

Morrison Creek Estates Homeowners Association

Rules and Regulations Revision: September 22, 2014

These Rules and Regulations (these “rules”), of Morrison Creek Estates Homeowners Association (the “association”) and the first restated declaration of restrictions (enabling Declaration Establishing a Plan of Condominium Ownership of portion of Franklin Villa Estates No.1, recorded on February 17, 1988, in official records of the county recorder of Sacramento County Recorder also referred to as “CC&R” (covenants, conditions, and restrictions) apply to the Association and all properties subject to the CC&R’s (“Morrison Creek”)

Owner Responsibilities

- A. These Rules and regulations, and all governing documents including the CC&R’s must be made a part of any rental agreement within Morrison Creek, and every owner of any property within Morrison Creek (“owner”) is required to secure the written acknowledgement of each tenant of such owner that such tenant has received copies of the Rules and the CC&R’s from the owner and will abide by them. A violation of any of these rules, or of any of the CC&R’s, will result in a non-compliance assessment as outlined in Section X of these rules.
- B. Each owner is responsible for the conduct within Morrison Creek attributable to any unit in which such owner has ownership interest (Unit), and is required to take whatever precautions as an owner are necessary to ensure that neither such owner, nor any other owner of any such unit, nor any resident, tenant, guest, service provider or other invitee attributable to any such unit. (“Guest”, or collectively, “Guests”) shall violate any of these rules or any provisions of the CC&R’s. Owners are responsible for taking whatever steps are necessary for preventing any violations of these rules or the CC&R’s by their guests.
- C. In order to ensure that property values and quiet enjoyment of all properties within Morrison Creek are not negatively impacted by owners, residents or guests who fail to respect the CC&R’s, these rules or the rights of others, the Association had adopted, and must enforce, a “zero tolerance” policy for violations of the CC&R’s and these rules.

I. Parking Rules

- A. This is a gated community; please refer to the gate entry rules for specific rules.
- B. Each unit has the exclusive right to use one (1) parking space located in the garage for their unit and on the parking pad directly behind the vehicle inside the garage. No parking is allowed on alleys or on streets or on alleys where curbs are painted red known as “Red Zones”.
- C. Speeding in excess of 5mph within Morrison Creek alleys is not allowed.
- D. Leaking of any vehicle fluids or toxic fluid in any garage or the Common Area is not allowed.

- E. Residents are required to use the garage parking stall assigned to their unit, or parking is available on public streets within Morrison Creek. The available streets are La Fresa court and La Pera Court.
- F. Guests or other visitor's may not park in any locations, other than in one of the garage stalls for the unit they are visiting, provided that a visitor parking slip for that specific unit is issued and displayed with the vehicle for that specific date. There is no other guest or occupant parking available or permitted within Morrison Creek (except on public streets), including without limitation in any alleyways or in front of the laundry rooms. All other vehicles must be legally parked on public streets within Morrison creek, or outside of Morrison Creek.
- G. No motor vehicle may be repaired within any garage, or within any portion of Morrison Creek, except for emergency repairs that are necessary; move the vehicle to a repair facility outside of Morrison Creek, In the event of any enforcement proceeding relating to repairs, the burden shall be on the Association to identify repairs, and the burden shall be the owner to establish the emergency exception for any such repairs.
- H. All vehicles parked in the complex must be operative. If an operative vehicle becomes an inoperative vehicle parked within Morrison Creek, it must be moved within 96 hours of being inoperative, and may not be returned to Morrison Creek until it is fully operative.
- I. Garages are for the parking of operative vehicles which are attributable to the unit for the subject garage, and for no other purpose. There shall be no other items of any kind placed within any garage (with the sole exception of authorized items fully enclosed within, or neatly stored under an approved garage storage enclosure located in the rear of the garage, in accordance with these rules, if any) , and no loitering or gathering by any persons within any garage, weather peacefully or otherwise.

