SALT CREEK OWNERS= ASSOCIATION

RULES & REGULATIONS

Draft - on December 1, 1999

By the Board of Directors

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I. PREAMBLE

The purpose of the Rules and Regulations is to establish basic standards of conduct required of all members, residents and guests of the Salt Creek Owners= Association (the "Association"). The Rules and Regulations are intended to ensure that every member, resident and guest may fully enjoy their individual rights of quiet enjoyment and peaceful occupancy of their lot and their right to the use of the Common Area and facilities, without unduly interfering with other's identical rights.

II. ADMINISTRATION

- A. Maintain, Protect and Enhance
 - (1) The Declaration: Prior to the purchase of any lot within the Association, the Developer recorded a Declaration of Covenants, Conditions & Restrictions and Reservation of Easements against all lots within the Association. The purpose of the Declaration is to Maintain, Protect and Enhance the Association including all of the Common Area and lots within the Community. The Covenants, Conditions & Restrictions and Reservation of Easements legally bind each member of the Association.
 - (2) The Articles and Bylaws: The Association is a non-profit corporation organized under Chapter 81 of the Nevada Revised Statutes. The filing of Articles of Incorporation for the Association with the Nevada Secretary of State establish the Association as a legal entity with all the rights and privileges attendant to a nonprofit corporation. The Bylaws of the Association establish that the affairs of the Association are to be managed by a duly elected Board of Directors. The Bylaws also set forth the duties and powers of the Board.
 - (3) Rules and Regulations: The Board of Directors for the Association is vested with the responsibility to adopt reasonable rules and regulations governing the use of Lots, Association Property and the Common Areas and governing the personal conduct of members, residents and their guests. The Declaration, Articles of Incorporation, Bylaws, Rules and Regulations are the governing documents for the Association and control its daily affairs.
- (4) <u>Management</u>: In as much as the Association is a non-profit corporation governed by a volunteer Board of Directors, the governing documents provide for daily regulation of the Association by professional management. The Association Manager reports to and is responsible solely to the Board of

Directors. The Association Manager does not make or change Association policies, as such authority is exclusively reserved to the Board of Directors. The Association Manager's responsibility is to assist the Board of Directors in their duty to maintain, protect and enhance the Association. The governing documents and their proper implementation by the Board of Directors working with its Association Manager provided the basis on which the Association can maintain, protect and enhance the Association.

III. OWNER'S RESPONSIBILITIES:

It is the responsibility of the owner of a lot within the Association to see that all resident's guests and persons inhabiting their lot are in compliance with all governing documents.

- A. The Rules and Regulations set forth below apply to owners, residents and guests of the Association. It is each owner=s responsibility to make certain if they lease or rent their home, that the resident receives a copy of the Rules and Regulations.
- B. Each owner shall at his own expense keep his lot and all improvements thereon in good order, condition and repair and in a clean and sanitary condition.

IV. USE OF COMMON AREA

The Developer has provided and the Association will continue to maintain common areas, which include landscape areas and drainage as shown on the recorded subdivision plat map. The common areas are for the use of all members, residents and their guests and it is the responsibility of all to use the common areas with care.

No activity is permitted which would cause damage to or deface the common areas and the improvements thereon. Individuals who are responsible for any such damage will be expected to fully reimburse the Association for all expenses incurred in the replacement or restoration of damaged items.

V. ARCHITECTURAL CONTROL

No building, fence, wall, other structure or improvement shall be commenced, erected, placed, remodeled or altered upon a Property until the location, complete plans and specifications showing the nature, kind, shape, height and materials, including the color scheme, have been submitted to and approved in writing as to harmony of external design, location, compatibility to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Review Committee.

A. <u>Prohibited Materials/Finishes</u> - The following materials and/or finishes are prohibited:

- Wooden gates
- Fiderglass patio covers
- Chain Link Fences

NOTE: Any wood structures; i.e patio covers, gazebos, must be painted white or to match the existing structure. Redwood gazebos may be submitted to the Board of Directors for review.

VI. EXTERIOR MAINTENANCE AND REPAIR

- A. Each owner is responsible to maintain, repair, replace and restore the residence and all structures and other improvements on the owner=s lot.
- B. All lots must be maintained in a neat, sanitary and attractive condition at all times.
- C. All rubbish, trash, debris, refuse, etc. shall be regularly removed and shall not be allowed to accumulate on any lot.
- D. All animal waste is to be removed regularly, so as not to become an offensive odor.

