

CANYON PINES HOMEOWNERS ASSOCIATION

Rules and Regulations

PART I: AUTHORITY AND CONSTRUCTION

1. **General Authority.** Under the general authority of the Declaration of Covenants, Conditions and Restrictions of Canyon Pines (the "Declaration"), the Board of Directors (the "Board") of the Canyon Pines Homeowners Association (the "Association") hereby establishes these Rules and Regulations. Pursuant to the terms of the Declaration, the Association shall have the powers enumerated in its Bylaws and Articles and shall have authority to take all action reasonably necessary although not specifically enumerated for the implementation and enforcement of any provisions of the Declaration.

2. **Scope.** Subject to the exceptions contained in the Declaration, these Rules and Regulations apply to all owners of residential lots in the Canyon Pines residential development, and all Members of the Association.

3. **Specific Authority.** Article II Section 2.5 of the Declaration, "Association Rules", provides that the Association through its Board of Directors, or other representative shall have the following general duties and obligations:

"The Board of Directors shall have the power and the authority to establish, promulgate, amend, repeal, and enforce such rules and regulations, which shall be known as "Rules" as the board deems necessary for the management and operation of the Development and the conduct of business and affairs of the Association. The Rules may concern, but need not be limited to, matters pertaining to use of the Common area, pets, sings, collection and disposal of refuse, minimum standards for maintenance of property, use of recreation facilities, parking and traffic regulations, rental or leasing of lots and any other subject matter within the jurisdiction of the Association as provided in the Governing Documents or by law."

4. **Member's Use Subject to Rules.** Section 3 of Article III of the Declaration provides that every Member shall have a non-exclusive easement for use and enjoyment in and to the Common Area subject to, without limitation, "the reasonable rules and regulations established by the Association, including without limitation, the suspension of Members' rights."

5. **Restrictions on Rules by Nevada Law.** The Nevada Revised Statutes allow an association to adopt rules and regulations provided that any such rules must be reasonably related to the purpose for which they are adopted and must be sufficiently explicit in their prohibition, direction or limitation to inform a unit's owner, or a tenant or guest of a unit's owner, of any action or omission required for compliance.

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PART II: RULES OF USE AND ENJOYMENT

- 1. Commercial Use Prohibited.** No residence in the Canyon Pines project shall be used for any commercial business or professional purpose, except those described under 4.3 of the Canyon Pines CC&R's.
- 2. Temporary Structures Prohibited.** No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used or occupied as a dwelling or residence, or for other use, either temporarily or permanently, except temporary non-residence structures used by contractors during the course of construction which shall be removed forthwith upon completion of the construction work.
- 3. Parking Restrictions.** No trucks over one ton in size, campers, recreation vehicles, motor homes, trailers, boats, unlicensed vehicles or equipment, or any other vehicles, devices or equipment in excess of fifty (50) feet in length shall be kept or parked in or upon any portion of a Residence or a Lot between the street and the actual front yard set back line of the dwelling. If kept behind the actual front yard set back line, such items of property shall be obscured from view from the Covered Property to a height of six (6) feet or kept in an enclosed garage pursuant to section 4.13 of the CC&R's.
- 4. Nuisances.** No garbage, refuse, or noxious or offensive material shall be permitted to be stored or placed on any Lot, nor shall any loud noise, bothersome activity, noxious or offensive trade or harmful activity be carried on upon any Residence or any Lot or any area of the project or the Common Area, nor shall anything be done thereon which may be, or may become an annoyance or nuisance to the community, or which shall in any way interfere with the quiet enjoyment of each of the Members, or which shall result in any way in an increase in insurance rates, including without limitation excessively loud music or neglected animals.
- 5. Antennas.** No external radio or television antennas or satellite dishes shall be placed on any Lot or affixed to any structure or Residence except with the prior written approval of the Association and shall adhere to architectural control as described in section 4.10 of the CC&R's.
- 6. Outdoor Items Require Screening.** No outdoor clotheslines, or wood or other fuel storage are permitted; and further, all refuse containers, woodpiles, storage areas, machinery or other equipment or items are prohibited from being stored outside a garage or dwelling home unless the same are obscured from view of adjoining streets or portions of the project to a height of six (6) feet. Any fence or other screen required shall be approved by the Association.
- 7. Signs.** No billboards, signs or advertising of any kind shall be erected or maintained upon any Lot or Common Area without the prior written approval of the Association. However, any Member shall have the right to erect a standard commercial real estate sign advertising their property for sale or rent providing that the sign is of commercial quality and not exceeding 24 inches wide by 24 inches in height.
- 8. Animals.** No poultry, goats, rabbits or other creatures of any kind, excepting only a reasonable number of usual household pets not being maintained or bred for commercial purposes, shall be permitted in or upon any residence. When not physically confined to the area within the

