



MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

NOTICE OF PROPOSED RULES REVISION

DECEMBER 16, 2020

To: All Homeowners of Monarch Beach Master Homeowners Association
From: The Board of Directors
Subject: **OFFICIAL NOTICE OF OPERATING RULE CHANGE**
Meeting Date: JANUARY 25, 2021
Time: 7:00 p.m.
Location: **Via Zoom Meeting:** <https://kppm.zoom.us/j/99307250025>
Meeting ID: 993 0725 00251
Call in Number: 1-669-900-6833

In accordance with California Civil Code Section 4360(a), the Board of Directors hereby provides you with a minimum of twenty-eight (28) days' notice of proposed changes they are considering to the Monarch Beach Master Association Rules and Regulations. The purpose of this notice is to offer members an opportunity to provide comments and opinions on the proposed changes.

The Board of Directors is considering revising the entirety of the Rules and Regulations to improve both form and organization.

Attached is a copy of the proposed new Rules and Regulations. Due to the scope of the proposed changes, the following only highlights some of the changes. We urge you to review the actual text of the proposed changes, included herein.

BACKGROUND:

On 07/27/20, the Board of Directors appointed a committee of the Board to undertake a complete re-drafting of the Rules of the community. The committee was chaired by a Board member and populated by members of the community at large. Subsequently, the Board reviewed the proposed Rules, and incorporated additional changes.

The committee's process involved consulting the Master Association's CC&R's, the Sub-Associations (not including Montego) Rules and Regulations, Dana Point City Municipal Code, and other HOA governing documents. Particular attention was given to previously accumulated member comments and suggestions received over the last year.

Please know that the committee, deliberated with care on each rule. You may note that some rules have been deleted, and there are some new additions. During this two month process, the committee made a concerted effort to accomplish the following:

1. Reorganize the Rules into appropriate categories.
2. Delete gratuitous comments or subjective annotations.



MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

3. Allow the Sub-Associations to govern their own domains. Focus was placed on the Master's domain (which is essentially the common areas of the community).
4. Avoid writing a "procedures manual".

Simplify where possible by creating a glossary of terms and index.

PROPOSED TEXT OF RULES REVISION:

(See copy posted and included herewith with changes highlighted)

ADOPTION OF THE RULES: The proposed revisions to the Rules and Regulations may be adopted by the Board of Directors after twenty-eight (28) days, pursuant to Civil Code section 4360.

Members are welcome to attend the meeting of the Board of Directors scheduled for January 25, 2021, at 7:00 p.m. Due to current "social distancing" rules currently in effect, it will be necessary to conduct this meeting via video teleconference. The Board of Directors will act on the proposed rule change after consideration of any comments made by association Members.

Should you wish to comment on the proposed rule changes, please forward any comments on the proposed rule changes in writing to the Association's Community Manager, DeLawrence Roby, CMCA, prior to the Board meeting scheduled for January 25, 2021:

Monarch Beach Master Homeowners Association
c/o Keystone Pacific Property Management, LLC
16775 Von Karman Avenue, Suite 100
Irvine, CA 92606

You may also email your comments to DeLawrence Roby at droby@keystonepacific.com. Should you have any further questions, please feel free to contact the community manager at (949) 430-5807.

Sincerely,

At the Director of the Board of Directors,
Monarch Beach Master Homeowners Association

KEYSTONE | 949.833.2600 | kppm.com
reconnect@keystonepacific.com
monarchbeachhoa.org





MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

DeLawrence Roby

DeLawrence Roby, CMCA
Senior Community Association Manager
Group Coordinator
droby@keystonepacific.com

Revised: 11/4/2020

**MONARCH BEACH
MASTER ASSOCIATION**

RULES AND REGULATIONS

REVISED/ADOPTED _____

**KEYSTONE PACIFIC PROPERTY
MANAGEMENT, LLC
949.833.2600**

Preface

There are five (5) homeowner sub-associations within the Monarch Beach Community. They are as follows: Antigua Homeowners Association, The Estates Homeowners Association, Marquesa Homeowners Association, The Villas Homeowners Association, and the Montego Homeowners Association. All of the foregoing, with the exception of Montego Homeowners Association, are members of the Monarch Beach Master Association.

