



Lindsay Management Services

A Division of Corporate Management Consultants, Inc.

SUNSET PLACE CAPRI HOMEOWNERS' ASSOCIATION

May 27, 2022

TO: ALL HOMEOWNERS

RE: Annual Budget Report and Annual Policy Statement –2022

Dear Homeowner(s):

Enclosed you will find the following

1. Pro Forma Operating Budget for 2022 inclusive of Reserve Funding Plan.
2. Summary of the Associations Reserves, including the procedures for calculating the reserves statement
3. The Assessment Collection Policy
4. Fine Policy
5. Architectural Policy
6. Alternative Dispute Resolution (ADR) & IDR Policies
7. Copy of the Insurance Declaration

Statement about Assessments & Budget - The Board of Directors wish to state that there will not be an increase in Homeowner fees starting July 1, 2022, and they will remain at **\$166.80** per unit per month. The Assessments for 2022 are due on the first of every month and delinquent if not received by the 15th of the month. **The 2022 Budget is effective July 1, 2022.**

Major Component Repair Statement - In accordance with Civil Code Section 5300 (b) (4) and as of the date of this letter, the Board has chosen not to defer and will undertake replacement of any major component with a remaining life of 30 years or less.

Special Assessment & Reserve Funding Mechanism Statement - In accordance with Civil Code 5300 (b) (5), and as of the date of this letter, the Board does not anticipate one or more special assessments will be required to repair, replace or restore any major components or to provide adequate reserves. The Board uses a portion of the Regular Monthly Assessments as the mechanism to fund reserves to repair or replace major components and currently the Association has no outstanding loans.

Meeting Information - Currently meetings are held the fourth Monday of the month at 6:00 p.m. via Zoom. Please reference the posted Agenda for exact meeting time and location as posted in the designated General Notice location specified below.



North County: (760) 436-1144 • San Diego: (800) 479-4849 • FAX (760) 436-2566
6126 Innovation Way • Carlsbad, CA 92009 • admin@lindsaymgt.com



Please be advised of the following:

1. Association's Designated Recipient - The name and address of the person designated to receive official communications on behalf of the Association is as follows:

Alina Gonzalez
Lindsay Management Services
6126 Innovation Way, Carlsbad, CA 92009

2. Overnight Payment Mailing Address - The address for sending overnight payments is to the Association is: 6126 Innovation Way, Carlsbad, CA 92009.
3. Right of Notice to Two Addresses - As provided in Civil Code 4040(b) owners have the right to receive (1) annual reports the Association is required to provide to owners and for (2) mailings and notices related to assessment payments, delinquencies, and foreclosures at an additional address if they submit a secondary address to the Association. The owner's request must be in writing and must be sent to the Association in the manner provided in Civil Code sections 4035 and 5260.
4. General Notice Location - The location designated for posting of a General Notice is the Community bulletin board. Right to Receive General Notice by Individual Delivery - Documents designated by the Civil Code as requiring General Delivery or General Notice will be delivered using one of the methods detailed in Civil Code section 4045(a). If a member of the Association wishes to receive these general notice documents by individual delivery, they must make such a request to the Association, and the Association will comply with the request.
5. Right to Receive Board Minutes, etc. - Copies of meeting Minutes of the Board meetings, the full Reserve Study and other Association documents are available upon request. The minutes or summary of minutes of a Board meeting, other than an executive session are available to members within 30 days of the meeting. Minutes, proposed minutes, or summary of minutes will be distributed to any member upon request and upon reimbursement of the Association's costs for making that distribution. To make a request for a copy of minutes, members should contact the Community Association Manager via e-mail and or in writing.

Sincerely,

The Board of Directors
Sunset Place Homeowners' Association

SUNSET PLACE/CAPRI HOMEOWNERS ASSN

Approved BUDGET 2022-2023

Effective Date 7/1/2022

		21/22 ANN	22/23 ANN	UNITS 22/23 PER	140 22/23 PER
ACCT #	DESCRIPTION	BUDGET	BUDGET	MONTH	UNIT/MO
		Increase 11/21			
		166.80			
INCOME					
4010	HOA Dues	264,656.23	280,224.00	23,352.00	166.80
4110	Late Notices	0.00	0.00	0.00	0.00
4120	Pay/Lien, Liens, Lien Release and Title Search	0.00	0.00	0.00	0.00
4140	Late Fees	0.00	0.00	0.00	0.00
4200	Interest Reserves	350.00	350.00	29.17	0.21
4600	NSF	0.00	0.00	0.00	0.00
		-----	-----	-----	-----
	TOTAL INCOME	265,006.23	280,574.00	22,083.85	167.01
EXPENSE					
Utilities					
5100	Electricity	1,200.00	1,200.00	100.00	0.71
5120	Water	72,450.00	72,450.00	6,037.50	43.13
		-----	-----	-----	-----
	Total Utilities	73,650.00	73,650.00	6,137.50	43.84
Land Maintenance					
5010	Contract Landscape	120,008.00	129,600.00	10,800.00	77.14
5011	Landscape Extras/Plants	11,000.00	11,947.76	995.65	7.11
5012	Brush Clearing	4,478.00	4,478.00	373.17	2.67
5015	Tree Maintenance/Trimming	6,000.00	10,000.00	833.33	5.95
5021	Irrigation Repairs	5,600.00	5,600.00	466.67	3.33
		-----	-----	-----	-----
	Total Land Maintenance	147,086.00	161,625.76	13,468.81	96.21
Common Area					
5060	Common Area Repairs	1,500.00	1,500.00	125.00	0.89
5064	Light Repairs/Maintenance	300.00	300.00	25.00	0.18
5065	Pest Control	1,872.00	1,500.00	125.00	1.11
		-----	-----	-----	-----
	Total Common Area	3,672.00	3,300.00	275.00	1.96
Administration					
5810	Management Services	18,000.00	18,540.00	1,545.00	11.04
5820	Audit/Tax Returns/1099 & 1096	2,000.00	2,000.00	166.67	1.19
5825	Reserve Study	500.00	500.00	41.67	0.30
5830	Legal Services	3,500.00	3,500.00	291.67	2.08
5840	Insurance	4,973.00	5,833.00	486.08	3.47
5855	Postage and Printing	5,500.00	5,500.00	458.33	3.27
5859	Management Extras/Recording Secretary	600.00	600.00	50.00	0.36
5880	Licenses and Permits (Secretary of State)	50.00	50.00	4.17	0.03
		-----	-----	-----	-----
	Total Administration	35,123.00	36,523.00	3,043.58	21.74
	TOTAL ADMINISTRATION & OPERATING EXPENSE	259,531.00	275,098.76	22,924.90	163.75
ALLOCATION TO RESERVES					
6010	General Reserves	5,125.24	5,125.24	427.10	3.05
6295	Interest	350.00	350.00	29.17	0.21
		-----	-----	-----	-----
	TOTAL ALLOCATIONS	5,475.24	5,475.24	456.27	3.26
	TOTAL EXPENSES	265,006.24	280,574.00	23,381.17	167.01
		-----	-----	-----	-----
	EXCESS INCOME/(EXPENSES)	0.00	0.00	0.00	0.00

Reserve Study Executive Summary

Association Name: Sunset Place Association of Carlsbad
Location: 4655 Sunburst Rd., Carlsbad, CA 92008
No. of Units: 140 **Built:** 1987 **Fiscal Year Ending:** June 30, 2022
Level of Study: Level II: Update with On-Site Inspection **Date of Physical Inspection:** January 23, 2022

CURRENT FISCAL YEAR END SUMMARY OF RESERVE COMPONENTS

(See Reserve Analysis Worksheet, pg. 5, for breakdown of all components individual lives, current costs, and projected future replacement costs)

Reserve Component Groups	Estimated Useful Life	Estimated Remaining Life	Estimated Replacement Cost	Annual Funding Requirement	Accumulated Funding Requirement	Allocation of Fund Balance	Percent of Fund Balance
PAINTING/REPAIRS	5 - 5	1 - 1	\$ 6,395	\$ 1,279	\$ 5,116	\$ 5,654	2.6%
FENCING/WALLS	10 - 30	1 - 30	74,005	3,800	44,004	48,629	22.5%
CONCRETE SURFACES	15 - 30	3 - 12	64,273	2,915	43,199	47,739	22.1%
LANDSCAPING/IRRIGATION	10 - 30	1 - 17	77,011	4,157	54,704	60,453	28.0%
LIGHTING/ELECTRICAL	15 - 20	4 - 14	4,099	217	1,533	1,694	0.8%
MISCELLANEOUS	10 - 30	2 - 12	47,520	2,520	37,549	41,495	19.2%
CONTINGENCY (5%)			13,665	744	9,305	10,283	4.8%
TOTALS			\$ 286,968	\$ 15,632	\$ 195,410	\$ 215,947	

CURRENT FISCAL YEAR RESERVE FUNDS

Current Budgeted Annual Reserve Allocation	\$ 5,125
Reserve Fund Balance as of: December 31, 2021	\$ 213,385
Anticipated Funding to Year End	2,563
Anticipated Expenditures to Year End	-
Cash Projected at Year End June 30, 2022	\$ 215,947
Accumulated Funding Requirement (Fully Funded)	\$ 195,410
Percentage Funded at the end of this Fiscal Year	110.5%
Accumulated Surplus for Current Fiscal Year	\$ 20,537 Per Unit \$ 147
Deferred repair/replacement of any major component with a remaining life of 30 years or less?	NO

RESERVE FUNDING OPTIONS FOR THE FISCAL YEAR ENDING: 2023

	per unit per month	per year
<i>funding options assume a 3% increase, unless otherwise noted</i>		
Annual Requirement Funding:	\$ 10	\$ 16,101
Current Budgeted Funding:	3	5,279
Recommended Funding:	3	5,279
Special Assessment/s Recommended?		NO
<i>For funding option details please see Reserve Study Summary page 2</i>		

We present this summary of the repair and replacement funding program of the Association as of June 30, 2022, and the related reserve funding projection for the 30-year period from 2022 to 2052, based on information provided by management and based upon the consultant's estimates of the most probable reserve component replacement costs, conditions, and lives. The annual requirement is based on the cost of each component divided by its total useful life. The accumulated requirement is the annual requirement multiplied by the number of years each component has been in service. The difference between accumulated requirement total and the actual cash balance may indicate a deficit which would be expressed in the percentage funded.

