
LAKE GROVE HOMEOWNERS ASSOCIATION

June 28, 2006

All Homeowners:

NEW ELECTION RULES / PROCEDURES

Effective July 1, 2006 Senate Bill 61 (SB 61) will change how all homeowners associations conduct their membership meetings and elections. This bill requires associations to, among other things, adopt election procedures / rules. Starting July 1, Boards must conduct elections for directors to the Board of Directors and votes on assessments, amendments to governing documents and the granting of the exclusive right to an owner to use common area, pursuant to specified election procedures and by secret written ballot.

At their meeting on April 25, 2006 the Board adopted and approved the following rules that were drafted by an attorney:

- Rules for Voting by Secret Ballot for the Election of Directors;
- Rules for Voting by Secret Ballot regarding Assessments; Amendments to Governing Documents; and Granting of Exclusive Right to Use Common Areas.

Board of Directors who adopted these rules and procedures prior to July 1, 2006 need not distribute the rules to the members for their comment, pursuant to Civil Code Section 1357.130.

Voting instructions will be mailed with the notice of the annual meeting 30 days prior to the meeting in June 2007.

Please keep these Rules in a safe place with your governing documents.

If you have any questions, please call me at 714-731-4422 x16.

Sincerely,



Jan (Yon) Esterhuizen, CCAM
Classic Property Management

Cc Board of Directors
Legal File

LAKE GROVE HOMEOWNERS ASSOCIATION

Rules for Voting by Secret Ballot

Pursuant to California Civil Code Section 1363.03, the following rules and procedures shall apply for the Election of Directors; Voting regarding Assessments; Amending Governing Documents; and the Granting of the Exclusive Right to use Common Area:

1. Meeting at Which Secret Ballots Shall Be Tabulated:

The inspectors of election shall tabulate the ballots for the election of directors at the annual meeting of the owners or, if no quorum is present, at a special meeting of the Board of Directors duly noticed for the same date, time and place, as the annual meeting called for the purpose of counting ballots. The Board of Directors shall determine the date, time and place of said annual meeting of the owners and the concurrent special meeting of the Board in accordance with the Association's Bylaws.

2. Nomination of Candidates:

- 2.1 At least sixty (60) days before the date of the meeting at which the ballots for the election of directors are to be counted, the Association shall mail to each owner a Candidate Nomination Form.
- 2.2 According to the Association's Bylaws, the qualification(s) to serve on the Association's Board of Directors are as follows: Directors must be owners. Article IV, Section 4.01.
- 2.3 Owners may nominate themselves or another person; provided, however, all candidates must meet the qualifications set forth in Section 2.2.
- 2.4 Any candidate nominated by another person will be contacted to confirm that such candidate consents to having his or her name placed in nomination for election to the Board. Candidates nominated from the floor, at the meeting, must be present to accept said nomination.
- 2.5 All candidates who meet the qualifications to serve on the Board, if any, and, if appropriate, have confirmed their willingness to run for election to the Board, shall be listed on the secret ballot.
- 2.6 The Candidate Nomination Form must be returned to the Association at the address provided on, and by the deadline stated on, such form, which deadline must be at least forty-five (45) days before the date the ballots for the election of directors are scheduled to be counted.

3. Inspectors of Election:

- 3.1 The Board shall appoint one or three independent third parties as inspectors of election after the close of candidate nominations, but before the secret ballots are mailed to all of the owners. An independent third party includes, but is not limited to:
 - 3.1.1 A volunteer poll worker with the county registrar of voters;
 - 3.1.2 A licensee of the California Board of Accountancy;
 - 3.1.3 A notary public;
 - 3.1.4 A member of the Association provided such member is not a member of the Board of Directors or a candidate for the Board of Directors or related to a member of the Board of Directors or a candidate for the Board of Directors; and,
 - 3.1.5 A person who is currently employed or under contract to the Association for any compensable services.

- 3.2 Prior to the secret ballots being mailed to all of the owners, the inspector(s) of election shall meet to determine to whom the secret ballots shall be returned (the "Ballot Collector"), which may be the Association's property manager, if any.
- 3.3 The inspector(s) of election shall also do all of the following:
 - 3.3.1 Determine the number of memberships entitled to vote and the voting power of each.
 - 3.3.2 Determine the authenticity, validity, and effect of proxies, if any;
 - 3.3.3 Receive ballots;
 - 3.3.4 Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
 - 3.3.5 Count and tabulate all votes;
 - 3.3.6 Determine when the polls shall close;
 - 3.3.7 Determine the result of the election;
 - 3.3.8 Perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section and all applicable rules of the Association regarding the conduct of the election that are not in conflict with this section.
- 3.4 The inspector(s) of election may appoint and oversee additional persons to count and tabulate the votes as the inspectors deem appropriate.
- 3.5 The inspector(s) of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. The decision or act of a majority shall be effective in all respects as the decision or act of all.
- 3.6 Any report made by the inspector(s) of election is prima facie evidence of the facts stated in the report.
- 3.7 The Board may remove and replace any inspector of election prior to the tabulation of ballots if the inspector of election resigns or if the Board reasonably determines that the inspector of election will not be able to perform his or her duties impartially and in good faith.

4. **Secret Ballot Procedure; Record Date:**

- 4.1 Ballots and two pre-addressed envelopes with instructions on how ballots shall be mailed by first-class mail or delivered by the Association to every member not less than 30 days prior to the deadline for voting.
- 4.2 Ballots must ensure the confidentiality of the voters.
 - 4.2.1 A voter may not be identified by name, address, or lot, parcel, or unit number on the ballot;
 - 4.2.2 The ballot may not require the signature of the voter;
 - 4.2.3 The ballot itself is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter prints and signs his or her name, address, and lot, or parcel, or unit number that entitles him or her to vote. The second envelope is addressed to the inspector(s) of election of the Association, who will be tallying the votes. Failure to do so will invalidate the ballot and member's vote.
- 4.3 Owners may return their secret ballot by mail, hand deliver it to the meeting or complete

the ballot at the meeting; provided that, only those ballots which are delivered to the inspectors of election prior to the polls closing shall be counted.

