



MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

NOTICE OF PROPOSED RULES REVISION

July 26, 2019

To: All Homeowners of Monarch Beach Master Homeowners Association
From: The Board of Directors
Subject: *OFFICIAL NOTICE OF OPERATING RULE CHANGE*
Meeting Date: August 26, 2019
Time: 6:30 p.m.
Location: Prendiville Insurance Agency, 24661 Del Prado Suite 3, Dana Point, CA 92629

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 and IDR Policy. 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, and replacing the current IDR Policy with a more comprehensive policy.

Attached is a copy of the proposed new Rules and Regulations, and a copy of the proposed new IDR Policy. 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.

PURPOSE AND EFFECT OF CHANGE TO RULES AND REGULATION:

Over the years, the practice of the Master Association was to add new rules to the Rules and Regulations by issuing memos, rather than integrating changes into the body of the Rules and Regulations document. This meant that homeowners had to look in two places—the memos and the body of the rules—to determine the actual rule. In some cases, they conflicted or created ambiguities.

The proposed revisions and reorganization eliminates the memos, and integrates prior rule changes into the actual rule document, creating one comprehensive, flowing document. That said, the 1996 letter memo to the Montego residents regarding vehicle decals has been retained as an exhibit.

Some of the changes in the proposed Rules and Regulations include the following:

- Eliminate duplication
- Resolve inconsistencies
- Clarify fine schedule to bring it into conformance with our CC&Rs (Fines are called Reimbursement Assessments)
- Add a specific Reimbursement Assessment for violating the open house rule (please note that the CC&Rs use the term “Reimbursement Assessment” instead of “fine”)
- Bring the rules into compliance with the CC&Rs and applicable laws
- Updated the grievance procedure

Proudly Managed By
Keystone Pacific Property Management, LLC

16775 Von Karman #100
Irvine, CA 92606
(949) 833-2600

30021 Tomas Road #160
Rancho Santa Margarita, CA 92688
(949) 833-2600

41593 Winchester Road #113
Temecula, CA 92590
(951) 491-6866

3155-D Sedona Court #150
Ontario, CA 91764
(909) 297-2550

monarchbeachhoa.org



MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

PURPOSE AND EFFECT OF CHANGE TO IDR POLICY:

The current Internal Dispute Resolution (“IDR”) Policy sets forth minimum standards under Civil Code Section 5900. The proposed new IDR Policy provides a more structured process for IDR so Members and the Association have a detailed process to follow for making and accepting IDR requests, scheduling IDR meetings, and resolving disputes. This will help set expectations of each party with respect to IDR requests, as well as establish a fair, reasonable, and expeditious procedure for resolving disputes between a Member and the Association.

PROPOSED TEXT OF RULES REVISION:

(See copy posted/included herewith.)

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 August 26, 2019, at 6:30 p.m. at the Office of Prendiville Insurance, located at 24661 Del Prado, Suite 3, Dana Point, California. The Board of Directors will consider adoption of 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, Rosmen Paguio, CMCA, prior to the Board meeting scheduled for August 26, 2019:

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 Rosmen Paguio at rpaguio@keystonepacific.com. Should you have any further questions, please feel free to contact the community manager at (949) 430-5811.

Sincerely,

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

Rosmen Paguio

Rosmen Paguio, CMCA
Community Association Manager
rpaguio@keystonepacific.com

Proudly Managed By
Keystone Pacific Property Management, LLC

16775 Von Karman #100
Irvine, CA 92606
(949) 833-2600

30021 Tomas Road #160
Rancho Santa Margarita, CA 92688
(949) 833-2600

41593 Winchester Road #113
Temecula, CA 92590
(951) 491-6866

3155-D Sedona Court #150
Ontario, CA 91764
(909) 297-2550

monarchbeachhoa.org

**MONARCH BEACH
MASTER ASSOCIATION**

RULES AND REGULATIONS

REVISED/ADOPTED _____, 2019

**KEYSTONE PACIFIC PROPERTY
MANAGEMENT, LLC**

(949) 833-2600

MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

RULES AND REGULATIONS

Adopted _____, 2019

A. INTRODUCTION

The advantages and pleasures of association ownership must claim certain adjustments or changes in every resident's manner of living if we are to achieve harmony in a multiple-dwelling environment.

