SPANISH LAKES HOMEOWNER'S ASSOCIATION POLICIES, PROTOCOLS, STANDARDS, AND RULES

(Incorporation of approved ADU Rules and Election Rules - January 26, 2022)

Introduction

Owning a home or lot in Spanish Lakes is accompanied by a membership in the Spanish Lakes Homeowners Association. This membership carries certain rights and responsibilities. Knowledge of these rights and responsibilities is dependent upon the owner being provided necessary information. This important information contained in the CC&Rs, the Biological Mitigation Plan, the Open Space Agreement, and the Operating Rules enacted by the Board of Directors.

If deed restriction violations are not enforced, there can be very negative resultsover time. The association, acting through its Board of Directors, is charged with controlling the appearance of the neighborhood by taking deed restrictions seriously and by vigorously enforcing all significant infractions.

Your Association is one of the best tools to protect the value of your home and the quality of your neighborhood. One of the most important functions of the Association is to enforce deed restrictions and protect the value of the communityassets - among those being your home.

CC & R's

Covenants (promises) Conditions (relationships) and Restrictions (rules) are legal documents you received when you became a member of the Association. These documents and all amendments are filed with the county and are the rules and regulations that govern the Spanish Lakes Homeowner's Association. As deed restrictions, the CC&Rs are simply the rules by which the owners are to conduct themselves, as well guidelines to assist the Board of Directors in managing the Association.

Each homeowner must read, be familiar with, and abide by the CC&Rs. The documents are too lengthy to summarize but are the most important part of governance for the Association and its members.

Biological Mitigation Plan

This document contains the requirements of the development, of the Board of Directors, of the common areas, and of individual owners to minimize the effect of the properties on the natural environments and biological resources.

These resources include lakes and streams, trees, exotic invasive plants, wildlife, openspace management, sensitive resources, grading restoration, and actions required for common areas and individual lots.

Each homeowner is responsible for recognizing his impact on the resources and for following these guidelines.

Open Space Agreement

The Open Space Agreement is a permanent easement granted by the county tothe developer of the tract, and is assumed by the Association. The agreement states that portions of the land remain unimproved for scenic value for the residents of the development and their guests, also that the use is consistent withthe general plan of the county, and that such land adds to amenities of urbanized living.

The agreement includes such things as not permitting buildings, no advertising, no other uses, no timber cutting, no dumping, no further development, no motorized vehicles except as required for maintenance, and the ability to restrict respassers. Maintenance of roads, trails, and private water systems is allowed and must be pre-approved by the Board. Each homeowner is responsible for recognizing their impact on the open space and following these guidelines.

Architectural Guidelines

What does it take to keep a neighborhood attractive and appealing? The crucial factor is the willingness of the men and women who make up the Association's Board of Directors to enforce the rules that have been created. Without that, the appearance of a development can steadily decline if the Board does not discuss and establish uniform standards for everyone and judiciously apply those standards uniformly and equally to each and every owner. People have differing views of what is attractive and, without written guidelines there is a good chance that the development will look dramatically different over time from the way it was originally intended by the developers and property owners. Any exceptions and/or additions to these Guidelines must be sent to the residents for review and then be approved by the Board.

The purpose and intent of the Architectural Guidelines is to empower the Board to preserve property values within the project. The Board has the ultimate responsibility for approvals, but has delegated some preliminary review & recommendation capability to the Architectural Review Committee (ARC).

The emphasis of architectural controls shall be upon keeping out of the project what is considered bizarre, outlandish, or offensive to a reasonably prudent homeowner. The objective is to prevent alterations, new constructions, additions, or replacements that are reasonably likely to be detrimental to the overall ambience of the development, and which may adversely risk property values.

These guidelines are not intended to empower the Board or its Committee to act arbitrarily, capriciously, or whimsically in the process of reviewing, approving, or disapproving plans. The Board and the Committee shall base their decisions on what is in the best interests of the development as a whole, not what will appears particular member of group of members.

After preliminary review, the ARC recommendation that is sent to the Board oftenincludes specific required conditions. If the recommendation and conditions are straightforward with no issues, the Board will return their approval to the ARC within 5 days. If there are disagreements or extenuating circumstances with the ARC recommendation, the Board will resolve their concerns and return their conclusions to ARC within 10 days. In all instances, the Board will reply to the ARC in a manner so ARC can respond to the involved property owner within 45 days. The ARC Guidelines, which maintain current and future consistency in the development, are listed in Exhibit "A at the end of this document.

Operating Rules and General Usage Standards

Rules as defines in the CC&R's are the clarifications adopted by the board to define the broad guidelines of the CC&R deed restrictions. Judicious, equal anduniformly applied rules adhered to in advance of violations and the accompanying financial and/or legal penalties are the requisite foundation of

effective leadership and are necessary for the successful community living for themajority.

It is true that some personal sacrifice may be necessary in a homeowner's association. Membership in the Association is not a choice. After purchasing property or a home in the Spanish Lakes development, each owner then automatically agrees to become a member in good standing of the association.

