

HOMEOWNERS ASSOCIATION Established February 20, 1973

RULES AND REGULATIONS

Drafted By Cane, Walker, & Harkins ADOPTED 01/23/2020

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Section 1: GENERAL RULES

- 1. Owners are fully responsible and liable for the conduct of their guests or tenants within the South Coast Shores boundaries. In case of misconduct, guests may be asked to leave, and in the case of any damage to the Common Areas, the Association may hold the responsible Owner liable for the cost of any repair or replacement arising from such damages. The Santa Ana Police Department's non-emergency number may be called (714-834-4211).
- 2. Any person entering the Common Area illegally will be considered a trespasser and will be asked to leave the premises. The Santa Ana Police Department may be called.
- 3. The speed limit in South Coast Shores is fifteen (15) miles per hour.
- 4. Open fires, fireplaces and barbecues are not allowed in Common Areas, on Owner balconies, or against neighboring walls of houses on Owner patios (i.e., there must be at least three (3) feet of separation from the wall of the house).
- 5. Littering is prohibited. The trash bins located in the garage courts should be used for all incidental trash and pet waste. Any garage court trash bin may be used for these purposes.
- 6. No type of motorized vehicle may be ridden on the sidewalks or landscaped areas. An exception is any motorized vehicles used by the disabled. Wheeled recreational devices, including, without limitation, bicycles, tricycles, skates, skate boards, scooters, roller blades, and skate shoes may not be ridden on the sidewalks adjacent to the lake and Clubhouse. They may be used on all other sidewalks and streets.
- 7. All outside decorations must be in good taste, as determined by the Association's Board of Directors. Seasonal decorations may be displayed up to four weeks prior to a holiday/event and must be removed within three weeks after the holiday/event.
- 8. Spark arresters must be placed and maintained on the chimneys of all homes where there is an open fire (wood or paper.)
- 9. **Fireworks are strictly forbidden in South Coast Shores.** Pellet guns, B-B guns, water guns, paint guns and similar devices used to launch projectiles may not be used in the Common Area.
- 10. Posting of commercial or political signs anywhere in the Common Area is prohibited. Real estate signs may be posted in designated locations on the Common Areas not more than six (6) hours prior to an open house. These signs must be removed immediately after the end of the open house.
- 11. Door to door sales of any items or solicitations of any type, by anyone, are not allowed.
- 12. To control unauthorized access to the South Coast Shores gated community, residents should only use the four (4)-digit Personal Gate Entry Code assigned to their unit for granting gate access to non-residents and vendors. Real estate agents/realtors and others needing to grant access to a unit on the property, for business purposes, should also only use the Personal Gate

Entry Code assigned to that unit thru the Kiosk system (Process: select the name of the resident of unit, ring thru to unit and get gate open signal sent from unit phone to open gate). All other access codes are prohibited to use for business purposes. Personal Gate Entry Codes must **never** be posted at the directory Kiosk to allow unmonitored access by the public.

13. To keep and maintain the calm beauty and regulated appearance of South Coast Shores Owners must ensure that any retained Realtors, Real Estate agents, and the like do not "post bill" or advertisements in the common areas of South Coast Shores community, including but not limited to Access Kiosks. This is a POST NO BILLS OR ADVERSTISING rule.

14. Trash/Recycle Bins

- A. Plants, trees or other large items must be broken down before being placed in a garage court trash bin. Christmas trees are to be disposed of by calling the Property Management company's Maintenance Department to schedule a pick up. Property Management contact information is posted on bulletin board at the clubhouse or can be found in the monthly Association newsletter.
- B. Garbage and waste material must be in plastic bags and tied shut prior to being placed in a garage court trash bin.
- C. Six (6) designated recycling bins are located on perimeter streets for the purpose of proper disposal of those materials deemed recyclable by our waste management company vendor. Rules for acceptable recycle materials are posted directly on the recycling bins, and must be followed or residents may be cited. Please be sure to break down all boxes before putting boxes into any recycled or trash bins.
- D. All trash must be placed completely inside the bin and the lid must be able to be completely closed. Items too large for the bin (like furniture, beds and appliances) should be handled separately at the resident's expense. Contact the Property Management company's Maintenance Department to arrange for oversized trash item pick-ups. (Fees may apply.)
- D. No hazardous waste may be placed in garage court trash bins or recycle bins. Contact the Property Management company for directions to hazardous waste disposal sites.

15. Lake

- A. Swimming, wading, fishing, or riding on any watercraft in the lake is prohibited.
- B. Small wind-powered or radio-controlled boats are allowed for use on the lake by residents only.
- C. Trash or debris of any sort may not be thrown into the lake.