Primarily, this 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.

These Rules and Regulations ("Rules") were written to conform to standards used by other homeowner associations in California. They are, by legal interpretation, deemed fair and reasonable standards by which this Association is empowered to protect and enhance the value of your unit, your investment in common area property from loss and damage due to willful neglect or misconduct and your right to the continuing use and enjoyment of your unit and any community recreation facilities. Lastly, these Rules were established in the belief that every resident will, at all times, exercise an attitude of consideration and common sense with regard to his/her rights, those of his/her neighbors and to the benefit of all residents in the Monarch Beach Master Homeowners Association.

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 with regard to the use, occupancy, and maintenance of units, common areas and recreational facilities by owners, their tenants or guests and the conduct of such persons with respect to vehicular traffic, parking, use of facilities, control of pets, number of guests and other activities which, if not regulated, might otherwise detract from the appearance, or be offensive or cause inconvenience, noise or danger to persons residing in Monarch Beach Master Homeowners Association.

Further, 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. Animals are an integral and loved part of our society, but YOU are responsible for maintaining YOUR PET'S GOOD NAME AND REPUTATION IN THE COMMUNITY. For everyone who chooses to own an animal, there are other neighbors who choose not to own one. Show consideration for those neighbors.
2. 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 unit. No pets shall be bred or raised for breeding purposes.
3. The total number of cats, dogs, etc. shall not exceed TWO PETS per household.
4. All dogs must be restrained by a fence, wall, or substantial chain or leash not exceeding 6 feet.
5. All dogs shall be licensed and vaccinated against rabies. Cats must also have necessary shots and vaccinations.
6. Cats should be controlled and confined to prevent disturbance, or damage to resident's patios, plantings, etc. It is suggested that cats be neutered to control their population.
7. No person shall keep any animal on his or her property which by sound or cry shall disturb the peace and comfort of his neighbor. PETS UNDULY DISTURBING OTHER RESIDENTS MAY GIVE CAUSE TO BE REMOVED FROM THE PREMISES OF THE ASSOCIATION.
8. No person shall permit any animal under his/her control, care, or custody to trespass upon any common area or private property.

DOGS ARE NOT ALLOWED ON THE GOLF COURSE, COMMON AREA LAWNS, FACILITIES, SLOPES, LOTS, OR ANY PRIVATE PROPERTY. MAINTAIN YOUR DOG'S NEEDS IN YOUR OWN YARD. **NOTE:** Your own yard, however, must also be maintained in an odor-free, sanitary manner. Lawns, garages, walks, patios, driveways must be kept free of waste and debris. Frequent flea eradication and hosing with a disinfectant can help control odor and vermin.
9. Should, however, defecation occur on any common area, or property other than your own, all evidence of such shall immediately be removed by the person having control, care, or custody of the animal. Do not dispose of plastic, paper, and animal feces on the slopes, lawns, shrubs, empty lots, or storm drains. **NOTE:** It is a violation of state environmental laws to dispose of anything in the storm drains AND such disposal is subject to heavy state penalties.
10. Pet waste is creating an ever increasing health and safety hazard. Children are our #1 resource and they cannot safely play on lawns and soil contaminated with feces and urine, residue

teeming with fleas, ticks, worms, mosquitoes and other vermin.

11. 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.

In addition to any fines levied for the foregoing pet/property violations, damage caused by the conduct of pets shall be repaired by the Association and charged back to the owner.

FAILURE TO PAY WILL RESULT IN APPROPRIATE LEGAL ACTION.

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. No signs of any kind including For Sale may be placed or attached to trees, lamp posts, mail kiosks, fences, walls, gates, or any other common area landscape or structure.

These prohibited signs include lost and found, party directions, advertisements, and all other kinds.

Any signs so posted will be immediately removed and a Reimbursement Assessment added to the responsible owner's account.

For other regulations regarding signs, see Sections I and J, below.

