

KONO TAYEE ESTATES HOMEOWNERS ASSOCIATION ANNUAL POLICY STATEMENT

2024-2025

California law (Civil Code Sections 5975, 5300 & 4525) requires information be provided to all homeowners including operating budget and reserve study, assessment collection policy, insurance coverage, alternative dispute resolution rights, and notice of right to receive Board minutes. In addition, the Board is providing other necessary information indicated in the sections below.

Our Kono Tayee Estates Homeowners Association's Annual Policy Statement will be reviewed annually by the Board and distributed to members not less than 30 days nor more than 90 days before our general meeting in July.

Any changes in the Annual Policy Statement from 2022 to 2023 are in Red for 2024 to 2025

Annual Budget Report:

- **2024-2025 Proposed Operating Budget**
- **Reserve Study 2024-2025**
- Reserve Disclosure Statement from Budget Committee re Reserves and Assessments
- Notice of Assessments, Late Penalties, and Lien Policy

Annual Policy Statement:

- By Law change: Amendment Article V - Nomination and Election of Officers
- **Annual Insurance Coverage Disclosure**
- Secondary Address
- Right to Owner Name and Address Listing
- Change/Update Owner's Information
- Minutes. Meeting Notice/General Notice Location
- Kono Tayee Estates Homeowners Website
- Internal Dispute Resolution Policy Summary (IDR)
- Alternative Dispute Resolution Policy Summary (ADR)
- Architectural Committee Process, Architectural Committee-Responsibilities and Duties, Architectural Committee Guidelines,
- Architectural Committee Application Form
- Association Leasing Contract Regulations and Tenant Privilege and Notification of Responsibility form
- General Operating Rules of the Association
- Rules Enforcement, General Process for Rules Violations
- Fine Schedule Rules and Regulations

Reserve Disclosure Statement regarding Reserves and Assessments

The Budget Committee consisting of the current Treasurer and a selection of Committee Members (Between 3-5 persons) review the existing Assets listed on the Reserve Study Report. They review the Repair or Replacement Costs listed and adjust accordingly.

The Annual Budget Report & Reserve Study Report are presented to the Board of Directors at the April Meeting. The Board reviews, possibly amends with changes, and approves the Budget and Reserve Studies for the next year.

By Laws ARTICLE VII

POWERS AND DUTIES OF THE BOARD

Section 2. Duties: It shall be the duties of the Board of Directors to:

- (c) As more fully provided in the Declaration
 - (1) Fix the amount of the annual assessments against each building site at least thirty (30) days in advance of each annual assessment period. This assessment to include sufficient funds to build up a reserve fund to be used for deferred maintenance or capital expenditures. Yearly reserve fund shall be budgeted and the amount shall be determined by the budget committee and approved by the Board of Directors. Expenditure from the reserve fund would require a unanimous approval vote of the Board of Directors.
 - (2) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period (September 1- August 31): and
 - (3) Foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action of law against the owner personally obligated to pay the same:

By-Laws ARTICLE XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the CORPORATION annual and special assessments, which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent and shall, if not paid within fifteen (15) days after date due, be subject to a late charge of ten percent (10%) of the assessment amount plus interest at twelve percent (12%) per annum (One percent (1%) per month). If the assessment is not paid within thirty (30) days after the due date, the CORPORATION may bring an action of law against the owner personally obligated to pay the same or foreclose the lien against the property, interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common area or abandonment of his lot.

ARTICLE V

NOMINATION AND ELECTION OF OFFICERS

Section 1. Nominations: Nominations for election to the Board of Directors shall be made by a Nominating Committee. There will be no nominations from the floor unless no candidate gets any vote (CC 1505 (f)). The Nominating Committee shall consist of a Chairman, who shall be appointed by the Board of Directors and two (2) other members who are not officers of the CORPORATION. The nominating Committee shall be appointed by the Board of Directors at the first regular meeting of the new Board of Directors, to serve from that time until the close of the next Annual Meeting of the members. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but no less than the number of vacancies that are to be filled. All members in good standing are qualified to run or nominate someone for an office including her or himself. 8... notice of the nomination procedures and the deadline for submitting nominations shall be at least 30 days prior to the deadline for submitting a nomination (CC 4045). The Board of Directors is required to disqualify nominees who are not members of the association at the time of the nomination (CC 5105(b)). The Board of Directors may disqualify nominees for their failure to be current in their payment of assessments, not fines. The Board of Directors may disqualify a nominee if the nominee would be serving at the same time as another person who holds a joint ownership interest in the same property as the nominee. The Board of Directors may disqualify a person from nomination as a candidate if the nominee has a past criminal conviction. The Board of Directors is allowed to disqualify a nominee if they have been a member of the association for less than one year (CC 5105 (c 1.2.3.4). The only required disqualifying condition is the provision regarding membership. These disqualifying conditions are the only disqualifying conditions that an HOA may impose upon nominees. The Board of Directors cannot disqualify a person from nomination who has not been provided the opportunity to engage in Internal Dispute Resolution (IDR) (CC 5105(e)). All forms to nominate a candidate are to be returned to the nominating committee in order for the nominating committee to verify the willingness of the candidate to run. The association has no forum for campaigning. Candidates may campaign at their own expense.