II. Noxious Offensive or Illegal Activity

- A. Any violation of any federal, state or city law, ordinance regulation or other requirement ("violation of law") shall be a separate violation of these Rules, whether or not the action or omission constituting such unlawful act in otherwise separately addressed in these Rules, and whether or not any such violation of law results in any criminal conviction or civil or administrative adjudication of a violation of law, whether or not any such violation of the law is proceeding relating to any claimed violation of law results in a dismissal, an acquittal or a judgment or adjudication on favor of any accused perpetrator (there being different standards of proof and procedural requirements applicable to any such governmental proceeding).
- B. There shall be no action or inaction attributable to any unit, and/or to any owner or guest attributable to any unit, which does cause or create, or which realistically could give rise to a possibility of causing or creating: (i) any threat, whether physical, verbal or otherwise, of violence or unlawful injury or damage of any kind; (ii) any physical harm or other injury to any person; (iii) any property damage of any kind; (iv) any safety hazard of any kind; (v) any health hazard of any kind; (vi) any interference with the quiet enjoyment by any resident within Morrison Creek of their residence and/or the common areas in accordance with the requirements of these rules and the CC&R's; and/or (vii) any disturbance of any kind.

- C. Owners and their tenants, family members or their guests may not bring firearms or other weapons or ammunition within any portion of Morrison Creek, may not brandish any weapon of any kind within Morrison Creek.
- D. There shall be no consumption of alcohol within any portion of the common areas and garages, no open containers of alcohol within any portion of the common area or garages, and no transporting of alcoholic beverages within any portion of the common area or garages, with the sole exception of removal of unopened containers of alcohol from vehicles unlawfully and properly parked in a garage to the interior of the unit for such garage.
- E. Morrison Creek is a DRUG FREE zone. There shall be no sale, manufacturing, use or possession of any unlawful drugs, any drug paraphernalia and/or controlled substances (with the sole exception of prescription medications possessed and used solely in accordance with, and pursuant to a lawful prescription)
- F. Streets and sidewalks within Morrison Creek are for ingress and egress by owners, residents and duly authorized guests or invitees only. There shall be no loitering and no recreational activities within the streets and sidewalks of Morrison Creek.
- G. Common Areas are held and managed in trust by the Association for the benefit of the owners and duly designated residents authorized by the owners to reside in their units ("Authorized Residents"). No person may be present within any portion of the common areas with the exception of the owners, authorized residents or temporary visitors authorized to visit a specific unit by the owners and/or authorized residents of such unit, and/or persons authorized by the association by the association to be present within the common area to assist in conducting the business and affairs of the association. Any other persons present within the common areas are, and shall be deemed to be, trespassers unlawfully trespassing 'within the common areas. Each unit and any owner thereof shall be fully responsible for the actions and inactions within Morrison Creek of the authorized residents attributable to such unit and guests, vendors and/or other invitees authorized by the owner or an authorized resident to visit a unit ("authorized person"), and such unit and each owner thereof shall be responsible for all actions and/or inactions of any such authorized persons within Morrison Creek. With the exception of ingress and egress over the common areas by authorized persons as necessary to ingress and egress to and from the unit they are duly authorized to visit and an authorized access point between Morrison Creek and adjacent properties, authorized persons shall not transit or be located upon other portions of Morrison Creek, or loiter on transit ways, except to the extent that they are physically present as a guest with an owner or authorized resident who is within another portion of the common areas for a use of the common area in full compliance with all applicable provisions of the CC&R's and these rules. Presence on, or use of the common areas by authorized persons in excess of such authorized activities, shall be trespassing.
- H. No person shall be engaged in any acts of physical violence, or threaten physical violence of any kind, against agents of the association, residents, invitees, contactors or municipal officials, within Morrison Creek.
- I. There shall be no writing of graffiti or other vandalism of any kind within Morrison Creek.
- J. No owner, Authorized resident or authorized persons shall be physically or verbally abused, intimidate or harass any other person within Morrison Creek, or otherwise interfere with any

owners. Authorized residents or authorized persons and/or invitees engaged in the conduct of the Association's business, including without limitation: (i) making terrorist threats; (ii) making other verbal or physical threats of any kind; (iii) engaging in threatening, insulting and/or demeaning actions, including without limitation directing insults, taunts, rude and obscene gestures, profanity and/or demeaning and/or derogatory comments; (iv) directing any comments in a loud, boisterous, rude, profane, and/or obnoxious manner; or (v) any other conduct tending to intimidate, harass or abuse any person, or having a tendency to provoke any breach of the peace.