2. Landscaped areas may not be used for foot travel due to possible injury from hidden sprinkler heads. Also, foot travel destroys plants and can cause slope erosion and slippage. This is expensive to repair and is paid for by the homeowners association.

3. Walking and climbing on Common area roofs, walls, and fences is not permitted due to possibility of accidental personal injury and damage to the structure itself.

4. Bicycles are not allowed on sidewalks. Pedestrians have the right of way.

5. **SKATEBOARDS ARE NOT ALLOWED ANYWHERE** within the Master Association due to the many risks involved. Due to the serious nature of the offense, Skateboarders will be levied a fine for the first offense, and legal action will be taken if the offense

is repeated.

D. LIABILITY

Owners will be held liable for any reasonable 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, plus possible Reimbursement Assessment, will be charged to the owner's next monthly dues statement.

E. 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 Unit/Lot, common area or recreational facilities.

Some activities to be avoided are defined as follows:

1. Offensive noise, language or behavior, i.e., pool and jacuzzi equipment, loud parties, stereos, etc., which is audible in adjacent units, particularly between the hours of 10PM and 8AM.
2. Use of power equipment; lawnmowers, drills, etc. weekdays before 7AM and after 8PM, Saturdays before 8 AM and after 5:30 PM, and on Sundays if at all possible.
3. Use of built-in vacuums when garage door is open. Sound reverberates through the community.
4. Offensive vehicular noise is defined as loud radios, undue use of horn, squealing tire, or brakes, etc. Mufflers must be in good working order to prevent excessive noise and fumes.
5. The use of fireworks, firecrackers, and any type of firearms in the Community is strictly prohibited and is subject to formal complaint to the Orange County Sheriff Department.

F. OWNER LIABILITY

Owners are responsible at all times for the conduct and actions of their families, tenants, guests, and invitees. The use of common sense, courtesy, and consideration is necessary to avoid other activities that might not be welcomed by your neighbors.

G. RENTALS AND LEASES

THE HOMEOWNER IS RESPONSIBLE for all acts of his/her lessee/renter and their guests, invitees, and animals.

1. Units are intended only for residential single-family dwellings.
2. The Owner of the unit rented/leased must provide the Board via management with a notarized copy of the lease/rental agreement, and a list of all persons who live in the unit.
3. A fee of \$100 (subject to change) will be charged by the Master Association for each change of lessee with entry sticker. Contact the Monarch Beach Master Association and provide them with a copy of the lease or lease/change, and names. This information must be provided or a fine will be levied against you.
4. Any lease shall be written for as long term as possible. Any Lease shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the CC&R's and the Rules and Regulations of the Master Association and Sub-Association, and that failure by lessee to comply with such terms shall be a default of the lease.

H. TENANT AND GUEST VIOLATIONS

1. Tenants and guests are bound by the CC&R's and the Rules and Regulations of this Association. Owners and tenants are held responsible and liable at all times for the actions and conduct of their families, invitees and guests while on Community property.
2. All tenant, invitee and guest violations will be cited against the responsible owner. A copy of the violation may be sent to the tenant also. 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.

NOTE: 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.

I. SIGNS

1. 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/Unit of not more than 18" by 24" advertising the Lot/Unit for sale, rent, or lease. Such signs must be one-sided and only be installed by a stake in the ground. See Section J. for additional rules related to real estate signs.
2. 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. However, noncommercial signs on a Lot/Unit, to the extent permitted by law, may not be made of lights, roofing, siding, paving materials, flora, or balloons, or any other similar building, landscaping, or decorative component, or include the painting of architectural surfaces, and may not exceed nine square feet in size for noncommercial signs and posters and 15 square feet in size for

noncommercial flags or banners, or the size restrictions as otherwise specified in California Civil Code Section 4710.

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

J. Sale or Lease of Real Estate Including Signs:

1. Real Estate Signs

a) The only “For Sale” or “For Lease” signs allowed for use within Monarch Beach are the approved blue and white signs displaying the “Homes at Monarch Beach” logo and includes Montego.

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 Lago 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 removed when escrow is opened or within 24 hours after a lease or rental agreement is signed. Sold signs or riders are not allowed.