- 4.4 If a member wishes to obtain a receipt, the member shall mail envelope #2 "Registered, Return Receipt Requested". If a member hand delivers envelope #2, a receipt may be requested for delivery of the election materials.
- 4.5 The record date for purposes of voting shall be the date the ballots are mailed to all of the owners.
- 4.6 Once cast, secret ballots cannot be revoked; they are irrevocable.

5. Campaigning:

- 5.1 All candidates or members advocating a point of view during a campaign, including those not endorsed by the Board, shall be provided equal access to Association media, newsletters, or Internet Web sites (if any) for purposes that are reasonably related to the election. The Association may not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the Association, is responsible for that content.
- 5.2 All candidates, including those who are not incumbents, and all members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election, shall be provided equal access to any common area meeting space, if any exists, during a campaign at no cost.

6. Handling of Ballots:

- 6.1 As secret ballots are returned to the Ballot Collector, the Ballot Collector shall check off on a sign-in sheet that a ballot has been received for such a resident. The first secret ballot received for any residence shall be the ballot which is counted. Any subsequent ballots for the same residence which are received shall be deemed invalid and shall be discarded.
- 6.2 The sealed ballots at all times shall be in the custody of the inspector(s) of election or at a location designated by the inspector(s) until delivered to the inspector(s) at the meeting for the opening of the ballots and the tabulation of the vote. After the counting of the ballots and the certification of the election results by the inspector(s) of election, the ballots shall be transferred to the Association.
- 6.3 No person, including a member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.
- 6.4 After tabulation, election ballots shall be stored by the Association in a secure place for no less than one year after the date of the election. In the event of a recount or other challenge to the election process, the Association shall, upon written request, make the ballots available for inspection and review by members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

7. Tabulation of Votes; Quorum Requirement:

- 7.1 All votes shall be counted and tabulated by the inspector(s) of election in public at a properly noticed open meeting of the members or of the Board, at which a quorum of members or a quorum of Board members, as the case may be, must be present.
- 7.2 The inspector(s) of election shall confirm that no more than one ballot was returned for each residence.

- 7.3 Any candidate or other member of the Association may witness the counting and tabulation of the votes from a distance of at least six (6) feet.
- 7.4 In order for the vote for the election of directors to be valid, ballots must be returned by at least a quorum of the owners, which is 51% - 63 of the 124 owners.

8. Announcement of Results:

- 8.1 The results of the election shall be promptly reported to the Board of Directors and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by members of the Association.
- 8.2 Upon certification of the election results by the inspector(s) of election, the newly elected Board members shall be deemed to have taken office.
- 8.3 Within 15 days of the election, the Board shall publicize the results of the election in a communication directed to all members.

9. Other Voting/Campaign Issues:

- 9.1 The total number of memberships entitled to vote equals the total number of residences in the Association. However, owners whose voting rights have been suspended in accordance with the Association's governing documents after notice and hearing shall not be entitled to vote.
- 9.2 Cumulative voting is permitted.
- 9.3 Association funds may not be used for "campaign purposes" in connection with any board election. The term "campaign purposes" is defined to include, without limitation, (1) "expressly advocating the election or defeat" of any candidate that is on the ballot; or (2) "including the photograph or prominently featuring the name of a candidate on a communication" from the association (except the ballot and voting materials and equal access communications sent pursuant to the Section, above, entitled "Campaigning").
- 9.4 The Board of Directors may enact and implement a "Meeting Code of Conduct" to govern the conduct of members at meetings.

LAKE GROVE HOMEOWNERS ASSOCIATION

Rules for Voting By Secret Ballot Regarding Assessments, Amendments to Governing Documents and Granting of Exclusive Right to Use Common Area

Pursuant to new Civil Code Section 1363.03(e), when owners are to vote to approve assessments, amendments to governing documents and/or granting the exclusive use of common area to a member, the following must occur:

1. Meeting at Which Secret Ballots Shall Be Tabulated:

Unless the vote is being taken in connection with an annual meeting of the owners, the inspectors of election shall tabulate the ballots for the vote to approve assessments, amendments to governing documents and/or granting the exclusive use of common area to a member shall be tabulated at a duly noticed (regular or special) meeting of the Board of Directors. The Board of Directors shall determine the date, time and place of said Board meeting.

2. Inspectors of Election:

2.1 The Board shall appoint three independent third parties as inspectors of election before the secret ballots are mailed to all of the owners. An independent third party includes, but is not limited to:

2.1.1 A volunteer poll worker with the county registrar of voters;

2.1.2 A licensee of the California Board of Accountancy;

2.1.3 A notary public;

2.1.4 A member of the Association provided such member is not a member of the Board of Directors or a candidate for the Board of Directors or related to a member of the Board of Directors or a candidate for the Board of Directors; and,

2.1.5 A person who is currently employed or under contract to the Association for any compensable services.

2.2 Prior to the secret ballots being mailed to all of the owners, the inspectors of election shall meet to determine the location to whom the secret ballots shall be returned (the "Ballot Collector"), which may be the Association's property manager, if any.

2.3 The inspectors of election shall also do all of the following:

2.3.1 Determine the number of memberships entitled to vote and the voting power of each.

2.3.2 Determine the authenticity, validity, and effect of proxies, if any;

2.3.3 Receive ballots;

2.3.4 Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;

2.3.5 Count and tabulate all votes;

2.3.6 Determine when the polls shall close;

2.3.7 Determine the result of the vote;

2.3.8 Perform any acts as may be proper to conduct the vote with fairness to all members in accordance with this section and all applicable rules of the Association regarding the conduct of the vote that are not in conflict with this section.

