ARCHITECTURAL POLICY FOR PINECREST COMMUNITY ASSOCIATION

In accordance with the CC&Rs of PINECREST COMMUNITY ASSOCIATION existing Architectural Conditions and Restrictions (the AACRs@), the following sets forth the Architectural Policy for the Association as required by California Civil Code Section 1378. This policy is in addition to the ACRs, the covenants, conditions and restrictions set forth in the CC&Rs and the CC&Rs of the Lake Mission Viejo Association.

1. Changes That Require Architectural Approval.

Any commencement or maintenance of construction, alteration, removal, relocation, repainting, demolition, addition, installation, modification, decoration, redecoration or reconstruction of an Improvement (as this term is defined by the CC&R=s and including landscaping), in or upon the Properties shall require architectural approval. However, any Improvement may be repainted without Architectural approval so long as the Improvement is repainted the identical color which it was last painted. Note: these requirements along with those set forth in the CC&Rs apply to the construction, installation, alteration and modification of solar energy equipment subject to California Civil Code '714, the Uniform Building Code of the County, applicable zoning district regulations and associated County Ordinances (Article VIII, Section 8.02 of the CC&Rs.)

2. <u>Procedures For Review And Response.</u>

2.1. The Application.

The Association=s existing form Application for architectural approval is attached herewith, along with the existing ACRs, all of which are incorporated. To be deemed a complete application, the form Application must be fully completed and submitted with all requested documents and information (herein after referred to as the Acomplete Application@). The complete Application shall be submitted by the homeowner to the Architectural Committee and is deemed received upon delivery and receipt by the management company on behalf of the Association, or by the Board of Directors at a regularly scheduled Board meeting, and a written receipt should be requested. (Article VIII, Section 8.02 of the CC&Rs.)

2.2. Fee For Application And Review.

Where the Architectural Committee determines that professional advice and/or services are warranted in its review process, the homeowner shall be requested to submit fees as a retainer to pay for such professional services, as a condition for a complete Application. Such fees may be \$250, but will not exceed \$1,200, and any unused portion of the submitted fees will be reimbursed to the homeowner. (Article VIII, Section 8.02.)

2.3. Standards For Decision.

The Architectural Committee will determine if the installation, construction, alterations or additions contemplated by the complete Application in the locations indicated would be in compliance with the CC&Rs and that they will not be detrimental to the appearance of the surrounding area of the

properties as a whole, that the appearance of the surrounding area of any structure affected thereby will be in harmony with the surrounding structures, and that the installation or construction thereof will not detract from the beauty, wholesomeness and attractiveness of the Common Area or the enjoyment thereof by the Members, and that the upkeep and maintenance thereof will not become a burden on the Association. (Article VIII, Section 8.02 of the CC&Rs.) Further, the Architectural Committee may condition its approval as set forth in the CC&Rs at Article VIII, Section 8.02 and exercise all those powers set forth in the CC&Rs. In exercising these standards, the Architectural Committee will take into consideration all the existing ACRs as more fully set forth in the attachment hereto. Further, the Architectural Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and material and similar features. (Article VIII, Section 8.07 of the CC&Rs.) Finally, no Approval of the Architectural Committee will be valid for any project that is in violation of any of the provisions of the CC&Rs. Therefore, it is important for the complete Application to clearly provide the information to show compliance with the ACRs and the CC&Rs.

2.4. Response To Complete Application.

2.4.1. Time For Response.

The Architectural Committee will review the complete Application and issue a written response to the homeowner within 45 days of receipt of the complete Application. Incomplete Applications should be returned within 45 days to the homeowner with notification that the Application was incomplete. However, failure to return the incomplete Application to the homeowner within the suggested 45 days, shall not cause the incomplete Application to be deemed Approved@ according to Article VIII, Section 8.02 of the CC&R=s, as an incomplete Application does not comply with the requirements of this Article of the CC&R=s for proper submission. (Amended by CA Civil Code to 30 days.)

2.4.2. Nature Of Response.

The written response to the complete Application shall be either an AApproval@ with or without conditions, or a ADisapproval@. In the event of a ADisapproval@ the response will set forth why it was not approved, what additional information or documentation is needed, if any, and the procedures for reconsideration by the Board according to this policy. (Civil Code '1378.) Note: Approval of the complete Application does not relieve the homeowner of adherence and compliance with all building codes and regulations of the City or other government agencies and utility companies, and the approval in no way represents that building codes, City or government regulations or requirements of utility companies were reviewed or taken into consideration or that the Architectural Committee has any knowledge or information in this regard.

3. <u>Variances And Procedures For Reconsideration</u>

3.1. Variances.

The Architectural Committee may recommend a variance when circumstances such as topography, natural obstructions, hardship (as this term is defined by the law relating to variances), aesthetic or

environmental consideration may require. Any such recommendation must be approved by the Board of Directors as more fully set forth in Article VIII, Section 8.08 of the CC&R=s.

3.2. Request For Reconsideration Of Denial.

All requests for reconsideration must be in writing. A written request to the Board of Directors to reconsider the complete Application at an open meeting of the Board, will be responded to with notice of the date upon which the matter will be reconsidered at an open meeting of the Board. (Civil Code '1378.) Notice of the open meeting shall be given at least 4 days prior to the open meeting. (Civil Code '1363.05 and 1378.) The open meeting will either be the next scheduled regular meeting of the Board, or if there would be insufficient time to give the 4 days notice, then at an open meeting set by the Board no later than 30 days from the date of the request. A written request to the Board for reconsideration, which does not include a request for a meeting, will be responded to in writing, by the Board within 30 days of receipt.

4. <u>Completion Of Project And Compliance With Approval.</u>

Homeowners must timely and properly complete their approved project as set forth in any approval, in the ACRs attached hereto, and the CC&R=s. The Architectural Committee may inspect the project and will address defects as set forth in Article VIII, Section 8.06 of the CC&R=s.