Section 2 Elections: The association is required to permit members to verify the accuracy of their individual information on the mailing address for the ballot at least 30 days before ballots are distributed so corrections can be made (CC 5105 (a).7). At the election the members or their ballots may be cast in respect to each vacancy on the Board of Directors as many votes as they own lots. ONE VOTE FOR EACH LOT! When more than one person holds an interest in any lot, the vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot. The persons receiving the largest number of votes shall be elected. In the case of a tie the winner will be decided by the flip of a coin. One or three inspectors of election, with the option for an alternate inspector will be

appointed by the Board of Directors. An alternate would have no vote unless needed for a quorum.

Section 3 Inspectors of Election: Inspectors of Election are to be appointed by the Board of Directors at the January meeting. They may be a member of the association but must be an independent third party (CC SIO(b)). They may not be a member of the Board of Directors or related to a member of the Board of Directors, or a candidate for the Board of Directors. An independent third party may not be a person, business entity, or subdivision of a business entity that is currently employed or under contract to the association for any compensable services. An inspector of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. If three inspectors are appointed the decision or act of a majority shall be effective in all respects as the decision or act of all.

Duties of the inspectors:

1. Determine the number of votes that each member is entitled to cast using the current association roster.
2. Determine the validity and authenticity of each ballot returned using the above document as a guide.
3. Receive and maintain secure custody of all ballots.
4. Hear and determine all questions and challenges.
5. Count and tabulate all ballots.
6. Determine when the polls close at the annual meeting in July.
7. Determine the tabulated results of the election.
8. Perform any duties to insure that the election is fair to all.

Section 4 Voting Instruction and Procedures:

1. Absentee Ballot system is to be employed. Ballots and two separate envelopes with instructions on the election operating rules: a. The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the inspector; b. the date, time, and location of the meeting at which ballots will be counted; and c. the list of all the candidates' names that will appear on the ballot, and how to return ballots shall be mailed by the association to each voting member not less than thirty days prior to the deadline for the election, postage paid by the association (CC 4045)
2. The ballot is not to be signed by the voter. However a ballot shall not be invalidated solely due to the inclusion of a signature. The completed ballot is inserted into the first envelope and it is sealed. The first envelope is then inserted into the second pre-addressed envelope. The voter shall write his or her name, the address that entitles the vote to be tabulated and sign his or her name in the upper left hand corner of the second envelope.
3. The second envelope is pre-addressed to the inspector or inspectors of election for tallying. The Envelope is to be mailed or hand carried to the inspector or inspectors of election. The voting member may ask for a receipt. All ballots must be returned in the second pre-addressed envelope prior to the closing of the polls at the July meeting.
4. All ballots shall be counted and tabulated by the inspector or inspectors of election at the annual meeting in July. No person, including a member of the association, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. Anyone may observe the tabulation. The inspector or inspectors must verify the information supplied on the outside of the

envelope prior to the annual meeting. Once a ballot is received by an inspector it shall be irrevocable.

5. The tabulation of the results shall be promptly reported to the Board of Directors and recorded in the minutes of the annual meeting. The results of the election shall be available to all members of the association within fifteen (15) days of the Annual Meeting.

1. The ballots and both sets of envelopes, voter lists of names, parcel numbers, and voters to whom ballots were to be sent, and candidate nominations forms shall be in the custody of the inspectors until after the votes have been tabulated and the challenge time period has expired. The association election materials are available to members for inspection and copying but signed voter envelopes may be inspected but not copied (CC 5210(a)-(b)). If there is no business office a time and place shall be agreed upon by the member and the association for inspection and/or copies. The member may be charged for associated cost at the rate of \$10 an hour and not to exceed \$200 dollars. The member has to be notified of the costs and agree to them before receiving copies (CC 5205 (d)). A member may bring a cause of action(challenge) within one year of the date when the cause of action accrues or the date that the inspector of elections notifies the board and membership of election results-whichever of these dates is later (CC 5145(a)). In order to prevail, a members-plaintiff's evidentiary burden in a lawsuit for election violation must establish their cause by a preponderance of the evidence. If a member prevails in a civil action they shall be entitled to reasonable attorney fees and court costs. A prevailing association shall not receive any costs unless the court finds the action to be frivolous, unreasonable, or without foundation (CC 5145(b)). If election procedures were not followed a court shall void any results of the election. Only then will the ballots and envelopes be transferred to the association.