2.4 The inspectors of election may appoint and oversee additional persons to count and tabulate the votes as the inspectors deem appropriate.

2.5 An inspector of election shall perform his or her duties impartially, in good faith, to the best of his

or her ability, and as expeditiously as is practical. The decision or act of a majority shall be effective in all respects as the decision or act of all.

2.6 Any report made by the inspector or inspectors of election is prima facie evidence of the facts stated in the report.

2.7 The Board may remove and replace any inspector of election prior to the tabulation of ballots if an inspector of election resigns or if the Board reasonably determines that an inspector of election will not be able to perform his or her duties impartially and in good faith.

3. Secret Ballot Procedure; Record Date:

3.1 Ballots and two pre-addressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Association to every member not less than 30 days prior to the deadline for voting.

3.2 Ballots must ensure the confidentiality of the voters.

3.2.1 A voter may not be identified by name, address, or lot, parcel, or unit number on the ballot;

3.2.2 The ballot may not require the signature of the voter;

3.2.3 The ballot itself is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter prints and signs his or her name, address, and lot, or parcel, or unit number that entitles him or her to vote. The second envelope is addressed to the inspectors of election, who will be tallying the votes.

3.3 Owners may return their secret ballot by mail, hand deliver it to the meeting or complete the ballot at the meeting; provided, only those ballots which are delivered to the inspectors of election prior to the polls closing shall be counted.

3.4 A member may submit a written request to the Association for a receipt for delivery of the election materials.

3.5 The record date for purposes of voting shall be the date the ballots are mailed to all of the owners.

3.6 Once cast, secret ballots cannot be revoked; they are irrevocable.

4. Campaigning.

4.1 All members advocating a point of view during a campaign, including those not endorsed by the Board, shall be provided equal access to Association media, newsletters, or Internet Web sites (if any) for purposes that are reasonably related to the vote. The Association may not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the Association, is responsible for that content.

4.2 All members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the vote, shall be provided equal access to any common area meeting space, if any exists, during a campaign at no cost.

5. Handling of Ballots:

5.1 As secret ballots are returned to the Ballot Collector, the Ballot Collector shall check off on a sign-in sheet that a ballot has been received for such a residence. The first secret ballot received for any residence shall be the ballot which is counted. Any subsequent ballots for the same residence which are received shall be deemed invalid and shall be discarded.

5.2 The sealed ballots at all times shall be in the custody of the inspectors of election or at a location

designated by the inspectors until delivered to the inspectors at the meeting for the opening of the ballots and the tabulation of the vote. After the counting of the ballots and the certification of the vote results by the inspectors of election, the ballots shall be transferred to the Association.

5.3 No person, including a member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.

5.4 After tabulation, the ballots shall be stored by the Association in a secure place for no less than one year after the date of the vote. In the event of a recount or other challenge to the voting process, the Association shall, upon written request, make the ballots available for inspection and review by members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

6. Tabulation of Votes; Quorum Requirement:

6.1 All votes shall be counted and tabulated by the inspectors of election in public at a properly noticed open meeting of the Board, at which a quorum of Board members must be present.

6.2 The inspectors of election shall confirm that no more than one ballot was returned for each residence.

6.3 Owners who have not previously submitted a ballot may complete one at the meeting and return it to the inspectors of election prior to the polls closing.

6.4 Any member of the Association may witness the counting and tabulation of the votes.

6.5 In order for the vote on the proposal to be valid, ballots must be returned by at least a quorum of the owners and the requisite percentage of owners must vote to approve the proposal.

7. Announcement of Results:

7.1 The results of the vote shall be promptly reported to the Board of Directors and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by members of the Association.

7.2 Within 15 days of the vote on the proposal, the Board shall publicize the results of the vote in a communication directed to all members.

8. Other Voting Issues:

8.1 The total number of memberships entitled to vote equals the total number of residences in the association. However, owners whose voting rights have been suspended in accordance with the association's governing documents after notice and hearing shall not be entitled to vote.

8.2 The Board of Directors may enact and implement a "Meeting Code of Conduct" to govern the conduct of members at meetings.

8.3 Proxies will be accepted so long as they meet the requirements of all applicable laws and the Association's governing documents, and they are consistent with the secret ballot election process. Directed proxies and proxy envelopes are prohibited.

LAKE GROVE HOMEOWNERS ASSOCIATION
RULES & REGULATIONS HANDBOOK

May 1, 2004

To the Owners and Residents of Lake Grove

During the month of May, 2004, installation of surveillance cameras at both front gates will be completed. Your Board of Directors has decided to take this step for a couple of reasons.

1. It will help determine the responsible party for any future damages to the vehicle gates. Through the years we have had many instances of damage to the gates by persons unknown running into them. This causes unnecessary expense for all of us.
2. More importantly, we will now have a record of vehicles entering the complex. If, it should ever become necessary, the police would be able to review the tapes and determine which vehicles do not belong to residents.

In order to facilitate identification of vehicles that belong to our residents, we need your vehicle registration form (Exhibit 6, Rules & Regulations) completed and returned immediately. **THIS IS NOT AN OPTION.**

Thank you for your immediate response and assistance.

Lake Grove Homeowner Association
Board of Directors

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INTRODUCTION

This handbook has been published to assist all Homeowners and Residents of Lake Grove with a better understanding of the Rules and Regulations governing their community.

For the purpose of maintaining an enjoyable environment as well as protecting the property values, the Board Of Directors has adopted these revised Rules and Regulations to be effective May 1, 2004 and has authorized the preparation and distribution to all Owners and Tenants.

It is the responsibility of each homeowner to familiarize household members, guests and tenants of the Rules and Regulations governing this community.

Homeowners are responsible for the actions of their tenants and therefore, must not only inform them of the Rules, Regulations and CC&R's, but must hold them accountable to these provisions. A copy of the Rules and Regulations must be kept on the premises of each unit.