VII. INSURANCE

Nothing shall be kept or done within the community that would increase or cause the cancellation of insurance pertaining to any portion of community.

VIII. LANDSCAPING

- A. Within four (4) months following the recordation of a deed conveying title to the Unit to the Owner from the Declarant, the Owner must install and maintain a lawn or ground cover for all portions of the yard visible from a street.
- B. Each owner shall keep and maintain in good repair and appearance all landscaped areas of the lot.
- C. No rubbish, weeds or debris shall be placed or allowed to accumulate on a lot.

IX. NUISANCES / EXCESSIVE NOISE

No noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment by other Owners of their lots. Without limiting the generality of the foregoing provision, no loud noises or noxious odors, horns, whistles, bells or other sound devices (other than security devices used exclusively for security).

noisy or smoky vehicles, large power equipment/tools or items which may interfere with television/radio reception of any owner, shall be located, used or placed on any portion of any lot. The Board shall have the right to determine, in accordance with the governing documents, if any noise, odor, interference or activity producing such noise, odor or interference or activity constitutes a nuisance.

X. NON-STANDARD VEHICLES

Off road or unlicenced vehicles are not permitted on the property at any time, except when being transported to or from storage in the owner's garage. No vehicles of any kind (licensed or unlicenced) are to be driven on any portion of unimproved, vacant or common area within the Association.

XI. PARKING AND VEHICULAR RESTRICTIONS

- A. Overnight street parking of any vehicle is prohibited.
- B. Commercial type vehicles in excess of one ton shall not be permitted to park on any street, which include, but not limited to, any dump truck, cement mixer truck, oil truck, gas truck or delivery truck or other reasonable similar vehicles.
- C. Recreational vehicles shall not be permitted to be parked on any street which include, but not limited to, any camper, motor home, bus, trailer, coach, camper trailer, boat, boat trailer, aircraft, mobile home or other reasonably similar vehicles other than a passenger vehicle.
- D. No repairs or restorations shall be made upon any portion of the lot or within the project, except wholly within the owners garage. Such activity shall at no time be permitted if it is determined to be a nuisance by the Board of Directors. Notwithstanding the foregoing, these restrictions shall not be interpreted in such a manner, so as to permit any activity, which would be contrary to any local ordinance.
- E. No inoperable and/or unlicenced vehicles shall be permitted to park anywhere on the property, excluding the garage.
- F. Parking is not permitted on what is considered to be a "landscaped" area.

XII. PETS

A. Owners may allow for three (3) dogs and/or three (3) cats to reside on the property. The total number of animals should not exceed four (4).

- B. Pets must be kept within an enclosure, enclosed yard or on a leash or other restraint being controlled at all times by a person capable of controlling such.
- C. Pets are not to be left unattended in any common area. Pets shall be kept on the lot, except when under leash or when being transported to or from the lot in a motor vehicle.
- D. No pet shall be permitted to cause or create a nuisance or unreasonable disturbance.
- E. Pet owners are responsible for immediate removal of any feces from their pet in the common areas, owner's yards, etc.

XIII. SIGNS

No sign or billboard other than one 18X24 inch sign advertising the lot for sale or for rent or announcing that the property is protected by a security company is permitted (excluding security signs and warning signs).

XIV. RESIDENTIAL

Each lot shall be used for no purpose other than single family residential purposes. Timesharing is not permitted.

XV. TENANTS

Any homeowner leasing or renting their property must comply with the following:

A. Provide tenant/s with a copy of the CC&R=s and Rules and Regulations.

XVI. TEMPORARY BUILDINGS

No temporary structure, trailer, mobile home, boat, camper, tent, shack, garage, barn or other out-building shall be used or stored on a lot at any time. Shed and/or gazebo additions may be submitted to the Board of Directors for review.

XVII. TRASH

- A. Trash shall not be taken out to the street more than twenty-four (24) hours prior to pick up. Empty refuse containers and recycling bins must be brought in no later than twenty-four (24) hours after pick up.
- B. Trash must be properly tied in suitable heavy-duty garbage bags or in secure, closed refuse containers.
- C. All refuse containers and recycling bins must be screened from view at all times, excluding when out for pick up.