2. The association's election materials shall be in the custody of the inspector until after 1 year, at which time the challenge period has expired. Then the custody of the election materials shall be transferred to the association. (CC 5145(b)).

ANNUAL INSURANCE DISCLOSURE

Name of Association: Kono Tayee Estates Homeowners Association

In compliance with Civil Code 5300, the following is a summary of the Association's insurance coverages.

General Liability Policy

1. Name of Insurer: Philadelphia Insurance
Agency: R.C. Fischer & Company
Address: 1777 Botelho Dr Ste 375
Walnut Creek, CA 94596
Agent: Dennis Sewell dsewell@rcfischer.com

Policy Numbers: PHPK2618566
Phone: (925) 627-5451
Fax: (925) 932-0962

2. Liability Limits: \$ 1,000,000
3. Deductible: Zero
4. Property Coverage - None
5. Policy term: 10/26/23 to 10/26/24

Earthquake Insurance Policy: None

Directors & Officers Liability Coverage Policy:

1. Name of Insurer: CNA Insurance
2. Policy Limits of Insurance: \$1,000,000
3. Policy term: 10/26/23 to 10/26/24

Policy Number: 0250783489
Deductible: \$2,500

OTHER COVERAGE INFORMATION

Flood Insurance: None

Crime/Fidelity Bond: \$250,000
Deductible: \$5,000

Policy Number: 618847783
Policy term: 10/26/23 to 10/26/24

Excess Liability over GL/Auto/D&O:
Amount: \$2,000,000

Policy Number: PHUB887247
Deductible: \$10,000

"This summary of the association's policies of Insurance provides only certain information, as required by subdivision (c) of Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association member may, upon request and provision of reasonable notice, review the Association's Insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance brokers or agent for appropriate additional coverage."

KONO TAYEE ESTATES HOMEOWNERS ASSOCIATION

Secondary Address: (Section 5260)

Owners may submit a secondary address to the Association for purposes of assessment collections. Such information must be submitted in writing, signed by the owner, and mailed to the Association secretary. An owner may identify or change a secondary address at any time. But if a secondary address is changed during the assessment process, the Association will only be required to send notices to the changed address from the point that the Association receives request.

Kono Tayee Members Information Update Form

Members Name: _____ Email: _____

Kono Tayee Address: _____ Lucerne, CA 95458

Out of Town Address: _____

City: _____ State: _____ ZIP: _____

Local Phone: _____ Cell#: _____

Out of Area Phone#: _____

Signature: _____ Print: _____

Resident, Individual or Managing Firm to Look After Your Kono Tayee Property

Name: _____

Phone #: _____ Cell#: _____

Emergency#: _____

Do They Have a Kono Tayee Document Book? Yes _____ No _____

Do They Have a Key To This Property? Yes _____ No _____

Alarm System? Yes _____ No _____

Alarm System Phone#: _____

If There Are Multiple Property Owners, Who Is The Responsible Party?

Name: _____ Email: _____

Address: _____

City: _____ State: _____ ZIP: _____

Phone#: _____ Cell#: _____

Emergency Phone#: _____

_____ hereby consent to receive all individual deliveries and individual notices, (initial here) including, without limitation, the Annual Policy Statement, from the Homeowners of Kono Tayee Estates Board of Directors via email.

*****Please Return This Form To: Homeowners Association of Kono Tayee**

7897 Richard Drive, Lucerne, CA 95458

KTSECRETARY@GMAIL.COM

This Form Will Be Kept on File

Revised 2/2010

Right to Owner Name and Address Listing: (Section 5200)

It is the right of a homeowner to receive membership lists, including name, property address, and mailing address, if the conditions set forth in Clause (ii) are met and except as otherwise provided in clause (iii). (ii) The member requesting the list shall state the purpose for which the list is requested which purpose shall be reasonably related to the requester's interest as a member. If the association reasonably believes that the information in the list will be used for another purpose, it may deny the member access to the list. If the request is denied, in any subsequent action brought by the member the association shall have the burden to prove that the member would have allowed use of the information for purposes unrelated to his or her interest as a member. (iii) A member of the association may opt out of the sharing of his or her name, property address, mailing address, telephone, and email address by notifying the association in writing. This opt out shall remain in effect until changed by the member.