16. Owners with Tenants

Owners are responsible for the actions of their tenants. If a tenant violates the rules or any of the Association's governing documents, the Association may fine the Owner for the violation or charge the Owner for the cost of any repair of damages to the Common Area. Owners must furnish a copy of the Rules and Regulations to their tenants. Owners must provide the Property

Management company with the name of the tenant or tenants and contact telephone numbers as per rules in Section 15: RESIDENTIAL USE ENFORCEMENT POLICY.

17. **Enforcement:** Refer to Section 13 for enforcement, fines and disciplinary actions.

Section 2: ANIMAL RULES

- 1. A maximum of two pet dogs or cats (in any combination) is permitted in any one-residence. A variance may be granted by the Board of Directors, with sufficient justification. The variance is subject to withdrawal at any time.
- 2. Dogs in the Common Area must be on a leash held by a person capable of controlling the dog and kept under control at all times. Owners of dogs that are off leash will be subject to a fine.
- 3. Any dog that is loose in the Common Area will be considered a stray. The Santa Ana Police Department's Animal Services Unit (714-245-8792) may be called.
- 4. Anyone walking an animal/pet must pick up the droppings in a bag, close it up, and place the bag inside the nearest garage court trash bin.
- 5. The Owner of a residence where an animal/pet is kept is responsible for the animal's behavior. When an animal causes problems such as excessive noise or aggression, the Owner will be cited. The Board of Directors may call Santa Ana's Animal Services and report an incident. The animal may eventually be banned from the Common Area and/or banned from the community if the problems continue.
- 6. Every pet that is kept within the South Coast Shores community must wear a license tag from the City of Santa Ana when in the Common Area, and also wear a tag with the owner's name and telephone number on it.
- 7. Feeding of any wildlife or swans is expressly prohibited except where authorized by the Swan Committee. Violators of this policy are subject to citing and fines as set forth in Section 7 and Section 13 of this document. Migratory birds, especially Canadian Geese, are deemed to create a health and safety issue. Owners acknowledge the Association may elect to obtain a Federal permit to have Canadian Geese removed from the community and relocated. Owners are deemed to give permission to the Association to identify and destroy nests on both Common Areas and Owner property and to enter any area, as may be required, to do so.
- 7. Enforcement: Refer to Section 13 for enforcement, fines and disciplinary actions.

Section 3: ARCHITECTURAL RULES

1. All modifications to the exterior of a dwelling must be approved in writing by the Architectural Committee <u>before</u> any work may begin. An Architectural Improvement Application (see Attachments 1 & 2) must be completed by the Owner and submitted to the Architectural Committee. Processing may take up to thirty (30) days. Modifications made without prior written approval are subject to removal or reversal at the Owner's expense. The Owner is required by the City of Santa Ana to obtain Architectural Committee approval prior to applying to the city for a building permit.

2. <u>As examples, and without limitation, the following modifications require prior Association written approval:</u>

- A. **Balconies** Wooden balcony railings on two story homes may be replaced with wrought iron railings. Once installed, wrought iron railings are the maintenance responsibility of the Owner. All parts of the railing must be of solid stock. Vertical bars must be at least 5/8-inch square or 5/8-inch in diameter and spaced no more than four (4) inches apart. The railing may not exceed the height of the original wooden railing.
- B. Fences, Walls and Gates The maximum height of any fence or wall is six feet (72 inches). Wood patio fences may be replaced with slumpstone walls which must follow the existing fence line. Once in place, slumpstone walls become the maintenance responsibility of the Owner. An Association rebate of \$17.50 per linear foot of Slumpstone wall is payable to the Owner after a final inspection. Wood gates may be replaced with wood, wrought iron, or steel only. In no case will fences, walls, or gates be constructed of PVC or any other plastic material. The Owner shall be responsible to maintain, repair, and replace any gate the Owner installs.
- C. **Front Doors and Screen Doors** Front door color can be natural wood, match the existing paint specifications for the home, or can be an earth tone in harmony with the home as approved by the Architectural Review Committee. Screen doors should be maintained and in color harmony with the house.
- D. **Garage Doors** Each Owner is responsible to maintain, repair, and replace the Owner's garage door. New doors must have a mail slot with an adjacent address number which will be provided by the Association. Vents in the garage door may be placed in the lowest panel near the left and right edges of the door. They must be of a louvered design, of a size appropriate to the panel design, and must be painted the same color as the door. Windows are allowed subject to the following:
 - 1). Windows are allowed only in the top panel of standard-height doors. Extra high doors must have the windows in the second panel from the top.
 - 2). Windows must be either clear or obscure glass. Colored glass or plastic are not allowed.