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perimeter of any lot, all pets or other animals permitted by this Section shall be on a leash or other suitable restraint. (refer to section 4.17 of the CC&R's for details).

PART III: ARCHITECTURAL RULES (as described in Section 8 of the CC&R's).

1. **Delegation.** The Board has delegated its authority under the Declaration for enforcement of architectural rules and restrictions to the Architectural Review Committee (the "ARC").

2. **Establishment of the ARC.** The ARC is a Standing Committee of the Board established to enforce the architectural rules of the Association. The ARC is comprised of not less than three nor more than five members who are appointed by the Board and serve at the pleasure of the Board. The ARC shall meet in open meetings from time to time as its business shall require and shall record minutes of any action taken at their meetings. The ARC shall be the Association's decision making body for all actions requiring approval under these Rules and Regulations.

3. **Authority.** Under the Declaration, the Association, or the ARC if so delegated, shall be responsible for all construction and architectural control in or upon the Canyon Pines project subject to restrictions imposed by Washoe County, Nevada. To that end, the following duties and powers apply:

3.1 **Building Standards.** For the purpose of further insuring the development of Canyon Pines as an area of high standard, the power is reserved to control the buildings, structures and other improvements placed on each Lot, as well as to make such restriction as the Association shall deem necessary and proper, whether or not provision therefore is specifically stated in any conveyance of a Lot hereinafter made.

3.2 **Agreement of Owners.** In accordance with the Declaration, the owner of each and every Lot, by acceptance of title thereto or by taking possession thereof, has expressly covenanted and agreed that no building, wall or other structure shall be placed upon such Lot unless and until the plans and specifications therefore and plot plan have been approved in writing by the ARC.

4. **Building Restriction.** Each such building, wall or structure shall be placed on the premises only in accordance with the plans and specifications and plot plans so approved. Refusal of approval of plans and specifications by the ARC may be based upon any ground, including any purely esthetic ground, which, in the sole and absolute discretion of the ARC, shall seem sufficient. No alteration in the exterior appearance of the buildings or structure shall be made without like approval.

5. **ARC Approval.** The ARC shall examine and approve or stipulate reasonable changes or alteration in plans for any structure, dwelling unit, outbuilding, pool, hedge, fence, or wall to be constructed on any Lot. Said changes or alterations on plans duly submitted to the ARC shall be made only in the best and continuing interest of maintaining a superior tone and quality of architecture throughout the subdivision. Further, the ARC shall have the power to establish its own internal rules and regulations and procedural details regarding these matters.