The above information is a condensed summary of the reserve study, in compliance with CA Civil Codes 5300, 5550, and 5600, and is intended to be included in the annual budget package to be provided to owners not less than 30 nor more than 90 days prior to the Association fiscal year end. CACC 5550 requires an on-site inspection every 3 years, and the study to be reviewed annually. Assumptions have been made about costs, conditions, and future events that may occur. Some of these assumptions may not materialize; and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and lives may vary from this report and the variations may be material.

The compilation of this reserve funding analysis and projection is based on representations of management and the consultant's estimates. We have not audited or reviewed the accompanying analysis and projections and, accordingly, do not express an opinion or any other form of assurance on them. We assume no responsibility to update this report for events occurring after the date of issuance of this report.



Sonnensberg & Company, CPAs

Sunset Place Association of Carlsbad
Level II: Update with On-Site Inspection
June 30, 2022

Inflation and Interest Earned on Reserves:

As an industry standard, provision has been made in the funding projections for inflation, computed at three percent (3%), and an assumed 1% net interest on the reserve balance has been added to the reserve funds. As costs increase in the future, the annual reserve reports should be revised accordingly.

Reserve Calculations:

Based on estimated current replacement costs of \$286,968 and estimated normal and remaining useful lives as determined by the independent consultant, the annual funding requirement is calculated to be \$15,632.

The accumulated funding requirement is calculated to be \$195,410.

As of June 30, 2022, the Association may have \$215,947 in accounts designated as reserve funds.

Therefore, a surplus of \$20,537 has been calculated, with a funding percentage of 110.5%. A portion of the annual reserve requirement may be provided for in the operating budget.

Industry Standard Measure of Funding Strength:

0% - 30% = **WEAK** At this level of funding, Special Assessments and deferred maintenance are likely.

31% - 70% = **FAIR** At this level of funding Special Assessment and deferred maintenance are less likely, but could still pose a concern. Efforts should be taken to increase to a healthier level of funding.

>70% = **STRONG** At this level of funding the Association should be well covered, with hopefully no need for deferred maintenance or Special Assessments.

Funding Calculations:

There are a variety of methods by which the Association can approach the desired level of funding. The Board is responsible for determining the optimum funding program. We have calculated three options:

Option 1: Annual Requirement Funding: This option assumes that the Association will maintain the annual funding requirement as calculated on page 5, without regard to any funding deficiency.

Currently the annual requirement allocation is \$16,101 or \$10 per unit per month (based on annual funding requirement, plus 3% inflation increase) beginning next fiscal year.

Reserves could be overfunded throughout the 30 year projection.

Option 2: Current Funding: The current budgeted funding level is projected over the 30-year period, including 3% inflation annual increase, as compared to option 1 and 3.

Currently, with the 3% increase, \$5,279 or \$3 per unit per month will be allocated to reserves next fiscal year.

Reserves are currently funded over 100%, but could come out of the overfunding by FY 2024/25.

Deficits could occur beginning FY 2033/34.

Option 3: Recommended Funding: This option is intended to calculate the amount of funding that would be the most sufficient for the Association over the next 30 years. The Current Budgeted Funding, and the Annual Requirement Funding are both taken into consideration while creating a Recommended Funding that is hopefully achievable by the Association. The 3% inflation annual increase is assumed, unless otherwise noted.

Recommended funding is, \$5,279 or \$3 per unit per month.

To avoid deficits, and to keep reserves at an adequate level of funding, the Regular Reserve Allocation could be increased 20% annually in FY's 2025/26 through 2033/34.

To then avoid future overfunding of the reserves, no annual increases should be needed in FY's 2034/35 through 2037/38, and the Regular Reserve allocation could be decreased in FY 2035/36 to equal \$20,000.

The reserves could come out of the overfunding by FY 2024/25, and could maintain Fair to Strong levels of funding throughout the remainder of the 30 year projection.

**SUNSET PLACE ASSOCIATION OF CARLSBAD
CAPRI
DELINQUENT ASSESSMENT COLLECTION POLICY**

Timely payment of regular and special assessments is of critical importance to SUNSET PLACE ASSOCIATION OF CARLSBAD ("Association"). Although most property owners consistently pay their assessments on time, the failure of any owner to pay monthly assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payment of their assessments to bear a disproportionate share of the Association's financial obligations. Therefore, to encourage the prompt payment of monthly assessments, the Board of Directors has enacted the following policies and procedures concerning collection of delinquent assessment accounts.

We sincerely trust that all property owners, in the spirit of cooperation, will make timely payments and avoid the imposition of late charges and possible resultant legal action. It is in your best interest to do so.

1. Due Dates, Late Charges, Collection Costs; and Interest

(a) Assessment Due Dates. The regular annual assessment is payable in 12 equal installments on the first day of each calendar month and are delinquent if not paid by the 15th day of the month. Special assessments shall be due and payable on the due date specified by the Board of Directors in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. In no event shall a special assessment be due and payable earlier than 30 days after the special assessment has been duly imposed.

(b) Late Charges. When an installment payment of a regular assessment or a special assessment becomes delinquent, the owner's account with the association shall be charged with a late payment equal to the greater of \$10.00 or 10 percent of the delinquent amount.

(c) Collection Costs Are Also Recoverable. As provided by law, the Association is also entitled to recover all reasonable costs incurred in collecting delinquent assessments including the following: (i) reasonable charges imposed to defray the cost of preparing and mailing demand letters; (ii) legal expenses incurred; (iii) recording costs; (iv) costs incurred with title companies or foreclosure service providers; and (v) costs associated with small claims court actions (collectively "reasonable costs of collection").

(d) Policy Regarding Requests from Owners to Waive Costs. It is the policy of the Association not to waive any duly imposed reasonable costs of collection. It is the owner's responsibility to allow ample time to drop off or mail before the delinquency date. All notices or invoices for assessments will be sent to property owners by first-class mail addressed to the owner at his or her address as shown on the books and records of the Association. However, it is the owner's responsibility to be aware of the assessment payment due dates and to advise the Association of any changes in the owner's mailing address.

(e) Interest. State law and the governing documents of the Association also provide for the imposition of interest at the rate of 12 percent per annum on all delinquent assessments, late

DELINQUENT ASSESSMENT COLLECTION POLICY

charges, and reasonable costs of collection commencing 30 days after the due date of the delinquent assessment(s).

(f) Application of Payments. Payments received on delinquent assessments shall be applied to the owner's account in the following order of priority: first, to the principal owed; then to accrued interest and late charges; then to attorney fees; then to title company and foreclosure service company charges and other reasonable costs of collection. Payments on account of principal shall be applied in reverse order so that the oldest arrearage is retired first. Interest shall continue to accrue on unpaid balances of principal, and other costs and charges imposed in accordance with Civil Code section 1366(d).

2. Enforcement and Collection Remedies Available to the Association.

(a) The First Demand Letter. When an owner becomes delinquent in the payment of assessments, the Association's management company will mail (by first-class mail) or personally deliver to the owner a "First Demand" letter advising the owner that he or she is late in the payment of assessments and requesting immediate payment. The letter shall also inform the owner of the total amount then due, including late charges and any costs imposed by the association to recover the expense incurred in preparing and mailing the letter (which charge is currently \$30.00).

(b) Collection Alternatives Available to the Association If First Demand Does Not Result in Payment in Full. If the owner's assessment account remains delinquent for more than 30 days, and interest charges begin to accrue, the Association shall be entitled to pursue either of two alternatives:

Small Claims Actions: First, the Association may elect to instruct its property manager to pursue the Association's claims against the owner in a Small Claims Court Action (if this action is taken, paragraphs (c) through (f) of this subparagraph 2 do not apply to that collection matter).

Second Demand (Certified Mail) Followed by Foreclosure Proceedings. Second, the Association may elect to refer the owner's file to legal counsel with directions to send the delinquent owner, by certified mail, a second demand letter. That letter shall provide an itemized statement of the total amount of assessments then due and the amount of late charges, collection costs, and interest then posted to the owner's account (and a statement of how those sums were calculated). In addition, this notice shall advise the owner of the Association's fee and penalty procedures and the Association's collection policies by including a copy of this Policy with the letter. The charge that the owner will incur for this letter from legal counsel would be determined.

Suspension of Membership Privileges. In addition to pursuing either of the above options, membership must be maintained in good standing to retain privileges, including but not limited to, the exercise of member voting rights and the use of Association recreation facilities. Membership is considered not in good standing if any assessments, dues, fees, fines, interest, late charges, or any other charges remain unpaid 60 days after the due date for the delinquent assessments.

