

RULES & REGULATIONS

COMMERCIAL VEHICLES

I. COMMERCIAL VEHICLE PARKING -

No vehicles or materials used for commercial purposes may be stored on homeowner's property unless it is stored inside the homeowner's garage, or out of sight from the street and not objectionable to any neighboring homeowner. No vehicles or materials used for commercial purposes may be stored in front of the homeowner's property or on the street. This includes, but is not limited to, buses, trucks, or trailers of any description, or any vehicle that prominently displays the logo of any commercial enterprise. A commercial vehicle may be defined as such, even if the vehicle does not have a commercial license plate and/ or is not registered as a commercial vehicle. This includes but not limited to Box Vans, Box Trucks, All Trailers, Step Vans, Buses, Tow Trucks and Limousines even if they are below the 10,000 pound unloaded and/or curb weight.

Our CC&Rs, dated December 29, 1966, address vehicles in excess of 6,000 lbs. "Gross Weight," but does not define the term. For the purpose of interpreting and applying "Gross Weight," it will mean gross unloaded weight and/or curb weight. Gross weight and Curb weight are further defined as: The weight of an automotive vehicle including fuel, coolant, and lubricants but excluding occupants and cargo.

The Board of Trustees has reviewed and discussed information, and received guidance regarding the Gross weight of modern vehicles, especially pickup trucks as they are now manufactured and used by the ordinary person. At the time our original CCRs were recorded (the 1960s), pickup trucks were smaller and more utilitarian in nature, so the 6,000 lb. limit used at that time was reasonable based on what was then considered a larger than ordinary pickup truck. Since then, some 50 years later, our culture and the nature of vehicle manufacturing have changed dramatically regarding pickup trucks. Now, pickup trucks are often luxurious and very large, used by families for daily transport for family residential purposes. They are well accepted by the majority of people in our society. It is often the case that modern family pickup trucks are 8,000 to 9,000 lbs. Gross weight.

In looking at the purpose or intent of the CCRs on the Gross weight issue, changes in our culture regarding the type and use of vehicles such as pickup trucks require the Board to reconsider what is a reasonable weight limit. There is also the practical question of how will the Association apply a 6,000 pound Gross weight to pickup trucks when manufacturers are building larger ones, and when so many owners have them, and have had and used them for many years. There are legal, economic and practical problems with attempting to enforce the old 6,000 lb. Gross weight limit as to modern pickup trucks. Based on many factors considered by the Board, and especially because the purpose of the

CCRs on this particular topic will not be adversely affected in doing so, the Board has decided to use a 10,000 pound limit regarding Gross weight limit.

Accordingly, no vehicles in excess of 10,000 unloaded pounds gross / curb weight, whether for commercial/recreational or private use, may be kept, parked, stored, dismantled or repaired outside on any residential lot or any street adjacent to the homeowner's property.

A. TRADE SERVICE OR BUSINESS VEHICLES

I. Interpretation Policy -

Pertaining to: CC&R's Article IX, Section 4 Titled "Business and Commercial Use of Property Prohibited," regarding trade service or business vehicles parking.

The Board of Trustees has discussed the importance of uniform, consistent and fair application and enforcement of the Association's Covenants. This sometimes requires having to reasonably determine the meaning of particular words in sections of the CC&R's that are capable of being interpreted in different ways so that the intent of the particular covenants is appropriately applied and enforced.

The Board has decided it would be helpful to adopt a policy on how the Association will interpret and apply the phrase "... vehicles...used in connection with any trade service or business, wherever the same may be conducted ..." (referred to hereafter as "commercial vehicles") found within this covenant section. This phrase is not defined in the Covenants, and the phrase is a key element of this Article section for purposes of enforcement. Adopting this Policy will provide guidance to homeowners/members regarding what will be considered a commercial vehicle for purpose of this covenant and the types of vehicles they may park on and around their property and on the streets of the community.

The Board, in arriving at this Interpretation Policy, has considered many factors, including without limitation:

- The CC&R's preamble, which states that the covenants "... are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property..." of the community;
- The residential nature of the community;
- The size of Members' driveways and general street conditions within the community;
- The potential impact on the looks and quality of the community, and the value and marketability of homes in the community, if commercial vehicles are allowed to be parked in driveways, on lots, or on the streets;

- The interest of all Members in maintaining an esthetically pleasing community.

These and other factors, when applied to the concept of commercial vehicles, can affect or impact the market value of homes in the community, the esthetics of the community, and the Members' general quality of life.

Accordingly, the Board, in the interest and for the benefit of the community, adopts the following Interpretation Policy:

II. Policy Statement -

Hereafter, when the Association interprets and enforces Article IX, Section 4, regarding the parking of commercial vehicles, the phrase "vehicles...used in connection with any trade service or business, wherever the same may be conducted" shall be interpreted as meaning any vehicle, regardless of size, make or model, which a reasonable person would consider as being substantially designed or intended for business, trade or commercial use, in whole or in part, due to its signage, equipment, attachments and/or fixtures, in other words based upon its appearance and/or configuration. The fact a vehicle is not currently being used for commercial or business purposes is not the test. Rather, the test is based on the existing appearance and configuration factors set forth in these Rules even though the owner of the vehicle may no longer be using it for commercial purposes. Factors which the Board will use regarding appearance and configuration to determine whether a vehicle is a "commercial" vehicle will include, but not be limited to: logos, advertising and business information on or about the vehicle, business style painting of the vehicle, hardware and/or equipment such as racks, materials, ladders and/or tools that are visible, attached to or hanging from the vehicle, and the physical configuration and/or size of the vehicle, which by its nature is typically for or reasonably indicates a design intended for trade, service or business use or for transporting equipment or materials for such business use. A Commercial Vehicle may be defined as such even if the vehicle does not have a commercial license plate and/ or is not registered as a commercial vehicle.