The following Rules are not meant to be invasive but to maintain property values, to promote general harmony in group living, and to identify unacceptable behavior.

A. Traffic. Parking, Walking, Biking on our Streets

- There shall be no inoperable vehicles allowed to be parked or exposed on a lot.
- Smoky and loud vehicles shall not be allowed.
- The posted speed limit is 20 MPH. Each property owner, their guests and service workers must be aware of the speed limit, do their best to maintain their speed within a reasonable allowance, and drive safely throughout the development.
- Entry gate codes are to be considered "confidential" and should not be disseminated indiscriminately. Entry gates may not be propped open and "Piggybacking" is to be avoided.
- Permanent parking of RV's, Trailers, Boats, small utility trailers, and horse trailers is not permitted. To accommodate the loading, unloading, simple maintenance, etc. of such vehicles, three (3) calendar days in a 14-day time period, has been *preauthorized* by the Board to allow bringing these vehicles into the development without prior board approval. Residents are required to document compliance by notifying the Board (slhoabrd@gmail.com) of the arrival and departure of such vehicles. If there is justification for needing more time, then prior *written* Board authorization is required.
- All vehicles (gas and/or electric) are permitted **on paved roads only.** Thevehicle must be licensed and must be operated by person(s) having a valid driver's license. No "dirt" bikes are allowed on the trails.
- The original developers' design was to maintain a 50' roadway easement throughout the development. All property from each property owners' property pins to the center of the paved street is classified as easement (road or utility). Property owners may landscape, erect temporary structures and extend their driveways and small entrance walls/fences into this easement area with the understanding that if in the future utilities must be placed within the utility easement these plantings and structures may be in jeopardy of being disturbed and/or totally removed. It is the property owners' responsibility to relocate these items after the utilities have been completely installed. All items that are being considered for placement in these easement areas must be reviewed by the ARC and approved by the Board of Directors. All areas that do not have asphalt curbs are to be kept clear enough by the property owner (minimum of+/- 5 foot clear) to allow street side parking. When both sides of the road are "curbed", parking canonly occur on one side of the roadway.
- For security reasons and to enhance the neighborhood beauty, garagedoors should remain closed when unattended.
- Use of the streets by individual walkers, walking groups, dog walkers and bikers is encouraged. However, these individuals must realize our streetsare narrow and hilly with many places that do not have a lot of extra room for cars to pass. Users should stay on or close to the road shoulder, and be aware of any approaching vehicles.

B. Open Space and Easements

- There will be no dumping or littering in the open space.
- There will be no blowing of debris into common areas or into streets. Streets must be cleaned of debris following weeding or weed whackingprojects.
- There will not be any expansion into, grading of, landscaping of, or construction within the open space without written approval from the Board.
- The original developers designated the property adjacent to Creston Roadas a "Landscape Easement". Further, it is specified in the CC& R's that "said easements shall be reserved unto the Association". The HOA is the party accountable and responsible for landscaping and maintenance of this easement. If the property owners wish to add to the landscaping within these easement areas the proposed additions must be compatible with the HOA's easement landscape plan. The property owners' landscape proposal must be submitted to the ARC for review and approved by the Board of Directors.

C. Pets and Animals

- There will be no farm type animals (e.g. pigs, chickens, goats, sheep) allowed with the development.
- The boarding of horses is allowed on lots 14-26, 28-36 and 48-52 only. The number of horses must follow the county of San Luis Obispo guidelines for the acreage available for grazing. It is expected that properties with horses will keep the area and facilities appropriately clean.
- All property owners having domestic dogs must follow the San LuisCounty leash law when off their individual property.
- Loose pets will not be allowed. The property owner is totally responsible for any damage and/or injury caused by their pet. All pets must be underadult control.
 Property owners and their guests walking dogs within the development must pick up and remove their dog's droppings.
- Food dishes for pets should not be left outside as this is unhealthy for wildanimals and may attract them to areas close to our homes.
- It is expected that pet owners will control animal noise (e.g. barking).

D. Lakes, Trails, Park and Streams

Guests (of property owners) may fish in the lakes with a current fishing

license and when accompanied by the property owner. If the property owner cannot accompany the guest, the property owner must have the guest carry a note dated and signed by the property owner allowing hisguest to fish **for the day only.**

- Swimming is not permitted in the lakes or streams due to insurance andliability concerns.
- No motorized boats are allowed in our lakes
- Park and trail users are required to remove all trash, debris and dog droppings.
- No campfires are permitted.
- The park picnic area is available for parties on a first come, first serve basis. Reservations may be made in advance by contacting any boardmember.
- Board approval is required to allow live music or special entertainment of any kind.