- K. Any noise which can be heard outside of the units not allowed. This includes, but is not limited to stereo, TVs, parties, disagreement, barking dogs.

III. Pets

- A. Dogs may be no more than twenty five inches, may not be of a violent disposition, and must be on a leash at all times.
- B. Homeowners (or renters) shall be responsible for the proper disposal of their own pet's wastes and/or the waste of the guest's pets.
- C. If dogs are running loose, notify the owner. If the problem continues, call the Animal Control Center by calling 311. Give them and pet owners name and address, if known.
- D. Animal viciousness or threats is not permitted.
- E. Excessive barking is not allowed in the complex.

IV. Cleanliness

- A. Please help us keep our complex clean. No rubbish, trash. Garbage or other waste material is permitted within or without any unit, or in the common areas. Except in sanitary containers within the units, with the sole exception of garbage contained within City garbage cans maintained solely with the approved, assigned locations within the common areas. Garbage cans are to be rolled out on the night before trash pick-up day no earlier than 6:00p.m Cans are to be rolled back in no later than 12:00p.m the day following trash pick-up. Cans that are left out will be removed completely from the complex. The owner will have to contact the City Of Sacramento to order replacement cans. Owners should ensure go garbage is placed in the green waste cans or the blue recycle cans to avoid being fined by the City Of Sacramento.
- B. Storage within the Common area shall be solely within or (neatly) under the storage cabinet for the unit located within the garage for the Unit. There shall be no storage of hazardous substances anywhere within Morrison Creek, and no items may be stored within any location within Morrison Creek in any manner which creates a fire hazard of any kind.
- C. No discarding of old furniture and appliances inside the garage of the common areas.
- D. Articles such as clothing, rugs and towels are not to be hung over any fence, balcony, in or outside of windows or otherwise on the exterior of any unit.
- E. BBQ fires are not permitted within any portion of Morrison Creek, other than within a commercial BBQ, with a competent and fully sober and alert adult resident physically present, and with the commercial BBQ located in the open air Common areas, at locations in the immediate vicinity of the unit occupied by such resident (and within the lot on which such unit is

located) designated in advance by the association and which shall not interfere with use of any other unit or the common area by other residents, at all times any BBQ fire is burning, in any degree, and with such BBQ fire maintained in such a manner that so flame shall escape the BBQ at any time. BBQ grills may not be stored or left unattended within the common areas at any time, nor may they be stored within the storage areas for any unit coals or other fire whatsoever remain burning.

- F. Decks are to be maintained in a neat and orderly fashion. Items allowed on decks are limited to lawn furniture and no more than 10 potted plants not exceeding 9 inches in diameter. Plants must be in proper planters with the proper containers to catch excessive water flow. There may not be any other furniture, or refrigerators or other appliances of any kind located on any deck. There shall be no mops, brooms, buckets, kitchen chairs, dining room chairs or broken chairs on any balcony. Residents are not to hang wet clothes or towels or any other form of laundry on the balcony.
- G. No unit shall be occupied by any person during any period in which electrical power is not available to the unit, with the sole exception of temporary interruptions of electrical power due to power outages which are not attributable to any action or inaction of the owner or any tenant or other occupant. Any electrical cords found originating from a unit and running outside of that unit to another unit or the garage will be reported to the owner and that cord will be safely cut by turning off power to the building from the main without notification for a short time period.
- H. Electrical power provided to any unit by the applicable utility provider may only be utilized by and for the unit to which such power is provided by the applicable utility provider. Electrical power from one unit may not be "tapped" or utilized for any other unit, with or without the knowledge and/or consent of any owner or other occupant of the unit from which such power is being obtained.
- I. Candles may be used solely in a safe and prudent manner, while safely away from all fabrics and other flammable substances, and while and responsible and fully alert adult is physically present. There shall be no other fires of any kind within Morrison Creek, and neither candlelight nor any other form of fire or flame may be utilized for cooking, heating or light, or as an alternative or substitute for the of electrical power.
- J. Any unit which is vacant or which is not preventing access other than by use of keys, and in a manner receiving the approval of the Association, whether specifically or generically, as to any security measures affecting the exterior appearance of the unit