Deck Plant Exhibit 1



NOT Acceptable
if placed directly
on deck

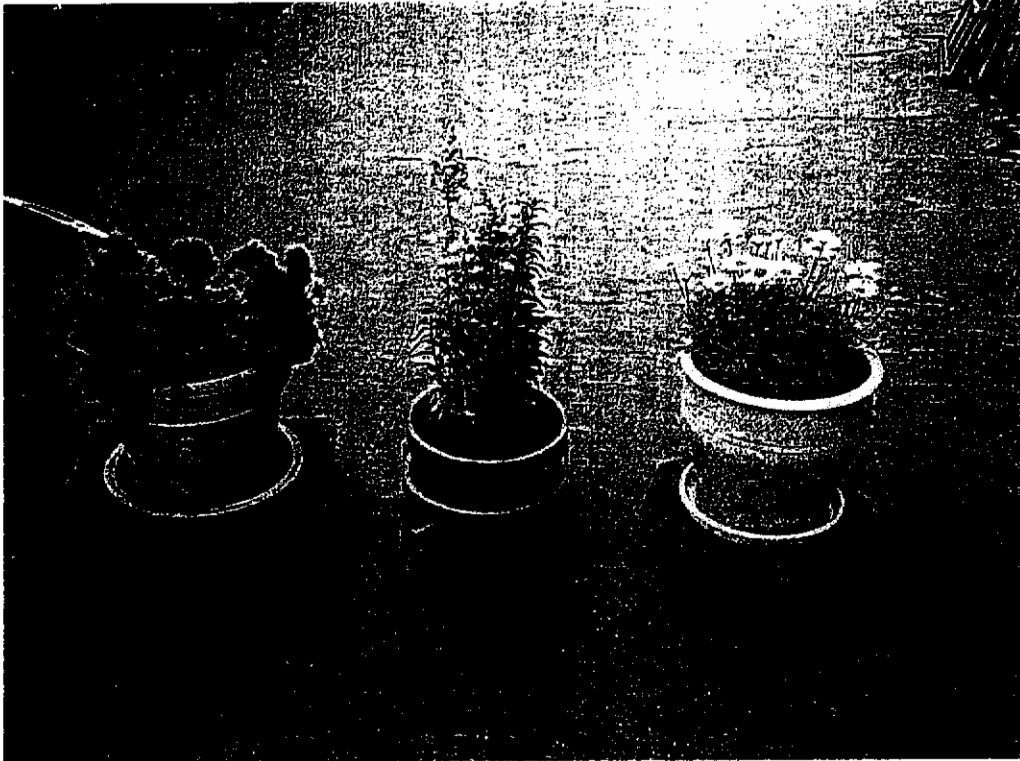
Must use
approved stand



NOT acceptable
if placed directly
on deck

Must use ceramic
pot,
tray and stand

Deck Plant Exhibit 2



Acceptable

Approved stand,
ceramic pot
and tray



NOT Acceptable

No tray to catch
excess water

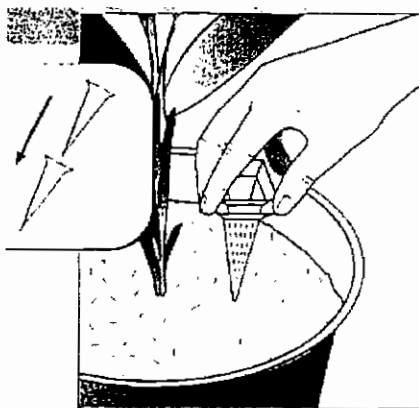
Dec Plant Exhibit 3



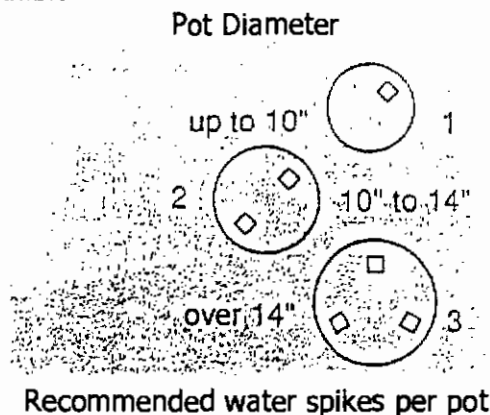
Acceptable
Approved Stand,
ceramic pot
and tray

Deck Plant Exhibit 4

Improper watering is the #1 cause of plant care problems. The DirectRoot has been proven highly effective in reducing watering problems. By placing water and fertilizer directly on the roots and aerating soil, the DirectRoot can give you the green thumb you always wanted and can make healthy plants even healthier with less time and effort! No other product does so much for so little.



2. Remove solid spike only.



1. Insert solid spike into perforated spike (to block dirt from entering holes). Push both into soil halfway between stem and the side of the pot .. under drip line for outdoor use.



3. Your water spike is now ready to use. Fill according to the needs of your plant.

Be sure to periodically water all surface soil to ensure proper root growth. For best results, relocate Spike every 6-8 weeks. Spike stays permanently inside the soil.



LIVING UNITS & GENERAL COMMUNITY

- A. Each homeowner is solely responsible for any damage done to the complex by his/her household members, guests or tenants.
- B. Vehicle entry gates and/or pedestrian gates shall not be forced open to gain entry to the complex.
- C. Noise from parties, gatherings, stereos and televisions must be maintained at a level that does not disturb other residents.
- D. No landscaping, exterior alterations or additions of any type are permitted without the written consent of both the Architectural Committee and the Board of Directors. Submit your written request along with a sketch to the management company.
- E. No exterior antenna / satellite dish may be erected without written approval of the Architectural Committee and the Board of Directors.
- F. No trash, unsightly materials or personal property may be stored on patios, entryways or in view of other residents in general.
- G. No portion of the property shall be used for storage of building materials refuse or any other materials other than those in connection with approved construction. No such materials shall be kept, stored or allowed to accumulate on any balcony, deck or in view of other residents.
- H. The type and color of all exterior window coverings including, but not limited to, foil, window tints, screens, awnings or sun screen items shall be subject to written approval of the Architectural Committee. (Please refer to CC&R Section 8.06 for more details.)
- I. No laundry, bedding, towels or articles of clothing may be displayed, aired or dried on patios, balconies or in the common areas.
- J. No signs, posters or other advertising devices are allowed without written approval of both the Board and the Architectural Committee. This excludes those instances specifically stated in CC&R Section 8.04.
- K. No business may be conducted within the complex. However, professional and administrative occupations may be carried on within the units, as long as there exists no external evidence of them. (Please refer to CC&R Section 8.09)