XVIII. UNSIGHTLY ARTICLES

No unsightly articles shall be visible from any street or lot including, but not limited to clotheslines, trash containers, refuse, back or side yard storage, etc. Determination of "unsightly articles" shall be at the sole discretion of the Board of Directors.

XIX. WINDOWS

- A. Acceptable window covering are vertical blinds, mini-blinds, draperies, curtains, shutters and other such items.
- B. Aluminum foil, newspaper, sheets, cardboard, reflective tint, paint, etc. are not acceptable window coverings.

THESE RULES AND REGULATIONS ARE SUBJECT TO CHANGES, ADDITIONS, AND/OR AMENDMENTS BY THE BOARD OF DIRECTORS

XX. PENALTY POLICIES AND PROCEDURES

The Board of Directors of the Salt Creek Owners= Association has been granted the responsibility to conduct, manage and control the affairs and business of their Association, and to adopt reasonable rules and regulations governing, among other things, the use and occupancy for the Association property. The Board is also responsible for enforcing the Restrictions found in the Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Salt Creek Owners= Association (the "Declaration").

Accordingly, to provide for continuing proper operation of the Association property, the Association, through its Board of Directors, has approved the following enforcement Policies and Procedures for the Declaration now in force or as amended hereafter, and for

the Rules as may be hereinafter adopted, amended or repealed.

POLICY

Violations of the Declaration and/or Rules are subject to the following Penalties:

- A. First violation notice Door hanger warning indicating violation and requesting compliance without monetary penalty.
- B. Second violation notice Notice sent certified mail indicating violation and requesting attendance at a hearing with the Board of Directors. Failure to correct the violation and/or attend a hearing following this notice will result in the assessment of a \$50.00 violation fine per occurrence.
- C. Third violation notice Failure to correct the violation and/or attend a hearing following the second violation notice will result in the assessment of a \$50.00 violation fine per occurrence and/or the towing of the vehicle in violation (if applicable).
 - 1. If the violation has resulted in damage to the common area, the Board of Directors may order that the damaged be repaired at the expense of the offending member.

PROCEDURES

Prior to the imposition of any penalty for violation of the Declaration or Rules, the Association shall provide the offending member with notice of the violation and an opportunity to be heard in person or through a representative at the hearing, as hereinafter outlined.

A. NOTICE:

1. Upon receipt of a written report of an alleged violation of the Declaration or Rules by a member, guest or minor children, the Board will issue a certified violation notice and invitation to attend a hearing.

B. HEARING:

- 1. If the member fails to take action to cease and desist from further violation after receiving the certified violation notice, the Board of Directors or its designee shall invite the Owner to attend a hearing if the Association desires to impose any penalty.
- 2. At the hearing, the accused member may present any evidence or make any

statement relating to the violation, either in person or in writing to the Board of Directors.

- 3. The violating member may submit a written statement in lieu of attending the hearing.
- 4. The Board of Directors or its designee shall have the right to limit the time of the hearing and limit the time in which any evidence may be presented.

C. <u>VIOLATION</u>:

- 1. Upon hearing the evidence or reviewing the correspondence, the Board or its designee may, by a majority vote:
 - a. Find that no violation exists, or
 - b. Find that the member is in violation and impose the penalty as set forth hereinafter.

D. PENALTY:

In the event it is determined that a violation exists or was committed, the Board of Directors or its designee may order any or all of the following penalties:

- 1. Impose a \$50.00 fine per occurrence.
- 10539. Suspend or condition the right of the member to use any facilities owned, operated or maintained by the Association, as provided in the Declaration.
- 10540. Suspend the member's voting privileges as provided in the Declaration.
- 10541. Enter upon a lot to make the necessary repairs or to perform maintenance, and specially assess the member for any amounts expended as provided for in the Declaration.

E. NON-COMPLIANCE:

- 10624. If any member accused of a violation of the Declaration or Rules, after notice as provided herein, shall fail to appear for a hearing, the Board or its designee shall proceed in their absence and make a determination based on the facts presented.
- 10625. Any action taken by the Association shall not deprive either party of any remedies provided herein are cumulative and none shall be

exclusive. Association member shall be required to exhaust all internal remedies of the Association before resorting to a court of law.

This policy is adopted by the Board of Directors at the meeting of the Board on: ______, 1999.