Change/Update Owner's Information: Owners are to mail the change(s) by completing the Kono Tayee Member Information Update Form available in this packet or on the KT Website, to the Association Secretary at the KT Mailing Address, 7897 Richard Dr., Lucerne, CA. No changes are made via the telephone. Please, be specific about the change and only the titled owner may request a change in information.

Minutes, Meeting Notice/General Notice Location: Copies of Association Board Meeting minutes are emailed or mailed to all members and posted on the Kono Tayee Website. The Board encourages members to receive these copies via email for the purposes of efficiency and mailing cost. Meeting Notices are sent via email, included in the previous Board minutes, and posted at the official KT Association General Notice Location which is the middle column bulletin board at the mail boxes.

Kono Tayee Estates Homeowners Website: konotayeeestateshoa.com Our website provides an invaluable resource for information and contains Board Minutes, Directors' Information, Committee Members, Association Documents (Articles of Incorporation, CC & R's, By-Laws), Architectural Applications, Events Calendar, Contractor Referrals, a History of KT, and a Photo Gallery.

KONO TAVEE HOMEOWNERS ASSOCIATION

Internal Dispute Resolution

Meet & Confer. Associations must provide a "fair, [reasonable](#) and expeditious" procedure for resolving disputes between the association and its members without charging a fee to the member participating in the process. ([Civ. Code §5910.](#)) The process is referred to as "Internal Dispute Resolution" (IDR) or "Meet and Confer."

Notice. Associations must notify their members of both [ADR](#) and [IDR](#) dispute resolution procedures.

A. Default Procedure. If an association does not establish its own procedures, then the following procedures automatically apply ([Civ. Code §5915\(b\)](#)):

- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- (2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
- (3) The board shall designate a director to meet and confer.
- (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be [assisted by an attorney](#) or another person at their own cost when conferring. The association may not charge a cost.
- (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

Written Resolution. Any agreement resolving the dispute must be in writing and signed by both parties. The agreement cannot conflict with the law or governing documents and within the authority of the board. ([Civ. Code §5915\(c\)](#))

KONO TAYEE HOMEOWNERS ASSOCIATION

Alternate Dispute Resolution

Upon failure of the Parties to a dispute involving enforcement of an association's governing documents through IDR, the parties are encouraged to submit the dispute to ADR, PRIOR TO filing a lawsuit.

ADR law mandates that the Association must include certain wording in notices to members of ADR rights.

A. Procedure: Request for Resolution must have

- (1) Brief description of nature of dispute,
- (2) Request for ADR, and
- (3) Notice that party receiving Request for Resolution is required to respond within 30 days of receipt, or that Request is deemed rejected. (If accepted, ADR must be completed within 90 days, unless otherwise agreed by involved parties). The purpose of ADR is to allow for a cost effective resolution with a 3rd party mediator and not clog courts.

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 your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

Alternative Dispute Resolution ("ADR") refers to methods of resolving disputes outside of court. The most common forms of ADR are arbitration and mediation.

Arbitration. An arbitrator conducts a hearing between the parties and then, acting as a judge, renders a legally binding decision.

Award. Decision of an arbitrator which is enforceable in court.

Caucus. Meetings in which a mediator talks with the parties individually.

Claimants. The plaintiffs. The party or parties bringing the action.

Counterclaims. Claims by the defendant back against the plaintiff.

Discovery Master/Referee. A neutral third party who assists in discovery disputes.

KONO TAYEE HOMEOWNERS ASSOCIATION

Architectural Committee

Application Process:

If you have a question as to whether or not your proposed work requires prior approval, contact a member of the Architectural Committee.

- Owners shall apply in writing to the Architectural Committee by filling in our Architectural Application which specifies the nature of the proposed work. The owner shall furnish such information as the Committee/form may require. The application may be obtained from the committee or by printing the form from our web site, konotayeeestateshoa.com.

All buildings and improvements must comply with county guidelines and it is the responsibility of the property owner to determine and maintain property boundaries.

File the Architectural Application by returning it to a member of the committee. Copies or emails will be sent to the Board for their information. All applications will be on file and kept by the Secretary and the Architectural Committee.

No construction or installation work may be done with regard to the application until written approval is received from the committee.

- If the application is approved work or installation must be finished within 6 months. If the owner does not complete the job within 6 months a new application will have to be filed.

If the application is denied it may be resubmitted with changes or the owner may appeal the decision to the Board of Directors.