Glossary of Terms

The following terminology is provided to assist in the understanding and application of the rules and regulations below:

“Board” means the current duly elected governing body of the Monarch Beach Master Association.

“Community” means all of the Private Property (including streets and green belts within each sub-association) and Common Area under the jurisdiction of the Monarch Beach Master Association. The terms Community includes the Montego Homeowners sub-association.

“Common Area” means the real property, and the improvements constructed thereon, within the Community which are not Private Property. Common Area may be utilized by members of the Master Association and consists of Monarch Beach Drive (including adjacent sidewalks, curbs and gutters), all of Lot 10C, guard stations (including access thereto, gates and appurtenances), and green belts.

“Facilities” or “Facility” means physical improvements located on Common. They include grassy areas, tables, benches, sidewalks, streets, gates and gate appurtenances.

“Gate Attendant(s)” means employee of control gate security vendor in charge of control of gates and verification of vehicle entry.

“Lot” means an individual piece of real property improved (or permitted to be improved upon) with a residential structure.

“Master Association” or “Association” or “Master” means the Monarch Beach Master Homeowners Association. The Master Association is charged with the administration and maintenance of the common areas within the Community.

“Management” means the current property management company employed by the Association charged with the administration of the Monarch Beach Master Homeowner Association.

“Member(s)” means a person(s) who acquires real private property within the Community, with the exception of real property located within Montego Homeowners association.

“Post Commander” means the lead supervising gate attendant in charge of operations during a work shift.

“Post Orders” a written set of procedures and guidelines provided to the Gate Attendants (and their employer) to regulate the ingress and egress of vehicles entering into the Community.

“Private Property” means any real property upon which residential housing improvements have, or may be constructed.

“Resident” means a Member or a Member’s authorized tenant.

“Rule(s)” means a rule or rules contained within the currently adopted Rules And Regulations of The Monarch Beach Master Association.

Glossary of Terms - continued

“Sub-association(s)” means any or all of the above referenced. Each sub-association is responsible for the administration and maintenance of its respective geographic area (including streets).

“Violation(s)” means an act or failure to act, by a Member, a Member’s family, tenants, guests or invitees, that, in the opinion of the Board of Directors, is in conflict with the CC&R’s, Bylaws, or Rules and Regulations of the Association. Grievances that do not constitute a violation of the Association’s governing documents or other enforceable action by the Association will not be pursued.

TABLE OF CONTENTS

Article	Caption	Page No.
A.	INTRODUCTION	5
B.	ANIMAL CONTROL	5
C.	COMMON AREA USE	6
D.	GOOD NEIGHBOR POLICY	6
E.	OWNER LIABILITY	6
F.	TENANT AND GUEST VIOLATIONS	7
G.	SIGNS	7
H.	REALTOR OR OWNER PUBLIC OPEN HOUSES	8
I.	GARAGES	8
J.	VEHICLE ENTRY - VEHICLE PARKING	8
K.	TRAFFIC	11
L.	BOARD ACTION ON VIOLATIONS	12
M.	GRIEVANCE PROCEDURE	14
EXHIBIT "A"	1996 LETTER TO MONTEGO RESIDENTS	15
EXHIBIT "B"	LOT 10C MAP	17

A. INTRODUCTION

Enjoying the advantages of association ownership means the observation of the use of restrictions and conditions set forth in the Master Association CC&R's (Covenants, Conditions & Restrictions), By-Laws and Rules and Regulations contained herein. Members are reminded that they should review the specific rules and regulations pertaining to their individual sub-associations.

The Board is empowered under Article VIII, Sections 8.01(g) and 8.04, of the CC&R's to establish without the consent of the members of the Association any rules or regulations that it deems reasonable. In some cases, Rules are written with regard to City Codes or laws.

Any homeowner has the right and responsibility to report a violation of any rule as outlined in the CC&R's, By-Laws, and adopted Rules and Regulations. Submit, in writing, a notice of violation to the Board of Directors via the Management company.

