasonable including, but not limited to, the advice of realtors and the Board's determination of the average rent paid for generally comparable units in the association and neighboring communities.
3. In order to enable the Board of Directors to determine if a unit is a rental unit, all Owners (particularly owners who do not occupy their unit) must complete and sign a questionnaire providing all information specified in the questionnaire. Such questionnaire must be completed, signed and delivered to the association within fourteen (14) days after: (a) the date when the owner acquired title to the unit; (b) the date of any change in the identity of any tenant or adult resident of the unit; or (c) the date when the association sent a written request to the unit owner for such information. If an owner of any unit does not comply with this provision, the association shall be entitled to conclusively presume that the unit is a non-eligible rental unit and that such occupation or use commenced seven (7) days after the last date when this questionnaire should have been delivered to the association in accordance with the provisions of this paragraph.

4. An owner who's unit is or is intended to be a rental unit may submit an application to the Board for inclusion in the list of units which may be occupied or used for lease or rental purposes and which do not exceed the twenty percent (20%) limitation (the "Eligible Rental Units"). Subject to the exception below, applications will be dealt with on a first come, first serve basis. Priority will be given in the following order:
 - a) First priority shall be given to owners whose units have continuously been a rental unit since February 20, 2001, until there is a change of ownership of such unit.
 - b) Second priority shall be given to owners whose units have continuously been rental unit starting after February 20, 2001, with those owners whose units have been rental units longest having priority over those owners whose units have been rental units for a shorter period of time, until there is a change of ownership of such unit.
 - c) Once the twenty percent (20%) maximum to qualify as an eligible rental unit has been reached, priority for any available vacancy in the list of eligible rental units will be determined by the order in which applications are received from owners who wish their unit to be an eligible rental unit.
 - d) Upon any changes of ownership, any rental unit on the list of eligible rental units will lose all priority and automatically cease to be an eligible rental unit unless and until the new owner has made application to be on the list when the unit may again join the list of eligible rental units by filling the first available vacancy after all other units with priority have been accommodated.
 - e) Pursuant to section 5.5(c) of the CC&R's, the Board of Directors may, in its sole exclusive discretion, and upon such limitations, terms, and conditions as it may choose to impose or direct, grant relief (a "Variance") from the limitation set forth in article 5.5(a) of the CC&R's in any case where the enforcement of such limitation would create or impose an extreme hardship on any owner. In determining extreme hardship, the Board shall take into account circumstances where an owner's unit was not previously a rental unit but an owner or owner's agent wishes for the unit to now be a rental unit due to circumstances beyond the owner's control, e.g., an owner having to move from the unit for health reasons. In such circumstances, the board may, on request, allow that unit to be used as a rental unit indefinitely or for a limited period of time (which the board may extend) in the board's absolute and sole discretion, notwithstanding that this will result in more than twenty percent (20%) of the total units in the project being used or occupied for rental purposes. Should such situation occur, the unit which is subject to the variance shall have first priority to the list of eligible rental units upon the occurrence of a vacancy therein and shall remain an eligible rental unit for the duration of the variance period.
5. In order to determine and/or verify to the Board's satisfaction whether a unit is rental unit and/or qualifies to be on the list of eligible rental units, and if so, what priority the unit should have on such list, the board in its sole discretion may require any owner to produce to the association correct copies of any current or past rental agreements relating to the unit or any other

reasonable documentation, evidence, or information which the board in its discretion necessary or appropriate.

6. All owners are required to provide a copy of the association rules relating to rental units (as amended from time to time) and the latest version of the questionnaire to a purchaser or prospective purchaser of the unit prior to the close of escrow or transfer of title.

Adopted by the Board of Directors on the _____ day of _____, 2006.

For and on behalf of the Boards of Directors Secretary
of the Ranch of the Sun Homeowners Association.

RANCH OF THE SUN HOMEOWNERS ASSOCIATION

c/o SO CAL PROPERTY ENTERPRISES, INC.
1855 SAMPSON AVENUE
CORONA, CA 92879
(951) 270-3700 (951) 270-3709 (fax)

FINING POLICY

1. Homeowner's will receive a friendly reminder (first notice) providing fifteen (15) days in which to cure infraction(s).
2. Homeowner's must either cure infraction(s) within a specific time allotted OR respond in WRITING to the Board of Directors citing reasons(s) for non-compliance.
3. Homeowner(s) may initiate request for extension in writing if circumstances do not reasonably offer sufficient time in which to cure the violation(s). The Board of Directors will duly consider all reasonable requests for extensions and respond in writing accordingly.
4. If requirements of the first notice are not met, a Notice of Fine and Hearing will be generated and mailed to the homeowner.
5. If homeowner neglects to correct the violation(s) and fails to appear at the hearing, a fine of \$25.00 will be processed and/or suspension of common area and voting privileges will be imposed.
6. Reoccurrence of the same violation will result in a fine of \$50.00 per each additional notice mailed to the homeowner.
7. Each subsequent violation reoccurrence will be fined at \$100.00 per occurrence and/or the continuation of suspension of common area and voting privileges pursuant to item number 6 above.