E. Signs and Landscaping

In general, no signs are allowed within the development's boundaries. Exceptions are as follows:

- Small (not to exceed 12" X 12") security company protection signs are allowed.
- One **For Sale** type real estate sign (not to exceed 18" X 24") is permitted on each lot. Also, one sign (same dimensions) will be allowed outside one of the development entrance gates. However, no more than two signs at any one time may be placed at either entry gate. All sign placement must be supervised by the ARC chairperson.
- Open House can be arranged through the Board and the entrance gatewill be opened for that period of time.
- Landscape maintenance is to be provided for the front and side yards so that the areas are attractive, weed free, and display plantings that have a healthy and flourishing appearance.
- In areas of a lot where landscaping is not regularly maintained, weedcontrol should be undertaken at least once per year by May 31st, inaccordance with CDF.
- Equipment, machinery, and/or supplies are not to be stored in plain viewor in an exposed side yard for any extended period of time.
- For landscaping purposes no commercial orchards are allowed. For personal use there is a maximum limit of 65 plants of the same type to be planted on a property. There will be no commercial picking of any orchard type crops. Spanish Lakes is a residential community. Our CC&R's and all other Association Rules strictly prohibit commercial operations of any kind. If a homeowner requests planting more than 65 quantity of any plantor tree type, conditions must be met as to the purpose of the request.

ARC has made exceptions for privacy, noise suppression, and other

- purposes in the past. For further details please refer to the <u>ArchitecturalGuidelines in</u> Exhibit "A".
- Whenever possible property owners are encouraged to use "organic" products in the care of their landscaping.
- There is absolutely no trimming, removal, or modifications of any and all common area plants and trees.

F. Allowed Leases

Short-term rentals and vacation type rentals are NOT allowed.

Leases for 30 days and more are allowed. A copy of the lease must be delivered to the Board within 15 days in advance of occupancy. Owners are required to provide the lessee (30 day lease) with a copy of the rules, Governing Documents, Biologic Mitigation Plan, and Open Space Agreement before occupancy. The owner remains responsible for all renters' violations of the CC&R's and rules and guidelines. The Spanish Lakes Mutual Water Company requires the owner of record to maintain the parcel's water service, even if the parcel has been leased (rented).

G. Gener:al Items

- Fireworks, bottle rockets, firecrackers, etc. are not allowed within the development. Fire arms are NOT to be used within the Association boundaries.
- Each homeowner is responsible for the actions of his/her invitees, contractors, guests, and visitors.
- Construction hours involving loud machinery is limited to Monday through Friday, beginning at 7:00 and ending at sunset, Sat. & Sun. hours are 9:00AM to 6:00 PM.
- Trash bin storage shall be screened by fencing or permanent landscape if not inside a building. Trash carts are to be put out not more than 24 hoursbefore pick-up, and removed within 24 hours of pick up.
- Drainage from a lot to the common area can be done with proper engineering. Lot-to-lot or grading to create drainage on another lot is not permitted. Please contact the ARC.
- There is absolutely no taking of common area land, encroachment, eithertemporary or permanent, by any homeowner for any purpose.
- Only one residence, one detached garage and one attached guesthouse is permitted per lot. Guesthouses are to be used by family members or guests and cannot be rented-out for either long-term or short-term income.

Election Rules & Procedures

Rules and Procedures for Spanish Lakes elections are found in Exhibit "B" online.

Enforcement Procedures

If any member of the Association observes a violation of the Governing Documents, the member is encouraged to discuss the matter directly with the alleged violator, and resolve the violation without resort to the formal enforcement procedures described below. However, if direct contact is not possible or desirable, then the owner who observed the alleged violation may seek SLHOA Board advice or register a formal written complaint.

After the SLHOA Board receives a formal complaint, it shall attempt to verify the facts of the complaint. If those facts cannot be verified, the member who made the complaint will be advised. If the facts are verified, the Board will directly contact the home owner in violation ("Violating Homeowner") and ask that those violations be corrected. If the violations are not corrected, the Board, or its designee, shall proceed with the steps below. Such informal attempts to resolve the violation must be made before the formal process is initiated.

Formal Process

If a verified complaint violation is not corrected to the Board's satisfaction throughthe informal process, the SLHOA Board, or its designee, shall proceed with the steps below.

First-Time Violation

For a typical violation and if the property owner has not been in the enforcement process for the existing violation during the prior 12 months, an initial courtesy notice will be delivered by the Boards Resident Relation Coordinator by personalcontact, phone or e-mail. Included with the notice will be an identification of the corrective action required. A record of the discussion and agreed corrective action will be documented and placed within the resident relation lot file.

If this is the first occurrence of <u>this</u> violation by <u>this</u> homeowner orproperty, the SLHOA Board shall:

1. Within seven days of receipt of the complaint, contact the Violating Homeowner, discuss the violation and needed corrective actions. This documented courtesy notice will be delivered by phone, in person, or bye-mail. The documentation will be placed in the resident relations lot file.

- 2. If the violation is not corrected in 5 business days of the courtesy notice or if the violation occurs again with 12 months, the Board will notify the Violating Homeowner in writing with a second notice of violation. The notice will be served on the Violating Homeowner by hand delivery; mail, or e-mail. The notice will identify the specific document and paragraph being violated; suggest necessary corrective action(s); request a written response to the notice within 5 days; request voluntary compliance within 15 days; and indicate a hearing date/time/location if no satisfactory resolution has been achieved within the 15 days (e.g., violation ended or satisfactorily explained).
- 3. Conduct a hearing if necessary within 30 days of the first Courtesy Notice if no satisfactory resolution has been achieved. Homeowner attendance at thehearing is optional and unnecessary for valid proceedings to occur.
- 4. Possibly decide to begin fines as early as on the day of the hearing.