B. ANIMAL CONTROL

1. Household pets are specifically limited to dogs, cats, inside caged birds, fish, small reptiles, or other small mammals. No other animals, livestock, or poultry, shall be kept within or without any residence. No pets shall be bred or raised for breeding purposes.
2. The maximum number of household pets (including cats, dogs, etc.) shall not exceed two (2) pets per household.
3. All dogs and cats must be restrained within the owner's property. When off of owner's property, all dogs must be continuously restrained by a leash no longer than six feet in length. Cats must be controlled and confined to prevent disturbance or damage to Community property.
4. Pet owners shall control their animals in such a manner as to prevent the animal from disturbing the peace and quiet of the neighbors within the community by barking, crying and whining. In the event of repeated violations of this rule, the Association may take appropriate steps to report the situation to animal control authorities.
5. No person shall permit any animal under their control, care, or custody to trespass upon private property, sub-association slopes, and green areas.
6. All dogs and cats shall be appropriately licensed and vaccinated.
7. It is the pet owner's responsibility to entirely remove and properly dispose of all pet waste (including pet waste bags).
8. Owners will be held absolutely responsible and liable for any damage to persons or property caused by their own pets, and by pets kept upon or brought to the community by guests or service personnel.

C. COMMON AREA USE

COMMON AREA OF THE MONARCH BEACH MASTER ASSOCIATION is defined in the CC&R's as Master Association owned property and Master Association Maintenance areas which are owned and maintained for the common use, benefit, and enjoyment of the Monarch Beach Master Homeowners and residents. These areas may include easements, streets, sidewalks, paths, lights, fences, recreational facilities, guard houses, walls, lawns, slopes, shrubs, trees, etc.

To protect the vested interest of all Monarch Beach Master Residents, the following rules must be observed:

1. Walking and climbing on Common area roofs, walls, and fences are not permitted.
2. Bicycles are not allowed on sidewalks.
3. Skateboarding is not permitted within the community.
4. Owners will be held liable for any costs incurred by the Association for the repair or replacement, due to negligent or willful damage or destruction to structures, fences, gates, landscaping and recreational areas caused by said owner, tenants, guests, or persons in owner's hire. Such costs will be charged to the owner's statement of account.

D. GOOD NEIGHBOR POLICY

No owner, tenant, or guest shall obstruct or interfere with the rights and privileges of any other resident, annoy them with unreasonable noise or behavior or otherwise interfere with any resident's QUIET ENJOYMENT of his/her Residence/Lot, common area or recreational facilities, to wit:

1. Excessive noise, language or behavior, i.e., pool and jacuzzi equipment, loud parties, stereos, etc., which is audible in adjacent residences, particularly between the hours of 10 PM and 8 AM are prohibited.
2. Use of power equipment by outside vendors (i.e. lawnmowers, leaf blowers, grinding machinery, drills, etc.) is prohibited on weekdays before 8 AM and after 8 PM, Saturdays before 9 AM and after 5:30 PM, and all day Sundays.
3. Excessive vehicular noise is prohibited.
4. The use of fireworks, firecrackers, and any type of firearms in the Community is strictly prohibited by law.

E. OWNER LIABILITY

Owners are responsible at all times for the conduct and actions of their families, tenants, animals and guests.

1. Residences within the community are intended only for residential single-family dwellings.
2. The Owner of a rented/leased property must provide the Board via Management a copy of the lease/rental agreement, and a list of all persons who intend to occupy the residence.

3. No lease shall have a term less than 30 days. Owners are not permitted to advertise their property available for a short-term lease.

F. TENANT AND GUEST VIOLATIONS

1. Tenants and guests are bound by the CC&R's and the Rules and Regulations of the Monarch Beach Master Association.

2. All tenant, invitee and guest violations will be cited against the owner. A copy of the violation will be sent to the tenant.

3. The owner will be held liable for payment of any Reimbursement Assessment levied for violations of his tenants, invitees, or guests, as well as reasonable costs, if applicable, incurred by the Association for the repair or replacement of any damage caused to Community property.

4. It is the responsibility of every owner and tenant to advise their guests and invitees of the Association Rules applying to parking, speed limits, pet control, or any other rule that may affect the rights or property of other residents.