V. Safety Rules For All Residents

- A. For the safety of all residents of any age, no playing in the garages, driveway, alleys or streets inside the complex allowed.
- B. No wading pools or bounce/jump houses are allowed in front of units or elsewhere within the common areas.

VI. Pool

- A. Minor aged residents ages 14 and younger must be accompanied in the pool area by a parent or other adult at all times, An adult is considered to be someone 18 years of age or older.
- B. Persons occupying the pool area must wear swimwear in the form of a swimsuits or swim trunks. No expectations.
- C. Owners and/or screened registered tenants may be accompanied by the maximum of two (2) guests in the pool area unless special arrangements are made with the board.
- D. Gates to the pool shall remain closed and locked at all times. Any person caught admitting any unauthorized person(s) to the pool area shall be subject to a non-compliance assessment.
- E. No pets are allowed in the pool area at any time.
- F. No glassware of any kind is allowed in the pool area.
- G. The gate shall be used for entering and leaving the pool area. Do not climb on the gate.
- H. Any radios, CD or tape players or other broadcasting devices shall be kept at a reasonable volume.
- I. No person shall use or be present within the pool area unless the pool is open and the association pool monitor is present.

VII. Playground Rules

- A. The playground is closed, and may not be used, from the time that nighttime darkness first begins to occur ("dusk") each day until morning daylight arrives each following day ("dawn") (i.e., throughout any period of full or partial darkness outside). No person may enter, use, loiter or otherwise be present within the playground area at any time from dusk to dawn.
- B. The playground area is designed for the use for minor aged residents under the supervision of competent adults. Minor aged resident must be supervised by a parent or other competent adult at all times while the playground area. An adult is considered to be someone 18 years of age and over.
- C. Adults who are not supervising minor aged residents under their care while such minor aged residents are present within and using the playground area may not loiter or otherwise congregate within the playground area.
- D. There may not be any pushing, shoving, bullying, kicking or any form of violence of any kind within the playground area.
- E. No running is allowed within the playground area.
- F. Shoes must be worn at all times within the playground area.
- G. The playground area is designed to be used by multiple users in a cooperative manner. No bats, sticks, balls or projectiles of any kind may be used in the playground area at any time.
- H. The playground area and equipment may not be reserved and there are no exclusive rights to use of any playground equipment, whether on a "first come, first served: basis, or otherwise. Share the space.
- I. The playground area must be kept clean at all times. There may not be any littering of any kind within the playground area.

- J. No glassware of any kind is allowed in the playground area.
- K. No pets or other animals are allowed in the playground area at any time.
- L. Any radios, CD or tape players or other broadcasting devices shall be kept at a reasonable volume.
- M. No alcohol may be used, consumed or otherwise present within the playground area whether is open containers or otherwise, at any time.
- N. No drugs, drug paraphernalia or other unlawful substances may be used or sold, or otherwise be present, within the playground area at any time.

VIII. Architecture

- A. Any exterior structural changes must conform to the existing architecture and be approved by the association's board of directors ("the board").
- B. Any exterior change which is done without the advance approval by the board may, at the discretion of the board, be removed at the owner's expense.
- C. Outdoor antennas are not allowed, with the exception of satellite antennas of dimensions, and in locations approved by the board.
- D. Each owner shall have complete discretion as to the choice of furniture, furnishing the interior decoration, but windows can be covered by only drapes, attractive blinds or shades that are of neutral color facing the street.
- E. Windows cannot be covered by sheets, blankets, rugs, foil, cardboard or other similar materials. Screens are required on all windows.
- F. Doors, security doors, door frames must be in good functioning condition and fit. The doors, security doors and door frames must be attractive and painted to look well maintained.
- G. The laundry facility located in each building is considered "common area" and only licensed, insured, laundry equipment providers can install and maintain laundry equipment such as washers and dryers. Each owner is responsible to ensure the association is safe from the threat of a fire hazard by ensuring no personal washers and dryers are installed in the laundry rooms or inside units or inside garages, Failure to protect the Association from the threat of fire by failing to comply with these rules may result in request for the noncompliant owner to make a deposit in an amount necessary to cover the current fire insurance deductible.
- H. Satellite installations cannot be installed on any portion of the building structure, such as siding, trim or bellyband and roof the penalty will result in a fine of \$500.00 plus the cost to the association to make repairs.
- I. Satellite dishes are to be installed on a tripod.