POOL/SPA AREA RULES

- A. **General** – The pool/spa area is for the exclusive use of Lake Grove residents and their guests. Discretion concerning the number of guests is necessary in order to avoid monopolizing this area. Homeowners are responsible for the actions of their household members, tenants or guests.

Any person who cannot prove rightful access to the common area and facilities will be asked to leave.

B. **Specific Rules**

1. All guests must be accompanied by a resident. The number of guests should not interfere with use of the pool/spa by residents.
2. It is the responsibility of each pool user to maintain the cleanliness and attractiveness of the pool/spa area, as well as to report any rule violators by unit number and/or name.
3. Entry to the pool/spa area requires a key to the pedestrian gates. Entry is not allowed by walking around or climbing over the fence or gates.
4. The volume of radios, cassette players, etc. must not disturb other residents in the pool/spa or residential areas.
5. No minors under age 14 permitted in the pool/spa area without adult supervision.
6. No glass or bottles
7. No pets
8. No running on deck; No rough play in pool/spa area
9. No Diving

- C. **Pool Hours** – Open, however, residents shall not be disturbed. Spa operating hours are from 12:00 noon to 11:00 p.m.

ARCHITECTURAL GUIDELINES

1. Any alteration to the exterior of any unit in the community must first have architectural approval from the Architectural Committee prior to the commencement of any improvement.
2. No alterations that may create a sound violation may be made to the flooring of any unit in the association (e.g. tile, hardwood, etc.) without first obtaining approval from the Architectural Committee. In no situation may a hardwood floor be installed on a second floor unit, unless documentation is provided to the Architectural Committee indicating that no code violation or noise violation would exist if the hardwood floor were installed.

* * * * *

PETS (CC&R Section 8.07)

1. No undomesticated animals such as livestock, reptiles, insects, poultry or other animals of any kind shall be kept in the complex.
2. Dogs must be kept on a leash, unless confined to a balcony or development enclosed patio. Cats may not be allowed to become a nuisance to residents.
3. Residents must immediately clean up any waste left by their pets in common areas and restricted common areas.
4. Pet owners must prevent annoying disturbances such as barking, howling, etc. Any pet creating such a disturbance shall not remain in the complex.
5. No pets are allowed in the pool/spa area.
6. Ordinarily, No more than two (2) pets per residence may be kept.

DECK PLANTS AND USAGE

- A. No potted plant can be set directly on deck even with plant tray. (See Exhibits 1-3)
- B. All plants must be in pots with plant tray under to catch excess water. (See Exhibits 1-3)
- C. All potted plants must be placed on plant stand to allow air circulation under the stand to avoid moisture on deck. (See Exhibits 1-3)
- D. Maximum of ten (10) potted plants allowed on deck.
- E. Garden hoses should not be used to water plants; use a watering can to avoid excess water run-off. Consider using a direct root water spike for your plants. This will eliminate excess watering and over-flowing (See Exhibit 4)
- F. No potted plants or hanging plants allowed on railing.
- G. No nailing, screwing or attaching any device or implement to the railing or deck. This includes, but is not limited to, all plants, wind chimes, flags, bird feeders, bird houses, Christmas lights, shade screens or any other decorative items.
- H. No chicken wire of any kind allowed around railing
- I. No modifications, including painting, to the deck of any kind allowed.
- J. A maximum of twelve (12) deck washings per year (one per month) including hosing down deck. Use diluted detergent such as Simple Green.
 - 1. Remember maintaining a dry deck is good. A wet deck is prohibited.
- K. No sharp objects allowed on deck.
- L. General Deck Housekeeping Recap:
 - 1. All deck items are to be kept on rollers or 4-legged stands for air circulation.

Deck Plants and Usage Cont.

2. Umbrella base is to be off deck with plant stand or similar device.
 3. No unsightly cabinets or storage containers allowed.
 4. No bicycles, trampolines, exercise equipment or the like allowed.
 5. Deck is to be free of trash and debris.
 6. Barbeques are allowed.
 7. Sweeping is recommended over washing off the deck.
- M. Inspection of Decks by Board of Directors:
1. The Board of Directors will inspect each deck at least two (2) times per year, more if there are on-going violations.
 2. Non-compliance could result in fines and liens.
 3. In the event there is evidence that damage to the deck system has been the direct result of non-compliance, repair costs could be imposed on the homeowner.

Satellite Dish

The term "Satellite Dish" as used with these Rules and Regulations shall include all direct broadcast satellite dishes, wireless cable equipment and television or other aerial, antenna, tower or transmitting devices.