- 3). A newly installed garage door must be as similar in color as possible to the approved house trim color.
- E. **Lighting Fixtures, External** Light fixtures must be compatible with the look of the community.
- F. Paint Colors A Paint Color Book which details the specified paint colors for each South Coast Shores home is available from the Management Company or the Architectural Chairman for touch up and painting by owners between community wide painting projects. Community Members wishing to change the existing color of their home must submit an architectural application to the Architectural Committee for consideration. Selection of Color must be made from established community colors on record.
- G. **Patio Structures** Architectural Committee written approval must be obtained before commencing construction of any patio structure. This includes both patio slabs and patio covers. The color of the patio cover must be the same as the house trim color. The patio structure must be constructed of wood, wrought iron, retractable fabric, or any suitable structural material reviewed and approved by the Architectural Committee. Patio covers may not extend over more than 50% of the patio area. Maintenance of a patio structure, including painting, is the responsibility of the Owner.
- H. **Planters and Plantings** Planters may not extend beyond the plot line. Material may be brick or slumpstone in keeping with the exterior of the dwelling. Drainage patterns must not be altered. Planters may not be built against a neighboring home, and soil may not be built-up against the wall of a neighboring home. All planters must have drains which prevent water build-up and direct water away from dwellings. Plants and trees should not be placed as to grow under eves of dwellings where by foliage and/or root systems would cause damage to any structures or improvements, including, without limitation, AC/heater units, chimneys, eves, roofs, fences, foundations, light fixtures, pipes, walkways, or steps.
- I. **Rain Gutters** Color must be that of the background to which it is attached (for example: fascia board, stucco or wood siding.) Gutters must drain as close as possible to the street.
- J. **Roofs** Architectural Committee written approval must be obtain before commencing installation of any roof improvement. The following Boral Roof Tiles are authorized to be installed at South Coast Shores:
 - 1) Cedarlite 600 All colors.
 - 2) Madera 700 All colors.
 - 3) Saxony Split Shake 600 /700 All colors if complementary with the home.
 - 4) Saxony Slate 600 / 700 All colors if complementary with the home.
 - 5) Saxony Shake 600 /700 All colors if complementary with the home.

Other manufacturer roof tiles may be authorized if sufficient data verifying quality and color compliance is submitted for Architectural Committee approval.

- K. Satellite TV Dish or Other Television Antennas For safety and liability reasons, professional installation is required. The installer must have a contractor's license, proper liability insurance and worker's compensation insurance. The request must show the exact location of the antenna, which must be placed with minimum visibility from the Common Area and consistent with adequate signal reception. Only satellite dish antennas having a diameter or diagonal measurement of 39 inches or less are allowed. All cabling and wiring for any satellite dish or other television antennae must be concealed under the eaves and, whenever possible, through the attic. In no case shall wiring or cabling be installed or laid across the roofs or be hung loose on the side of a dwelling. All other external non-TV receiving or transmitting antennas must have the approval of the Architectural Committee prior to installation.
- L. **Walkways** Entry walkways must remain a concrete/masonry product (stone, pavers, bricks) and must not exceed the width of the original entry porch. The surface must be at ground level. No raised edges or borders are allowed. If steps are involved, handrails are allowed. Painting of the entry walkway is not allowed.
- M. Windows Replacement windows and sliding glass doors must be manufactured with vinyl or steel-wrapped wood. Replacement windows and sliding glass doors must be horizontal-sliding or fixed glass and match the approximate size and operation of the original windows or sliding glass doors. All vinyl windows, sliding glass doors or French doors must be almond, beige, desert sand, taupe or white, the colors offered by the manufacturer. All windows and sliding glass doors must be of the same color and same design. Bay windows and French doors may be wood framed. Wood framed bay windows and French doors must match the trim color of the house. Bay windows must not extend downward past the lower window level. Low-E glass is recommended to reduce glare and fading inside homes. Post-construction window tinting is not allowed. Vinyl frames may be almond, beige, desert sand, or white, the colors offered by the manufacturer. All window frames must be the same color and the same design. Wood window frames must match the color scheme of the house. No awnings, external window coverings, reflective or foil materials or bars of any kind are allowed on windows. Sliding glass doors shall be of the same color and material as windows or may follow the rules for doors in paragraph C, above.
- 3. **Room Additions** A dwelling may be expanded into the patio area or garage court subject to the Owner (i) submitting an Architectural Application and construction plans to, and receiving prior written approval from, the Architectural Committee (ii) the Owner complying with all applicable provisions in the Association's CC&Rs, Architectural Rules and Regulations, and other governing documents, and (iii) the Owner strictly complying with all guidelines and rules imposed by the City of Santa Ana. The maximum size allowed varies depending on the model of the home. One-story homes may have a one-story addition. Two-story homes may have either a one or two-story addition. Additions must comply with all applicable sections of the City of Santa Ana Building Codes, the California Building Codes, the national Electrical Code,

the NFPA Fire Codes, and all other applicable regulations. External architecture, including paint color, must conform to existing structures and to the original architect's style and intent for South Coast Shores. The roof pitch of any proposed room addition must match that of the existing home. For additional expansion plans and rules, consult the Architectural Committee.