IX. Inspections

The Association performs bi-annual inspections on garages to ensure the following requirements comply with the governing documents to meet the intent of the governing documents to maintain high level insurance at manageable rates to protect the association:

1. No rubbish, trash, garbage or other waste material is permitted within the garages.

2. Storage within the common areas shall be solely within or (neatly) under the storage cabinet for the unit located within the garage for the unit. There shall be no storage of hazardous substances anywhere within Morrison Creek, and no items may be stored within any location of Morrison Creek including the garages. These inspections are necessary to ensure the Association is making an effort to avert any behavior that could create a fire hazard.
3. Owners, who fail to monitor the garages associated with their units thus resulting in failed inspections or observed to be out of compliance at any time during this year, may be required to make a deposit in the amount of the association current fire insurance deductible.

X. Rental/Screening Requirements

- A. RESIDENT OWNERS - Resident Owners and members of a resident Owner's immediate family (i.e., minor aged residents or parents), are not required to be screened.
- B. All adult tenants, and all other adult occupants of any Unit, residing with a resident Owner at the resident Owner's Unit, must be screened by the Association's management office prior to occupancy and/or any lease or other occupancy agreements being entered into with the prospective occupants.
- C. All Owners are responsible for providing the Association with a current rental agreement and/or occupancy information form, as required by the Association, upon the Owner's rental of their Unit, which shall include without limitation the full name of each adult resident, and the full name, age and birthdate, of each minor resident, of each Unit.
- D. Owners must comply with all other requirements of the Association's Pre-Occupancy Requirements, which are set forth as Exhibit "A" hereto and incorporated herein by this reference (the "Pre-Occupancy Requirements"), as the Pre-Occupancy Requirements may be amended and distributed to the Owners from time to time.
- E. Each adult occupant of any Unit, other than a resident Owner or a member of the resident Owners' immediate family (i.e., minor aged residents, parents and/or siblings) residing with a resident Owner in the resident Owner's Unit, must sign a "California Addendum for Crime/Drug Free Housing and Governing Document Compliance", in the form set forth as Exhibit "B" hereto and incorporated herein by this reference, or such other form as the Association shall approve (the "Addendum"), which must also be executed by each Owner of the Unit and returned, fully executed, to the Association's management office, prior to their occupancy of the Unit.

XI. Special Supplemental Assessments

- A. Non-compliance assessments will be levied as necessary in accordance with the Notice of Determination to the Owners after notices to appear and be heard before the Board for violations have been issued in accordance with the Association's governing documents, and in accordance with the "Morrison Creek Estates Schedule of Special Supplemental Assessments"

set forth as Exhibit "C" hereto and incorporated herein by this reference, or such other schedules as the Association may issue from time to time.

- B. Reimbursement assessments for emergency non-compliance violations related to health, safety and insurance compliance issues will be levied for repayment to the Association of any costs incurred by the Association as necessary to enforce the governing documents of the Association.
- C. The willful destruction, vandalism and/or defacement of any Property of any kind located within the Common Areas, or of any other property of any kind located within Morrison Creek, including but not limited to cameras, common area lighting, the mailbox kiosk, the info kiosk, manifolds, sprinkler systems, trees, shrubs, lawns, pool restrooms, playground items, air conditioning units, buildings, etc., shall result in a noncompliance assessment as set forth in this Section X, in addition to a reimbursement assessment equal to the cost of repairing the damage.
- D. Reimbursement assessments may be levied by the Association as to any Owner and/or Unit determined by the Board to be responsible for any violation to recover any and all costs, including without limitation attorneys' fees and costs, incurred by the Association in enforcing the governing documents of the Association with respect to any such violation.