DELINQUENT ASSESSMENT COLLECTION POLICY

(c) Recordation of a Notice of Delinquent Assessment. At any time after the Second Demand Letter is sent to an owner by certified mail, the Association shall be entitled to cause to be recorded in the chain of title to the delinquent owner's Lot in the Office of the County Recorder a Notice of Delinquent Assessment covering all sums that are then delinquent, including the delinquent assessment, late charges, costs, and reasonable attorney fees. A recorded Notice of Delinquent Assessment creates a lien on the delinquent owner's lot that is subject to foreclosure. The Association has the option of pursuing foreclosure judicially or under a power of sale.

(d) Notification of All Record Owners of the Liened Lot. Once a Notice of Delinquent Assessment has been recorded, the Association must send a copy of the Notice to all record owners of the subject lot within 10 days following the date of recordation. That mailing shall be certified, with all postage prepaid.

(e) Options Available to Liened Owners. The delinquent owner of the liened lot to which the Notice of Delinquent Assessment pertains then has 30 days from the recordation date (of the Notice of Delinquent Assessment) to pursue either of the following alternatives:

(i) **Payment in Full and Termination of Collection Process.** First, the owner can simply pay all amounts shown in the Notice of Delinquent Assessment and thereby conclude the collection process. It is advisable that the owner first contact the Association's management company's office to confirm the amounts accrued and owing as of the pay-off date. The current telephone number is (760) 436-1 144. Immediately following receipt of the owner's payment, the Association shall cause to be recorded a release of its assessment lien.

(ii) **Alternative of Payment Under Protest; Limitations on Exercise of This Option.** The second alternative for delinquent owners who receive a Notice of Delinquent Assessment is: (A) to pay in full and under protest all delinquent sums, interest, late charges, and other noted costs of collection, and (B) to send the Association, by certified mail, a written notice that the amount is paid under protest. That notice should be mailed c/o the management company, 6126 Innovation Way, Carlsbad, CA 92009. On receipt of that notice, the Association must inform the protesting owner of his or her right to have the matter resolved through alternative dispute resolution in accordance with Civil Code section 1354, through the filing of a civil action or through use of any other dispute resolution procedures available through the Association. Monies received under protest shall be held in a segregated account until such time as the alternative dispute resolution process has concluded, provided the owner's protest is timely and properly made and the limitations described in the immediately following paragraph do not apply. If an owner elects to pursue alternative dispute resolution in accordance with Civil Code section 1354, it shall be the responsibility of the owner to comply with the statutory requirements relating to the preparation and service of a Request for Resolution.

DELINQUENT ASSESSMENT COLLECTION POLICY

NOTICE REGARDING LIMITATIONS ON OWNER PROTEST RIGHTS: Unless the Association otherwise agrees, State law provides that this right to pay delinquent assessments under protest and to demand alternative dispute resolution (which is a statutory right conferred by Civil Code section 1366.3) may be exercised only two times in any single calendar year and not more than three times in any five calendar years. Except to the extent that notices are required by law, the Association shall not provide advice to property owners regarding technical requirements of these ADR procedures. Owners should consult their own counsel regarding such matters.

(f) Continuation With Foreclosure Proceedings. Following the later of 30 days from recordation of the Notice of Default or conclusion of alternative dispute resolution procedures following a valid owner's protest in a manner that does not result in a binding adverse determination against the Association (see Civil Code section 1363.3(a) and paragraph (e), above), the Association's lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the Notice of Delinquent Assessment, or sale by a trustee substituted under Civil Code section 2934a. Any sale by a trustee in foreclosure shall be conducted in accordance with the Civil Code provisions relating to foreclosure of a deed of trust under a power of sale (see Civil Code sections 2924, 2924b and 2924c).

(g) Authority of the Association to Recover Attorney Fees and All Reasonable Costs of Collection. As noted above, if a lawsuit or foreclosure proceeding is initiated by the Association to recover assessments, the Association is entitled, by law (Civil Code section 1366(d)) and by the declaration of restrictions, to recover not only the amount in default, plus late charges, and interest, but also all reasonable costs of collection, including title company charges and attorney fees. Currently the Association's legal counsel charges \$50.00 for the preparation and mailing of demand letters; \$130.00 for the preparation and recordation of a Notice of Delinquent Assessment; and \$400.00 for the preparation and recordation of a Notice of Default (with associated required statutory mailings). Title Company and charges incurred by the Association with foreclosure service companies (following recordation of a Notice of Delinquent Assessment) fees vary. The estimated charges and fees set forth in this paragraph are subject to change.

3. Authority of the Association to Publish List of Delinquent Owners. In addition to the foregoing remedies, the Association intends to publish a list in the Association's newsletter of the names of all owners whose assessment payments are delinquent more than 60 days after the Association has complied with subparagraph 2(a) of this policy.

4. Charge for Returned Checks. A \$10.00 [~~\$5.00~~] charge shall be posted to an owner's account for any checks that are returned.

5. Effective Date of This Policy. This policy was duly adopted by action of the Board of Directors on 1999 and shall be effective January 1, 2000.

II. DISCIPLINE MONETARY PENALTY SCHEDULE
FOR
SUNSET PLACE ASSOCIATION OF CARLSBAD

The Sunset Place Association of Carlsbad has adopted the following Discipline monetary penalties:

	<u>FIRST OFFENSE</u>	<u>SECOND OFFENSE</u>
1. Not improving landscaping	\$100.00	\$200.00
2. Failure to maintain landscaping	\$100.00	\$200.00
3. Parking violation	\$100.00	\$200.00
4. Failure to leash dogs	\$ 10.00	\$25.00
5. Failure to pick up and discard pet feces	\$100.00	\$200.00
6. Major car repairing in project	\$25.00	\$50.00
7. Storing of trash or piles of wood within street or common area view	\$100.00	\$200.00
8. Failure to receive Board approval of plans before commencing additions or architectural improvements	\$1,000.00	\$2,000.00

The Board of Directors will assess monetary penalties for those matters not set forth above ranging from \$25.00 to \$10,000.00. All penalties will be levied only after a hearing is held, as specified above, at which time the member will be given an opportunity to appear.

The fine for third offenses and each additional occurrence will be determined by the Board and will follow the increment structure indicated above.

Offenses for separate rules or sections of the Governing Documents shall each start at the warning state (Section 1. Above).

A monetary fine for continuing violation on a lot shall not be assess more often than once for any one calendar month or portion thereof during which the violation existed. No monetary fine may be assessed for a period prior to the date of the earliest informal notice pursuant to Section 1. Above.

CAPRI ARCHITECTURAL GUIDELINES



SUNSET PLACE ASSOCIATION OF CARLSBAD

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0. Table of Contents

1. Introduction and Background

1.1 Community Description

The Capri neighborhood is a unique community of homes, with a distinctive architectural style, built above the Agua Hedionda Lagoon with views of the Pacific Ocean in Carlsbad, California.

1.2 Background

These Design Guidelines are in place to protect the prevailing character of the Capri community and serve to provide a higher design standard than the City of Carlsbad development standards. Design guidelines have been a part of the Capri neighborhood since its inception. They ensure that appropriate modifications are made to the residences and land to maintain the unique character and style of the Capri community.

1.3 Community Style

1.3.1 General

All building materials to be used in landscaping, additions to homes, garages or lots shall be, whenever possible the same as the original materials or consistent and harmonious in color and class of materials.

1.3.2 Architectural Style

Additions or modifications of original floor plans, the additions shall be of the SAME architectural style, not merely similar.

1.3.3 Colors

Colors used on the exterior of the home and accessory elements shall be complementary with the color and design of the home and shall comply with the BOD suggested colors, appendix 13-B.

1.4 Purpose of the Guidelines

The purpose of this Guideline is to assist Owners in obtaining approval from the Architectural Control Committee (ACC) and the Board of Directors (BOD) for improvements they wish to make to their homes and properties and to insure that such improvements are made in accordance with the Association's Governing Documents. This Guideline is subordinate to the other Governing Documents (CC&R's, Articles or Bylaws) and while it might consolidate or provide a Board's Interpretations of the provisions of the Governing Documents it does not supersede and is not intended to replace those other documents. Therefore, Owners should always refer to all of the Governing Documents for the final authority.

1.5 How to Use the Guidelines

Before proposing a project owners should review these guidelines. These guidelines should be used prior to initiating the project design and throughout the design process. Examples contained in the guidelines should not be considered as the only design solution, but as a beginning point for the design process. Owners should attempt to be creative and innovative, and should look beyond simple or artless architectural and landscape design treatments. It is important, too, that owners involve ACC members, adjacent affected owners, nearby residents and the community in the design process prior to making a significant investment in design.

1. Introduction and Background

1.6 Interpretation of Provisions

The ACC and BOD have the designated authority to interpret and apply these Design Guidelines. Interpretations and application of the guidelines shall be based on the application submittal, the context and applicability of the guideline, and the Design Guidelines as a whole. Some guidelines may not apply to all projects due to a variety of reasons, such as type of project, architectural design, site specific location issues, and character of the surrounding residences. Interpretations and application of the guidelines should achieve the purpose of the Design Guidelines located in the Introduction and the guiding principles contained in each section.

To aid in the interpretation of these guidelines, an applicant should understand the meaning of "shall," "should," "encouraged," and "discouraged".

Guidelines, which employ the word "shall" are in most cases mandatory.

Guidelines, which employ the word "should" are intended to express the ACC and BOD's desire and expectation. An alternative measure may be considered if it meets or exceeds the intent of the guideline.

Guidelines, which employ the word "encouraged" are intended to express a more desirable design solution.