Hearing

The Homeowner may request a hearing at any stage of the enforcement process. Hearings shall be scheduled as expeditiously as possible. A hearing may be cancelled if a satisfactory resolution has been achieved (e.g., violation ended or satisfactorily explained). With good cause, the SLHOA Board may extend the time requirements at any stage of this procedure. With good cause, the Homeowner may be granted a hearing delay.

The Hearing Panel shall include at least three (3) SLHOA Board members who have no conflict of interest in the violation. Three (3) Board members are required for a quorum. Homeowner attendance is optional but recommended. Hearings shall be open to all SLHOA homeowners unless the Homeowner requests a private Hearing, or the SLHOA requests a private Hearing as allowedby law. Prior to the hearing day, the Hearing Panel and the Homeowner shall be provided the names and addresses of witnesses that any party intends to call and a copy of any statements and reports in the possession of the other party that pertain to the facts involved in the Hearing.

The Hearing shall begin with an SLHOA Board presentation of the relevant facts and circumstances pertaining to the violation. The SLHOA Board, the Homeowner or other interested owners or residents may appear and testify or present written documentation relating to the matter. One member of the HearingPanel shall record written minutes. The Hearing Panel Chairperson, in his/her sole judgment, shall resolve any disputes regarding procedural matters.

The Hearing Panel may announce its decision immediately, but not later than ten (10) days after the Hearing conclusion. The written decision shall be sent to the Homeowner. The Hearing Panel may:

- 1. Affirm the violation.
- 2. Find the Homeowner in compliance.

- 3. Return the case to the SLHOA Board for further work.
- 4. Invoke a Disciplinary Fine taken from the published list of fines.
- 5. Invoke a disciplinary procedure, other than fining, with precise details.
- 6. Designate the Homeowner as a member NOT IN GOOD STANDING pending resolution.

If the Homeowner fails to attend the hearing, the Hearing Panel may nevertheless proceed with the Hearing to reach a decision on the existing violation. A Homeowner's failure to attend is not grounds for an adverse determination.

Within thirty (30) days of a Hearing Panel decision, an appeal may be made to the SLHOA Board. If a request is not made within thirty (30) days, the Hearing Panel decision shall be deemed final and the right to appeal is waived. An appeal must be based on one or more of the following: failure of the Hearing Panel to substantially comply with established procedures; lack of Hearing Panel Authority over the Homeowner on the subject matter; lack of impartiality of a Hearing Panel member; insufficient facts to support the Hearing Panel's decision; the Hearing Panel's decision is arbitrary, capricious or unreasonable; or the rule violated is too uncertain or vague to permit a reasonable person to understand and comply with it.

Fines and Disciplinary Action

The SLHOA shall be entitled to pursue all appropriate legal and/or equitable remedies to compel the property owner's compliance, including court action, small claims court action or property liens. In some instances, immediate corrective action may be deemed appropriate. This includes situations judged by the SLHOA Board to be, or likely to become, hazardous to life or property and situations in which immediate injunctive relief is needed to preserve the Status quo and the SLHOA's ability to effectively enforce the Governing Documents.

The Hearing Panel is authorized to impose a fine when a Hearing has been conducted and there has not been a resolution of the violation, or when a repeat violation occurs, and a hearing on the matter was previously held. To encourageresolution, fines will be invoiced at least weekly and due 10 days after invoice.

Fines defined in the following table:

Violation	1st Offense	2a° Offense	3ar Offense
Violation of CC&Rs	\$100	\$250	\$500
(except specific violations			
listed below),Biologic			
Mitigation			
Plan, Open Space			

Violation	1st Offense	2" Offense	3 rd Offense
Agreement			
Violation of Policies, Protocols, Standards, and Rules	\$100	\$250	\$500
Violation of Architectural Guidelines	\$100	\$250	\$500
Cutting or removing oak trees in the common areas	Eac	h offence up to \$10,0	000
CC&Rs paragraph 6.04 Temporary Structures, Boats, Commercial and Recreational Vehicle Restrictions	\$100	Automatic \$75 fine per day of violation for any further violations that occur for more than 72 hours during any 30-day period.	
Lease and Rental Violations:			
Violation of "Single family" household	\$100/occurrence plus \$100 daily	\$250/occurrence plus \$250 daily	\$250/occurrence plus \$250 daily
Short-term rental no formal lease ¹	\$250/occurrence plus \$250 daily	\$500/occurrence plus \$250 daily	\$500/occurrence plus \$250 daily
Advertising a short- term rental of a Spanish Lakes home	\$50/occurrence plus \$50 daily	\$100/occurrence plus \$50 daily	\$10D/occurrence plus \$50 daily
Obtaining a county license for short-term rentals within Spanish Lakes	the Drainet shall be lessed explore	\$500	