4. Policy Regarding Installation of Solar Energy Systems

- **A.** Before an Owner may install a Solar Energy System ("SES"), as defined below, the Owner must (i) submit to the Association an architectural application and plans and specifications in compliance with the Association's Architectural Guidelines, and (ii) receive prior written approval of the Association's Architectural Committee. The plans and specifications must include, at a minimum, the following:
 - (a) Details on all components of the SES system, proposed locations of all components, and description of how the components will be installed.
 - (b) Drawings/plans/renderings/elevations "illustrating" the SES components (including, without limitation, materials, shape, dimensions, color, etc.) where the components will be installed on the house and/or property.
 - (c) Any other information the Architectural Committee may require.

Also additional architectural review fees may be required if the Association is required to incur additional costs to consult with an expert in solar energy system performance as described below. Any such additional fees shall be a straight cost pass-through to the owner of actual costs incurred.

- **B**. An SES shall not encroach upon the roof of a neighboring Lot without the neighbor's written approval.
- **C.** Subject to the limitations below, the SES must comply with the material standards and specifications set forth below:
 - (a) Solar panels installed on a roof shall, to the extent feasible, be integrated into the roof design, flush with the existing roof slope. All systems must use black frame panels and black roof mounting systems.
 - (b) All efforts should be made to locate the solar panels so that they are screened from view from the street and neighboring properties.
 - (c) Supports for solar equipment shall be enclosed and screened from view.
 - (d) All mechanical equipment exposed to the exterior shall be located in a manner which minimizes visual impact and shall be painted to match the color of the adjacent surface.
 - (e) Wiring shall be housed in conduit painted to match the adjacent surface.

- **D.** This Solar Energy Policy shall be applied consistent with California law, including the provisions of *Civil Code* sections 714 and 714.1, regarding installation of Solar Energy Systems in Common Interest Developments.
- **E.** <u>Solar Energy System-Defined</u>. For purposes of this Solar Energy Policy, a "Solar Energy System" ("SES") means either of the following:
 - (a) Any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating, space cooling, electric generation, or water heating.
 - (b) A structural design feature of a building, whose primary purpose is to provide for the collection, storage, and distribution of solar energy for electricity generation, space heating or cooling or for water heating. *See* California *Civil Code* section 810.5(a).
- **F.** <u>System Requirements</u>. Each Owner or applicant seeking to install an SES must provide, concurrently with submission of the architectural application, proof of compliance with the following standards:
 - (a) An SES shall meet applicable health and safety standards and requirements imposed by state and local permitting authorities. Copies to be submitted with the Architectural Application.
 - (b) An SES for heating water shall be certified by the Solar Rating Certification Corporation (SRCC) or other nationally recognized certification agencies. SRCC is a non-profit third party supported by the United States Department of Energy. The Certification shall be for the entire Solar Energy System and installation.
 - (c) An SES for producing electricity shall also meet all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability. *See* California *Civil Code* section 714(c).
- **G.** Any Owner who installs or seeks to install an SES without the prior written permission and approval of the Association and its Architectural Committee shall be responsible for all costs incurred to remove, relocate or modify the SES, including attorneys' fees and court costs.

5. Contractor Guidelines

- A. <u>Contractor Requirements</u> For a contractor to work on the exterior of any dwelling or in the Common Area, the following requirements must be met:
 - 1) Contractor license issued by the State of California Contractor State License Board for the type of work to be done.
 - 2) General liability insurance in the amount of \$1,000,000.

- 3) Worker's Compensation Insurance as required by the State of California, or a certificate of exemption.
- B. <u>Work Guidelines</u> The Owner is responsible for ensuring that a contractor complies with the following:
 - 1) Contractor's materials such as sand, bricks, dirt, cement and lumber must be contained on tarps (not placed directly on the ground.)
 - 2) Contractors may NOT dump any debris in the community garage court trash bins or recycle bins. The contractor must remove all debris from the job.
 - 3) Small, loose debris must be swept up and disposed of properly. Debris may not be washed into street drains under any circumstance.
 - 4) Contractor trucks may enter a garage court only to load and unload. They may not park there.
 - 5) No ready-mix concrete trucks are allowed in the garage courts at any time.
 - 6) Work may not begin before 7:00 a.m. and must not continue past 6:00p.m.
 - 7) Contractors may not set up workshops in any common area, including the garage court. Work must be done in a patio, garage or the house.
- 6. **Enforcement:** Refer to Section 13 for enforcement, fines and disciplinary actions.