1. Homeowners must submit a Satellite Dish Request Form (Exhibit 5) and receive Board approval prior to installing a Satellite Dish on the exterior of their unit. Copies of Exhibit 5 are available from the Management Company.
2. No more than two (2) satellite dishes per unit may be installed and each is limited in size to one meter or less. Where it does not significantly increase the cost of the satellite dish system or any related equipment and where it does not significantly decrease the efficiency or performance of the equipment, such satellite dishes must be installed in a location on the premises where it is least visible from any public street and not in the front of any dwelling unit.
3. No satellite dish may be installed on or penetrate the roof. Neither homeowners nor contractors are allowed to walk on the roof while installing their satellite dish.
4. Where it does not significantly increase the cost of the satellite dish system or any related equipment and where it does not significantly decrease the efficiency or performance of the equipment, wiring and cabling must be installed in a location on the premises where it is least visible from any public street and not in the front of any dwelling unit.
5. The homeowner must repair, in a timely manner, any area affected by the installation and/or removal of their dish, including patching and painting of the Unit exterior to the satisfaction of the Association.
6. The homeowner is solely responsible for all of the items listed below:
 - a) Installation by a qualified person and in accordance with applicable codes and a building permit, if required.
 - b) All maintenance, repair, replacement or removal of Satellite Dish.
 - c) Repair of any property damage and injury resulting from the installation of the Satellite Dish and/or its continued use of maintenance.
 - d) Removing, reinstalling and protecting their satellite dish so that the Association may perform any maintenance and repairs to the property, such as painting of the building exterior.

VIOLATION ENFORCEMENT PROCEDURES (NOT INCLUDING PARKING AND VEHICLE REGULATIONS)

The following procedures will be used to enforce rules violations at Lake Grove:

1. Any resident observing a potential rules violation should attempt to ascertain the identity, and if possible, the residence address/unit number of the offender.
2. All observed rules violations should be reported immediately, in writing, to the management company. (See Exhibit 8)
3. Within 24 hours after receipt of notice of the violation, the management company will conduct a brief investigation into the alleged violation.
4. Within 5 days from the date notice of the alleged rules violation is received by the management company, written notification of the violation will be sent by mail to the owner. Such written notification will briefly state the nature of the rules violation observed and the time by which the violation should be corrected, if applicable.
5. The homeowner must comply with the rule and regulation or insure that his tenant or guests comply with the regulation. If additional time is required to correct the violation, a written request for extension must be received within 10 days after notification with an explanation as to the cause for the delay.
6. Should the homeowner desire to contest the violation he/she may request a Board hearing, in writing, to the management company.
7. Upon notification by management or any committee of a continued violation, the Board of Directors shall review the matter. If it is determined there is sufficient evidence of violation to warrant imposition of penalty, fine or action at law, the owner shall be notified in writing, by first class mail, of the Board's intent to seek compliance. Such notice shall state the specific violation and the amount of fine or nature of penalty or action (including suspension of any membership privileges) being considered. Such notice shall also provide for a hearing date set within thirty (30) days of such notice, provided however, that upon written notice by the owner of his inability to attend the hearing on said date, a reasonable effort shall be made by the Board to accommodate the owner on another date to be mutually agreed upon.

Violation Enforcement Procedures Cont.

8. If written notice by the owner is not received within fifteen (15) days of the notice of hearing, the owner's right to such hearing shall be deemed waived and the Board shall make a final determination in the matter without a hearing.
9. In the event a hearing is held, it shall be before the Board of Directors and shall be open or closed at the discretion of the owner. Prior to the hearing date, the owner shall have access to Association records relevant to the violation and shall have the right to representation of his choice, including legal counsel. The Association shall be represented by management or committee, as appropriate, and shall also have the right to legal counsel.
10. Written notification of the Board's decision will be sent by mail to the owner.
11. Should the owner not pay all sums found owing for restitution of property damage and/or fine levied, within thirty (30) days from the Board's decision, it will be presumed that the owner is unwilling to comply with such decision and the matter may then be turned over to either the Association's attorney or other proper authorities to pursue through the civil and/or criminal justice system.

**SCHEDULE OF FINES
(NOT INCLUDING PARKING AND VEHICLE FINES)**

1. If damage to Association property is found and if the damage was caused by unintentional conduct, the fine will be: Full restitution, being the full replacement value of the property damaged or destroyed. No other fine will be imposed.
2. If damage to Association property is found and if the damage was caused by intentional conduct, the fine will be: Full restitution, being the full replacement value of the property damaged or destroyed; and a discretionary fine, by Board decision between 10 to 50% of the replacement value of the property destroyed, with a minimum fine of \$100.00.
3. For all other rule violations, the following fines shall be imposed:

FIRST VIOLATION: If, after proper notification and a hearing before the Board, the violation still exists, the Board may instruct the management company to fine the homeowner \$50.00 for non-compliance.

SECOND VIOLATION: If non-compliance continues 30 days after the issuance of the fine, the management company acting on behalf of the Board may either issue a second fine of \$100.00 or action may be initiated by the Association's attorney to bring a mandatory injunction or any other available legal action by the court.
4. All attorney fees and/or court costs incurred in the collection of fees or serving of mandatory injunction or other legal action are the responsibility of the homeowner.
5. All costs incurred by the Association in enforcing any of these rules may be charged to the homeowner of the unit involved.
6. An Owner is responsible for the acts of his household members, guests and tenants; the owner will be subject to the above fines.

PARKING & VEHICLE REGULATIONS (CC&R SECTION 8.02)

1. Homeowners and tenants must park in their assigned garages only.
2. All vehicles must be registered with the Homeowner Association Management Company within 15 days of move-in. (Exhibit 6) A change of vehicles must be reported to the Management company within 15 days. Non-Compliance may result in towing of vehicle(s) at owners expense, and/or fine. Copies of Exhibit 6 are available from the Management Company.
3. Homeowners, tenants and guests are prohibited from parking, storing or keeping on the property any large commercial-type vehicle. Such vehicles would include any vehicle that cannot be parked in one of the resident's garages or any vehicle not normally used for non-commercial purposes.
4. Homeowners, tenants and guests are prohibited from parking, storing or keeping on the property any recreational vehicle, including but not limited to any camper unit, house car or motor home. Busses, trailer coaches, camper, boat, aircraft and inoperable vehicles are also prohibited. Recreation vehicles commonly used for everyday transportation purposes, such as pick-up trucks with camper shells are allowed. The Board of Directors retains the right to determine what is an authorized vehicle.
5. There shall be no parking of vehicles, including motorcycles, at curbs, in driveways, on sidewalks or on greenbelt areas or in any open area not specifically designated "guest parking". Vehicles, including motorcycles, shall not be parked in such a manner as to interfere with access to any garage (i.e. parking in front of your garage in the driving lanes) driveway, sidewalk or parking space.
6. There shall be no parking along the west wall, in accordance with Rule #5, and to keep fire protection access unimpeded. Vehicles parking in the areas designated as "Fire Lanes" by the City of Garden Grove are subject to tickets issued by the City in addition to Association fines. These illegally parked vehicles are subject to immediate tow with no notice.
7. Guest parking is for use by **visitors only** and not by homeowners or residents. Residents may park in guest parking for no more than two hours, providing the owner is actively loading or unloading the vehicle.