Guidelines, which employ the word "discouraged" are intended to express a less desirable design solution.

1.7 Applicability

ARTICLE IX Section 9. Architectural Control Committee of the CC&R's essentially provides that no fence, patio, or other improvement or structure including alterations be erected or painted within the Project without the approval in writing by the Board of Directors (BOD) or an Architectural Control Committee (ACC) appointed by the Board. Also included is landscaping ("hardscape" but not natural plants) visible from the street or Common Area. Plans and specifications showing nature and location of the improvements are to be submitted in writing to the Board for approval as to quality of workmanship and design and harmony of external design with existing structures, topography and finish grade elevation. Section 9. specifically provides that Owners may re-plant in accordance with the color scheme previously approved by the Board without any additional approval subject to the provisions of guideline 1.3.3 Colors. Plans must be disapproved within 60 days of submission or they will be deemed approved.

1.8 Review Process

Submittal requirements for projects are described in section 10, approval guidelines. The application for project submittal is Appendix A of the guidelines. Following submittal of the project drawings and a complete application, a continuing exchange of information should occur as the design is finalized and the ACC review application starts.

1. Introduction and Background

1.9 Review Approvals

Obtaining an approval signifies a project's compliance with the architectural appearance and physical development of the Capri Architectural Guidelines, as determined by the ACC and BOD. Future alterations and/or remodeling of a project with an ACC and BOD approval would be reviewed within the context of the original residence design and subsequent design approvals.

1.10 Owner Consideration

The ACC, BOD & Association requests that each Owner be considerate of other Owners when making improvements or when maintaining landscaping on their lot. Owners are encouraged to consult with other Owners and cooperate with other Owners when practical, minor changes in a plan may be of substantial benefit to other Owners. While an Owner may have a legal right to accomplish what the Owner proposes, the Association requests that each Owner at least consider the impact on other Owners' view, privacy and light expectations.

2. Grading and Landscaping Guidelines

2.1 Grading and Earth Movement

Grading or earth movement on the existing prepared lots is strongly discouraged. If it is proposed it must be below the limits that would require a grading plan from the City of Carlsbad and it should be demonstrated why it is vital to the proposed design or necessary based on existing site conditions.

2.2 Site Drainage

2.2.1 Subsurface

Subsurface drainage systems (French drains) are permitted. Existing systems should be maintained so that they work efficiently and do no harm to adjacent properties. New systems should be installed as a part of an integrated landscape plan. In most cases the outlet for the subsurface drainage system should be under the sidewalk and through the curb so as to avoid water sheet flow over the sidewalk.

2.2.2 Surface

Existing surface drainage in most cases shall be maintained as each lot's surface drainage was carefully designed when the community was created. If surface drainage is proposed to be altered it should be demonstrated that the proposed changes will not adversely affect the subject lot, adjacent properties and the community at large. In no case shall the surface drainage drain toward the residence or onto an adjacent lot.

2.3 Hardscaping

2.3.1 Location

Hardscaping should be provided at the driveway from the street to the garage door. It should also be provided from the driveway or sidewalk to the entry of the residence. Hardscape should also be provided along the side of the house, on at least one side, to provide access from the front to the rear of the home. Hardscape is also allowed at all exits, patios and other exterior use areas. Hardscape should not exceed 50% of the exterior area of a property.

2.3.2 Materials

All materials used in hardscaping shall be, whenever possible, the same as the original materials or consistent with the original materials. Brick, tile and/or natural stone may be used as a walkway, steps or ribbon accent on walks or driveways and may be used as on cap on walls.

2.3.3 Color and texture

All materials used in hardscaping shall be, whenever possible, harmonious in color and class to the original materials. Colors shall be consistent with the color and design of the residence.

2.4 Planting Borders

Planting borders along walkways and driveways are encouraged. They should be consistent with, and harmonious to the landscaping provided on the rest of the property.

2.5 Landscaping

Landscaping at each residence should be consistent with, and complementary to, landscaping observed around the neighborhood.



Landscapes shown above encouraged as complementary



Landscapes shown above discouraged as conflicting

2.6 Sloped Banks

Sloped banks on private property shall be planted with landscaping materials that cover the bank in its entirety to protect from erosion. Exposed dirt banks are not allowed. Plantings on sloped banks shall not obscure or interfere with the view from adjacent properties or be taller than 24 feet from the lower pad level of the residence. Planting of palm trees on sloped banks shall not be allowed.

2.7 Tree Trimming

Trimming of trees on private property shall be done on a regular basis (a minimum of every two years) to maintain adjacent views, reduce leaf litter and to enhance the community appeal.

2.8 Height of Landscaping Elements

As provided in Article XII of CC&R's, no landscaping, (trees, shrubs, or plants) shall be allowed to attain a height in excess of twenty-four (24) feet when measured from the lower pad level. Palm trees are not included in this restriction, however, palms must be trimmed a minimum of at least every two years.

3. Fencing and Site Walls Guidelines

3.1 General

3.1.1 In order to maintain quality of workmanship and design and harmony of external design with existing structures, strict guidelines are to be maintained with regards to fencing. Fencing which is visible from any public thoroughfare (street or the path surrounding the project) shall conform to the following parameters.

3.1.2 All fencing will conform to the fencing specifications as detailed in this guideline. The fence specification drawings are located at the conclusion of this guideline section. All other forms of fencing are prohibited unless approved by the Architectural Control Committee (ACC).

3.2 Wood Fencing and Gates

3.2.1 Wood fences surfaced with cement plaster (Type A) are allowed, but a cement plaster finished masonry fence is the preferred selection.

3.2.2 All Wood Fences (Type B) shall be painted to match the color of the house trim. Wood shall be permitted only between houses and on the return to the house if they are not in a view corridor. Wood fences are allowed but not encouraged.

3.3 Metal Fencing and Gates

All fencing in view sensitive areas shall be (Type C) open metal fence with cement plaster pilasters. Open metal fences and gates are preferred in the front yard leading to the entry.

3.4 Glass Fencing and Gates

Clear glass fencing (Type D) that meets the design standards illustrated in the detail are allowed in view corridors upon approval of the ACC.

3.5 Masonry Fencing

All masonry fences (Type E) shall receive a cement plaster finish to match the color and texture of the house. Exposed concrete block, or slump stone fencing shall not be allowed. Exposed brick or tile elements are acceptable if approved by the ACC.

3.6 Low Walls and Retaining Walls

Cement plaster finished low walls (also known as pony or half walls) of less than a full five feet shall be permitted for the purpose of soils retention (retaining walls) and also can be used for decorative purposes. Also 32" or less in height (Type E) cement plaster walls may be used in lieu of the open metal fence in view sensitive areas. Walls that retain earth shall meet the City of Carlsbad standards for retaining walls or be designed by a structural engineer with the calculations and drawings provided to the ACC as part of the submittal package.

3.7 Pilasters

Cement plaster pilasters of the (Type C) fencing shall be 16-18" square. Their spacing shall be uniform, approximately 20' on center. Spacing can vary to be more or less than 20' on center, depending on lot dimensions, but all pilasters shall be evenly spaced. Cement plaster pilasters and cement plaster walls visible from the street shall match the color of the home. One color only is allowed on a plaster visible from the street or common area.

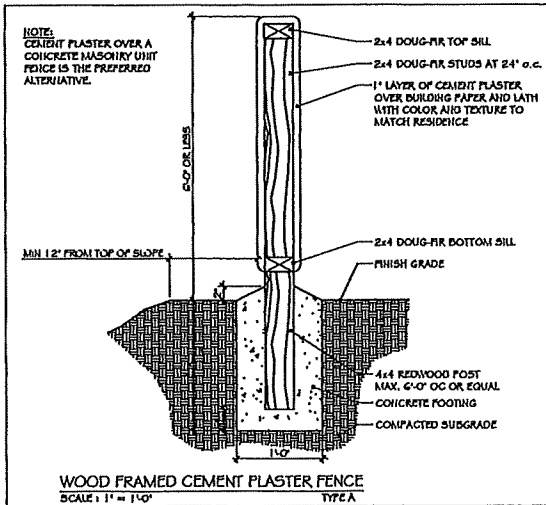
3.8 Temporary Fencing

Temporary chain link fencing of construction projects with a screening material is encouraged for use during construction. Other temporary fences shall not be allowed. Corrugated metal, woven chicken wire, welded wire, plastic and vinyl are all examples of temporary fencing material that shall not be allowed.

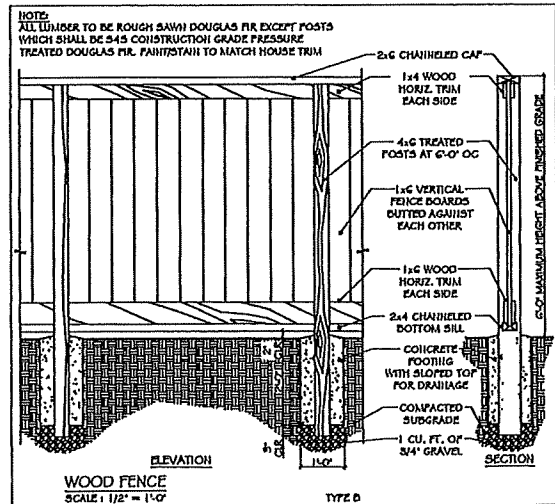
3.9 Interior Bank Fencing

If an Owner on an interior lot wishes to fence the rear bank portion of the lot as it proceeds uphill to meet the boundary of the backyard on the upper level, the fencing shall "tie-in" with the existing fencing on the upper boundary of the bank. Open metal fence with cement plaster pilaster "Type C" fencing shall be used for bank applications. At the point of connection with fencing of the upper lot, the open metal fence on the banks shall be welded to the existing open metal fence or connected to existing pilasters but no new pilasters shall be introduced on the upper boundary of the rear bank if possible.