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- 6. Approval Required to Construct.** No dwelling unit, garage, outbuilding, fence, wall, retaining wall or any type of construction activity, including grading and/or removal of natural cover, shall be commenced or placed upon any Lot until two (2) complete sets of plans and specifications thereof, including front, side and rear elevations, along with floor plans for each floor and basement, exterior color scheme thereof, and plot plan indicating and establishing topography and the exact location of all structures, including landscape details, shall have first been submitted in writing to the ARC for approval, and said approval obtained in writing from the ARC. Said approval will be effected by the endorsement of the ARC on both sets of plans, one set returned to the lot owner.
- 7. ARC Fees.** A filing fee of \$100.00, or such amount as shall be determined by the Board of Directors, but in no event greater than .5% of the construction costs for said dwelling unit, shall accompany such submittal. Approval by the ARC of any plan or specification shall not prevent the ARC from withholding its approval of the identical plan or specification, or part thereof when subsequently or additionally submitted for approval by the same or any other owner.
- 8. Liability.** Approval by the ARC of any plan or specification submitted to it for approval shall not cause the ARC, the Board, the Association, or its members, to be liable to any person in any way.
- 9. Redecorating and Alterations.** If any redecorating or alterations of the exterior of any existing structure be proposed without remodeling or adding to or effecting structural changes in any existing structure, it shall be necessary only to file an exterior color scheme of such changes and to receive written approval of the ARC prior to commencing such work. When exterior redecoration, alteration, additions or remodeling effect structural changes, the provisions of Sections 6 and 7, above, must be met, and the submission is further subject to the provisions of Section 10, below.
- 10. Approval Criteria.** Approval by the ARC of any given plan, plans, alterations, or change may be withheld due to noncompliance with any of the specific requirements of this Declaration of Restrictions, or due to reasonable disapproval of the ARC as to the location of the building site upon any Lot, appearance, construction materials to be used therein or thereon, the Lot grading plan, the harmony of a proposed structure site with the surrounding area and homes, and the influence or effect any structure may have upon the view or outlook of adjacent and/or neighboring homes. If the ARC fails to act on any submission within thirty days after receipt by the ARC then the submission shall be deemed to be approved.
- 11. Fences.** No fence, boundary wall, hedge, or hedge-like shrub planting shall be constructed, or planted or permitted until the plans for such fence, boundary wall, hedge, or hedge-like shrub planting have been approved in writing by the ARC. The ARC may require that any Lot less than one (1) acre in size have a fence around the rear yard area.
- 12. Utility Connections.** All utility connections and service lines will be installed underground, including electrical service, water service, gas service, community antenna cable and telephone cable, in accordance with accepted construction and utility standards.

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13. Landscaping Required; Schedule. Within six (6) months of completion of the main dwelling unit, such lot shall be landscaped from the curb line to the front of the building line in a manner suitable to the character and quality of the development and as set forth on the approved building plan; all landscaping shall be maintained to harmonize with and sustain the attractiveness of the development. Within twelve (12) months, the rear yard areas shall be suitably landscaped. Rear yard landscaping requirements do not apply to lots in excess of one (1) acre in size. (refer to section 5.8 of the CC&R's for specifics).

14. Intersections; Traffic Obstructions. No wall, fence, hedge or shrub plant that obstructs sight lines at elevations between three (3) and six (6) feet above the street shall be placed or allowed to remain on any corner lot within the triangular area formed by the street property lines and lines connecting them at points twenty-five (25) feet from the intersection of the street property lines extended. No tree shall be permitted to obstruct an intersection unless the foliage line is of such height that it does not obstruct intersection sight lines.

15. Construction Materials. The exterior woodwork or other covering of all houses, buildings and structures erected or constructed on said property shall be of superior design and quality. At no time will the exterior of any houses, buildings, structures and fences be allowed to approach a state of esthetic deterioration such that they become a visual nuisance to the neighborhood. Exterior coverings and colors shall be approved by the ARC. All structures erected shall be built in a good, workman-like manner and be maintained in good condition.

16. Right of Entry. The Association, the Board and the ARC or its members may at reasonable times enter upon the Residence after notice to the Member, without being deemed guilty of trespass, to ascertain that such improvements are being built in compliance with the plans and specifications approved by the ARC.

17. Construction Schedule. When the construction of any structure is commenced on any Lot, the owner thereof shall prosecute, with all reasonable diligence, the completion thereof and shall complete the construction thereof within twelve (12) months from the date of the issuance of the building permit or the commencement of construction, whichever is earlier. Notwithstanding the issuance of a building permit by any governmental authority, no construction shall be commenced without the prior written approval of the ARC, which shall have the powers and duties as set forth in this Declaration and the By-laws.

18. Subdivision Prohibited. No Lot shall be sub-divided into smaller lots or parcels to obtain additional building sites.

19. All construction must be in compliance with relevant laws, regulations and requirements as may be enacted or promulgated from time to time by Washoe County or the City of Reno, Nevada.

PART IV: ENFORCEMENT AND FINES

1. General. The Association, through the Board, is obligated to enforce the provisions of the Declaration and these Rules and Regulations.