G. SIGNS

1. General Signs

a. No sign or billboard of any kind shall be displayed to the public view on any portion of a Lot, except for one sign for each Lot of not more than 18" by 24". Such signs must be one-sided and only be installed by a stake in the ground.

b. Signs are regulated by these Rules, except to the extent preempted by California Civil Code Section 4710, and through architectural approval by the sub-associations.

c. No Owner signs of any kind are permitted in common area or along Monarch Beach Drive except those signs installed by the Association.

d. No signs of any kind (including For Sale, lost and found, parties directions and advertisements) may be placed or attached to trees, lamp posts, mail kiosks, fences, walls, gates, or any other Common Area landscape or structure. For further information pertaining to signs, refer to the particular rules and regulations of your Sub-association.

2. Sale or Lease of Real Estate Signs

a. The only "For Sale" or "For Lease" signs allowed for use within the Community (including Montego)

are the approved blue and white signs displaying the "Homes at Monarch Beach" logo. No attached "rider" signs (i.e. sale pending, in escrow, etc.) are permitted.

b. Only one sign may be displayed in front of each home. Such signs must be one-sided and only be installed by a stake in the ground, and not more than 18" by 24" in size.

c. No real estate signs are permitted along Monarch Beach Drive.

d. The approved “For Sale” or “For Lease” signs may be purchased at R.E.S.S. (Real Estate Signs and Services) (949) 855-1355, 23252 Del Prado Drive, Suite A, Laguna Hills 92653.

e. Failure to comply with the sign rules may result in non-approved signs being confiscated.

f. All realty signs must be immediately removed upon close of escrow or within 24 hours after a lease or rental agreement is signed. Sold signs or riders are not allowed.

H. REALTOR OR OWNER PUBLIC OPEN HOUSES

1. Homeowners and their Real Estate Brokers and their agents are not permitted to hold a general public open house on properties currently listed or listed in the future for sale.

2. All prospective purchasers or tenants shall be accompanied by the homeowner, or a broker or broker's agent at the specific invitation of the homeowner.

3. Conditions precedent for conducting Broker's *Introductory Open Showing (Broker's Preview)* are as follows:

a. Upon special arrangement with security, a Broker's Introductory Open Showing that is only open to licensed real estate agents and brokers, will be allowed once every three months that a home is listed.

b. No less than 72 hours prior to the Broker's Introductory Open Showing, a letter executed by the Homeowner and the Broker stating the listing period and the specific date of the Broker's Introductory Open Showing shall be delivered to the Post Commander. The letter shall also authorize the listing Broker to approve access to listed property in the absence of the homeowner.

c. No signs announcing or directing participants to the Broker's Introductory Open, Broker's Preview or Broker's Showing are permitted.

I. GARAGES

Garages are to be kept in such a manner as to accommodate the number of standard vehicles for which they were originally built.

1. Permanent workshops, living quarters, exercise rooms, offices, excessive storage, etc. are strictly prohibited in garages.

2. Garage doors shall generally be kept closed except for entrance and exit of vehicles.

3. Driveways must be kept clean of oil and other automotive stains and debris.

J. VEHICLE ENTRY – VEHICLE PARKING

Access to the Community is restricted to Members, authorized tenants of a Member or permitted guests of

Members or tenants. The following does not provide for procedures, but is an information outline and regulations for vehicle entry into the Community. Detailed instructions including obtaining passwords, website login credentials, large group gatherings, obtaining decals and transponders are available from Management.

Gate Attendants are posted at the two entry gates to the Community to regulate ingress and egress by vehicle, bicycle, and pedestrian traffic. They perform their duties in accordance with Post Orders. They are not security guards for the community. Matters, other than those specifically pertaining to gate operations, are to be directly reported to management, not Gate Attendants. Members, Member's guests, vendors, and other permitted entrants to the Community are specifically prohibited from engaging in abusive, disrespectful, profane or threatening speech or mannerisms towards Gate Attendants. Such prohibited activities will result in the offender being called to a Board hearing and subject to fine. Gates are monitored by continuous audio and video surveillance.