The Board of Directors has the power to amend or reverse the architectural committee decisions. The resulting Board decision will be discussed, voted upon at a Special Board Meeting, and published in the Board Minutes.

Architectural Committee-Responsibilities and Duties: (Bylaws Article IX Sections 1-8)

The Committee shall consist of three (3) members who are not on the current Board. The chairperson shall be appointed by the Board. The chairperson shall recommend the other two members of the committee for Board approval.

1. One complete set of plans and specifications including plot plan showing location of structure, shall be submitted to the Committee for the following: All new construction of buildings, fences, boat houses, docks, retaining walls, exterior remodeling or alteration of exterior and all improved parking areas, (CC&R's 3). They shall be reviewed by the Committee to insure they comply with the CC & R's. Particular attention shall be given to the setbacks and outside appearance.
2. In compliance with article 3 of the CC & R's - none of the above structures are to be started without written approval by the Architectural Committee. If work is started without approval, all work shall cease until such approval has been requested and obtained. In the event the owner refuses to comply, the provisions of article 10 of the CC & R's shall be enforced.
3. The Architectural Committee is not to be involved in the structural inspection of construction. This is the responsibility of the Lake County Building Department. By-Laws of Home Owners of KONO TAYEE ESTATES Page 9 of 23.
4. All existing buildings, boat houses, docks, piers, retaining walls and any appurtenances shall comply with the intent of Article 1 of the CC & R's in that they shall be properly maintained in their original approved condition with particular attention to painting and structural integrity. In the case of

new construction, particular attention shall be given to the conditions and compliance with article 3 A of the CC & R's as regards to painting and landscaping.

5. Tree removal shall be in compliance with the CC & R's. All requests shall be in writing. When a tree is in common with adjacent building sites, the request shall bear the signatures of all owners.

6. When a request is received for either construction or tree removal the Committee shall respond within a reasonable time. All approvals or denials shall bear the signatures of the Committee. In the event a Committee member is unavailable a Board member can act in his absence.

7. The Committee Chairman shall be responsible for notifying the secretary when lots require weed cutting or cleanup. The secretary then notifies the owner in writing and if the owner does not comply with Article 4 of the CC & R's, the Chairman will arrange to have the work done.

8. The Committee Chairperson shall recommend to the Board of Directors when weed cleaning, aquatic spraying, and dredging of the canal (Parcel B only) is needed. The Board must approve proposed expenditures and sign the contract prior to any work being done.

9. If the application is denied it may be resubmitted with changes to the architectural committee or the owner may appeal the decision within 30 days to the Board of Directors.

10. The Board of Directors has the power to amend or reverse the architectural committee's decisions. The resulting Board decision will be discussed, voted upon at a Special Board Meeting, and published in the Board minutes.

Architectural Committee Guidelines:

The following are in our current HOA documents and utilized for inspection of properties. This list does not include all of our guidelines but the ones most often used.

1. Plans submitted for the following: All new construction of buildings, fences, boat houses, docks, retaining walls, exterior remodeling, all improved parking areas. Particular attention shall be given to the setbacks and outside appearance. None of the above structures are to be started without written approval. [By laws ARTICLE IX# 1)

2. None of the above structures are to be started without written approval by the Architectural Committee. [By laws ARTICLE IX# 2)

3. Committee not to be involved in the structural inspection of construction. Responsibility of Lake County Building Dept. [By laws ARTICLE IX# 3)

4. All existing buildings, boat houses, docks, piers, retaining wall and any appurtenances shall comply with the intent of Article 1 of the CC&Rs. "Most appropriate development" [By laws ARTICLE IX #4)

5. Tree removal in compliance with CC&Rs. All requests in writing. Tree in common with adjacent building sites, request bear the signatures of all owners. [By laws ARTICLE IX# 5) All trees upon said property shall be maintained in their natural growth condition, or as near is reasonable possible. In no event shall trees of a diameter of 6" or more measured 12" above the ground, be cut, destroyed, trimmed except for minor pruning, without first obtaining the written consent of the Corporation. [CC&Rs # 41)

6. All lots shall be kept and maintained in a clean, neat, and orderly, condition. The property owner is responsible for cutting weeds over 6" high, removal of trash or cuttings. The corporation will notify the property owners in writing to comply within 25 day. If an owner fail to comply the Corporation will have the work done and the owner will be assessed for costs plus a service charge. This includes canal banks and beach fronts. [CC&Rs # 4 b) CONFLICT under Canal Advisory Committee. Canal Banks shall at all times be clean, free of weeds and trash. [By laws# 2 Canal Banks) CC&Rs take precedent.