2. No Public Open House Permitted; Potential Purchasers Must be Accompanied

a) 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.

b) All potential purchasers shall be accompanied by the homeowner, or a broker or broker's agent at the specific invitation of the homeowner.

3. Broker's Introductory Open Showing Permitted

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) A Broker's Introductory Open Showing is also known as a Broker’s Caravan or

Broker's Preview.

- c) 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.
- d) No signs announcing or directing participants to the Broker's Introductory Open Showing are permitted.

K. VEHICLE ENTRY

1. Residents Entry

- a) In order to gain entry into the Association, and to control unauthorized entry, residents must have permanently affixed identification decals on the bottom left hand side of the windshield of their vehicles.
- b) Vehicles without identification decals, and cited for any violation, are subject to tow away at vehicle owner's expense. Residents only are issued decals.
- c) For Montego residents, see letter at Exhibit A.

2. New Residents

- a) New residents must provide proof of residence (escrow closing documents or notarized lease agreements are the only authorized documents).
- b) For New Owners, acceptable escrow closing documents include: Land Sales Contract, Grant Deed, Quit Claim Deed, Warranty Deed, Sheriffs Deed or Trustees Deed.
- c) New Lessee: Owners must mail or fax a notarized copy of any new lease to Keystone Pacific, 16775 Von Karman, Suite 100, Irvine, CA 92606 or fax number: 949-833-0919. Office telephone number: 949-833-2600.
- d) Upon verification, decals will be mailed to the New Owner or New Lessee. Until verification is obtained, you will receive a daily pass.
- e) Tenants Without Lease: Decals are not issued to tenants who do not have a lease. In order for an owner's tenant to have ease of entering the property, we now have tenant passes. This allows the guard to admit the tenant without having to stop them each time they wish entry.

A new tenant form must be filled out in order to obtain the pass. This form must be signed by

the owner of the property. The pass is then displayed on the dashboard (left hand side) at all times.

3. Guest Entry

- a) If you are expecting guests, they must be listed with gate guards. The guards will not allow anyone who has not been approved by the Resident to enter the property. By not calling in your guests or entering them into your web portal or phone app, you only cause the guests and yourself frustration and embarrassment.
- b) NOTE: “No Call List” means the permanent list of guests and service providers who are authorized by the Resident or Owner to enter and the resident does not have to call the guard to allow access each time those on the list arrive at the gate. Every Resident has a No Call List, and it can be accessed through the online portal.
- c) Guests must stop at the gate for a pass, and the pass must be placed on the dashboard of the guest’s vehicle, in plain view at all time, or the vehicle is subject to tow.
- d) Residents must notify the guard in advance of the arrival of a guest or service that is not on the No Call List.
- e) If a resident does not follow the rules for guests’ entry, the guest may be denied entry.
- f) If more than five guests are arriving the same day, the resident must give the guards a written list or enter the list through the online portal or phone app. Guards will not take lists in excess of five persons over the phone.
- g) If a guest is not on your list, they will be referred to the telephone to call you. Guards do not call residents.
- h) Everyone except Residents with decals must stop for a pass. This includes all those on the No Call List. Passes or decals must be visibly displayed at all times, or the vehicle is subject to tow.
- i) If a Resident is expecting twenty-five (25) or more vehicles, see “Large Events” below. Special rules apply.

4. Large Events

- a) If you are expecting twenty-five (25) or more vehicles, this is considered a large event.
- b) Residents must notify the guard stations and management in writing at least one week prior to large event, giving the approximate time of the vehicles’ arrivals and to which guard gate the guests have been instructed to enter.

- c) Guards must be given a written list of expected guests at least 72 hours prior to the event. Failure to notify will result in a fine assessment to the resident.
- d) If twenty-five (25) or more cars are expected, the Resident must hire an extra guard at the current hourly rate charged by the Association's guard gate service provider for a minimum of four (4) hours. The contract must be signed at the guard post.
- e) If the foregoing procedure is not followed, guests may be denied entry, and the Resident will be fined the amount equivalent to the four (4) hour minimum, and a violation assessment will be applied.