1. Member and Tenant Access.

After presenting to Management appropriate proof of residence ownership (i.e. escrow closing documents or lease documents), a Member may enter the Community by one or more of the following methods:

a. A Member may obtain a RFID transponder (through management) and affix the transponder to their vehicle. Transponders are registered to a specific vehicle. Members may arrange (through Management) for the acquisition of transponders for the Member's tenants. Vehicles with transponders should use the resident lane (marked "Transponder Only").

b. A Member may obtain Community website login credentials (through management) to gain access through the control gates. A Member may annotate the website to permit themselves to enter the Community via the control gates. Members using this process, without transponders, access the control gates via the visitor lane (marked "All Others").

c. A Member may obtain (through management) a Monarch Beach identification decal. The decal, which is free of charge, shall be permanently affixed to Member's vehicle in the prescribed location. The Member, without a transponder, shall access the control gates via the visitor lane.

2. Member's Guests, Tenants Guests Or Vendor Access.

For the purpose of this paragraph "2.", the same rules apply to authorized Member's tenants.

a. A Member may provide for access for guests or vendors by directly telephoning the Gate Attendant at Niguel or Stonehill guard house. The Member's password is required for verification.

b. A Member may permit a guest (or vendor) access by entering the Member's login credentials on the Community website portal and annotating the guest or vendor and the dates of arrival.

c. A Member may permit access for guests or vendors list by downloading and installing the security vendor's proprietary "app" and annotating the guest (or vendor) and date of arrival.

Guests or vendors are required to obtain and display passes dispensed by the Gate Attendant at the guard house at all times during the visit to the Community. Vehicles without identification decals, transponders or passes may be cited for violation, and are subject to tow away at vehicle owner's expense. Gate Attendants at the guard houses have been instructed not to allow manual opening of the gates for vehicle entry unless the vehicle occupant has been pre-approved on the entry list or displays a previously issued valid entry pass.

3. Larger Group Entry.

a. If a Member intends to have five or more guests arriving the same day, the Member must provide the Gate Attendant a written list of invitees 48 hours prior to their arrival. Alternatively, a Member may enter the invitee names on the gate control entry list via the Community website portal or vendor app. Gate Attendants will not accept more than four invitees over the telephone.

b. Twenty-five (25) or more attendees is considered a “large event”. Special procedures apply. Members shall consult Management at least one week prior to the event and obtain, and agree in writing, to the procedures for a large event. Note: Additional Gate Attendant staffing may be required at Member’s expense. Last minute requests will not be accommodated.

4. Construction Vehicles.

a. Construction vehicles and construction delivery vehicles entry hours are 8:00 AM to 7:00 PM Monday through Friday, Saturday 9:00 AM to 5:30 PM. Emergency exceptions are provided for in paragraph “b.” below.

b. No entry is permitted for construction vehicles and construction delivery vehicles on the following holidays: New Year’s Day, Memorial Day, 4th of July, Labor Day, Thanksgiving, and Christmas Day. An exception to this “no entry” rule is made for unexpected emergency situations which could result in an increase of property damage or injury to persons, if immediate action is not undertaken (i.e. roofing leak, plumbing repair, electrical outage, etc.) .

5. Vehicle - Automatic Entry.

The following are authorized to enter the Community without Gate Attendant challenge provided the Gate Attendant is able to visually confirm that the visitor is, in fact, a representative of an agency provided below, by clear vehicle markings, business card, business badge, etc.

a. Any law-enforcement officer; Sheriff, Highway Patrol, Marshal, FBI, process server, whether operating in an emergency or conducting an inspection.

b. Any fire-fighting, paramedic, or private ambulance vehicle (when answering a call).

c. County, City, State, Federal and Special District vehicles such as inspectors, health department workers, animal control, postal carriers or water district personnel.

d. Utility companies and certain vendors such as: Southern California Gas Company, South Coast Water District, San Diego Gas & Electric, Cox Cable, AT&T, CR&R Disposal Company, Management, management company vendors for the sub-associations.

e. Regular daily delivery service such as bottled water.

f. Delivery services such UPS, FedEx, Amazon, DHL or similar familiar package delivery services.

g. Regular newspaper carriers including LA Times, Orange County Register, Dana Point News, etc.

h. No “throw away” paper deliveries or solicitation flyers delivery are not authorized to enter.

i. No solicitation of any kind is allowed. Gate Attendants will treat any unidentified vendors as guests, and are subject to guest identification rules.

j. Gate hours of operation are as follows:

Niguel gate is manned and access is provided 24 hours a day, seven days a week.