However, the Association's interpretation of commercial vehicles will not include automobiles / vehicles presently being used for police, medical, fire department business or van pools.

Vehicles used due to employment requirement and/or benefit must require Committee and/or Board approval on an individual basis. Regardless of whether a vehicle is employer required, it still must adhere to the less than 10,000 pound gross unloaded / curb weight requirement. Also, the fact a vehicle is being brought home due to employer requirement or benefit is not a deciding factor alone on whether approval will be granted by the

Board. Employer requirement or benefit is only one factor for the Board to consider and will not overcome the prohibition of parking of commercial vehicles if the vehicle involved is, in the view of the Board, incompatible with the residential nature of the community and/or otherwise adversely impacts safety factors including without limitation use of the streets in the community. If the Association permits an employment required vehicle to be parked in the community, it must always be parked in the Owners driveway, not on the street, for safety regarding good visibility and reasonably adequate room for passage on the streets.

Furthermore, nothing in this Policy is intended to prohibit or restrict the temporary daytime parking of a commercial vehicle at a residence where the owner/member is receiving residential services applied to his or her home or yard by or from a third-party business.

[Note: the Policy on Gross or Curb weight of vehicles is only one factor regarding whether a vehicle may be parked on streets or in driveways in the Association community. Regardless of Gross or Curb weight, a vehicle may still be considered a commercial vehicle and prohibited from being parked in the community based on other factors as set forth in this Rule or Policy.]

III. Repetitive / Chronic Offenders

3.1 Definition. When the acts or omissions of an owner, which violate governing documents requirements or restrictions including those within this Rule or Policy, repeatedly and continually occur over periods of time despite past notice or letters of the Association informing owner that such actions or omissions are violations, such an owner is a "Chronic" or "Repetitive Offender."

3.2 Purpose. The Board considers it reasonably necessary to address the Repetitive Offender situation because it results in far more Association time, monies (including attorneys' fees), materials, monitoring and corrective effort being spent or done than on owners who are single, isolated or rare offenders. Further, the Repetitive / Chronic Offender has a much greater adverse impact on the attractiveness and value and marketability of homes in the community, and on the quality of life of other owners. Accordingly, the Board has adopted this particular Section III and those in other Sections in this Rule or Policy related to this topic, in the hopes, first of all, of deterring owners from becoming or continuing to be Repetitive / Chronic Offenders, and, secondly, to help recover the costs of the excessive time, effort and monies expended by the Association in dealing with such owners.

a) Parking – three (3) violations occurring within any twelve (12) month period.

The above listing is not intended to limit the Board in considering other patterns or topics as being within the category of Repetitive / Chronic Offender. The Board retains the discretion to look at other categories or topics and evaluate an owner's pattern of conduct in addressing such topic, and determine whether the owner is a Repetitive / Chronic Offender and therefore subject to this Rule or Policy and the enhanced fines set forth below.

3.4 Enhanced Fines. Due to the increased problems for the Association and the community caused by Repetitive / Chronic Offenders, and because such owners continue to violate the same or similar governing document issues time after time, it is reasonable to impose enhanced fines or penalties on them to deter such future conduct. If the Board or any Committee designated by it to monitor and address this topic determines that an owner is a Repetitive / Chronic Offender regarding one or more issues or violations of the governing documents, the Board will issue a notice to owner at his or her last known address that owner is now considered a Repetitive / Chronic Offender, and to cease and desist the violation(s) then at issue. At that point and thereafter, if such owner does not stop or correct the violation(s) involved, enhanced fines may be imposed pursuant to those listed in the schedule below (see item **IV, Fines, Section B**).

IV. Fines -

Failure of a Homeowner to comply with this Rule & Regulation is a violation / infraction of this rule and regulation and may result in fines as may be assessed as described below and in Fine Amounts for Rules & Regulations.

A. Fines

- a. First violation: notice/warning letter; no fine;
- b. Second violation: \$25/day
- c. Third and subsequent violations: \$50/day
- d. A single violation shall include immediately subsequent consecutive days of noncompliance.

B. Repetitive / Chronic Offenders - at such time as an owner is determined by the Board to be a Repetitive / Chronic Offender as set forth above, the following enhanced fines are applicable to and may be imposed against such owner as to all subsequent same or similar violations:

- 1) First confirmed violation: notice/warning letter; no fine;
- 2) Violations thereafter: \$150 fine per day until owner fully complies by parking or storing the vehicle outside of the community; provided, however, that if the nature of the repeated parking violations or offenses are intermittent, i.e., the parking of the commercial vehicle does not occur daily, the fine will be \$300 per incident.

VI. Other Action - In addition to fines, the Association may seek legal action against the owner of a lot in violation of this Rule, including without limitation towing and storage of the Commercial Vehicle at the expense of the owner of the lot where the Commercial Vehicle is located. Fines may continue to be assessed for so long as the violation continues, even while legal action is pending. All attorneys' fees and costs incurred by the Association in the enforcement of this Rule & Regulation be paid by the offending owner.

VII. Lien - All fines and expenses owed pursuant to this Rule are lien able, may be recorded as a lien against the real property of the offending owner, and shall be considered and may be collected as if they were an assessment under the covenant provisions covering assessments.

VIII. Appeal - Fines issued and actions taken by the Association pursuant to this Rule are subject to the notice to and right of the owner to request a hearing pursuant to the Association's Rules and Regulations on "Appeal Process".

IX. MISCELLANEOUS - Effective Date. This regulation shall become effective 120 days after being adopted and enacted by the Board.

Dated and adopted by the Board of Trustees the 23rd day of June, 2015.