5. Construction Vehicles:

- a) Owners shall direct construction service personnel, and commercial vehicles to the Niguel entrance.
- b) No entry is permitted for construction and construction delivery on Sundays and the following holidays: New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving, and Christmas Day. An exception to this "no entry" provision is made for emergencies.
- c) For the purpose of this section, emergency means a serious and unexpected situation requiring immediate action to prevent further damage to premises or persons, such as a water leak, roof leak, electrical outage, etc.
- d) Construction and related delivery hours are Weekdays 7AM to 8 PM, Saturday 8AM to 5:30 PM.

L. VEHICLE AUTOMATIC ENTRY

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

- 1. Any law-enforcement officer; Sheriff, Highway Patrol, Marshal, FBI, process server, Police etc. shall be allowed access.
- 2. Any firefighting vehicle, any paramedic, and any private ambulance (when answering a call).
- 3. County, City, State, Federal and Special District vehicles such as inspectors, health department workers, animal control, postal carriers or water district personnel.
- 4. Utility companies and certain vendors such as:

Southern California Gas Company

South Coast Water District

San Diego Gas & Electric

Cox Cable TV

Master & Sub-Association Management Companies

CR&R Disposal Company

AT&T

5. Regular Daily Delivery Service such as milk and bottled water -- just for DELIVERY, NOT SOLICITATION.
6. Newspaper Carriers including LA Times, Orange County Register, Dana Point News -- for DELIVERY, NOT SOLICITATION.
7. No throw away papers are authorized to enter.
8. No solicitation of any kind is allowed.
9. United Parcel Service, Federal Express, or other familiar package delivery.
10. Gate Officers are to treat unrecognized vendors as guests, and require an entry request from a resident.

M. TRANSPONDER/DECAL ENTRY

1. Pedestrian gate keys may be purchased from Management for the then current reproduction cost.
2. Residents may purchase RFID transponder stickers to gain entry. They may be purchased from Management for the then current cost. Decals are free of charge

N. VEHICLE GATE HOURS

STONEHILL:

Guest Access: 6 AM to 10PM – 7 DAYS A WEEK

Transponder Access: 24 hours

NIGUEL:

Guest Access: 24 hours

Transponder Access: 24 hours

O. VEHICLE PARKING

1. NO PARKING ANY TIME ON MONARCH BEACH DRIVE.
2. LIMITED EXCEPTIONS:
 - a) The Board may grant, on a temporary basis, written permission to a sub-association to permit its residents to park on Monarch Beach Drive, such as when the sub-association is performing street construction or other work within the sub-association.
 - b) Handicapped Exception: Vehicles displaying a **government issued handicapped placard or license plate** may park along the curb of the common area known as Lot 10C only while the driver or occupant is using Lot 10C. Such vehicle must be moved immediately upon the vehicle's driver or occupant leaving Lot 10C. See attached map depiction of Lot 10C.

P. PROHIBITED VEHICLES

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

1. Recreational/utility commercial vehicles such as personal golf carts, motorcycles, mopeds, jet skis, buses, motorhomes, trailers, oversized trucks, all terrain vehicles, and vans outfitted for camping, etc. **MUST BE GARAGED**. If an owner's garage cannot accommodate the parking of all standard vehicles plus recreational/utility commercial vehicles **THEN** the recreational/utility/commercial vehicle **MUST BE STORED OUTSIDE THE COMMUNITY**.
2. Boats, and other non-wheel mounted vehicles may not be parked, anywhere in the community, at any time.

NOTE: Recreational vehicles shall not be allowed in any other exposed parking or street **EXCEPT** for the purpose of loading or unloading, **PROVIDED** that such transitory use does **NOT EXCEED** twenty-four (24) hours during a seven (7) day period. **NO ELECTRICAL** or **OTHER UTILITY HOOKUP** and **NO OVERNIGHT** sleeping of persons in the vehicle.

Q. REPAIR OF VEHICLES

1. 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.
2. Changing oil or other automotive fluid is prohibited on any driveway, lot, unit, common

area, or streets within the community.