Stonehill gate is manned 6:00 AM until 10 PM, seven days a week. Access by transponder is available 24 hours a day, seven days a week.

6. Vehicle Parking.

a. With the exception of emergency parking, no parking is permitted on Monarch Beach Drive.

b. The Board may grant, on a temporary basis, written permission to a Sub-Association to park on Monarch Beach Drive for purpose of performing street repair or maintenance, or other work within the Sub-Association.

c. One hour only parking is permitted along the curb adjacent to Lot 10C solely for the purpose of those visiting Lot 10C.

7. Prohibited Vehicles.

None of the following "Prohibited Vehicles" shall be parked, stored or kept on any street or lot within the Community:

a. Recreational vehicles (i.e. campers, RV's, motorhomes, camping trailers, vans outfitted for camping, boats on trailers and all terrain) and commercial vehicles (i.e. trailers, tractors, bobcats, cranes, buses, motor coaches, limousines, and construction equipment (unless they can be completely garaged and not visible from the street). Personal golf carts, motorcycles, mopeds, jet skis must be completely garaged or parked behind fencing so that they are not visible from the street.

b. Boats, and other non-wheel mounted vehicles may not be parked, anywhere in the Community with the exception of a twenty-four (24) hour period, not to exceed once during a seven (7) day period, and solely for the purpose of loading or unloading.

c. Hookups for utility trailers, camper and motorhomes are not permitted.

d. No overnight habitation (i.e. sleeping) of persons in vehicles is permitted.

8. Vehicles Repairs.

a. No vehicle shall be constructed, repaired, serviced, or stored on the Common Area or in any visible area of empty lots or residential lots except for those of an emergency nature. Such repairs must be completed within 24 hours after vehicle becomes inoperative.

b. Changing oil or other automotive fluid is prohibited on any driveway, lot, residence, Common Area, or street within the Community.

K. TRAFFIC

1. Twenty-five (25) MPH is the maximum speed limit on Monarch Beach Drive, and it shall be less than 25 MPH when safety demands, **or where more restricted speed limits apply within a sub-association.**

2. Obey stop signs and yield when in doubt of right of way.
3. Speed bumps have been installed to reduce the possibility of injury and property damage due to excessive speeding. Damage to vehicles from driver's failure to observe bumps and proceed at the proper speed will be the vehicle owner's sole responsibility.
4. All vehicles within the community must be operated by a licensed driver.
5. Pedestrians always have the right of way.
6. The Board of Directors, or the agency representing the Association, has the right to remove any vehicle(s) in violation of the vehicle restrictions.

L. BOARD ACTION ON VIOLATIONS

1. Damage to Community Property

a. A Reimbursement Assessment may be levied against an owner, in addition to recovery of reasonable costs incurred by the Association for the repair or replacement of damage caused to Community property by said owner, invitee, tenant or guest, and animals.

2. Violation or Infraction of Established Rules

a. A Reimbursement Assessment may be levied against an owner for violation or infraction of any Association Rules by said owner, his tenant or guest. The Board may also seek court injunction as legal restraint against serious or recurring violations or violators.

b. Pursuant to the Master HOA CC&R's, the Board may suspend the use of Common Area facilities or spaces for violation of the Rules.

3. First Offense/Warning Violation

With the exception of the Schedule Of Reimbursement Assessments set out below, the first offense against an Association Rule may be considered as a "Warning Violation", without penalty assessment. Matters pertaining to damage to Community property or danger to the safety and welfare of the residents, or where a warning is unlikely to deter the violation may result in an immediate penalty assessment.