Attachment 1

SOUTH COAST SHORES HOMEOWNERS ASSOCIATION ARCHITECTURAL IMPROVEMENT APPLICATION

SECTION 1: OWNER INFORMATI	ON: (Please Print Clearly)
Name:	Date:
SCS Address:	
Home Phone:	Work Phone
Name of Contractor:	Phone:
Address of Contractor:	
Start Date: Co	mpletion Date:
Nature of Improvement:	
(Attach All Necessary Plans)	
,	RMATION: Check with the Committee Chairperson to
documents are required with the applica 1) Copy of California State Contrac 2) ACORD Certificate of Liability I 3) Certificate of Worker's Compens SUBMISSION: Attach the necessary plans SCS Architectural Committee Chairpers APPROVAL PROCESS: The Committee w returned to the Owner. WORK MAY N denied, a letter will be forwarded to the independent obligation to ensure compli	tor License (Insurance (\$1 million minimum) sation Insurance and contractor information to this form and deliver to the son. Ensure that the legal owner of the property signs below. Fill review the request and, if approved, the form will be NOT COMMENCE UNTIL THIS OCCURS. If the request is Owner stating the objections to the request. Owner has an innee with all restrictions in the CC&Rs and applicable laws
	to determine if a City permit is required for this project d, Association final approval is dependent on submitting a
The information given above, including atta	chments, is complete and accurate to the best of my knowledge.
Signature of Legal Owner	Date:
SCS APPROVAL SECTION:	PLEASE DO NOT WRITE IN THIS AREA
Special Approval Conditions:	

Attachment 2

SOUTH COAST SHORES HOMEOWNERS ASSOCIATION ROOF REPLACEMENT APPLICATION

SECTION 1: OWNER INFORMATION: (Please Print Clearly)

Date:
one:
Phone:
· · · · · · · · · · · · · · · · · · ·
Illowing documents are required to be g. minimum) ation to this form and deliver to the etural Committee. Ensure that the legal and, if approved, the form will be INTIL THIS OCCURS. If the request is ections to the request. Owner has an ons in the CC&Rs and applicable laws Committee. permit is required for this project proval is dependent on submitting a and accurate to the best of my knowledge

Section 4: CLUBHOUSE RULES and RULES REGARDING NONCOMMERICAL ASSEMBLY AND PETITION

- 1. Reservation Procedures (These rules must be adhered to, any violation may cause your deposit to be forfeited).
 - A. Only an Association member or designated tenant may reserve the Clubhouse.
 - B. If a non-resident Owner retains for himself/herself the privilege of using the Clubhouse, the tenant of the home may not reserve the Clubhouse. If a non-resident Owner delegates to his/her tenant, in writing, the privilege of using the Clubhouse, the non-resident Owner may not reserve the Clubhouse.
 - C. Application for a reservation is to be made by calling the Clubhouse Chairperson whose number can be obtained from the Property Management company or the Association newsletter. (Also name/contact info is posted on bulletin board at clubhouse)
 - D. Reservations are on a first-come, first-served basis, and cannot be superseded after approval. If possible, make reservation at least one month in advance.
 - E. Upon approval, a non-refundable fee of \$75 is required to confirm the reservation.
 - F. A security deposit of \$250.00 per day of usage is required to cover any damage to anything in the Clubhouse or any fines that may be levied for any violations of the governing documents that may be committed in connection with use of the Clubhouse. If no damage or violations occur, the deposit will be returned to the person who reserved the Clubhouse. If any damage or violations occur, the cost of repair and/or any fines levied will be deducted from the deposit. The person who reserved the Clubhouse also shall be liable for any amount of damage or fines levied in excess of the security deposit. If the person who reserved the Clubhouse is a tenant, the Owner of that property will be responsible for any damage or fines levied in excess of the security deposit.
 - G. Clubhouse guests may not use the pool or spa.
 - H. Cleanup must be completed within two hours after a daytime function or by 8 a.m. the day after an evening function.
 - I. All trash must be taken to the garage court trash bin of the person who reserved the Clubhouse.

2. Rules for Clubhouse Events

- A. Association activities approved by the Board of Directors may be held in the Clubhouse without payment of a fee or security deposit. (See Attachment 4.)
- B. Activities are restricted to family-type affairs.
- C. No business or commercial activity of any type is allowed in the Clubhouse.
- D. Open house events, yard sales, and estate sales are not allowed in the Clubhouse.

- E. Cookout equipment either in or around the Clubhouse is not permitted except as approved by the Board of Directors.
- F. Wet swimwear and animals are not allowed in the Clubhouse.
- G. Maximum occupancy allowed in the Clubhouse by City ordinance is as follows:

Dining 71 Assembly 152

- H. No tables or chairs are allowed outside of the Clubhouse. This includes the entryway and bridge except as approved by the Board of Directors for community functions.
- I. Clubhouse tables, chairs, utensils and cooking equipment cannot be removed from the Clubhouse at any time by anyone for any reason.
- J. Smoking is prohibited inside the Clubhouse or in the entryways.
- K. Temporary decorations must not damage the clubhouse. Using nails, hot glue guns, or tape to attach decorations to painted or wood walls is not allowed. Permanently installed hooks on walls are provided for decoration attachment.