Exhibit "A"

MORRISON CREEK ESTATES PRE-OCCUPANCY REQUIREMENTS

- A record owner of a Unit ("Resident Owner") or an immediate family member (i.e., minor aged resident or parent) of a Resident Owner residing with such Resident Owner are not required to be screened.
- All prospective tenants and other occupants, 18 years of age and older, are required to be pre-approved (screened) by the Association PRIOR TO OCCUPANCY OF THE UNIT. Each resident of any Unit, including any juvenile, must be registered with the Association.
- A TENANT or other occupant is anyone who moves into a Unit with some portion of his/her belongings and occupies that Unit as his or her domicile, and/or who is regularly present at such Unit and who uses the Unit as an address for any purpose.
- Any person who lives in the Unit while cleaning and fixing it up, and/or while serving as a caretaker, must be pre-approved (screened).
- It is the owner's responsibility to ensure that each prospective occupant is screened prior to occupancy of the Unit.
- Those prospective occupants with evictions records can be approved depending on the circumstances of the termination of the tenancy, age of termination and other circumstances.
- Any prospective occupant that has been previously evicted for cause, or been the subject of a pending unlawful detainer action at the time of vacating, or being asked to vacate for "cause" within the Franklin Villa Area will be rejected.
- The Association will automatically reject any prospective occupant with a Felony Criminal Conviction or any conviction related to drugs or gang activity or any crime of Moral Turpitude.
- Any prospective occupant, who has been the subject of prior enforcement actions by the Association, or by the nearby Wildwood or Brookfield Homeowners Associations, will be rejected.
- In order to be approved, a prospective occupant must be a lawful resident of the United States , having bona fide identification capable of establishing their true identity and permitting an independent screening service to conduct the standard public records screening checks then utilized on behalf of the Association.
- The Owner is not required to attend the pre-approval process, but the Owner must contact the Association's business office and inform the office of his or her intent to have a third party rent or otherwise occupy the Unit and provide the names of all persons to live in the Unit.
- The applicant will be checked through an outside source using the information provided by the prospective occupant. There is a charge for the screening that must be paid prior to requesting the screening.
- If the Association processes (screens) a prospective occupant after the occupant moved into the Unit, there will be a \$100.00 a day assessment for each day the occupant lived in the Unit prior to submitting all necessary data for the screening approval process.

- If the occupant fails the screening process, the occupant will be rejected by the Association, and the Owner may not allow the rejected occupant to reside in the Unit, except as specified below.
- If the occupant is in the Unit at the time, the Owner is subject to the daily assessment until the Association receives confirmation that the occupant no longer remains at the Unit
- If the occupant fails the screening process and the Owner still wishes to rent to the applicant or otherwise to allow the applicant to occupy the Unit, the Association requires a security deposit in the amount of \$2,500.00, in the form of a cashier's check or money orders.
- This deposit must be received prior to the occupancy by the occupant, but not later than seven (7) days after notification of the failed screening. Such deposit is refundable upon termination of the occupancy, if no damage to the Common Area or other governing document violations have occurred as a direct result of such tenant and/or other occupant.
- No crimes or disturbances or police calls have resulted within Morrison Creek as a direct result of the tenant and/or other occupant, and all assessments and other charges due from the Owner to the Association have been paid.
- If the Association is owed monies by the Owner, the amount owed to the Association may be deducted from the deposit, in which event the Owner must immediately restore the deposit to the full deposit amount.
- Amounts owed to the Association will include the cost of evicting a tenant or other occupant should the Association pursue a third party eviction.
- The \$100.00 a day assessment shall continue for each day the occupant lives in the Unit after the failed screening. These assessments are charged to the Owner and the Unit and will continue until the occupant no longer remains at the Unit or until the security deposit is paid.
- The deposit may also be used in the event it becomes necessary for the Association to obtain legal representation in order to process an eviction of the occupant.
- All applicants and adult occupants are required to sign a copy of the Association's Rules and Regulations and a copy of the "California Addendum for Crime/Drug-Free Housing and Governing Document Compliance" at the time of application, so that, if the applicant is approved for occupancy, he/she will have had the opportunity to become familiar with these rules.
- No mail box keys, gate cards, ID Cards, parking permits or pool privileges will be given to occupants without pre-occupancy approval and required registration.