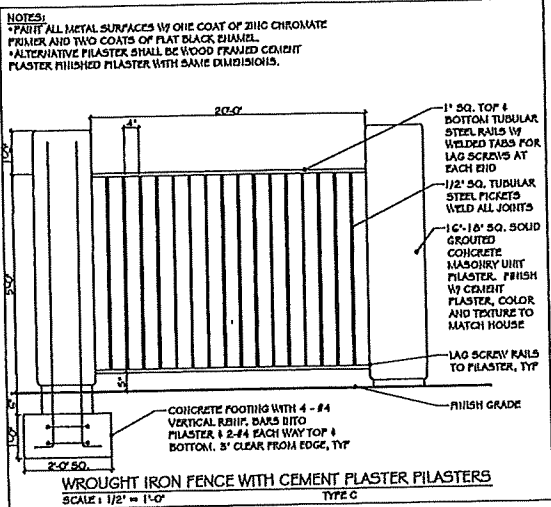
TYPE A



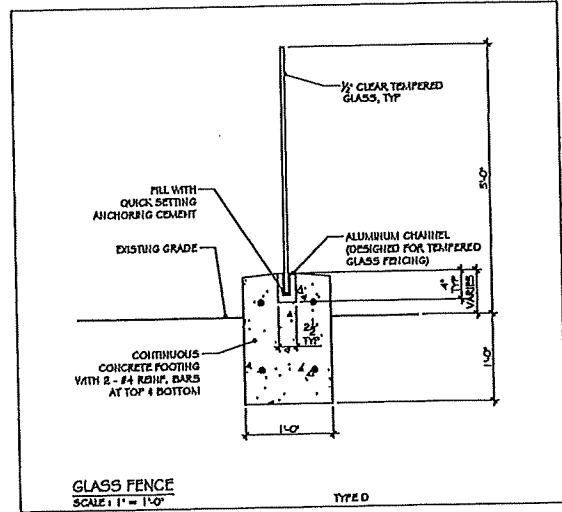
TYPE B



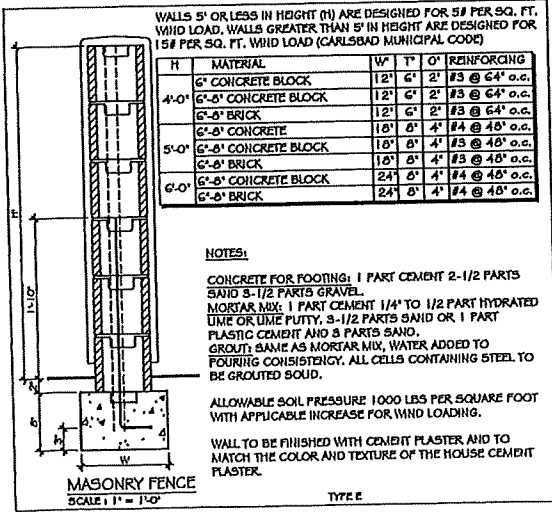
TYPE C



TYPE D



TYPE E



4. Wall Materials and Accessories Guidelines

4.1 General

Wall material that is altered shall maintain the color, texture and finish of the original wall material. Wall material at new walls shall maintain the color, texture and finish of the original wall material.

4.2 Cement Plaster

4.2.1 Colors

Colors of cement plaster shall comply with guideline [1.3.3 Colors](#) and [appendix 13-B](#).

4.2.2 Texture

The texture of cement plaster shall be the same for all elements of a residence.

4.3 Trim and Woodwork

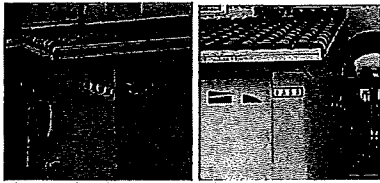
Trim and woodwork that is altered shall maintain the color and finish of the original trim material. New trim and woodwork shall maintain the color and finish of the original trim material. Colors of trim and woodwork shall comply with guideline [1.3.3 Colors](#) and [appendix 13-B](#).

4.4 Address Numbers

Address numbers on the front of the residence shall be black individual numbers as originally placed on each residence and can be installed without approval. Alternative address numbers shall require the approval of the ACC and BOD and shall meet the requirements of the Carlsbad Fire Department.



Examples of the original address numbers.



Address numbers that require approval.

4.5 Design Accents

Design accents provided as part of the original design of the residence shall be maintained to the greatest extent possible when a residence is modified. This includes quaterfollo, banding, corbels and other cement plaster and trim accents. Design accents added to a residence that deviates substantially from the original residence design shall require approval of the ACC and BOD.



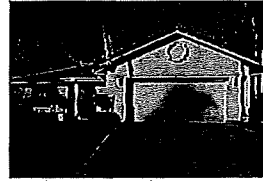
Existing accents to be maintained

Proposed accents requiring approval

4. Wall Materials and Accessories Guidelines

4.6 Flags and Flag Mounts

Each residence shall be allowed to have one flag mount attached to the fascia or wall at the front of the residence. If the American flag is flown on the mount all rules governing its care shall be observed. Freestanding flagpoles on private property are not encouraged and require approval of the ACC and BOD.



Example of fascia mounted flag



Example of freestanding flagpole

4. Wall Materials and Accessories Guidelines

5. Door and Window Guidelines

5.1 General

Doors and windows are an integral part of the design theme of the community and of each residence. Care should be taken in selecting replacement or new doors and windows for a residence.

5.2 Entry Doors

5.2.1 Material

Entry doors should be wood or wood with glass. Other materials may be considered if the door maintains the desired qualities for an entry door. Replacement entry doors should emulate many of the qualities of the original entry door.

5.2.2 Color

Entry doors can be stained or painted. The entry door can display the natural color of the wood or be stained or painted to provide a contrasting color. Entry door colors should be complementary to the residence color scheme and harmonious with other adjacent entry doors. Brightly colored entry doors not in step with the community composition shall not be allowed.

5.2.3 Texture

Entry doors can have a smooth or rough texture. They should have raised panels, glass insets or other trim elements that distinguish them as the entry door.



Acceptable entry doors shown above.

5. Door and Window Guidelines

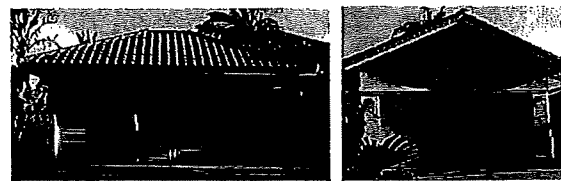
5.3 Garage Doors

5.3.1 Garage Door Types

Maintaining or replacing the original overhead garage doors is encouraged. Sectional roll-up replacement garage doors, with or without windows in the top panel may be installed in lieu of the existing overhead garage door.



An original overhead garage door shown above.



Acceptable replacement sectional roll-up garage doors shown above.

5. Door and Window Guidelines

5.3.2 Garage Door Materials

Metal, wood or fiberglass insulated doors are encouraged as a replacement to the original overhead doors. Metal framed sectional garage doors with glass panels at each section shall not be allowed. Sectional doors with a color contrasting natural wood finish are also not allowed.



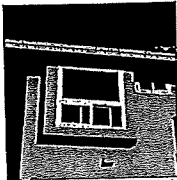
Garage door styles that are not allowed are shown above.

5.3.3 Garage Door Colors

Garage doors shall be painted to match the approved residence color, white or almond. Garage doors shall blend with the residence, be monochromatic and not be a highly contrasting color. Guideline 1.3.3 Colors and appendix 13-B can be referenced for approved colors.

5.4 Door and Window Replacement**5.4.1 Door and Window Materials**

Door and window material should be aluminum to match the original doors and windows. Vinyl, fiberglass, wood or aluminum clad wood doors and windows can be acceptable alternatives if they maintain a similar design appearance to the original windows. Replacement doors and windows with oversized perimeter frames are discouraged.



Discouraged replacement windows with oversized perimeter frames shown above.

5.4.2 Door and Window Color

Door and window color shall be white to match the original door and window color. Other door and window colors are strongly discouraged unless it can be shown that the alternate color is part of an integrated color scheme and it blends with the other colors of the residence.

5.5 Door and Window Treatments**5.5.1 Operational Style**

The operational style of doors and windows should be maintained at replacement or new doors and windows. For example, if a window is a horizontal sliding window its replacement is encouraged to be a horizontal sliding window.

5.5.2 Mullions/Muttons

The original doors and windows traditionally had dividing mullions or muttons. It is preferred that if a door or window is replaced it again have the dividing mullions or muttons. However, proposed replacement doors and windows with the mullions or muttons eliminated may be approved by the ACC and BOD.

5.5.3 Tinting and Films

Glazed doors and windows may have tinted glazing or have a tinted film attached where required for sunlight control. Reflective tinted glazing or tinted film where the glazing acts as a mirror from the exterior shall not be allowed.

5.6 Skylights and Tubular Light Domes**5.6.1 Skylights**

Skylights were not a common original design element of the community. If proposed they are encouraged to be placed so that they are not visible from the street or other public way. Flat glass skylights with bronze or roof colored frames are encouraged if a skylight is proposed, white opaque domed skylights shall not be allowed.