Parking & Vehicle Regulations Cont

8. Guest parking is limited to seventy-two (72) hours every two (2) week period. Moving a vehicle from space to space at each seventy-two (72) hour interval (space hopping) is a violation and subject to towing. Vehicles must be moved OFF the premises or into a garage at the expiration of the seventy-two (72) hour parking privilege.
9. If there is an occasional legitimate need to use guest parking for a longer period, prior request must be made to the management company. The management company will decline the request if it is deemed to be unreasonable or excessive. In no case will such a request be granted for longer than two (2) weeks, unless specific permission is obtained from the Board of Directors.
10. Residents with more than two (2) vehicles must park their additional vehicles outside the complex, or make arrangements with another homeowner to rent a space.
11. Garages shall be used for parking purposes only and shall not be converted to any other use. The garage door must be kept closed at all times, except when working in your garage.
12. No major vehicle maintenance is permitted within the complex. Activity such as changing filters, replacing spark plugs and adding coolant is not considered major maintenance and is therefore permitted. Major maintenance includes repair work normally performed by a mechanic, such as replacing seals, overhauling carburetors, overhauling engines, brakes, transmissions, etc.
12. It is the responsibility of Lake Grove Homeowners to inform their guests and contractors where they may legally park. Contractors are to unload their vehicles at residence and then park vehicle in a legal parking space while doing work.
13. The SPEED LIMIT within the complex is restricted. Please observe the posted SPEED LIMIT of 15 mph at all times. Be watchful for pedestrians and children.
10. ALL UNAUTHORIZED AND ILLEGALLY PARKED VEHICLES ARE SUBJECT TO TOW-AWAY AT THE OWNER'S EXPENSE (REFERENCE CALIFORNIA VEHICLE CODE SECTION 22658) IN ADDITION TO FINES THAT ARE ASSESSED.

SCHEDULE OF PARKING & VEHICLE FINES

For all Parking & Vehicle violations, the following fines will be imposed:

FIRST VIOLATION: Written warning issued in the form of a ticket.

SECOND VIOLATION: \$50.00 fine.

THIRD VIOLATION: Vehicle will be towed.

1. Any/all violations will become a part of the homeowner's permanent file kept by the Management Company.
2. All attorney fees and/or court costs incurred in the collection of fees or serving of mandatory injunction or other legal action are the responsibility of the homeowner.
3. All costs incurred by the Association in enforcing any of these rules may be charged to the homeowner of the unit involved.
4. An Owner is responsible for the acts of his household members, guests and tenants; the owner will be subject to the above fines.

INFORMATIONAL SATELLITE DISH SITING REQUEST FORM

Date of Request _____ Unit No. _____

Name of Owner/Applicant _____

Address _____

Contact Phone Number _____

Description of Satellite Dish/Antenna _____

Preferred Location of Satellite Dish: (Please attach a sketch or map to assist Association's designated representative in siting the location of the dish which would be least obtrusive to the surrounding area.)

Suggest Date/Time Available for Satellite Dish Siting _____

Aesthetic Considerations (i.e. painting) _____

I understand and agree as follows:

1. I have read the architectural guidelines and, if applicable, have furnished copies to the contractor engaged by me for this installation.
2. I agree to comply with the architectural guidelines. If applicable, I understand that it is my responsibility to ensure that my contractor also complies with the architectural guidelines.
3. I agree that it is my responsibility to secure proper building permit if required by local government entity.

Signatures: _____

Owner

Owner

(For Association Use Below)

Satellite Dish siting inspection and approval.

1. Date Request Received _____ Date of Siting _____

2. Association and Owner have sited his satellite dish installation and approved its location as follows (describe location or attach sketch) _____

3. Additional comments and requirements _____

Date _____ By _____

Association Representative

VEHICLE REGISTRATION FORM

DATE _____

PROPERTY OWNER: _____

PROPERTY ADDRESS: _____

PROPERTY OWNER PHONE NUMBER: _____

RESIDENT NAME: _____

RESIDENT'S TELEPHONE NUMBER HOME: _____

WORK _____ CELL _____

RESIDENT'S VEHICLES:

1. Make _____ Model _____ Color _____

License Number _____

2. Make _____ Model _____ Color _____

License Number _____

3. Make _____ Model _____ Color _____

License Number _____

4. Make _____ Model _____ Color _____

License Number _____

Return to A-Creative Property Management
10101 Slater Ave. Suite 138, Fountain Valley, Ca. 92708
or Fax to 714- 963-7176

Signatures below will verify that the Revised Rules and Regulations dated May 1, 2004 have been received, read and agreed to.

HOMEOWNER _____ SIGNATURE _____

RESIDENT NAME _____ SIGNATURE _____

UNIT NUMBER _____ DATE _____

ALLEGED VIOLATION REPORT

Date _____

1. Person making report (Complainant)

Name _____ Phone No. _____

Address _____

2. Time, Place and Nature of Alleged Violation (Fill in as completely as possible)

Date _____ Time _____ Location _____

Nature of Violation _____

3. Description of Violator (Respondent)

Name _____ Phone No. _____

Address _____

4. Additional Witnesses

Name _____ Phone No. _____

Address _____

Name _____ Phone No. _____

Address _____

5. Other Evidence (Photographs, documents, etc.) supporting violation

6. Specific Governing Document violated (Cite exact provision of Declaration of Covenants, By-Laws, Rules and Regulations) _____

7. The original complainant (person making this complaint acknowledges that he or she must agree to appear as a witness at any formal hearing hereon or the Board may refuse to consider the alleged violation.