Exhibit "B"

CALIFORNIA ADDENDUM FOR CRIME/DRUG-FREE HOUSING & GOVERNING DOCUMENT COMPLIANCE

In consideration of the execution or renewal of a lease or other rental agreement for, and/or occupancy privileges with respect to, the dwelling unit located at, Sacramento, California (the "Premises"), which is subject to the provisions of that certain restated declaration of covenants, conditions and restrictions recorded on February 17, 1988, in Book 880217, at page 1958, as Instrument No. 032670, in the Official Records of the Sacramento County Recorder (the "Declaration"), OWNER and RESIDENT/LESSEE agree as follows: RESIDENT/LESSEE, any member of RESIDENT/LESSEE'S household and any guest or other person under RESIDENT/LESSEE'S control (collectively, the "Resident/Lessee Group") shall not engage in criminal activity, on or near the Premises, or within the area subject to the provisions of the Declaration ("Morrison Creek"), including without limitation "drug-related criminal activity". "Drug-related criminal activity" means the illegal manufacture, sale, distribution, use or possession with the intent to manufacture, sell, distribute, or use a controlled substance (as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802)). The Resident/Lessee Group shall not engage in any act intended to facilitate criminal activity, including drug-related criminal activity, on or near the Premises and/or within Morrison Creek.

The Resident/Lessee Group will not permit the Premises to be used for, or to facilitate, criminal activity, including prostitution and/or drug-related criminal activity, regardless of whether the individual engaging in such activity is a member of the household or a guest will not engage in the manufacture, sale, or distribution of illegal drugs at any location, whether on or near the Premises, or within Morrison Creek.

The Resident/Lessee Group shall not engage in acts of violence, including, but not limited to, the unlawful discharge and/or brandishing of firearms, on or near the Premises, or within Morrison Creek.

ANY VIOLATION OF THE ABOVE PROVISIONS SHALL BE MATERIAL FOR VIOLATION IF ANY

The Resident/Lessee Group: LEASE, RENTAL AGREEMENT OR OTHER OCCUPANCY AGREEMENT FOR THE PREMISES (THE "AGREEMENT") AND GOOD CAUSE FOR TERMINATION OF TENANCY OR OTHER OCCUPANCY OF THE PREMISES.

A single violation of any of the provisions of this Addendum shall be deemed a serious violation, and a material noncompliance with the Agreement. It is understood and agreed that a single violation shall be good cause for termination of the Agreement and/or any occupancy of the Premises.

Failure to comply with this Addendum is considered a material non-curable breach of the Agreement and will result in a Three Day Notice to Quit being serviced upon RESIDENT/LESSEE requiring that RESIDENT/LESSEE and every member of the Resident/Lessee Group shall vacate the Premises within three (3) days, all in accordance with California law California law provides for extraordinary remedies to

regain possession when illegal activity is being carried out on or in the vicinity of the Premises which constitutes a public or private nuisance. In case of conflict between the provisions of this Addendum and any other provisions of the Agreement, the provisions of this Addendum shall govern.

This Addendum is incorporated into the Agreement by this reference.

RESIDENT/LESSEE and Owner: (i) acknowledge that Owner is responsible to Morrison Creek Estates Homeowners Association (the "Association") for compliance by the Resident/Lessee Group and the Premises with the Declaration, and with the rules and regulations of the Association (the "Rules"); and (ii) mutually agree to, and hereby do, incorporate the requirements of the Declaration and the Rules into the Agreement as an integral part of the Agreement.