Note 1: No Lot or any portion of any Lot in the Project shall be leased, subleased, occupied, rented, let, sublet, or used for or in connection with any time sharing agreement, plan, program or arrangement, including, without limitation, any so-called "vacation license," 'Iravel club," "extended vacation," or other membership or time interval ownership arrangement. The term 'I'me sharing" as used herein shall be deemed to include, but shall not be limited to, any agreement, plan, program, or arrangement under which the right to use, occupy, or possess the Lots or any portion of the Lots in the SLHOA rotates among various persons, either corporate, partnership, individual, or otherwise, on a periodically recurring basis or value exchanged, whether monetary or like kind use privileges, according to a fixed or floating interval or period of time of thirty (30) consecutive calendar days or less. This note does not limit the personal use of any SLHOA Lot by the homeowner, his long-term renter, or their social or familial guests.

Exhibit "A"

Spanish Lakes Home Owners Association

Architectural Review Committee (ARC) Procedures

A formal dated and signed request document is required and must be submitted to and approved by the ARC Committee and approved by the Board for any new and/or enhancing type of construction and/or landscaping project within Spanish Lakes (CC&R's Article IX, 9.10, para.3).

Projects might include but are not limited to: fencing, storage structures, detached/attached building extensions, major landscaping additions or changes, play structures, free standing solar cell structures, driveways and hard surfacing, pools and spas, etc.

All formal requests for review should include a good project description, materialof construction and proposed colors, a plot plan noting the location of the projectin relation to property lines, the streets and the neighbors if applicable. If landscaping is involved a landscaping plan will also need to be submitted for review.

The committee's goal is to process all requests in a timely manner (45 days maximum response time per the CC&R's mandate) such that we will not interferewith the property owners preferred schedule for construction. The committee willconsider all property owner input and will be as accommodating as possible within the current CC&R's, rules, guidelines and development precedents withinthe community. When appropriate the ARC committee will consider variances from specific rules and guidelines, which will require approval from both the ARC committee and board.

The ARC will be made up of at least 3 association members, all in good standing, one of which one must be on the current HOA Board of Directors. The ARC chairman will be the initial contact person for all requests. He/she will be responsible for gathering all the input required for the current HOA BOD to make a proper decision based on the CC&R's, current rules and guidelines, and past precedents. He/she will also safeguard all the pertinent documents and properly file them in the Lot history files. The ARC is only a **recommending** committee and will draft recommendations to the board for their review and approval. After full board approval (Majority) the ARC chairman will notify the property owner of the approval and any conditions associated with the approval.

Architectural Guidelines

Installation of Fences and Walls

New fencing, additions to existing fencing or major alterations to existing fencing are subject to the following provisions and require approval by the Spanish Lakes Board of Directors.

Plans

All requests shall be submitted in writing to the ARC. Requests shall include a graphic plan that clearly shows the location of the proposed fence. Additionally, details and/or cut sheets of fence type shall be submitted with the application. All requests shall include fence type, material, height, location and color. All yard gates shall be considered fencing, and are subject to all fence requirements. Allfencing should be architecturally compatible with the existing house material andcolor.

Landscape screening for all fence types may be required and should be shown on each plan. Location of trees, shrubs, vines and ground covers, as well as species, sizes and quantities shall be included on the plan. Landscape screeningmay be required depending on the impact of the fencing project on neighbors orthe street view.

Location

"Three-Rail Theme Fencing" shall be the only fencing allowed on the property lines. Setback is a minimum of twelve (12) feet from the edge of the street. "Garden/Orchard", "Privacy" and "Pool" fencing shall be a minimum of thirty (30)feet from side and back property lines.

No fence may extend beyond the front plane of the house in relation to the home's frontage road.

Front yard areas are to maintain the theme of open country style living. Continuous privacy type walls, fences and gates are not allowed in the front yard area. This includes any type of vehicular gate system and wall enclosure running parallel to the street frontage creating an undesirable fortress or high security enclosure for the property. Sitting areas and entry court yards will be considered on a case-by-case basis.

Landscaping

All fencing, regardless of type, may be required to be screened with landscaping. Layering of landscaping is encouraged to provide softening of fencing materials and to provide depth to the landscape. The general type and quantity of landscaping will be included with each type of fencing listed below.

Types

There are four (4) categories of fences in Spanish Lakes.

Theme Privacy Yard/Pool Garden/Orchard

Theme

All Theme fences shall be Three Rail equestrian style. This fence shall be white-vinyl construction. Theme fencing shall be the only fence used as perimeter fencing to enclose lot. It is the only style allowed in the front yard (street side).

Theme fencing may be required to be softened with landscaping that will, at a minimum, consist of trees, shrubs and/or vines, five (5) gallon size minimum, located at approximately fifteen (15) foot on center spacing along the entire proposed fence.

Privacy

Privacy fencing is solid or decorative and shall be 5 feet tall. Maximum height allowed is six (6) foot tall. It may not extend beyond the front plane of the home.

The color of Privacy fencing should be a natural earth tone that is compatible with the color of the house. Natural wood finish is permitted as long as the fenceis properly sealed and maintained in good condition. White privacy fencing is discouraged.