7. The exterior color of any structure shall be specified on the plans and specifications so approved, except that the interior design may be modified without the consent of said Corporation. The exterior color of any structure shall be specified on the plans and specifications and shall be subject to the approval of said Corporation. The color of the exterior of any such structure shall not be changed without the written consent of said Corporation. [CC&Rs #3)

8. When a request is received for either construction or tree removal the committee shall respond within a reasonable time. All approvals or denials shall bear the signatures of the committee. Committee member not available a Board member can act in his absence. [By laws ARTICLE IX #6]
9. Chairperson notify secretary when lots require weed cutting or cleanup. Secretary notifies the owner in writing. Owner does not comply with Article 4 of the CC&Rs, the chairperson will arrange to have the work done. [By laws ARTICLE IX# 7]
10. Maintenance of the canal ("Parcel B" only). Needed work such as weed cleaning and dredging shall be brought to the attention of the Board of Directors who must approve any expenditure prior to the work being done. [By laws ARTICLE IX# 8]
11. Canal, NO dock or similar floating or mooring device or other kind of object or any part of it shall encroach "PARCEL B:" [Bylaws #1. Parcel B. a)
12. Boat docks or similar floating or mooring devices after being approved for size, placement, construction and compliance with the regulations may be placed into the Water-Portion of a property. [Bylaws #1. Parcel B, h]
13. Different measurements for STRAIGHT DOCKS, STRAIGHT DOCKS WITH OUTWARD EXTENSIONS, and V Docks. [Bylaws #3. A, B, c.)
14. No structures of any kind (Boathouses, Storage sheds, etc.) shall be permitted to be erected in the Water-Portion of a building site, or to be placed on docks, floats, or any similar mooring device, anchored or tied down on the Water-Section of a building site. No permanent structure or super structure shall be erected to extend outwards over the sea wall or into the Water-Portion of a building site. [Bylaws #6 under Canal]
15. Docks or similar floating or mooring devices, which have deteriorated or are in a state of repair so that they are an eyesore to the neighbors' resident along the canal. It will be inspected. Owners will then be advised in writing and given the choice of either to restore, repair, or remove the Dock within a reasonable time but not to exceed a four month time frame. [Bylaws #7 under Canal]

Homeowners of Kono Tayee Estates

Architectural Committee

Terry Hale, co-chair Chris LeGue, co-chair Mike Braley

APPLICATION TO ARCHITECTURAL COMMITTEE FOR APPROVAL

DATE OF APPLICATION _____ PROPOSED START DATE _____ EST. COMPLETION DATE _____

PROPOSED WORK TO BE PERFORMED AS FOLLOWS:

- NEW CONSTRUCTION REMODELING REPAIRS FENCE CONSTRUCTION SEA WALL
 DOCK WORK/ REPLACEMENT PAINTING TREE REMOVAL OTHER

APPLICANT'S (OWNERS) NAME _____

PHONE # _____ OR _____

PROPERTY ADDRESS _____ LOT # _____

MAILING ADDRESS _____

CITY _____ STATE _____ ZIP _____

DESCRIPTION OF WORK: (ATTACH ADDITIONAL SHEETS IF NEEDED, SCALE DRAWINGS WITH DIMENSIONS ARE REQUIRED FOR STRUCTURAL ADDITIONS)

I/ WE THE APPLICANT REQUEST ARCHITECTURAL COMMITTEE APPROVAL FOR THE ABOVE WORK AS DESCRIBED WITH-IN THIS APPLICATION AND HERE-BY UNDERSTAND THAT **NO WORK SHALL COMMENCE PRIOR TO APPROVAL BEING GRANTED IN WRITING.**

APPLICANT SIGNATURE _____ DATE _____

PRINT _____ EMAIL ADDRSS _____

ARCHITECTURAL COMMITTEE MEMBERS APPROVAL

SIGNATURE _____ Yes _____ No _____ DATE _____
Terry Hale Co-Chair

SIGNATURE _____ Yes _____ No _____ DATE _____
Chris LeGue Co-Chair

SIGNATURE _____ Yes _____ No _____ DATE _____
Mike Braley

APPLICATION APPROVED YES NO

PROPERTY OWNER IS RESPONSIBLE TO ENSURE THAT WORK: MEETS ALL COUNTY CODES, IS WITHIN PROPERTY BOUNDARIES, IS PERFORMED WITH ALL REQUIRED BUILDING PERMITS IN PLACE, FOLLOWS PLAN AS SUBMITTED, COMPLIES WITH THE KONO TAYEE CC&R'S AND RULES AND REGULATIONS. ANY CHANGES MUST BE PRE-APPROVED. THE COMMITTEE MEETS ON THE 1ST AND THE 15TH OF EACH MONTH TO REVIEW AND VOTE ON THE APPLICATION. IF APPLICATION NEEDS TO BE REVIEWED QUICKER PLEASE EXPLAIN ON APPLICATION. APPROVAL EXPIRES 6 MONTHS FROM DATE OF APPROVAL.