5.6.2 Tubular Light Domes

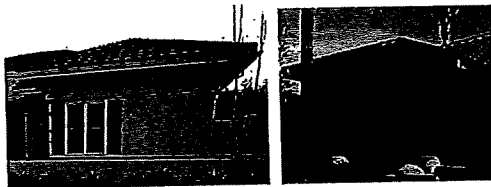
Tubular light domes were not an original design element of the community. Their use is not encouraged. If proposed they are encouraged to be placed so that they are not visible from the street or other public way. Clear plastic domes with bronze or roof colored frames are encouraged if a tubular light dome is proposed.

5.7 Door and Window Trim

Replacement or new door and window trim constructed from cement plaster or wood shall match similar trim elements on the residence. Colors of trim shall comply with guideline 1.3.3 Colors and appendix 13-B.

5.8 Shutters

Shutters were not a common original design element of the community. They have become an acceptable design element if they reflect a Spanish/Mediterranean aesthetic and are integrated into the residence design theme and colors.



Examples of shutters shown above.

5.9 Exterior Screens

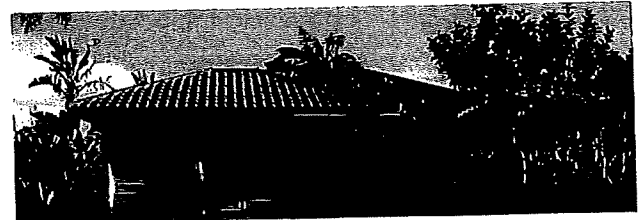
Exterior screens at window and door openings shall be maintained and replaced when they become faded, fail to operate correctly or appear visibly deteriorated. Motorized or non-motorized exterior screens at door or window openings or hanging from eaves or other exterior structures are discouraged.

5.10 Security Doors, Grills & Bars

Security screen doors are not allowed at the front entry or any other door viewable from a public way. Security screen doors at other locations are strongly discouraged. Security grills and security bars at window or door openings are not allowed.

6. Roofing and Roof Accessories Guidelines**6.1 Roofing**

Roofing used to repair an existing roof or to roof an addition shall match the existing clay roof tile style, color and construction. Birds stops, hip ends, ridge tiles and other roof elements shall match the existing roof elements.

**6.2 Waterproof Deck Surfacing**

Waterproof deck surfacing shall be consistent and harmonious with the colors and textures of the residence.

6.3 Awnings

Awnings of fabric or metal were not a part of the original design aesthetic. Therefore their use as a design element is discouraged.

6.4 Gutters and Downspouts

New or replacement metal gutters and downspouts shall match the existing metal gutters and downspouts in color and material. They shall be painted the color of the trim or cement plaster, depending on the material they are attached to, so that they blend in as much as possible. Plastic gutters and downspouts shall not be allowed.

**6.5 Metal Roof Accessories and Trim**

New or replacement metal accessories and trim shall match the existing metal accessories and trim in color and material. Metal roof accessories shall be painted to match the roofing, trim or cement plaster depending on the material they are attached to, so that they blend in as much as possible.

7. Exterior Structure and Furnishings Guidelines

7.1 Trellis and Patio Covers

Trellises and patio covers are acceptable additions to a residence. They must meet City of Carlsbad code requirements and be designed to comply with guideline 1.3 Community Style to be considered for approval. They should be built in the side and rear yard. If they are built in the front or in a yard open to public view they should be of exceptional design quality to be considered for approval. They shall not be proposed to be constructed in a location that could obstruct the view of an adjacent neighbor without the written approval of that neighbor.

7.2 Decks and Deck Railings

Decks or balconies and their guardrails are acceptable additions to a residence. They must meet City of Carlsbad code requirements and be designed to comply with guideline 1.3 Community Style to be considered for approval. Materials used for new or renovated deck elements should be harmonious and not be strongly contrasting or distinctly different from the original design or deviate from the approved color scheme. Deck guardrails of wood and/or glass are encouraged. Other guardrail materials and designs could be considered for approval. Decks or balconies should be built in the side and rear yard. If they are built in the front or in a yard open to public view they should be of exceptional design quality to be considered for approval. They shall not be proposed to be constructed in a location that could obstruct the view or impact the privacy of an adjacent neighbor without the written approval of that neighbor.

7.3 Gazebos

Gazebos and other detached open shade structures are acceptable additions to the yard of a residence. They must meet City of Carlsbad code requirements and be designed to comply with guideline 1.3 Community Style to be considered for approval. They should be built in the side and rear yard. If they are built in the front or in a yard open to public view they should be of exceptional design quality to be considered for approval. They shall not be proposed to be constructed in a location that could obstruct the view of an adjacent neighbor without the written approval of that neighbor.

7.4 Sheds

Enclosed exterior storage sheds shall not be allowed in any exterior yard of a residence.

7.5 Outdoor Cooking Facilities

7.5.1 Barbeques

Permanent barbeques are acceptable additions to the yard of a residence. They must meet City of Carlsbad code requirements and be designed to comply with guideline 1.3 Community Style to be considered for approval. They should be built in the rear yard. If they are built in the side, front or in a yard open to public view they should be of exceptional design quality and be screened from public view to be considered for approval. They shall not be proposed to be constructed in a location that could obstruct the view of an adjacent neighbor without the written approval of that neighbor.

7. Exterior Structure and Furnishings Guidelines

7.5.2 Fireplace

Permanent outdoor fireplaces are acceptable additions to the yard of a residence. They must meet City of Carlsbad code requirements and be designed to comply with guideline 1.3 Community Style to be considered for approval. They should be built in the rear yard. If they are built in the side, front or in a yard open to public view they should be of exceptional design quality and be screened from public view to be considered for approval. They shall not be proposed to be constructed in a location that could obstruct the view of an adjacent neighbor without the written approval of that neighbor.

7.5.3 Pizza Ovens

Permanent pizza ovens are acceptable additions to the yard of a residence. They must meet City of Carlsbad code requirements and be designed to comply with guideline 1.3 Community Style to be considered for approval. They should be built in the rear yard. If they are built in the side, front or in a yard open to public view they should be of exceptional design quality and be screened from public view to be considered for approval. They shall not be proposed to be constructed in a location that could obstruct the view of an adjacent neighbor without the written approval of that neighbor.

7.5.4 Fire Pits

Permanent fire pits are acceptable additions to the yard of a residence. They must meet City of Carlsbad code requirements and be designed to comply with guideline 1.3 Community Style to be considered for approval. They should be built in the rear yard. If they are built in the side, front or in a yard open to public view they should be of exceptional design quality and be screened from public view to be considered for approval. They shall not be proposed to be constructed in a location that could obstruct the view of an adjacent neighbor without the written approval of that neighbor.

7.6 Play Equipment, Umbrellas and Swings

7.6.1 Play Equipment

Play equipment structures are not encouraged, but may be approved as additions to the yard of a residence. They must meet City of Carlsbad guidelines for not requiring a building permit and be designed to comply with guideline 1.3 Community Style to be considered for approval. They shall be placed only in the rear yard and not generally in an area open to public view. They shall not be proposed to be constructed in a location that could obstruct the view of an adjacent neighbor without the written approval of that neighbor.

7.6.2 Umbrellas

Fabric Umbrellas are acceptable additions to the yard of a residence. They should comply with guideline 1.3 Community Style to be considered for approval. They should be placed in the side and rear yard. If they are placed in the front or in a yard open to public view they should be of exceptional quality to be considered for approval. They shall be maintained in good condition and once the fabric has faded the fabric should be replaced. Umbrellas placed in a location that could block the view of an adjacent neighbor shall be relocated if a written request is submitted to the ACC by the adjacent neighbor.

7. Exterior Structure and Furnishings Guidelines

7.6.3 Swings

Swings are not encouraged, but may be approved as additions to the yard of a residence. They must meet City of Carlsbad guidelines for not requiring a building permit and be designed to comply with guideline 1.3 Community Style to be considered for approval. They shall be placed only in the rear yard and not generally in an area open to public view. They shall not be proposed to be constructed in a location that could obstruct the view of an adjacent neighbor without the written approval of that neighbor.

7.7 Exterior Exposed Mechanical Units

Exterior exposed ground mounted mechanical units are acceptable additions to the yard of a residence. They shall be placed only in the side or rear yard and not in an area open to public view.

Exterior window mounted mechanical conditioning units and roof mounted mechanical conditioning equipment shall not be allowed.

7.8 Outdoor Furnishings

Outdoor furnishings with or without fabric are acceptable additions to the yard of a residence. They should comply with guideline 1.3 Community Style to be considered for approval. They shall be maintained in good condition and once the furniture material has deteriorated or faded the furniture should be replaced. They can be placed in any yard. If they are placed in the front or in a yard open to public view they should be of exceptional quality to be considered for approval. Outdoor furniture placed in a location that could block the view of an adjacent neighbor shall be relocated if a written request is submitted to the ACC by the adjacent neighbor.

7. Exterior Structure and Furnishings Guidelines

8. Lighting, Solar Panel, Satellite Dish and Antenna Guidelines

8.1 General

Exterior electric fixtures and electronic accessories are allowed to be attached to a residence. They should be placed in a manner that is complementary to the residence style and not obtrusive to the neighborhood.

8.2 Exterior Lighting

Exterior lighting shall be harmonious with the overall style of the residence. Fixture style and color should be consistent for each residence. Fixtures should be decorative and the bulb should be shielded or enclosed. Security style lighting, with large bright bulbs is discouraged.



Exterior lighting that is encouraged is shown above.



Exterior lighting that is discouraged is shown above.