R. GARAGES

1. Permanent workshops, living quarters, exercise rooms, offices, excessive storage, etc. are **STRICTLY PROHIBITED** in garages. Garages are to be kept in such a manner as to accommodate the number of standard vehicles for which they were originally built.
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.

S. 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.
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.

THE BOARD OF DIRECTORS OR THE AGENCY REPRESENTING THE ASSOCIATION HAS THE RIGHT TO REMOVE ANY VEHICLES IN VIOLATION OF THE VEHICLE RESTRICTIONS.

T. BOARD ACTION ON VIOLATIONS

Damage to Community Property

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.

Violation or Infraction of Established Rules

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.

First Offense/Warning Violation

The first offense against an Association Rule will be considered as a "Warning Violation", without penalty assessment, except in 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.

Speeding, Animal Control and Skateboarding all require immediate action as they are safety and health hazards. Violations of the "no public open house" rule also require immediate action, as without immediate action, the Owner may violate the rule without consequences since they are leaving the community.

Second Offense/Board Hearing

Upon second offense or the non-compliance of the same violation the owner is invited to 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:

1. Dismiss the violation.
2. Levy a Reimbursement Assessment in accordance with the schedule of assessments printed herein, or initiates court injunction or Alternate Dispute Resolution, depending upon the severity of the violation.
3. 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.

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.

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

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.

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

First Offense/General Violation	Written Warning
Second Offense/Same Violation	\$ 25.00
Third Offense/Same Violation	\$ 50.00
Fourth Offense and Subsequent/Same Violation	\$100.00
First Offense/Pets (Defecation)	\$ 50.00
First Offense/Skateboarding	\$ 50.00
First Offense/Open House, Safety & Health, Damage to Property	\$100.00

NOTE: Should a violation occur which imposes a financial obligation on the Association, the party responsible for said violation shall reimburse, by way of a Reimbursement Assessment, the Association 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.

U. 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.

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. All reports, written or verbal, by a resident are not private and may be disclosed during the enforcement process. This includes the complainant's name and address.

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

NOTE: A violation is defined as 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.

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 unit, 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 unit 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.

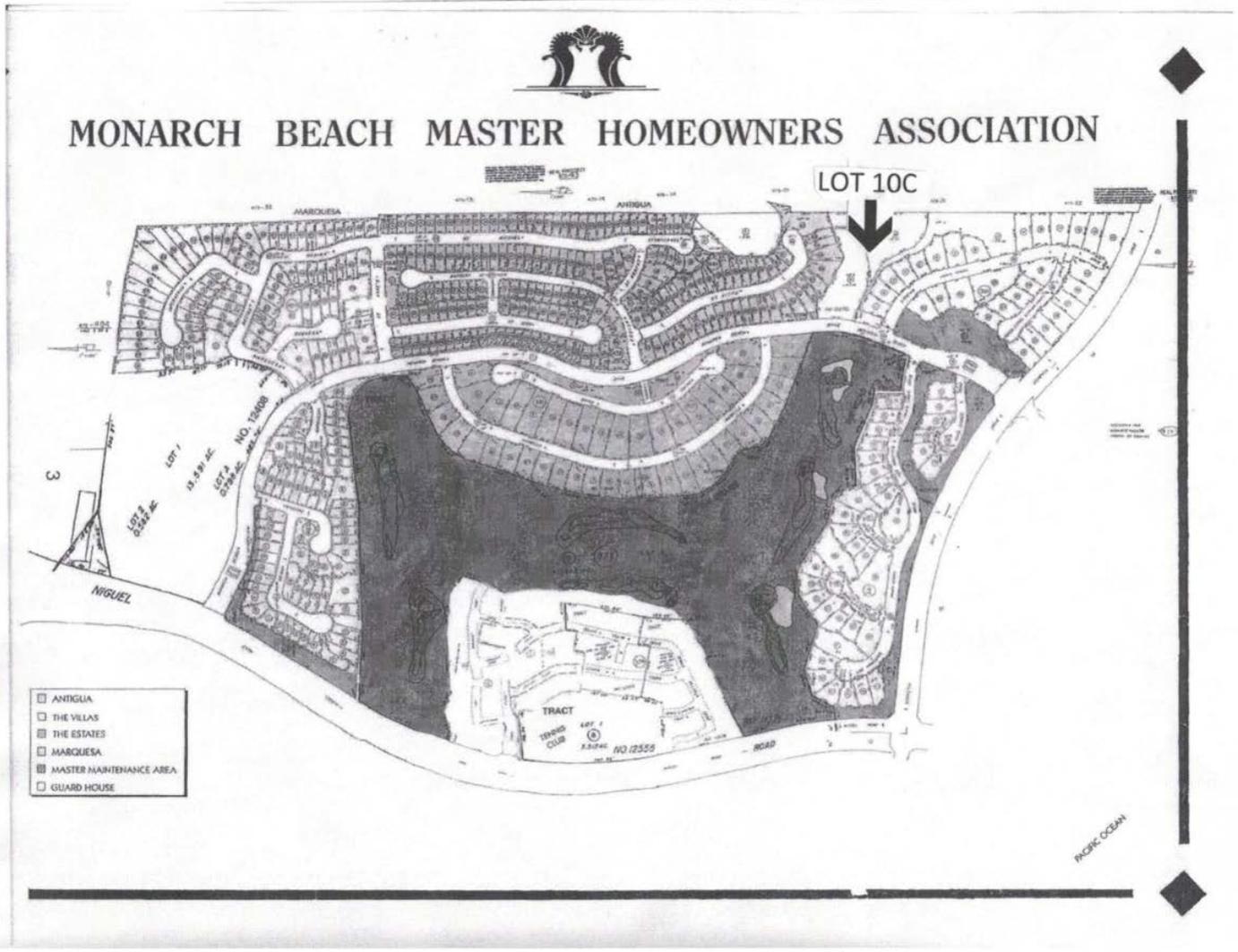
Thank you.