3. Unavailable Clubhouse Dates

The Clubhouse is unavailable for private use on the following holidays: New Year's Day, Easter, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Eve, Christmas Day, and New Year's Eve. The fourth Thursday of the month is automatically reserved for the Board of Directors' regular meeting, and takes precedence over all other events.

4. Music and Musical Groups

- A. Music may be played, but only inside the Clubhouse.
- B. All doors must be closed while music is playing.
- C. Music must be kept to a level that will not disturb neighbors. Any request from a neighbor to reduce the volume of the music must be complied with.

5. Closing Time

A. Sunday through ThursdayB. Friday and SaturdayMidnight

- 6. Misrepresentation of the true purpose or details of a reservation invalidates the reservation agreement and the reservation may be cancelled. The rental fee and security deposit will not be returned.
- 7. Residents or Owners who reserve the Clubhouse are fully responsible for the conduct of their guests. Abuse of the Clubhouse reservation privilege includes any behavior that is rowdy, destructive, illegal, indecent, abusive of persons or property, not in compliance with Association rules or disturbing to neighbors. Any such bad conduct is sufficient basis for action to be taken to terminate the activity immediately.

8. Enforcement: Refer to Section 13 for enforcement, fines, and disciplinary actions.

RULES REGARDING NONCOMMERICAL ASSEMBLY AND PETITION (California Civil Code section 4515)

In accordance with Civil Code section 4515, the Association's Governing Documents shall not be interpreted or applied in a manner to prohibit an Association member or resident from doing any of the following:

- (1) Peacefully assembling or meeting with members, residents, and their invitees or guests during reasonable hours and in a reasonable manner for purposes relating to common interest development living, Association elections, legislation, election to public office, or the initiative, referendum, or recall processes.
- (2) Inviting public officials, candidates for public office, or representatives of homeowner organizations to meet with members, residents, and their invitees or guests and speak on matters of public interest.
- (3) Using the common area, including the clubhouse (collectively, the "Facilities"), or, with the consent of the member, the area of a member's home, for an assembly or meeting described in paragraph (1) or (2) above when the clubhouse or member's home is not otherwise in use; provided, however:
 - (a) If the owner intends to invite members of the general public to attend the meeting, the owner responsible for the meeting at the Facilities shall provide the Association at least twenty (20) days prior notice of the proposed meeting date (assuming the subject Facilities are not otherwise reserved on the proposed date);
 - (b) Each person attending said meeting at the Facilities shall be deemed a guest of the owner(s) of the property responsible for the meeting, and the owner(s) of said property shall be responsible and liable for the negligent or willful acts of such guests;
 - (c) If the owner intends to invite members of the general public to attend the meeting, the Association may require the owner to provide a guest list of the non-resident members of the general public who will be attending as the owner's guests reasonably in advance of the meeting date at the Facilities, and the Association may retain personnel to monitor the entrance to the Facilities and require each guest to "sign-in" as a guest before being admitted into the Facilities in an effort to ensure that only the owner's authorized guests are admitted into the Facilities; and
 - (d) The Association may require the owner and resident using the Facilities to enter into an Indemnity and Release Agreement in a form acceptable to the Association regarding any damages, injuries or claims that may arise in connection with use of the Facilities.
- (4) Canvassing and petitioning the members, the Association's Board of Directors, and residents for the activities described in paragraphs (1) and (2) above at reasonable hours and in a reasonable manner.

(5) Distributing or circulating, without prior permission, information about common interest development living, association elections, legislation, election to public office, or the initiative, referendum, or recall processes, or other issues of concern to members and residents at reasonable hours and in a reasonable manner.

An Association member or resident shall not be required to pay a fee, make a deposit, obtain liability insurance, or pay the premium or deductible on the Association's insurance policy, in order to use the Facilities for the activities described in paragraphs (1), (2), and (3) above.

For purposes of this Rule, the phrase "during reasonable hours" shall generally mean between the hours of 9:00 a.m. and 9:00 p.m., and the phrase "in a reasonable manner" shall generally mean in a manner which does not unreasonably interfere with the ability of Association owners and residents to quietly and peacefully enjoy their respective residences. Depending upon the particular facts and circumstances presented, the Board of Directors may impose reasonable restrictions regarding the time, place, and manner of activities described in paragraphs (1), (2), and (3) above to preserve peaceful enjoyment by all owners and residents of their respective homes.