8. Lighting, Solar Panel, Satellite Dish and Antenna Guidelines

8.3 Temporary Exterior Lighting

Temporary exterior lighting is allowed for Holidays that traditionally includes lighting displays. Temporary exterior lighting for special events other times of the year are allowed as well. Temporary exterior lighting shall not be installed for more than 60 continuous days.

**8.4 Solar Panels**

Solar Panels should be installed out of sight from streets and common areas to the extent practicable. Wiring and piping to the solar panels is encouraged to be in the attic of the residence rather than surface mounted on the roof.

The installation and use of certain devices which utilize solar energy is controlled by Civil Code Section 714. That law places certain restrictions on Associations and may override certain provisions of the governing documents; the Association will observe the then current provisions of the law to the extent applicable.

8.5 Satellite Dishes

Satellite Dishes should be installed out of sight from streets and common areas to the extent practicable. Wiring to satellite dishes is encouraged to be in the attic of the residence rather than surface mounted on the roof.

The installation of certain devices to receive video programming may be controlled by "The Telecommunications Act of 1996". Currently, satellite dishes of one meter or less are controlled by that Act. This Act places certain restrictions on Associations and may override certain portions of the governing documents; the Association will observe the then current provisions of the Act to the extent applicable.



Placement of satellite dishes at the front of the residence is strongly discouraged.

8. Lighting, Solar Panel, Satellite Dish and Antenna Guidelines**8.6 Antenna**

Permanent antennas, visible to the neighborhood, to receive commercial and/or hobby video and audio signals are strongly discouraged as the communities utilities are provided underground.

8. Lighting, Solar Panel, Satellite Dish and Antenna Guidelines**9. Storage Guidelines****9.1 Refuse Container Storage**

Refuse containers shall not be stored in the front yard of the residence. They should not be stored in the Entry area of the home either. Storage of refuse containers along the side yard adjacent to the Garage is encouraged. Refuse containers should typically be placed at the curb the night before the municipal pickup and removed the next day after pickup.

9.2 Personal Vehicle Storage

Personal vehicles should be stored in the Garage attached to the residence when possible. The Garage should maintain parking spaces for the number of vehicles intended for its site.

9.3 RV Storage**9.3.1 RV's and Trailers**

Long term exterior RV and travel trailer storage shall not be allowed.

Short term exterior RV or travel trailer storage in the residence driveway or in the street immediately adjacent to the residence is allowed for a period no longer than 48 hours or the time interval allowed by the City of Carlsbad whichever is shortest.

9.3.2 Boats and other Watercraft

Long term exterior boat or other watercraft storage shall not be allowed.

Short term exterior boat or other watercraft storage in the residence driveway or in the street immediately adjacent to the residence is allowed for a period no longer than 48 hours or the time interval allowed by the City of Carlsbad whichever is shortest.

9.3.3 Other

Long term exterior storage of other vehicles, motorized or non-motorized, is strongly discouraged. If it can be shown that the vehicle is significantly shielded in a side or rear yard from public view it may be considered for approval.

Short term storage of other vehicles, motorized or non-motorized, is allowed in the residence driveway or in the street immediately adjacent to the residence is allowed for a period no longer than 48 hours or the time interval allowed by the City of Carlsbad whichever is shortest.

9.4 Outdoor Clutter

The front yard and other areas of the residence yard visible from the street or public way should be kept free of refuse, debris and excessive over-decoration.

9. Storage Guidelines**10. Approval Guidelines****10.1 Plan Submission**

A Homeowner/Applicant (Owner) wishing to modify, improve, or enhance their lot will submit two (2) sets of complete plans to the Chair of the Architectural Control Committee (ACC). The submitted plans will clearly illustrate the proposed project. The ACC has prepared an Architectural Review Application (ARA) for use in submitting the request; a copy of which is attached as Appendix A. The ARA will clearly describe the proposed project.

10.2 Plan Review

The ACC shall have the responsibility to (i) preliminarily approve; (ii) seek modification; (iii) conditionally approve; or (iv) preliminarily disapprove the ARA and plans of the Owner. The ARA and plans will be sent to the Board of Directors (BOD) for approval or disapproval prior to its next meeting. The ACC shall include the specific exception if it is taking to any ARA and plans it does not recommend for unconditional approval. The ACC shall notify the Owner of its recommendation to the BOD. The Owner shall have the right to appear at the BOD Meeting to support or explain the ARA and plans. If the Owner has not allowed sufficient time for the BOD to have included the ARA and plans on its posted agenda, it is likely the ARA and plans will be disapproved unless the improvement is considered routine and the ACC has recommended unconditional approval. Both the ACC and the BOD shall act with all due diligence in order to cause as little delay as possible for the Owner. However, other Owners have a right to notice of pending BOD actions and the right to address the BOD in support or opposition.

10.3 Plan Approval

- 10.3.1 Upon approval the Board of Directors shall return one copy of the Owner's ARA and plans with written approval. The remaining copy will be kept for the Association's records.
- 10.3.2 If the BOD conditionally approves and/or issues instructions for specific alteration or modification of the ARA and plans both copies of the ARA and plans shall be returned to the ACC. Upon concurrence by the Owner to the condition or modification as evidenced by a written notation on both copies of the ARA and plans, the ARA and plans shall be deemed approved, if the notation is not accomplished within the required 30 days the ARA and plans shall be deemed disapproved.
- 10.3.3 If the Plan is disapproved by the BOD, a copy of the ARA and plans shall be returned to the Owner with a notation of the reason for disapproval and at least one reason for the disapproval shall be noted in the minutes of the BOD meeting. The other copy of the Plan shall be retained by the Association for at least six months or until revised Plans may be submitted.
- 10.3.4 The Owner shall keep the approved copy of the ARA and plans readily accessible for reference during the construction phase of the project. The Board of Directors shall keep the Association copy of the approved plans on file for future reference.

10.4 Application

The Architectural Review Application (ARA) is attached as Appendix A to these guidelines.

10. Approval Guidelines

11. Violation Guidelines

11.1 Notification

Owners known to the Architectural Control Committee (ACC) or the Board of Directors (BOD) to be violating these guidelines shall be notified in writing of their violation by the BOD.

11.2 Construction

Should the violation involve construction in progress without prior written approval, they will be instructed in writing to cease construction immediately by the BOD.

11.3 Time

The Owner in violation of these guidelines shall be given reasonable time to correct such violations and/or appeal their case for deviation to the Board of Directors. After reasonable time for correction, the BOD shall proceed as is necessary to insure compliance.

11.4 Compliance and Enforcement

In accordance with ARTICLE X, Section 1, Enforcement of the CC&R's, The Association and the BOD shall have the right to require compliance with the Guidelines and have the authority to enforce the Guidelines.

12. Miscellaneous Guidelines

12.1 Miscellaneous Guidelines

12.1.1 Pet Waste

Pet waste should be immediately removed from public areas as the waste incident occurs and deposited in the community refuse cans or in a private waste container. Pet waste on private property should be cleared from the yard on a regular basis not more than 96 hours apart.

13. Appendix

Appendix A

Architectural Review Application

Appendix B

Board of Directors suggested colors

Appendix C

City of Carlsbad fence ordinance

ARCHITECTURAL REVIEW APPLICATION

Please complete the following application and submit it to a member of the Architectural Control Committee (ACC). In addition to completing the following application, the ACC will require completed plans and specifications showing the nature, kind, shape, height, materials and colors proposed for the project.

- 1. A site plan will be needed to identify grading, landscaping, patios, accessory structures, additions or any construction within the private yard area of the residence.
2. Exterior elevations shall be required to identify any alteration to the exterior portion of the residence or accessory structures. As an example; patio coverings, fences, window treatments, additions and similar modifications.
3. All plans must be drawn to scale and provide specifications of all the materials to be used, the color of the materials, and the site of the materials. If applicable identify the structural design and connection to the residence.

NAME: DATE:

ADDRESS PHONE:

EMAIL:

Please provide a general description of work to be performed to include nature of work, shape, dimensions, materials, color, locations, and any other pertinent information. Enclose brochures, drawings, photographs or sketches as supplemental materials to the required plans on separate pages, depicting location and design of project requested for review by the ACC.

DESCRIPTION:

MATERIALS LIST:

Is a BUILDING PERMIT required? YES NO IF YES, a copy of the permit will be required to be submitted to the ACC prior to commencing construction should the project be approved.

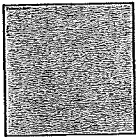
Will the existing drainage be altered? YES NO IF YES describe alteration:

SIGNATURE OF OWNER

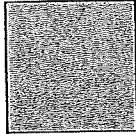
Original Colors

The original colors may still be used: Arizona White, Navajo White, White Shadow, Pearl White, Obsession, Savvy, Omega 12 & 14.

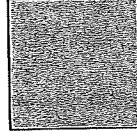
Suggested Colors - Frazee Paint



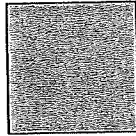
1. ULTRA SUEDE 1243W



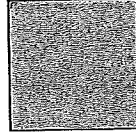
2. CELLOPHANE 1258W



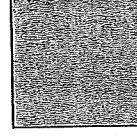
3. JONESBORO 1219W



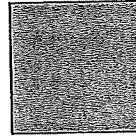
4. SNOW VALLEY 1010W



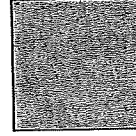
5. GULL 2861W



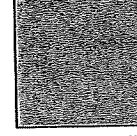
6. SARANA 1261W



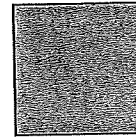
7. NATURAL 1270W



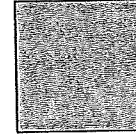
8. INTUIT 1264W



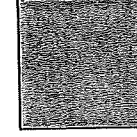
9. NEWBURY 1228W



10. SPRITE 2792W



11. YUMA 1231W



12. TRACER 1267W

Other Trim and Fence Colors

The original color may still be used: Swiss Coffee & Shell White. Flat Black shall be used for all steel fencing.

