



MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

NOTICE OF PROPOSED RULES REVISION

May 20, 2020

To: All Homeowners of Monarch Beach Master Homeowners Association
From: The Board of Directors
Subject: **OFFICIAL NOTICE OF OPERATING RULE CHANGE**
Meeting Date: June 22, 2020
Time: 6:45 p.m.
Location: **Via Zoom Meeting:** <https://kppm.zoom.us/j/94974068851>
Meeting ID: 949 7406 8851
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:

Commencing July, 2019 your Board proposed certain changes to the Monarch Beach Master Homeowners Association Rules And Regulations and IDR policy. By Board action those changes were adopted. These changes largely focused on resolving inconsistencies, clarifications of fines, bringing the rules into compliance with the CC&R's and conforming IDR policy to current law.

Through this process, the Board determined that there were a number of additional issues within the community that were not addressed within the above set of changes.

As a result, the Board published and distributed a survey to members at the end of 2019. The results of that survey have been analyzed by the Board to gauge community sentiment on various issues. Subsequently, a further revision of the Rules and Regulations were drafted. They are included here.

Included you will find a number of charts which the Board believes depict the community sentiment on the various issues set out below. It expects to conduct a final discussion, and vote on adopting the attached Rules and Regulations at its monthly meeting on June 22, 2020.



MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

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

- Dogs in the common area.
- Leash requirements for dogs.
- Pet owner's responsibility to remove pet waste from common areas.
- Parking adjacent to Lot 10C
- Motorcycle, moped and scooter parking.
- Skateboard usage.
- Home sale signage requirements.
- Garage use control.

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 June 22, 2020, at 6:45 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 June 22, 2020:

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.



MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION

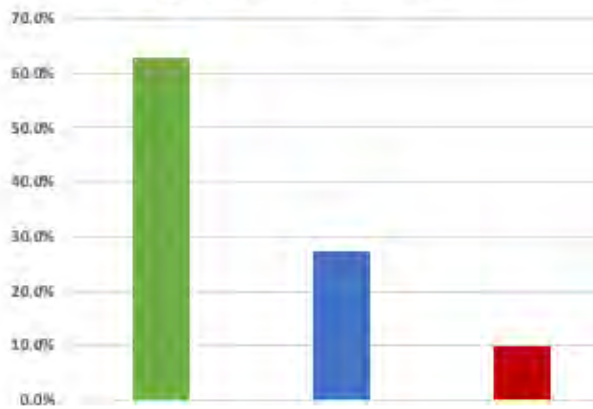
Sincerely,

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

DeLawrence Roby

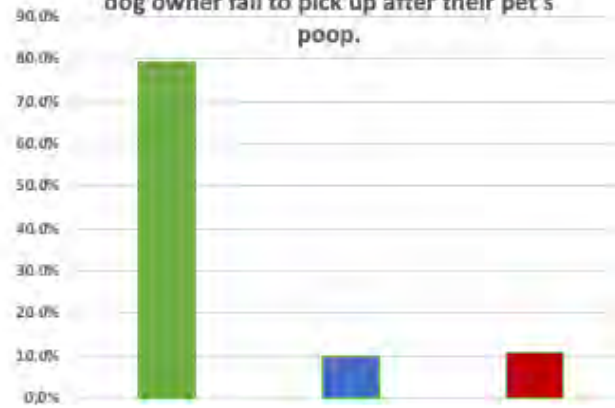
DeLawrence Roby, CMCA
Senior Community Association Manager
droby@keystonepacific.com

Change the rule to officially allow leashed dogs on common area lawns.



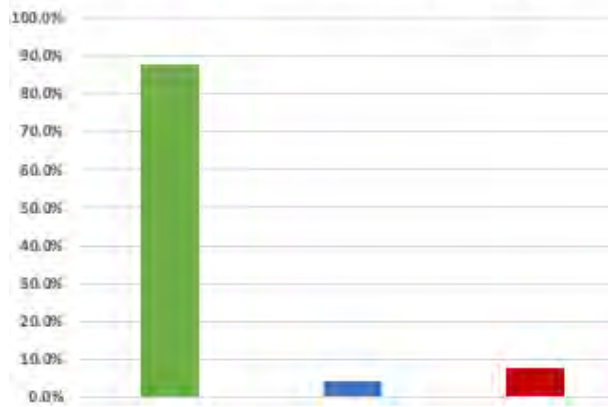
Favor Rule Change	Oppose Rule Change	No Opinion
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There is a problem with dog poop in common area sidewalks or lawns because dog owner fail to pick up after their pet's poop.