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2. Procedure. The Board shall use a multi-step procedure to promote voluntary compliance before initiating enforcement action and fines:

2.1 Notification. When the Board is made aware of a violation of these Rules and Regulations or the Declaration it shall immediately advise the owner of the Lot upon which the alleged violation occurred as to the details of the alleged violation. The notice shall be in writing and contain details of the violation, written notice of the applicable provisions of the governing documents that form the basis of the violation, specific action required to cure the violation, the time allowed to cure the violation, the date that any fine would be assessed if the violation is not cured (which shall be at least 30 days from the date of the notice), the amount of the fine, and the date, time and location for a hearing on the violation.

2.2 Response. To the extent practicable, the Board shall attempt to conduct personal meetings with the notified owner and resolve the allegations of violations without proceeding to formal hearings.

2.3 Hearing. If the matter is not resolved informally, the Board shall conduct a formal hearing on the alleged violation. The hearing shall be in Executive Session and closed to the public and the allegations of violation and discussions shall be held confidential. The hearing must be held unless the alleged violator agrees to pay the fine, executes a written waiver of the right to the hearing or fails to appear at the scheduled hearing.

2.4 Fines. Following the hearing and on the date specified in the notice, the Board may impose monetary fines in accordance with Section 3, below.

2.5 Legal Action. At the Board's discretion, and as a last resort, legal action may be taken against the owner responsible for the violation.

3. Fines. The Declaration and Nevada law provide for the imposition of monetary fines for violation of the governing documents, including the Declaration and these Rules and Regulations.

3.1 Authority. The Declaration provides that each Member may be assessed for all fines and penalties to which its owner is subject as a result of violation of the terms of this Declaration or any rules prescribed by the Association, and for any other liability, indebtedness or other obligation of the owner to the Association arising under any provisions of this Declaration or otherwise.

In addition to the foregoing assessments, each Member shall also be assessed as necessary (including reasonable attorney's fees) costs incurred in collecting the foregoing assessments and interest at the rate of ten percent (10%) per year for the late payment of such assessments.

3.2 Amount of Fines. NRS 116.31031 provides that monetary fines may be assessed against a unit's owner or a tenant or guest of a unit's owner who violates any provision of the governing documents as follows:

3.21 Limitation. The Board may impose a fine against the unit's owner (except construction penalties) which is commensurate with the severity of the violation but

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must not exceed \$100 for each violation or a total of \$500, which ever is less. The limitations on the amount of the fine do not apply to any interest, charges or costs that may be collected by the association pursuant to this section if the fine becomes past due.

3.22 Continuing Violation. If a fine is imposed and the violation is not cured within 14 days, the violation will be deemed to be a continuing violation. Thereafter, the Board may impose an additional fine for the violation for each 7-day period or portion thereof that the violation is not cured. Any additional fine may be imposed without notice and an opportunity to be heard.

3.3 Past Due Fines. Any fine which is assessed in accordance with these Rules and Regulations, the Declaration and the laws of Nevada and remains unpaid for a period of five days after the date due shall be deemed a past due fine. Past due fines shall bear interest at the rate of ten percent (10%) per annum.

3.4 Collection. The amount of past due fines may be increased by the addition of collection costs. These costs may include any costs of collecting the past due fine at a rate established by the Association. If the past due fine is for a violation that does not threaten the health, safety or welfare of the residents of the common-interest community, the collection rate will be:

\$20 for balances less than \$200
\$50 for balances \$200 or more but less than \$500
\$100 for balances \$500 or more but less than \$1,000
\$250 for balances \$1,000 or more but less than \$5,000
\$500 for balances of \$5,000 or more

The past due balance does not include additional collection costs and interest and may include any costs incurred by the Association during a civil action to enforce payment of the past due fine.

3.5 Costs. "Costs of collection" includes, without limitation, any collection fee, filing fee, recording fee, referral fee, fee for postage or delivery, and any other fee or cost that an association may reasonable charge to the unit's owner for the collection of a past due fine.

4. Past Failures to Enforce. Failure by the Association or by any Member to enforce any covenant, condition or restriction herein contained, or the Articles, Bylaws or these Rules and Regulations, in any certain instance or on any particular occasion shall not be deemed a waiver of such right on any future breach of the same or any other covenant, condition or restriction.