These Rules supersede and replace any inconsistent or conflicting rules, policies, or common area reservation forms.

Attachment 3 SOUTH COAST SHORES HOMEOWNERS ASSOCIATION CLUBHOUSE USAGE AGREEMENT

Property Owner's Name		
Tenant's Name		
Property Address		
Telephone	(Home)	(Work)
Date Room Requested		
Rental Time Limits		
Friday & Saturday	8:00 a.m. to Midnight	
Sunday- Thursday	8:00 a.m. to10:00 p.m.	
From	To	
Intended Use		

In signing this form, the following requirements are fully accepted and agreed to:

- Application is made to use the Clubhouse on the above-mentioned date for the above-mentioned purpose.
- The current rules and regulations for the use of the Common Area and recreational facilities are understood and responsibility for enforcing the Rules and Regulations is hereby assumed.
- Responsibility for the condition of the Clubhouse and restrooms.
- Payment of a \$75.00 non-refundable room rental fee, and a \$250.00 refundable deposit, contingent on the return of the key and no damage to the furniture or facilities (including damage from party decorations). If damage repair costs exceed the \$250.00 deposit fee, the person who signs this usage agreement will be responsible for the costs.

Please return this application with two (2) checks made payable to South Coast Shores Homeowners Association (one for \$75.00 room rental fee and one for \$250.00 deposit.

Prior to usage of the facility, you may schedule picking up the key from the Clubhouse Chairperson. The key must be returned within twenty-four (24) hours of usage.

The undersigned acknowledges that the private use of the Clubhouse is not proceeding under the Association's sponsorship, control, or supervision. In consideration of being permitted to use the Clubhouse for a private event, the undersigned, for himself or herself and his or her heirs, executors, administrators, guests, and any minor for whom the undersigned may commence an action or proceeding pursuant to <u>California Code of Civil Procedure Section 372</u> (hereinafter collectively referred to as "Releasors"), hereby releases, waives, discharges and covenants not to

sue the South Coast Shores Homeowners' Association, its officers, directors, employees, managing agents, or other agents (hereinafter referred to as "Releasees") for any and all loss or damage and any claims therefor, on account of bodily injury, death, or property damage to any of the Releasors, whether caused by the negligence of the Releasees or otherwise arising out of any of Releasors traveling to or from, attending, or participating in any activity in or around the Clubhouse. Further, the undersigned has inspected the Clubhouse and is fully aware of the risks and hazards inherent in using the Clubhouse, including the possibility of personal injury and/or illness. Being fully aware of such risks and hazards, the undersigned hereby elects voluntarily to use the Clubhouse and to assume all risks of loss, damage, bodily injury, or death that may be sustained by the undersigned, any of the Releasors, or any other persons using the Clubhouse facility in connection with the undersigned's private use of such facility.

Further, the undersigned agrees to indemnify and defend, at the sole cost and expense of the undersigned, and hold harmless each of the Releasees from any and all claims, demands, suits, costs, expenses, including, without limitation attorney's fees, losses, damages, and liability for property damage or injury or death to any persons participating in the undersigned's use of the Clubhouse, including, without limitation, any minor children.

THE UNDERSIGNED HAS READ AND VOLUNTARILY SIGN(S) THIS AGREEMENT AND FURTHER AGREES THAT NO ORAL REPRESENTATIONS, STATEMENTS OR INDUCEMENT APART FROM THE FOREGOING WRITTEN AGREEMENT HAVE BEEN MADE.

	I ACKNOWLEDGE THAT ALL TRASH FR IN THE GARAGE COURT TRASH BIN AT	
Signature	Property Owner	Date
Signature	Tenant	Date

Attachment 4

SOUTH COAST SHORES HOMEOWNERS ASSOCIATION CLUBHOUSE AGREEMENT FOR ASSOCIATION-RELATED EVENTS

I, the undersigned, acknowledge receipt of a Clubhouse key. The Clubhouse will be used for following event:	the
on	
after which the Clubhouse must be locked and the key immediately returned to the Chairperso the Clubhouse Committee.	n of
The undersigned acknowledges responsibility for leaving the Clubhouse clean and undamaged	l.
The event will be attended by South Coast Shores residents and the following non-resident(s):	
	_
Signed	
Address	
Telephone Number	