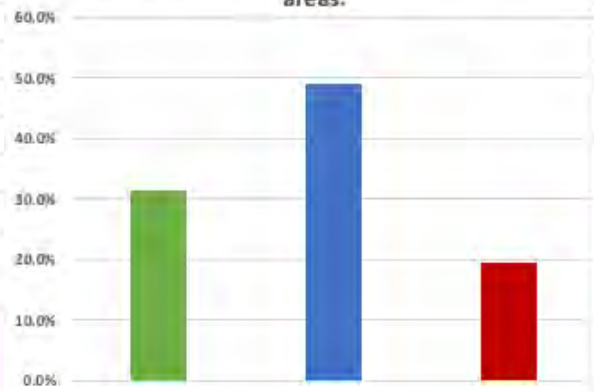
Favor Rule Change	Oppose Rule Change	No Opinion
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Increase penalties for owners who do not pick up the waste after their dog poops.



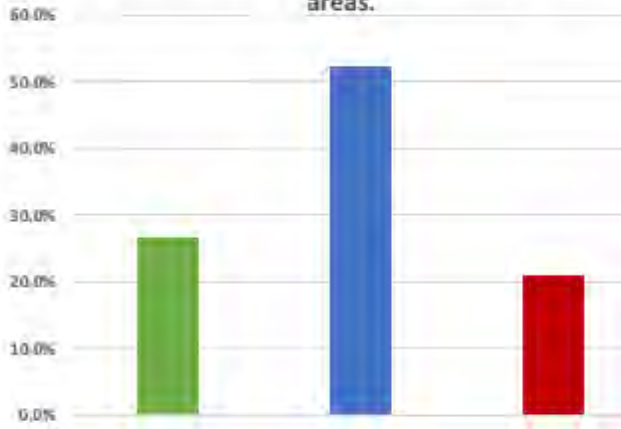
Favor Rule Change	Oppose Rule Change	No Opinion
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Hire a service to ticket pet owners who do not pick up their pet's waste on common areas.



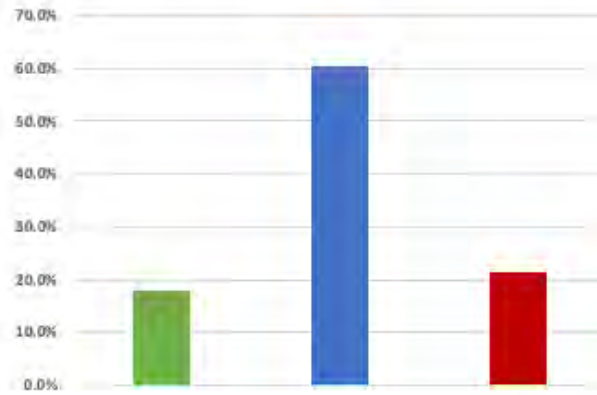
Favor Rule Change	Oppose Rule Change	No Opinion
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Hire a service to ticket pet owners who violate the leash requirements in common areas.



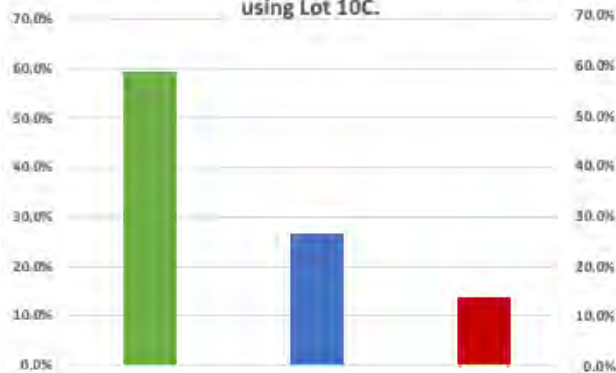
Favor Rule Change	Oppose Rule Change	No Opinion
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Increase the number of pets allowed per home.