4. Second Offense/Board Hearing

Upon second offense or the non-compliance of the same violation the owner is required to attend a hearing before the Board of Directors. The owner may appear by submitting a written statement instead of personally attending.

Based upon the facts presented at this hearing the Board may:

- a. Dismiss the violation.
- b. Levy a Reimbursement Assessment in accordance with the schedule of assessments printed herein, or initiate court injunction, Internal Dispute Resolution or Alternate Dispute Resolution, depending upon the severity of the violation.

c. Grant an extension of time to correct the violation. The Board will also determine the action to be taken if the violation is not corrected within the time period allowed.

d. An owner may petition for one postponement of his Board hearing depending upon the circumstances involved. Any owner who fails to appear, however, will be considered "in default" and the appropriate Reimbursement Assessment levied.

e. The cited owner will be notified in writing of the Board's decision after his hearing.

5. Third and Subsequent Violations

Repeat offenses of the same violation thereafter will receive Reimbursement Assessments appropriate to the violation.

Notwithstanding the above, for more serious violations, which are within the sole discretion of the Board to decide, the matter may be immediately set for a hearing, and the matter may be referred to the Association's attorney for more immediate pursuit of appropriate legal action.

6. Payment of Reimbursement Assessments

Any Reimbursement Assessment levied or charged to the homeowner for reasonable costs incurred by the Association for the repair or replacement of damage, maintenance, etc., will appear on the owner's next monthly dues statement, due and payable within thirty (30) days of posted date.

Clearance of a Violation

If no repeat offense or infraction of the same cited violation occurs within the next 12-month period, the owner's record will be "cleared" of that violation, provided his monthly dues statement is paid in full and current.

SCHEDULE OF REIMBURSEMENT ASSESSMENTS*

Violation	Penalty	Penalty if Warning Letter Issued
First Offense	\$100	Written Warning
Second Offense for the Same Violation	\$200	\$200
Third Offense for the Same Violation	\$400	\$400
Fourth (and subsequent) Offense for the Same Violation	\$600	\$600

* **NOTE:** Should a violation occur which imposes a financial obligation on the Association, the party responsible for said violation shall reimburse the Association, by way of a Reimbursement Assessment, for this financial obligation. If, for example, a party damages a fence, tree or any other Association Property, repair and replacement costs will be charged to that party.

M. GRIEVANCE PROCEDURE

A grievance is an alleged or deemed violation, misunderstanding, misinterpretation or inequitable application of the Association CC&R's and/or Rules and Regulations. A grievance form may be obtained online or through Management. Any resident may report a violation or infraction to the Management company by a written report of the facts. A grievance form may be obtained online or through Management.

Pursuant to Davis-Stirling Law, “ witnesses may remain anonymous and hearings still be held if the association can independently verify the violation, i.e., through a security camera recording, an employee's first-hand report, a board member verifying the violation, etc. If an association can develop sufficient evidence on its own, then the neighbor's identity is no longer needed for the hearing and does not need to be revealed to the accused.”

The aggrieved resident must complete a Monarch Beach Master grievance form and submit it to the Management company for review and appropriate action.

EXHIBIT A

1996 Letter to Montego Residents

December 1996

MONTEGO HOMEOWNERS/RESIDENTS

Dear Montego Homeowner:

The Master Association has decals in order to control access to the community. In order to keep illegal access to a minimum, we must change decals about every two years.

Please pick up two (2) entry card forms from the Niguel Gate. These forms must be completed by each owner or resident. If you are leasing your residence, you must see that your tenant receives these cards. Please fill out the cards completely and return to the Niguel Gate. PLEASE PRINT ALL INFORMATION.

We will only be issuing a maximum of four decals per home. This means that those of you leasing your residence may not have a decal for your vehicle if you have tenants. When you need to visit your property at Montego, you will be given a pass. You will be requested to show identification.

Tenants wishing to receive a decal must provide a notarized copy of the lease agreement unless completed within the present lease agreement i.e.: 6 months. ONLY THE PERSON NOTED ON THE LEASE WILL BE ALLOWED TO OBTAIN DECALS.

Thank you.

The Board of Directors

MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

EXHIBIT B

LOT IOC MAP EXHIBIT



MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

