RULES AND REGULATIONS OF
THE SERRANO SIRCLE HOMEOWNERS ASSOCIATION

In order to support and define Serrano Sircles' Declaration of Covenants, Conditions and Restrictions and to maintain the quality of the complex, the Board of Directors establishes the following policies, Rules and Regulations, penalties for violations, and enforcement procedures. They apply to all Serrano Sircle owners and tenants. These Rules and Regulations will be reviewed by each new Board of Directors and may be amended from time to time. They became amended on June 12, 2008.

1. ASSOCIATION DUES: Monthly regular assessments are due on the first of each month (CC&R 3.5). They can be mailed to the treasurer of the association or deposited into the treasurer's special mailbox.

Monthly assessments become delinquent after the fifteenth day of the month in which they are due (CC&R 4.1). Delinquent assessments incur a late charge of $10 and, if not paid within thirty days after the due date, accrue a penalty interest of ten percent per annum from the date due until paid or, ultimately, an assessment lien (CC&R 4.1 and 4.1).

2. RENTALS: Lease or rental of any unit must comply with the declared intent of the project, which is residential only, with use of each unit as a single family dwelling with garage (CC&R 7.1) The use and occupancy of a unit shall be by no more persons than can be reasonable and comfortably accommodated therein.

Any lease shall contain an addendum which incorporates the Association rules and regulations, CC&Rs, and bylaws into the lease and states that any failure of the lessee to comply with the terms of such documents shall be a default under the lease. The leasor may wish in addition to exact from tenants additional conditions, language for such a document, based on an addendum currently in use by one of our owners, is available from the Association president.

All leases shall be in writing , be signed by all the tenants, designate a responsible tenant as spokesperson for the other tenants and give the address and phone number of the owner/leasor. A copy of the signed lease with all addendums shall be on file with the secretary of the Association at the time the lease is executed.

No lease for less than thirty days is permitted.

Owners are responsible for their tenants observing the Rules and Regulations and for damage to the common area. Complaints of violations of the Rules and Regulations may result in an assessment fine against the owner for each such infraction.

3. PARKING: Each unit has a two-car garage.

In addition, the following unit numbers 1,2, 3, 4, 5, 6, 7, 9,11, 12, and 16 have the ability to park two cars in front of their garages based on the city of San Luis Obispo parking space dimensions.

The following unit numbers 8, 10, 13, 14, and 15 have the ability to park one car in front of their garage based on the city of San Luis Obispo dimensions of a parking space. The Board has the authority to assign parking spaces for the above named units (8, 10, 13, 14, and 15), and in order to consistently assign parking spaces, the Board has developed the following policy for such assignments.

A. No unit within Serrano Sircle shall be eligible for more than four assigned spaces.

B. Those units having only three total spaces shall be eligible for assignment of a fourth parking space under the conditions that:
   i. The unit's parking additional needs are justified;
   ii. The unit's current parking entitlement is fully utilized and the additional space is truly needed.
   iii. The fourth parking space shall be any one space within the designated guest parking areas. No specific spot is assigned, just the privilege to park within the designated guest area if a spot is available.
   iv. Granting of a parking assignment is a privilege granted by the Board. It is not a right.
   v. The Board may grant a parking assignment upon written request from an eligible member, and upon the Board finding that the conditions listed above are met.
   vi. Any grant of parking assignment is temporary and may be rescinded at any time at the board's sole discretion.

No parking is permitted on the blacktop drive at any time since it deemed a fire lane and must be kept clear at all times. This includes the blacktop 'strip' at the walkway entrance to units 11-14. Offenders will be towed away at vehicle owner's expense.

The garage and the assigned spaces in front of the garage are for the specific use of the residents.

The brick parking areas are designated GUEST PARKING only for the guests of the unit and not for residents. Vehicles left unattended longer than 48 hours in the guest parking may be towed away at owners' expense and risk. In addition, vehicles owned by residents which are regularly or repeatedly parked in guest spaces overnight are subject to fines per the Association's fine schedule or such offending vehicles may be towed away at the vehicle owners' expense and risk.

Repeated infractions of the parking violations may result in a penalty fine of at lease $25 against the owner of the unit.

4. NOISE: Because of the close proximity of the units and the common wall between units, the CC&Rs (CC&R 7.3) prohibit any activity which may be an annoyance or nuisance to the neighbors or which shall in any way interfere with their quiet enjoyment of their residence.

The most common such nuisance is any loud noise (it is loud when it can be heard by neighbors) due to stereos, radios, including car radios, television, musical instruments, shouting, loud talking, noisy partying on the decks or inside, skateboarding, engine racing, other man-made noises or continuously barking dogs.

Unless the volume of sound from such activities is kept at a reasonable level it becomes a nuisance and therefore a violation with the following penalties for the owner of the offending unit.

$50 – First Offense
$100 – Second Offense
$500 – Each Offense thereafter and whenever police have to be called to stop the disturbance

5. ANIMALS: No more than two outdoor animals i.e. cats or dogs, are permitted per unit. Dogs have to be leashed when outdoors in the common areas (CC&R 7.5). Animal structures can be placed only on rear decks and must be raised above the deck (see rule 7) to prevent dry rot.

6. PHYSICAL CHANGES: Changes to the exterior of the units by owners or tenants require the prior approval of the Board of Directors following the recommendations of the Architectural Committee of the Association (CC&R 8.3).

Changes requiring prior approval are: new doors, new or modified decks, windows, exterior lighting or new fixtures, exterior painting and colors. Four colors are approved for entrance doors (blue, green, rust, yellow). All other doors must be the standard brown to match the exterior stain.

Violations of this rule may incur an assessment fine and removal of the illegal change at owners' expense.

7. PLANTS: Perennial plants may not be planted in the common area (i.e. outside each unit's foundation) without prior approval of the Garden Committee chairperson. Common area sprinkling system may not be modified for new plantings by owners.

Owners and tenants may use container plants. Plants located on decks must be raised by at least two inches off the deck to prevent dry rot. Bricks or other non-wood blocks can be used to raise the planters.

Failure to raise such containers and take prudent care of the deck may result in dry rot damage to the decks, which will not be repaired or replaced at the Associations' expense.

8. ENFORCEMENT PROCEDURES: In case of complaints of violation(s) of any of these rules, the Board of Directors will follow these procedures:
a. Contact the residents of the offending unit regarding the complaint at its resolution.
b. If necessary, write a letter to the owner specifying the complaint, the appropriate penalty assessment(s), and specifically inviting the owner to attend the Board meeting in which this complaint is on the agenda.
c. Send letter to owner documenting the action taken at the Board meeting and specifying the date and manner of paying the penalty assessment(s).
d. In case the penalty assessment is not paid on time or within a thirty day grace period, the Board may initiate action in Small Claims Court to recover the amount owed or, ultimately file an assessment lien against the unit.

9. PENALTY SCHEDULE: The following penalties against the owners of record have been established for infractions of these Rules and Regulations. They may be changed by the Board of Directors from time to time as necessary.

Delinquent Monthly Dues: $10 late charge plus 10% per annum penalty interest if not paid within 30 days of due date until paid.

Rentals:Fines for violation of rental rules on a case by case basis.

Parking: $25 for repeat infractions of parking rules.

Noise: $50 for first offense, $100 for second offense, $500 for each subsequent action and every time police action is required.

Physical Changes: Fines for violation of applicable rules on a case by case basis.