Privacy fencing materials shall be wood {Dog-Eared top is discouraged,) vinyl or masonry construction. If vinyl fence is used, a wood grain with matte finish is encouraged.

Structural. framing or an unfinished side shall not be exposed to any street, recreation area or neighboring property.

Privacy fencing should be softened with landscaping on sides facing the street and neighbors. at a minimum, consist of trees, shrubs and/or vines, five (5) gallon size minimum, located at approximately eight (8) foot on center spacing. Landscaping may be required on sides exposed to street and neighbors.

Yard/Pool

Yard or Pool fencing shall be used to enclose a pool or useable private yard area. It shall be a minimum height of five (5) foot (or per local code if used as pool fencing) and a maximum height of six (6) foot.

Yard/Pool fence shall consist of ornamental iron style fence. Various types of metals (such as tubular steel, iron or aluminum) can be submitted for approval. Glass Walls **MAY** be approved for use as pool fencing only. The ARC **MAY** consider Glass Walls as pool fencing, based on the location of the Lot and visibility from neighboring residences and the common area.

Yard/Pool fence should be black, brown or natural earth tone - white Yard/Pool fence is discouraged.

Yard/Pool fencing may require softening with landscaping that will, at a minimum, consist of trees, shrubs and/or vines, five (5) gallon size minimum, located at approximately eight (8) foot on center spacing. Landscaping will be required on sides exposed to street and neighbors. (Pool fencing must comply with all Stateand County laws.)

Garden/Orchard

Garden/Orchard fence is limited to a preferred height of 5 feet and a maximum of six (6) feet. It shall consist of vineyard style or ornamental iron fence only. Vineyard style fence shall consist of wooden post (six [6] inch minimum - round posts) and wire mesh screen. Ornamental iron, as described in Yard/Pool fencing is permitted. Temporary steel line stake style fencing is not permitted unless it is used in completely screened yards and is not visible from neighboring residences, street or the common area. Chain link, cyclone, chicken wire or barbed wire fencing of any type is not permitted. (Note: Barbed wire fencing currently exists on certain subdivision boundary areas on the perimeter of Spanish Lakes. Where this fence currently exists, it may be repaired or replacedwith like kind barbed wire fence.)

Vineyard fence will be naturally colored or treated and dark stained and shall notbe painted. Ornamental iron fence shall be black, dark brown or natural earth tone. White Garden/Orchard fencing is highly discouraged.

Garden/Orchard fencing may be required to be softened with landscaping that will, at a minimum, consist of trees, shrubs and/or vines, five (5) gallon size minimum, located at approximately eight (8) foot on center spacing. Landscaping will be required on sides exposed to street and neighbors.

Summary of Unacceptable Wall and Fencing Materials:

Chain Link* or Cyclone of any typeChicken Wire Split Rail or Peeler Core Bamboo or Reed like materialRope of any kind * Chain link fencing for Dog Runs **MAY** be considered by ARC, depending on the location in the yard and visibility from neighboring residences and the common area.

Hardscape & Driveways:

Main driveways should be of a hard surface material such as:

- Concrete grey or colored
- Pavers and or interlocking brick or equivalent
- Secondary driveways can be an engineered base with architectural stonecap for color and delineation.
- Dg may be used for walkway paths, entry paths and off driveway parkingand erosion control. Hard edge or border may be required.
- Asphalt driveways shall not be used within the association boundaries.

Landscaping:

New properties will have an ARC approved landscaping plan **prior** to beginning of construction. Within 90 days of the issue of final inspection and occupancy the front and side yards must have their landscaping well underway and be continuous until final landscaping is complete.

Water conservation and drought resistant plants are encouraged by the development. However, landscaping is a very personal choice item and the ARCwill try to allow property owners their choices of plants and trees.

Orchard type landscaping such as grapes, olives, etc. are restricted to a maximum quantity of 65 plants of the same type. In no event shall commercialgrowers be allowed into the development for harvesting and or maintenance of these allowed orchards. In certain circumstances plantings may be required to help screen some projects such as fences, garages, outbuildings and sheds, etc.

Outbuildings/Sheds/Shops:

All building construction should be developed to be harmonious with the main house and garage structure. Temporary prefab buildings are not considered acceptable. New buildings should have the same siding, roof type and color as the main structures. Sizes will vary to fit the area and location chosen by the resident. Sizes under 4 X 6 are not acceptable as they are considered temporary structures.

Solar panels (photoelectric and hot water):

The Spanish Lakes Development encourages use of alternate energy both for electric and for water heating uses. The location of the necessary structures and supports should be located so as not to impact neighboring homes, and they should be screened with mature plants wherever possible. The ARC will require screening when it is necessary.

Pools and Spas:

Pools and spas are acceptable installations within the Spanish Lakes Development. They do **require** an Architectural Review. Pool type installations need to be acceptable to the county of San Luis Obispo and meet the minimum set-back requirements. Pools must have at least a 5' high 'no climb' security/safety fence and/or a security/safety cover that is in place at all times when the pool is not in use. The physical location of the pool should be such that it has as minimum an impact on the neighboring properties as possible. The location should not encroach forward of the home's front building line as it relates to the frontage road. Landscaping may be required for screening to achieve the appropriate privacy.