21.46.130 - Walls, fences or hedges.

In any "R" zone, no fence, wall or hedge over forty-two inches in height shall be permitted in any required front yard setback. In the required side yard or street side of either a corner lot or reversed corner lot, a six-foot high fence may be permitted when approved by the city planner when the safety and welfare of the general public are not imposed upon. The issuing of a permit upon the approval of the city planner shall be subject to special conditions which may vary due to the topography, building placement and vehicular or pedestrian traffic. On an interior lot, a wall or fence not more than six feet in height may be located anywhere to the rear of the required front yard.

(Ord. NS-475 § 41, 2003; Ord. 1255 § 14, 1992; Ord. 9291 § 1, 1972; Ord. 9165 § 1; Ord. 9060 § 1 (1972))

(Ord. No. CS-164, § 2(C), § 24.301(G); Ord. No. CS-164, § 10, 12-6-2015)

**SUNSET PLACE ASSOCIATION
ALTERNATIVE DISPUTE RESOLUTION POLICY**

All California community associations and their individual members are required to offer to participate in some form of Alternative Dispute Resolution prior to initiating certain types of lawsuits pursuant to *Civil Code* Section 5925 et. seq. The information provided herein is for reference only. Each Owner should consult with his/her own attorney regarding appropriate compliance with the statute.

I. SCOPE OF STATUTE

Civil Code Section 5925(a) defines "Alternative Dispute Resolution" ("ADR") as mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision making process. The form of ADR chosen may be binding or non-binding with the voluntary consent of the parties. *Civil Code* Section 5925(b) defines "Enforcement Action" as a civil action or proceeding, other than a cross complaint, for any of the following purposes:

1. Enforcement of the Davis Stirling Common Interest Development Act, *Civil Code* Sections 4000 et. seq.
2. Enforcement of the California Nonprofit Mutual Benefit Corporation Law (*Corporations Code* Sections 7110 et. seq.).
3. Enforcement of the governing documents of the Association.

The Association or an Owner or Member of the Association may not file an Enforcement Action in the superior court unless the parties have endeavored to submit their dispute to ADR pursuant to *Civil Code* Section 5900 et. seq.

Civil Code Section 5900 et. seq. only applies to an Enforcement Action that is solely for declaratory relief, injunctive relief, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits of the small claims court. This section does not apply to a small claims action and except as otherwise provided by law, this section does not apply to an assessment dispute.

II. COMPLIANCE PROCEDURES

The ADR process is started by one party serving all other parties with a "Request for Resolution," which must include all of the following:

1. A brief description of the dispute between the parties.
2. A request for ADR.

3. A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.
4. If the party on whom the Request for Resolution is served is an Owner, a copy of *Civil Code* Sections 5900 et. seq.

Service of the Request for Resolution must be by personal delivery, first class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the Request.

The party on whom a Request for Resolution is served has 30 days following service to accept or reject the Request. If the party does not accept the Request within that period, the Request is deemed rejected by that party. If the party on whom a Request is served accepts the Request, the parties must complete the ADR within 90 days after the party initiating the Request receives the acceptance. This time period may be extended by written stipulation signed by both parties. The costs of the ADR will be borne equally by the parties.

III. FAILURE TO PARTICIPATE IN SOME FORM OF ADR

In an Enforcement Action in which fees and costs may be awarded, the court, in determining the amount of an award of attorneys' fees and costs, may consider whether a party's refusal to participate in ADR before commencement of the action was reasonable. Reimbursement of attorney's fees and costs incurred during the ADR process may also be granted to the prevailing party by a court if a lawsuit becomes necessary.

In accordance with *Civil Code* Section 5965, the Association hereby advises you of the following:

Failure of a Member of the Association to comply with the ADR requirements of Section 5930 of the *Civil Code* may result in the loss of the Member's right to sue the Association or another Member of the Association regarding enforcement of the governing documents or the applicable law.

IV. NO EFFECT ON VOLUNTARY PARTICIPATION IN ADR

The parties may still agree, in writing, to refer any dispute involving enforcement of the Association's governing documents, California Nonprofit Mutual Benefit Corporation Law (*Corporations Code* Sections 7110, et seq.), or the Davis Stirling Common Interest Development Act (*Civil Code* Sections 4000, et seq.) to some form of IDR/ADR, even if those disputes maybe technically outside of the IDR/ADR statutes.

SUNSET PLACE ASSOCIATION INTERNAL DISPUTE RESOLUTION POLICY

Either party to a dispute within the scope of *Civil Code* Section 5900 may invoke the following procedure:

1. The party may request, in writing, that the other party meet and confer in an effort to resolve the dispute.
2. A Member of the Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
3. The party receiving a request must respond within a reasonable time and in no event later than 15 days after the request is mailed. If a Member does not respond within this time frame that Member will be deemed to have rejected the request.
4. If the request is accepted, the parties shall, in good faith, coordinate the meeting to take place within 30 days of acceptance at a mutually convenient time and place. If, through no fault of the Association, the parties are unable to schedule the meeting within this time frame, the requirements of *Civil Code* Section 5900 et. seq. will be deemed to have been met unless the parties mutually agree to extend this time frame.
5. The Association's Board of Directors may designate a member or members of the Board to meet and confer with the Member. The Association's community manager, relevant expert and/or legal counsel may attend the meeting at the Association's sole cost. If the Association intends to have legal counsel present at the meeting, the Member will be advised at least 10 days prior to the meeting.
6. The Member may be assisted at the meeting by an attorney or other person at the Member's sole cost. If the Member intends to have an attorney present at the meeting, the Member must advise the Association at least 10 days in advance of the meeting. If the Member does not provide this required notice and attends the meeting with an attorney, the meeting will not take place. Thereafter the Association will have the right to either reschedule the meeting or determine the requirements to have been fulfilled without a subsequent meeting.
7. At the meeting the parties shall explain their positions to each other, and confer in good faith in an effort to resolve the dispute. Discussions at the meeting are not confidential unless all attendees sign a confidentiality agreement.
8. A resolution of the dispute reached at the meeting binds the parties and is judicially enforceable if the following conditions are satisfied:
 - a. The agreement is not in conflict with the law or the Governing Documents of the **Association**.
 - b. The agreement is either consistent with the authority granted by the Board of Directors to its designee(s) or the agreement is ratified by the board of directors.
 - c. The agreement is in writing and is signed by all parties, including the Board designee(s).
9. A member of the Association may not be charged a fee by the Association to participate in the IDR process. The parties may mutually agree to make use of local dispute resolution programs. If these programs are agreed to by the parties, the parties shall split the costs thereof.



CERTIFICATE OF LIABILITY INSURANCE

2108889

DATE (MM/DD/YYYY)
05/02/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Kirk Miller Insurance Agency, Inc. 10636 Scripps Summit Ct, Ste 110 San Diego, CA 92131-3965 (858) 400-4504	CONTACT NAME: Kirk Miller	
	PHONE (A/C No. Ext): 858-400-4504	FAX (A/C No): 858-875-0667
	E-MAIL ADDRESS: hoacerts@kirkmillerinsurance.com	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Truck Insurance Exchange	NAIC # 21709
	INSURER B: National Surety Corp	NAIC # 21881
INSURED Sunset Place Assoc of Carlsbad c/o Lindsay Management 6126 Innovation Way Carlsbad, CA 92009	INSURER C: Mid-Century Insurance Company	NAIC # 21687
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			60627-93-57	05/13/2022	05/13/2023	EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 75,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person)	\$ 5,000
A	<input checked="" type="checkbox"/> Directors & Officers						PERSONAL & ADV INJURY	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	\$ 2,000,000
A	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC			60627-93-57	05/13/2022	05/13/2023	PRODUCTS - COMP/OP AGG	\$ 1,000,000
A	AUTOMOBILE LIABILITY			60627-93-57	05/13/2022	05/13/2023	D&O Claims Made (Ea accident)	\$ 1,000,000
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (Per accident)	\$
	<input type="checkbox"/> SCHEDULED AUTOS							\$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS							\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB			USL01482121U-81551-1	05/13/2022	05/13/2023	EACH OCCURRENCE	\$ 15,000,000
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE						AGGREGATE	\$ 15,000,000
	DED <input checked="" type="checkbox"/> RETENTION \$ 10,000							\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			A09485475	05/13/2022	05/13/2023	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT	\$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	COMMON ARE PROPERTY (TOTAL)			60627-93-57	05/13/2022	05/13/2023	\$ 150,001	\$ 1,000 DED
A	FIDELITY/CRIME			60627-93-57	05/13/2022	05/13/2023	\$ 125,000	\$ 1,000 DED
A	MECH BREAKDOWN/ORDINANCE LAW			60627-93-57	05/13/2022	05/13/2023	Included	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

General Certificate, Multiple Addresses, Carlsbad, CA 92008

Planned Unit Development - Common Area Coverage Only at 100%. Owners are to obtain individual coverage. (140 units)

CERTIFICATE HOLDER**CANCELLATION**

Sunset Place and Lindsay Management
 .
 6126 Innovation Way
 Carlsbad, CA 92009
 Loan Number: .

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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