The Board of Directors

MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

EXHIBIT B

LOT 10C MAP EXHIBIT



DISPUTE RESOLUTION
Alternative Dispute Resolution Summary and Internal Dispute Resolution Policy

California *Civil Code* Sections 5925 through 5965 require community associations and their homeowners to offer to participate in some form of Alternative Dispute Resolution (“ADR”) prior to initiating certain types of lawsuits in superior court. ADR means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. ADR may either be binding or non-binding, as may be agreed to by the parties. This Summary of the ADR statutes is being distributed as required by California *Civil Code* Section 5960.

I. When ADR Must be Offered Prior to Initiating Enforcement Action:

An association or an owner may not file certain lawsuits in superior court unless an effort has been made to submit the dispute to ADR as required by law. Generally, ADR must be offered before filing a civil action or proceeding that seeks:

- A. A judicial declaration of the rights and responsibilities of the parties, only; or
- B. A writ of mandate or a writ of prohibition, only; or
- C. Permanent injunctive relief only; or
- D. Declaratory relief, writ relief, or injunctive relief, combined with a claim for monetary damages of five thousand dollars or less

It is not necessary to offer ADR prior to filing any other type of superior court action, or prior to filing any type of small claims action. Except as otherwise provided by law, the ADR requirement does **not** apply to an assessment dispute.

II. Compliance Procedures:

The ADR process is initiated by one party serving all other parties with a “Request for Resolution,” which shall include:

- A. A brief description of the dispute between the parties;
- B. A request for ADR;
- C. When directed to an owner, the request must be accompanied by a copy of the ADR statutes;
- D. A notice to all parties that they are required to respond within 30 days of receipt, or else the offer of ADR is deemed rejected; and

Service of the Request must be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the intended recipient actual notice of the Request. If the Request is accepted, ADR must be completed within 90 days of the receipt of the acceptance, unless the parties sign a written agreement extending the completion date.

The cost of ADR is to be borne by the parties. Unless the parties agree, no oral or written evidence or statements made in an ADR proceeding, other than arbitration, are admissible as evidence in a later lawsuit.

Each homeowner should consult with his or her own attorney regarding appropriate compliance with the ADR statutes.