Spanish Lakes Exterior Lighting

In an effort to preserve our night sky and minimize light trespass, exterior landscaping lighting shall be kept at low illumination levels (at or less than a 25 watt 375 lumens) per fixture, and porch/garage lighting attached to the home to amaximum of 40 watt (485 lumens) per fixture. Lights shall be properly shielded so they do not shine directly into neighboring homes/properties or the common area.

Decorative planter/landscaping type solar cell lighting are exempt from ARCreview as long as it does not interfere with the intent of this standard.

Timers should be employed to control nightly light use to within reasonable timeperiods of operation.

The design of exterior lighting that is to be incorporated into any building structure including walls and driveways shall be approved by the ARC beforeinstallation and operation of the lighting.

All holiday type lighting must not be put up more than 30 days prior to the holidayand must be taken down and stored away, out of public view, within 30 days of the end of the holiday.

New Properties:

New properties must submit their plans for ARC approval. Items (non-inclusive) for review include: Size and height of structure (there are min sq. footage and max height limits in the CC&Rs. Exterior color; Roof finish and color; Septic system design; Hardscape design and materials; Driveway finish; Landscaping plan; Fencing.

Accessory Dwelling Unit & Junior Accessory Dwelling Unit:

1. ADUs & JADUs Permitted

- A. Each lot within Spanish Lakes shall have not more than one detached ADU and not more than one ADU or JADU within or attached to the primary residence.
- B. An ADU or JADU within the primary residence or existing structure shall be (a) completely within the proposed space of a single-family dwelling, or (b) within the existing space of a single-family dwelling, or (c) within the existing space of an accessory structure.
- C. Detached ADUs and JADUs shall be on a slab with no basement.
- D. The exterior of all ADUs and JADUs shall have the same materials, windows, and colors as the primary residence.
- E. Attached ADUs and JADUs shall have a separate entrance from the main entrance to proposed or existing single-family residence.
- F. Owners shall submit their complete ADU or JADU plans to the SLHOA ARC/Board at least forty-five days prior to submitting to the county for building permits and/or commencing construction. The SLHOA ARC recommends that the owner obtains SLHOA ARC/Board approval prior to submitting plans for necessary county permits.
- G. Existing guest houses that are converted for use as an ADU or JADU shall be subject to all the provisions of the SLHOA ADU & JADU policy as described herein and must be approved by the ARC/Board prior to such conversion.

2. Location of ADUs & JADUs

- A. No corner of a detached ADU or JADU can be closer to the street than the corner of the primary residence closest to the street.
- B. The minimum setback requirement for all detached ADUs and JADUs is four feet from the rear and side property lines.
- C. Attached ADUs shall comply with the setback requirements of the primary residence. The SLHOA primary residence setback requirement is twenty-five feet from the front property line.
- D. Side and rear setbacks for ADUs and JADUs shall be sufficient to satisfy fire and safety requirements.
- E. The driveway serving the primary residence shall be used to serve the ADU or JADU wherever possible. An exception may be granted by the SLHOA ARC and Board if combining the driveways is hindered by a physical site constraint or would result in grading

on slopes over fifteen percent or would require the removal of oak trees or other native trees.

- F. In cases where an ADU or JADU is sited within 30 feet of a neighboring lot's property line, the following are prohibited:
 - 1) ADU or JADU doors, windows and patios facing the neighbor's property line.
 - 2) Equipment, such as an HVAC unit, in or protruding into a setback area.
 - 3) HVAC and other noise generating equipment on the side of an ADU or JADU that faces a neighboring lot.
 - 4) The SLHOA Board may grant a written exception if the setback is greater than twenty-five feet.

3. Size of ADUs & JADUs

- A. Detached ADUs may not have more than 1,200 square feet of floor space, to include attics greater than six feet in height that are to be used as living and storage areas and to include storage space (finished or unfinished), and lofts.
- B. Detached ADUs and JADUs shall be limited to a single story that matches, as much as possible, the architectural design of the primary residence. Attic crawl space may be sufficient to accommodate reasonable utility requirements.
- C. A garage, with full garage doors, must be included for a detached ADU or JADU. The size for a garage in an ADU shall not exceed 600 square feet of floor space for a two-car unit and 300 square feet of floor space for a single-car unit. Carport style parking accommodations are not permitted.
- D. A detached ADU shall have not more than 140 square feet of covered patio and porch space.
- E. If there is an ADU or JADU within the primary residence, the maximum size of any detached accessory dwelling on the same lot shall not exceed 800 square feet.
- F. The minimum size for any ADU or JADU, whether detached or within another building, shall be 350 square feet, not including attics more than 6 feet in height, unconditioned storage space, lofts, garage, and covered patios and porches.
- G. The maximum height of any detached ADU or JADU shall not exceed sixteen feet from the mean elevation of the adjacent terrain. Roof slope and eves shall match the primary residence as closely as possible.
- H. ADUs shall have no more than two bathrooms. JADUs may have no more than one bathroom.