For absentee owners, we encourage you to provide association rules and regulations to your tenants in order to prevent the occurrence of violations. Owners are responsible for the actions of their residents.

RANCH OF THE SUN HOMEOWNERS ASSOCIATION

ASSESSMENT AND BILLING COLLECTION POLICY

Prompt payment of Assessments by all owners is critical to the financial health of the Association, and to the enhancement of the property values of your homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&Rs) and the California Civil Code to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. Therefore, pursuant to the CC&Rs and Civil Code §5310(a)(7) and §5660, the following are the Association's assessment collection practices and policies, which So Cal Property Enterprises, Inc. has been directed to strictly enforce without exception. Owners are advised that you do not have a legal right to withhold assessments, or any portion thereof, on the grounds that the owner is entitled to recover money or damages from the Association or for any alleged failure of the Association to maintain the common area (*Park Places Estates HOA v. Nabor* (1994) 20 Cal App. 4th 427).

1. **Due Dates:** Regular monthly assessments are due and payable on the first (1st) day of each month and are due **whether or not a billing statement is received.** If a statement is not received, mail your check payable to RANCH OF THE SUN HOMEOWNERS ASSOCIATION, PO BOX 980966, WEST SACRAMENTO, CA 95798. Overnight payments are accepted Monday through Friday at 1855 Sampson Avenue, Corona, CA 92879. Payments shall be applied to the oldest outstanding assessment. All other assessments, including Special Assessments, are due and payable on the date specified by the Board in notice of the assessment.
2. **Application of Payments:** Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, fees, interest, or collection costs. Payments will be applied to assessments so that the oldest assessment arrearages are retired first, unless the payment indicates that it shall be otherwise applied. A late charge may accrue if payment is not sufficient to satisfy all delinquent assessments, and the current month's assessment.
3. **Obligation to Pay:** Assessments, late charges, interest and collection costs, including attorney's fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied. (Civil Code §5650(a).)
4. **Delinquent Assessments:** Unpaid assessments are delinquent fifteen (15) days after they are due (Civil Code §5650(b)). A late charge of 10% of the delinquent assessment or \$10.00, whichever is greater, unless the declaration specifies a late charge in a smaller amount, will be charged for any assessment which is not paid in full within 15 days of the due date (**the late charge for Ranch of the Sun Homeowners Association is \$10.00** per page 2 of this policy) (Civil Code §5650(b)(2).) Any installment of annual assessments and special assessments not received within thirty (30) days after the due date, plus all reasonable costs of collection (including attorney's fees) and late charges shall bear interest commencing **thirty (30) days** from the due date until paid at the rate of **twelve percent (12%)** per annum. (Civil Code §5650(b)(3).)
5. **Right to Submit Secondary Address:** Owners may submit a written request to the Association to use a secondary address. (Civil Code §5260(b)) Any such request must be delivered to the Association in a manner that complies with Civil Code §4035. The Association will send notices to the indicated secondary address only from and after the point that the Association receives any such request. Nothing herein shall require the Association to re-send or duplicate any notice sent to the owner prior to the date that a request for a secondary address is received.