III. Failure to Participate in Some Form of ADR Prior to Enforcement Action:

Should a party unreasonably refuse to participate in ADR before the lawsuit is filed, the court may, in its discretion, take this refusal into consideration in determining the amount of attorney’s fees and costs ultimately awarded at trial. In accordance with the disclosure requirement of California *Civil Code* Section 5965, please be advised that:

“Failure of a member of the Association to comply with the alternative dispute resolution 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.”

IV. Internal Dispute Resolution:

Pursuant to Civil Code § 5900, the purpose of the Internal Dispute Resolution (IDR) Policy is to provide a fair, reasonable and expeditious procedure for resolving a dispute between the Association and a Member involving the parties’ rights, duties, or liabilities under the Davis-Stirling Common Interest Development Act, Civil Code § 4000 *et seq*, under the Nonprofit Mutual Benefit Corporations Law contained in Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code, or under the governing documents of the Association.

- A.
 - 1. The Internal Dispute Resolution (IDR) process may be begun by either the Association or the Member (the “requesting party”) requesting the same, in writing, and serving the other party (the “responding party”) with a copy of the written request (“the Request”) by certified mail.
 - a. If the process is invoked by a Member, the Association shall participate.
 - b. If the process is invoked by the Association, the Member may elect not to participate in the procedure. Should the Member elect not to participate in the procedure, however, the Member shall thereby waive any right to appeal or ask the Board of Directors to reconsider any decision it may make regarding the dispute.
 - 2. If a Member is the responding party and agrees to participate in IDR, the Member shall return a written response (“the Response”) accepting the Association’s Request for IDR.
- B.
 - 1. In response to a request for IDR, the Board shall appoint one or more board members (or other person(s) who is/are not a member of the Board) to be representatives of the Board, and set the parameters within which the Board’s designated representative(s) may propose to resolve the dispute.
 - 2. Within fifteen (15) days after the next regularly scheduled Board meeting following the Association’s receipt of a Request for IDR, the Board shall inform the Member by first class mail or electronic mail if so consented by the Member, of the representative or representatives it has designated to represent the Association in the process, together with a proposed date, time and place for the Association’s designated representative(s) and the Member to meet and confer in an attempt to resolve the dispute.
 - 3. The parties shall schedule and conduct the meeting within thirty (30) days following such designation.
- C.
 - 1. The parties are encouraged not to involve their attorneys in the IDR process, so that the parties may feel free to engage in direct and informal discussion.
 - 2. Any discussions relating to an IDR are considered confidential settlement discussions. Should the Member decide to bring his/her/its attorney to the meet and confer or mediation, or if the Member is an attorney, the Member shall give the Association ten (10) business days’ written notice of the same by fax, overnight mail or overnight delivery, so that the Association can arrange to have its attorney attend as well.
 - 3. Should the Association decide to have its attorney present at the meet and confer or mediation, the Association shall give the Member ten (10) business days’ written notice of the same by fax, overnight mail or overnight delivery, so that the Member can arrange to have his/her/its attorney attend as well.

- D. Whether the parties meet and confer or mediate their dispute, they shall each have the opportunity to state and explain their positions regarding the issue or matter in dispute.
1. If during the meet and confer or mediation the Member and the Board's representative(s) reach an agreement in principal regarding the manner in which the dispute may be resolved, they shall put the agreement in writing and the Member shall sign it.
 2. At the next regularly scheduled meeting following the meet and confer or mediation, the Board of Directors should consider the agreement and, if it is approved by a majority vote of a quorum of the Board, the appropriate officer(s) shall sign the agreement, at which time the agreement shall become binding upon the Association and the Member.
 3. The agreement shall only become binding and enforceable upon the parties if such action is taken by the Board of Directors and it is not in conflict with the law or the Association's governing documents.
 4. Should the Board of Directors decide to become bound by, and therefore sign, the agreement, a copy of the signed agreement shall be returned to the Member within fifteen (15) days following the Board's execution of the agreement, and the original of the agreement shall be maintained in the Association's business records.

(Revised 8/__/2019)