4. Kitchens and Bathrooms in ADUs & JADUs

A. All ADUs and JADUs shall include a kitchen which shall include a cooking facility with appliances, a food preparation counter and storage cabinets that are of reasonable size in relation to the size of the ADU or JADU.

- B. All ADUs and JADUs shall include sanitation facilities with a minimum of one bathroom with toilet, sink and shower.
- C. Showers, sinks, and toilets in all ADUs and JADUs shall be low-flow designs.

5. Landscaping & Lighting for ADUs & JADUs

- A. Landscaping shall be incorporated to minimize the visual impact of any ADU or JADU as much as possible from the street and from neighbor's lots.
- B. When an exterior wall of an ADU or JADU faces a neighboring lot property line or common area, the landscaping plan shall include plantings that soften the look of the wall from the neighboring property line.
- C. ADUs and JADUs are prohibited from installing lawns, pools, and water features.
- D. All landscaping shall consist of irrigated drought tolerant plants.
- E. Outdoor lighting requirements are specified in the SLHOA Rules Document, Exhibit "A" and apply to all ADUs and JADUs. Additionally, unshielded lightbulbs are not permitted on walls facing adjoining neighbor's lots.

6. ADU & JADU Utilities

- A. Designs for an ADU or JADU shall include the proposed leach field area and must include a current, satisfactory percolation test.
- B. Requests for ADUs and JADUs must secure a "Will Serve" letter from the Spanish Lakes Mutual Water Company and must show plans for a separate water meter to serve detached ADUs and JADUs.
- C. Detached ADUs and JADUs shall comply with PG&E requirements for electrical service.
- D. The design for any ADU or JADU shall include solar panels sufficient to provide for the estimated power usage of the ADU or JADU. There shall be a minimum of eight additional solar panels. Panel location shall be approved, in advance, by the SLHOA ARC/Board.
- E. Fire sprinklers are required for all ADUs and JADUs if the primary residence has fire sprinklers.

7. Parking & Use of SLHOA Common Areas

A. All SLHOA rules pertaining to parking shall apply to persons living in ADUs and JADUs, whether attached or detached. ADU and JADU residents, contractors, and guests shall not park on a street or on any common area overnight without prior written SLHOA Board approval.

B. ADU and JADU residents who are not property owners within the boundaries of Spanish Lakes shall not use SLHOA common areas unless they agree, in writing, to pay annual dues in the same amount, and according to the same schedule as all other members of the SLHOA. All residents are expected to comply with SLHOA usage rules. Noncompliance may result in fines leveed on the owner of the primary residence. The property owner shall be responsible for additional HOA fees associated with any ADU or JADU on their property.

8. Permitted Use of ADUs & JADUs

- A. SLHOA property owners wishing to rent an ADU or JADU must provide the SLHOA with a copy of the lease/rental agreement.
- B. Rentals of any portion or the whole of an ADU or JADU may not be for less than thirty days. There shall be no short-term rentals, including, but not limited to Airbnb, Vrbo, timeshares, etc. In addition, there shall be no individual room rentals within an ADU or JADU located within the SLHOA boundaries.
- C. An ADU or JADU may share the address of the primary residence or may work with the U.S. Post Office to establish a new address. The SLHOA may charge a fee to cover any cost it incurs associated with establishing a new address.
- D. An ADU or JADU shall not be sold or otherwise conveyed separately from the primary residence.
- E. For lots with an ADU or a JADU, the lot owner shall live on their lot, either in the primary residence or in an ADU or in a JADU on the lot. This restriction is waived if state or county law prohibits this restriction.
- F. Before obtaining a building permit for an ADU or JADU, the property owner of record shall file with the County Recorder a declaration of restrictions containing a reference to the deed under which the property was acquired by the current owner. The deed restriction shall state that: a) the ADU and/or JADU may not be sold separately from the primary dwelling: b) the ADU and/or JADU is restricted to the approved size and there shall be no use of attics for living space or storage; c) the ADU and/or JADU shall not be rented for a period of less than thirty-one days and single room rentals will not be allowed; and d) a statement that said deed restriction shall be binding on any successor owner of the property.
- G. If any of the rules, restrictions, and/or requirements contained in this policy are found by a competent trier of fact to be inconsistent with current governing law, only such non-compliant rules, restrictions, and/or requirements shall be considered unenforceable and all remaining rules, restrictions, and/or requirements shall remain in force and effect.
- H. This policy may be amended by the SLHOA Board of Directors at any time subject to statutory requirements. This policy will become null and void in the event that California Government code Section 65852.2 pertaining to ADUs, California Government Code Section 658522.22 pertaining to JADUs and California Civil Code Section 4751 are deemed unconstitutional or unenforceable within communities that have rules against

ADUs. In that event, the CC&Rs as written as of the adoption date of this policy shall govern and therefore ADUs or JADUs shall not be allowed within the boundaries of the SHLOA from that date forward. All existing units shall fall under these rules as appropriate.