RETURN TO: usmcvikes@yahoo.com or mail to: Terry Hale 7861 Alston Way Lucerne, CA 95458

APPROVAL CONDITIONS:

Association Leasing Contract Regulations (CC&R's):

Pursuant to California Civil Code S1355, the Home Owners of Kono Tayee Estates has amended the Covenants, Conditions and Restrictions, herein referred to as "Declaration," as recorded in the office of the Lake County Recorder in Book 1453 at Pages 655 through 662 of the Official Records of the County of Lake.

As the elected President and Board Members of the Home Owners of Kono Tayee Estates, Incorporated, we declare that the amendment has been approved by not less than two-thirds (2/3rds) of the members of the Home Owners of Kono Tayee Estates affixing their signatures to a copy of a statement of approval document, in the form of a membership vote affirming the amendment as follows:

An Owner shall be entitled to rent the dwelling house situated on the Owner's Lot subject to and limited to residential use, provided, however, that the term of said rental or leasing contract shall not be for a term of less than thirty (30) days. Any month to month rental or leasing contract shall be in writing, shall provide that the lease or rental is subject to the Declarations, By-Laws, Articles of Incorporation, Guidelines, Rules and Regulations and shall provide that any failure to comply with any provisions of the Declaration shall be a default under the terms of the rental or lease agreement. Each Tenant or Lessee shall be provided with a copy of this Declaration by the Owner that is renting or leasing. The Owner shall at all times be responsible for their Tenant's or Lessee's compliance with/all of the provisions of this Declaration pursuant to the occupancy and use of the dwelling house.

Recorded December 2, 1995

Other regulations contained in the By-Laws: Section I. Section B. Section 2. a, b, c. Section A. 1, 2, 3, 4, 5. Section D. Section E. Section F. Section II.

Homeowners of Kono Tayee Estates

TENANT PRIVILEGE NOTIFICATION AND ASSUMPTION OF RESPONSIBILITY AGREEMENT

PROPERTY OWNERS NAME (5).....

MAILING ADDRESS.....CITY.....STATE.....ZIP.....

OWNERS CONTACTPHONECELL.....

OWNERS E-MAIL (S) 1 2.....

EMERGENCY CONTACT NAME.....PHONE #.....

RENTAL PROPERTY ADDRESS.....RENTAL TERM FROM.....TO.....

NUMBER OF OCCUPANTS { ADULTS { CHILDREN { PETS YES/ NO DOG / CAT BREED.....

NUMBER OF VEHICLES { BOAT YES/ NO RV YES/ NO OTHER.....

TENANTS NAMES 1.....2.....

3.....4.....

TENANT HOME PHONE #.....WK.....

CELL#.....

Property owners are responsible for the conduct and for any and all financial losses to the Association caused by the Tenants Violation of the Kono Tayee CC&R's and or By Laws. A current copy of the association guidelines that has been read, understood, agreed to and acknowledged by signature of the tenant on this form, which shall be submitted to the association for filing upon arrival for their tenancy at Kono Tayee.

By Laws I GENERAL B. 2. a. & D.

THE ASSOCIATION AMENITIES THAT ARE AVAILABLE TO THE TENANTS ARE: ACCESS TO THE BEACH AREA, PIER AND BOAT LAUNCH RAMP, AND TEMPORARY USE OF DOCKS FOR LOADING & UNLOADING PASSENGERS.

OWNER.....DATE.....
PRINT SIGN

OWNER.....DATE.....
PRINT SIGN

TENANT.....DATE.....
PRINT SIGN

TENANT.....DATE.....
PRINT SIGN

THIS AGREEMENT MUST BE SIGNED BY ALL OWNERS AND TENANTS.

PLEASE RETURN BY MAIL TO THE SECRETARY OF THE BOARD AT 7897 RICHARD DR. LUCERNE, CA. 95458

Or Email ktsecretary@gmail.com

KONO TAYEE ESTATES HOMEOWNERS' ASSOCIATION

Rules Enforcement

The mission and direction of the Board is described in our Association documents.