RANCH OF THE SUN HOMEOWNERS ASSOCIATION

PROCEDURES FOR COLLECTION OF PAST DUE ASSESSMENTS

1. **15 DAYS PAST DUE:** The Association will send a notice regarding the delinquency, and demanding payment thereof, to the owner at his/her address or addresses on file with the Association. **A LATE CHARGE OF \$10.00 will be assessed to the owner's account for any assessment that is not received on or before the 15th of the month** (Civil Code §5650(b)(2).) Additionally, an owner's membership rights, including, but not limited to voting rights, or rights of use and enjoyment of the recreational common areas and common facilities may be suspended after notice and a hearing pursuant to Civil Code §5855. The Association will not deny an owner or occupant physical access to his or her separate interest by way of any such suspension of privileges. (Civil Code §4510.)
2. **45 DAYS PAST DUE: DELINQUENT PROCESSING FEE OF \$75.00** will be assessed to the owner's account. Notice of Intent to Record Assessment Lien letter is mailed to the owner as required by Civil Code §5660 via certified and first class mail to the owners of record at the address of record with the Association stating the intent to either lien the property or file a small claims action (at the Association's discretion) if payment in full is not received in fifteen (15) days. If the small claims action is taken, the letter may be titled Notice of Intent to Commence Collection Action.
3. **Opportunity to Meet and Confer and/or Request ADR:** An owner may dispute the debt noticed in the pre-lien letter by submitting to the board a written request to meet and confer with a designated director of the Association pursuant to the Association's Internal Dispute Resolution Policy established in accordance with Article 2 of Chapter 10 of the Act ("IDR") and/or a written request for alternative dispute resolution with a neutral third party pursuant to Article 3 of Chapter 10 of the Act ("ADR"). (Civil Code §5660.)
4. **60 DAYS PAST DUE:** If an owner fails to pay the amounts set forth in the pre-lien letter within fifteen (15) days of the date of that letter, the matter will be turned over to an attorney for the preparation and filing of a lien. The owner will be charged one hundred dollars (\$100.00) for preparing the matter to be sent to legal counsel.
5. **Right to Request a Payment Plan:** Owners may submit a written request to meet with the board to discuss a payment plan. If such request is mailed within fifteen (15) days of the postmark of the pre-lien notice, the board will meet with the owner, in executive session, within forty-five (45) days of the postmark of such request, unless there is no regularly-scheduled meeting of the board within that period of time, in which case the board may designate a committee of one or more directors to meet with the owner. (Civil Code §5665.) In addition to the foregoing procedure for requesting a payment plan, an owner may negotiate a payment plan with the Association's managing agent, attorney or authorized collection agent. Any payment plan must comply with any standards for payment plans adopted by the Association.
6. **Lien:** After the issuing of the Notice of Intent to Record Assessment Lien letter, the Board of Directors may decide in an open meeting of the Board to file a lien against the property. (Civil Code §5673.) A lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees may be recorded against the owner's property. (Civil Code §5675.) If a lien is recorded, a copy of the lien will be sent to every person whose name is shown as an owner of the Property in the Association's records, via certified mail, within ten (10) calendar days of recordation of the lien. (Civil Code §5675(e).) Any lien recorded by the Association will remain as an encumbrance against the property until the debt secured thereby is satisfied.

7. **Foreclosure of Lien:** If the balance due is not paid within thirty (30) days of recordation of the lien, legal action to foreclose the assessment lien and/or money judgment may commence against the owner. The Association will not seek to foreclose any lien through judicial or non-judicial foreclosure unless and until the amount of delinquent assessments secured thereby reaches one thousand eight hundred dollars \$1,800.00, or until the assessments are at least twelve (12) months delinquent. (Civil Code §5720(b)(2).) The decision to initiate foreclosure of any lien shall be made by a majority vote of the board members, in executive session. Prior to initiating foreclosure of any lien, the association shall offer to the owner of the property, and if so requested by the owner, shall participate in IDR and/or ADR pursuant to Civil Code §5705. The decision to pursue IDR or a particular type of ADR shall be the choice of the owner, except that binding arbitration shall not be available if the Association intends to pursue judicial foreclosure.

8. **Notice to Owner of Decision to Foreclose:** If the board of directors decides to initiate foreclosure of a lien, it shall provide notice of such decision to the owner pursuant to Civil Code §5705(d). Such notice will be by personal service to an owner who occupies the property or to the owner's legal representative. The board shall provide written notice to an owner of property who does not occupy the property by first-class mail, to the most current address shown on the books of the Association. In the absence of written notification by the owner to the Association, the address of the owner's property shall be treated as the owner's mailing address. (Civil Code §5705(d).)

9. **Release of Lien Upon Satisfaction of Debt:** Within 21 days of full payment to satisfy a lien, and after confirmation that such payment has cleared, the Association will record a release of lien, and provide a copy thereof to the owner. (Civil Code §5685(a).)

10. Owners have the right to inspect certain Association records pursuant to Civil Code §5205.

11. Nothing herein limits or otherwise affects the Association's rights to proceed in any lawful manner to collect any delinquent sums owed to the Association.

12. Prior to release of any lien, or suspension of any legal action, all assessments, late charges, interest, and legal fees must be paid in full to the Association.

13. The delinquent owner will be responsible for all costs of collection, including attorney's fees, incurred by the Association to collect and delinquent sums (Civil Code §5650).

14. All charges listed above herein are subject to change without notice.