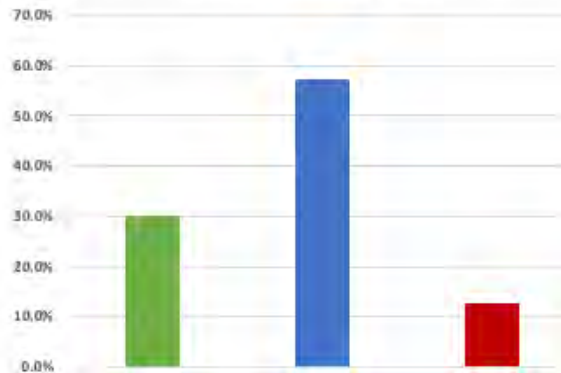
Favor Rule Change	Oppose Rule Change	No Opinion
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Allow one-hour parking for all cars along the Lot 10C curb while the driver or occupant is using Lot 10C.

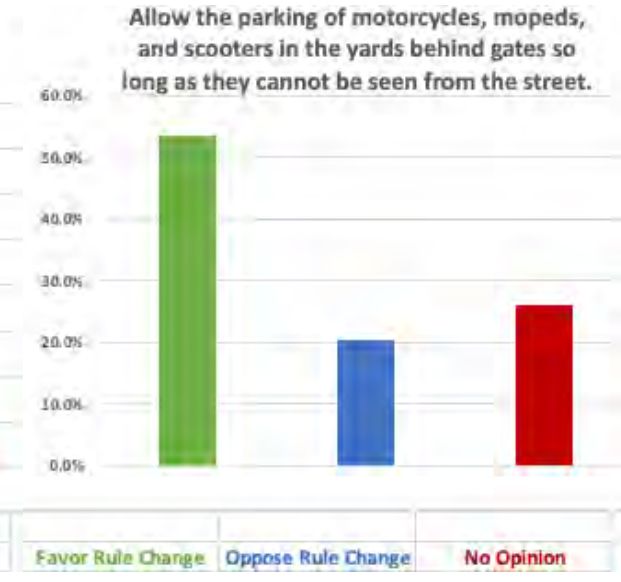
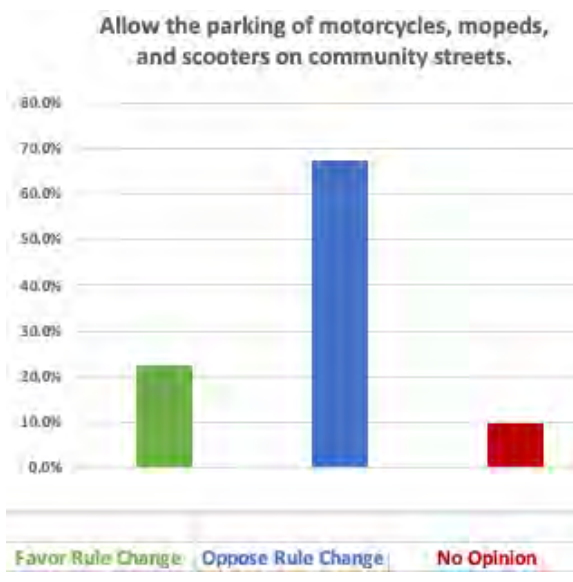
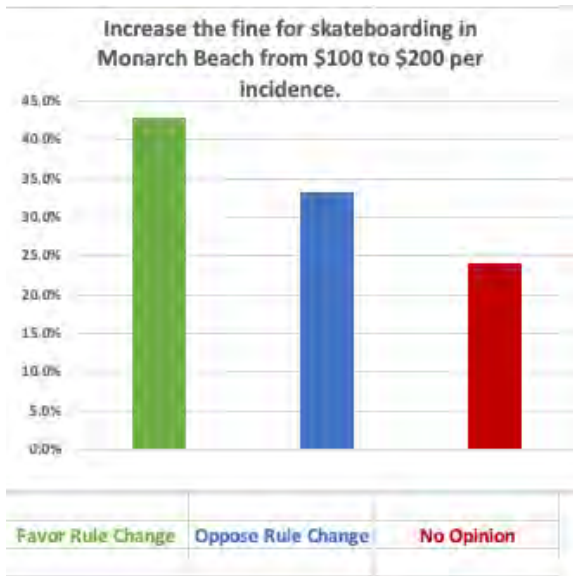