"The specific primary purpose for which it is formed are to provide for the maintenance, preservation and architectural control of the lots and common area within that certain tract of property described as Kono Tayee Estates and to promote the health, safety, and welfare of the residents." Articles of Incorporation, Article IV

The following process is available to inform, follow, and enforce our rules.

General Process for Rules Violation:

1. Whenever possible residents are encouraged to talk to one another about Associations' rules and following them. In specific cases, such as speeding, noise, animals, Special District water problems, trespassing, and boating violations, county agencies should be contacted.
2. The Board should be notified for violations of an Association rule. The violating party will be contacted by mail, email, or in person with the specific violation by a representative of the Board who will request compliance. A record will be kept of this contact.
3. The Board may assess the owner for costs and damages. CC&R's #8 b. "The Corporation shall have the power from time to time: b) Special assessments may be used for the following purposes: To reimburse the corporation for the cost to the corporation of the prevention or abatement of any nuisance, or any other condition on a building site in violation of these restrictions."

FINE SCHEDULE RULES AND REGULATIONS
OF
HOME OWNERS OF KONO TAYEE ESTATES

"THE FINEST ON CLEAR LAKE"

This Fine Schedule ("**FINE SCHEDULE**") has been adopted to assist the Home Owners of Kono Tayee Estates, a California nonprofit mutual benefit corporation (the "**ASSOCIATION**") Board of Directors adequately enforce the Association's Governing Documents, including the Amended and Restated Declaration of Conditions, Covenants and Restrictions for Kono Tayee Estates (the "**DECLARATION**"), Home Owners of Kono Tayee Estates Bylaws (the "**BYLAWS**"), and Rules and Regulations ("Operating Rules"), all which govern the use of the Residential Lots, Common Areas, Common Facilities and all other areas of the Kono Tayee Estates planned development in the census designated place of Lucerne, Lake County, California (the "**DEVELOPMENT**").

The Association's Board of Directors has the exclusive responsibility to make additions and modifications to this Fine Schedule from time to time, or to amend this Fine Schedule as may be deemed necessary for the safety, care and maintenance of the Development, and to improve the comfort and enjoyment of all Occupants, subject to Article 5 of the Davis-Stirling Common Interest Development Act ("**OPERATING RULES**"). The Board of Directors and its manager or management company have the full authority under the Civil Code, Bylaws Article VII, and/or Rules and Regulations Article VII to enforce this Fine Schedule.

The capitalized terms used in this Fine Schedule shall have the meanings given to those terms in the Declaration, except as expressly otherwise provided herein. If a meaning inconsistent with this Fine Schedule, the Declaration and the Bylaws shall prevail, in that order.¹

1 First Offense/Nuisance.

A notice of Governing Documents violation/non-compliance will be mailed and delivered electronically to the subject Member describing: (i) the violation/non-compliance; (ii) with a reference to the provision being violated/not-complied with; and (iii) a reasonable deadline to correct the violation/non-compliance.

2 Uncorrected Violation.

Any Governing Documents violation/non-compliance not corrected by the deadline set forth in the Association's notice to the Member is deemed to be an uncorrected violation.

3 Repeat Offenses.

¹ See Civil Code § 4205.

If, within a thirty (30) day period following an Owner's correction of a previous non-compliance/violation, the same Owner(s) are determined to be in non-compliance and/or violation of the same provision of the Association's Governing Documents, the Association has the authority to treat the violation/non-compliance as a continuing violation of the previous violation (a "repeat offense").

4. Fine Schedule.

When a Governing Documents violation/non-compliance becomes "uncorrected" or "repeated", the Board may levy a fine(s) against the Member in accordance with the following:

Nature of Violation/Non-compliance	Fine
<u>Non-Health, Life, or Property Threatening Violation/Noncompliance</u> (failure to comply with any provision of the Governing Documents, Tenant Notification Form, noisy party, parking violation,)	Initial Fine: \$100
<u>Health, Life, or Property Threatening Violation/Noncompliance</u> (parking in fire lane, unsafe driving, aggressive pet acts)	Initial Fine: \$250
<u>Uncorrected Violation/Non-Compliance Continuing beyond 14 days of deadline to correct violation.</u>	Initial Fine stated above plus \$50 per day until the nuisance is abated. Fine not to exceed 30 days from date of Initial Fine.
<u>Repeat Offenses.</u>	Double the total fine levied for the immediately prior violation of the same Governing Document provision.
<u>Violation of Short Term Rental Restrictions (rental or lease for less than 30 days)</u>	Initial Fine: \$800.00 Second Offense: \$1,500.00 Third Offense: \$3,000.00 Fourth and Continuing Offenses: Treated as "Repeat Offense" above.