This Addendum is executed as part of the consideration by RESIDENT/LESSEE for occupancy of the Premises, and is executed for the benefit of both Owner and the Association, and Owner and the Association, whether jointly or separately, shall each have the right to enforce its terms.

OWNER/OWNER AGENT: _____

DATE: _____

RESIDENT/LESEE: _____

DATE: _____

Exhibit "C"

MORRISON CREEK ESTATES SCHEDULE OF SPECIAL SUPPLEMENTAL ASSESSMENTS

The following schedule of special supplemental assessments shall be applicable to the imposition of Special supplemental Assessments by the Association's board of directors ("the board"), as sanctions for non-compliance with the governing documents of the Association ("the governing documents"). Upon each finding of a violation of the governing documents, the board shall determine the nature and severity of the violation, and may impose a Special Supplemental Assessments for each separate violation according to schedule set forth below:

Standard Violations:

Schedule of assessments: Minimum of \$50.00, and not to exceed \$500.00, per violation, depending upon all applicable factors.

Examples of standard violations: Any first time violations of the governing documents including this document except any example covered under "Extreme Violations". Depending upon the circumstances of the violation, the Board of directors reserves the right to apply additional criteria to determine what constitutes a "Standard Violation".

Serious Violation:

Schedule of assessments: Minimum of \$500.00, and not to exceed \$1,000.00, per violation, depending upon all applicable factors.

Examples of Serious violations: Any 2nd occurrences of the same violation on combination with any of the governing documents including this document except any example covered under "extreme violations". Depending upon the circumstances of the violation, the Board of Directors reserves the right to apply additional criteria to determine what constitutes a "Serious Violation".

Severe Violations:

Schedule of assessments: Minimum of \$1000.00 and not to exceed \$2,500.00, per violation, depending upon all applicable factors.

Example of severe violations: Any 2nd occurrence of the same violations in combination with any of the governing documents including this document except any example covered under "Extreme Violations". Depending upon circumstances of the violation, the Board of Directors reserves the right to apply additional criteria to determine what constitutes a "Severe Violation"

Extreme Violation:

Schedule of assessments: Minimum of \$2,500.00 and not to exceed \$5,000.00, per violation, depending upon all applicable factors.

Examples of Extreme Violations: Open sake and/or use of drugs; physical assaults; use and/or display of any weapon.

GENERAL PRINCIPLES APPLICABLE TO ASSIGNMENT OF SPECIAL SUPPLEMENTAL ASSESSMENTS

Owners are responsible for any and all violations of the Governing Documents attributable to their properties, regardless of whether the owners participated in, knew of, or endorsed any such violation, as owners are responsible for the conduct of all occupants, tenants, guests or other invitees in, on or to their properties, and/or drawn to Morrison Creek as a result of any actions and/or activities at, and/or occupants of or visitors to, their properties, and for selecting and supervising all residents of their properties carefully.

In the case of multiple and/or ongoing violations of a similar nature, each separate occurrence of the action and/or inaction giving rise to a violation shall constitute a separate violation. With respect to the accumulation and/or strewing of trash and/or other noxious items, each separate event of placing, tossing and/or leaving any such items, regardless of the time differential between such events, shall be deemed to be a separate incident, and each such incident shall be a separate violation. In the case of any continuing violation, each Calendar day, calendar week and/or calendar month in which such violation occurs (as shall be determined by the Board) shall constitute a new and separate violation. The Board shall have the discretion to hold imposition of Special Supplemental Assessments in abeyance for periods up to one year, as shall be determined by the Board, if deemed appropriate, and may consider factors including the level of effort of an owner in seeking full compliance with the Governing Documents, the nature and extent of the violation, the level and extent of prior violations and the degree of personal responsibility and accountability demonstrated by an owner, and/or the lack of any such characteristics, in assessing the level of Special Supplemental Assessments within the applicable category, and/or the propriety of holding any such assessments in abeyance. Special Individual Assessments require a Hearing be heard to allow the noncompliant units owner to be heard. In the event the owner fails to attend the hearing and does not give notice prior to the hearing, there will be an automatic "Failure to Appear" fee of \$250.00