Favor Rule Change	Oppose Rule Change	No Opinion
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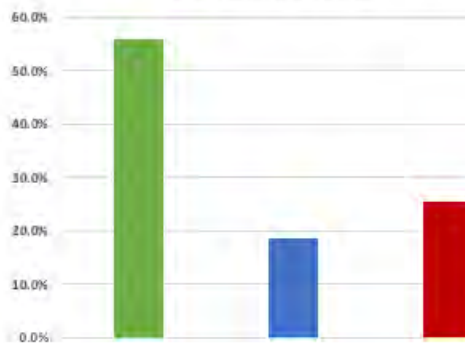
Repeal the rule and allow skateboarding in the Monarch Beach HOA.



Favor Rule Change	Oppose Rule Change	No Opinion
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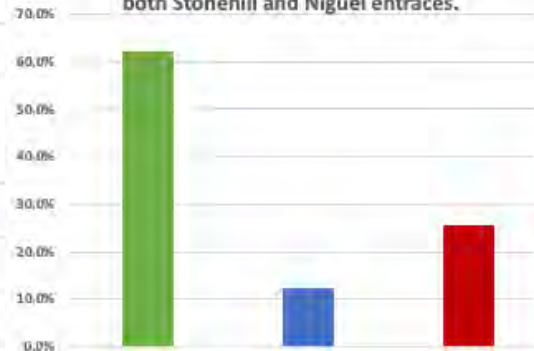


Allow "for sale" realty signs to remain up until escrow is closed.



Favor Rule Change	Oppose Rule Change	No Opinion
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Construction service personnel and commercial vehicles should be able to use both Stonehill and Niguel entrances.



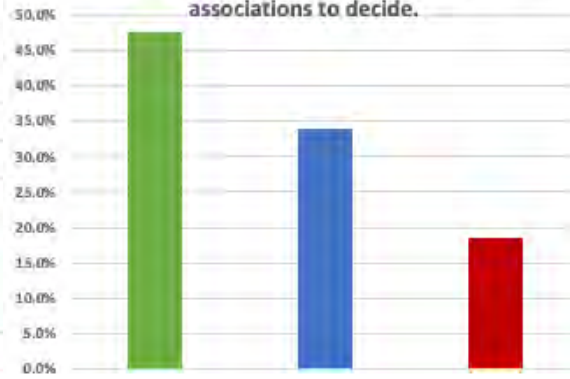
Favor Rule Change	Oppose Rule Change	No Opinion
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The Master Association should enforce this garage use rule, not the sub-associations.



Favor Rule Change	Oppose Rule Change	No Opinion
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The manner in which garages are used by residents should be left up to the sub-associations to decide.



Favor Rule Change	Oppose Rule Change	No Opinion
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**MONARCH BEACH
MASTER ASSOCIATION**

RULES AND REGULATIONS

REVISED/ADOPTED _____

**KEYSTONE PACIFIC PROPERTY
MANAGEMENT, LLC**

(949) 833-2600

MONARCH BEACH MASTER HOMEOWNERS ASSOCIATION
RULES AND REGULATIONS

Adopted _____

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 private property. No person shall permit any animal under his/her control, care of custody to enter upon common area unless that animal is CONTINUOUSLY RESTRAINED BY A LEASH.**
- DOGS ARE NOT ALLOWED ON THE GOLF COURSE, 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. **SKATEBOARD USAGE IS 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

I. 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 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.

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, Sheriff's 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: 949-377-3309. 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) 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.
- b) 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.
- c) 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) One hour parking is permitted along the curb adjacent to Lot 10C for those visiting Lot 10C.**
 - c) See attached map depiction of Lot IOC.

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	\$ 50.00
Third Offense/Same Violation	\$ 100.00
Fourth Offense and Subsequent/Same Violation	\$ 200.00
First Offense/Pets (Defecation)	\$ 100.00
First Offense/Skateboarding	\$ 100.00
First Offense/Open House, Safety & Health, Damage to Property	\$150.00

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 IOC MAP EXHIBIT