It is so acknowledged _____
(Signature of Complainant)

LAKE GROVE HOMEOWNERS ASSOCIATION

Adopted Procedure and Policy for Collection of Delinquent Assessments

COLLECTION PROCEDURE:

Due Date: Regular Assessments are due on the first (1st) day of each month and is deemed delinquent if not received within 15 days. Special assessments are due on the date specified and are deemed delinquent if not received within 15 days.

Invoices are an accommodation sent to homeowners; therefore, if one is not sent or received, the assessments and all charges remain due and payable.

15 Days Past Due: A **Late Charge** of \$ 10.00 or ten percent (10%) of the delinquent monthly assessment is charged to the homeowner's account;

Interest commences at the rate of twelve (12%) percent per annum on all delinquent regular and special assessments, late charges, and costs of collection (the "Delinquency") 30 days after such amount is due and will be charged to the homeowner's account and appear on their Monthly Statement;

30 Days Past Due: A reminder letter may be sent to the homeowner, advising them that a payment has not been received by management. If such a letter is sent, a fee in the amount of \$30.00 will be assessed to the owner's account;

45 Days Past Due or More: An **Intent to Lien** letter is sent to the homeowner by First Class Mail from the Association's Management Company/Legal Counsel informing them that the Association shall proceed to record a lien against the homeowner's property within the Association ("Property") in the event full payment is not received within **Thirty (30) days**. The collection charge by the Management Company or Legal Counsel to prepare and issue the Intent to Lien letter shall be charged to and payable by the delinquent Owner(s);

75 Days Past Due or More: The Management Company or appointed Legal Counsel shall prepare and record a **Notice of Delinquent Assessment Lien** on behalf of the Association against the Owner's property within the Association. The delinquent owner's account shall be charged for the fees and costs associated with the preparation and recording of the assessment lien. A copy of the Notice of Delinquent Assessment Lien shall be mailed to the delinquent owner by certified and first class mail;

90 Days Past Due or More: The Association's attorney will proceed for **Collection** by foreclosure of the assessment lien, or, in lieu of foreclosure against the Property, the Board may elect to proceed with a judicial suit against the individual Owners for collection of the unpaid assessments. All fees and costs associated with the foreclosure and/or the judicial suit for collection shall be charged to and payable by the delinquent Owner(s);

IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.

COLLECTION POLICY:

In addition to the within PROCEDURE for the collection of delinquent Assessments, the board of directors has established the following POLICIES to establish a uniform standard for the payment and collection of delinquent assessments:

Costs of Collection - The costs of collection for delinquent assessments, including trustee fees and reasonable attorney fees and costs are included as a charge against a member's assessment account and are included in the amount of any Assessment Lien recorded against the property and the amount of any collection recovery action by the Association against the Owner(s).

Delinquency - The term Delinquency shall include any delinquent unpaid regular or special assessments, late charges, interest, and costs of collection incurred or any portion thereof.

Partial Payments - If a partial payment is received which is less than the entire unpaid balance owed on the member's account, including the collection charges, provided the Notice Of Delinquent Assessment Lien has not been recorded, the partial payment may be credited to the oldest outstanding balances on the member's account and the remaining unpaid balance shall be subject to this Procedure and Policy for collection. If the Notice of Delinquent Assessment Lien has been recorded, no partial payment may be accepted and applied to the account, until the owner and Association has entered into a written payment plan.

Payments - Payments received by the Association after a delinquent account has been assigned to the Association's attorney for collection shall be forwarded by the Association to the attorney and all further communications for the collection of the delinquent account are to be through the Association's attorney. For any assessment paid on time, the owner shall not be liable to pay a late charge, interest or costs of collection as it relates to that assessment.

Notice of Dispute and Hearings - The owner may dispute the debt noticed in the intent to lien letter by submitting to the board a written explanation of the reasons for his or her dispute. The Association shall respond in writing within 15 days of the postmark date of the request. Further, the owner may make a written request to meet with the Board to discuss a payment plan, and the Board shall meet with the owner at an executive session within 45 days of the postmarked date of the request, if the request is mailed within 15 days of the postmarked date of the intent to lien letter, otherwise the Board may appoint a committee or one or more members to meet with the owner. These dispute and hearing provisions are in addition to those rights under California Civil Code §1366.3.

Payment Plans - Upon written request by a delinquent Owner(s), short term Payment Plans may be approved in the sole discretion of the board of directors based upon the justifying circumstances of each delinquent Owner. However, the Association is not a bank and does not intend on the long term financing of an Owner's Delinquency.

Returned Check Charges - A charge of \$ 30.00 shall be added to the account of any member whose check to the Association or its attorney or management company, is returned dishonored by the member's bank.

Statements - Monthly statements are a courtesy to the members and not an invoice for payment. If an owner does not receive a monthly statement, nevertheless payment must be made to the Association at the last given address. Additionally, a monthly assessment statement with unpaid balances may not reflect any or all of the collection costs incurred on a delinquent Owner's account, including attorney or trustee fees and costs which have been charged to the member's account according to this Collection Policy and Procedure. **Therefore, a delinquent owner must communicate with the Association's attorney to confirm the total delinquency owed.**

No Waiver of Collection Charges - If a member's account becomes delinquent and the Association is required to incur collection charges due to the member's delinquency, the Association's policy is to not waive the delinquent member's payment of these collection charges since it would not be fair to the members who pay their dues to also pay for the collection charges incurred by the Association due to another Owner's delinquency.