Section 5: POLICY REGARDING USE OF BOUNCE HOUSES ON COMMON AREA

- 1. Grass areas on the South Coast Shores Homeowners Association ("Association") Common Areas may be reserved for temporary use of an inflatable recreational apparatus ("Bounce House").
- 2. Reservations may be obtained by submitting an Application at least one week prior to the desired date of use to the **Property Management company. Contact information for this vendor can be found on the bulletin board at the entry to the clubhouse or in the monthly Association newsletter.**
- 3. Applications may only be submitted by residents of the Association.
- 4. A refundable deposit in the amount of \$100.00 must be submitted with the Application.
- 5. Each Application is subject to discretionary approval of the Board pursuant to guidelines established by Board.
- 6. Each Owner of the property submitting the application will be required to sign the attached *Release From Liability and Indemnity Agreement* concerning use of the Bounce House.
- 7. A written confirmation will be issued for approved use and must be presented upon request to Association personnel.
- 8. Each Owner shall comply with, and shall be responsible for ensuring that all participants using the Bounce House comply with, (a) all applicable Association policies, rules, regulations, and restrictions (hereinafter "the Rules") governing the use and conduct on the Common Area and use of Bounce House devices, and (b) all applicable Federal, State, and Municipal laws, statutes, and regulations that may apply to use of the Bounce House.
- 9. The Bounce House must be set up and removed only by trained and qualified representatives of the Bounce House company in compliance with all manufacturer's specifications. Privately owned, noncommercial Bounce Houses or other similar inflatable apparatus are prohibited on the Association Common Areas.
- 10. The Bounce House must be promptly removed from the Common Area upon conclusion of the event where it is being used, and in any event no later than sunset. A Bounce House shall not remain on the Common Area overnight.
- 11. The Bounce House must be free standing and weighted to prevent extreme movement or become uplifted due to high winds.
- 12. If a gas powered generator is used, it must be a "quiet-style" generator (and so noted on the generator itself) and not generate unreasonable noise levels. The generator must be placed a safe distance from the Bounce House and all electrical cords must be properly insulated, grounded, and oriented and marked to prevent tripping hazards. Electrical cords running across a street or sidewalk from a private residence are prohibited.

- 13. No vehicle is permitted to drive or park on the turf or landscaped areas for loading, unloading, setting up, or removing the Bounce House.
- 14. Adult supervision must be present at all times to ensure use of the Bounce House is in compliance with, and being used in compliance with, the manufacturer's recommendations and operating procedures and reflects a safe level of operation.
- 15. The Bounce House shall be rented from a company that has acceptable liability insurance providing the following: (a) a minimum coverage limit of not less than \$1,000,000.00 combined single limit each occurrence with coverage for property damage, personal injury, and wrongful death from a company authorized to transact the business of insurance in the State of California and with no less than an A:VII Rating (or a lower rating if approved by the Board), (b) an additional insured **endorsement** (a mere certificate of insurance is inadequate) naming the South Coast Shores Homeowners Association, its directors, officers, volunteers, employees, representatives, and managing agents as additional insureds, and providing that the insurance coverage is Primary and any insurance or self-insurance maintained by the Additional Insured is Excess and Noncontributing, and (c) a certificate of insurance evidencing the required coverages.

The Bounce House company shall also maintain auto liability insurance with a coverage limit not less than \$1,000,000.00, including all owned, hired and non-owned autos.

- 16. Owner shall provide insurance as required in the Release From Liability and Indemnity Agreement.
- 17. Owner is responsible for any injuries, wrongful death, or damages arising from use of the Bounce House on the Common Area.

The undersigned each agrees to the foregoing terms and conditions for use of the Common Area.

BY:			
	Print Name		Signature
BY:			
	Print Name		Signature
DATE:			
		On-site Property Address	

Attachment 5

SOUTH COAST SHORES HOMEOWNERS ASSOCIATION RELEASE FROM LIABILITY AND INDEMNITY AGREEMENT (RECREATIONAL USE OF COMMON AREA)

Each of the undersigned (collectively and individually, "Owner" herein) hereby acknowledges that he/she is eighteen (18) years of age, or older, with full capacity to enter into and agree to the terms of this "Release from Liability and Indemnity Agreement" ("Agreement") as follows.

- 2. <u>No Assumption Responsibility by Association</u>. Owner agrees that Association assumes no liability or responsibility for any accident, personal injury, wrongful death, or property damage arising from the Event, and Association assumes no liability or responsibility for supervising the Event, any of the activities associated with the Event, or the Common Area where the Event takes place.
- 3. Deposit and Reimbursement of Expenses. Prior to or concurrent with the execution of this Agreement, Owner shall deliver to Association payment of \$100.00, for the purpose reimbursing Association for any costs incurred in connection with repairing or restoring any property or improvements that may be damaged as a result of the Event; provided, however, the amount of the deposit shall not be deemed a limitation of Owner's liability hereunder. Owner shall be responsible and liable for any damages or costs Association incurs in excess of the deposited funds in connection with the Event. After the Event, Owner shall pay Association, in advance, for any costs Association may reasonably need to incur over and above the amount deposited to repair and restore any portion of the Common Area, or any other Association property, damaged or disturbed from the Event to at least as good of a condition as existed prior to the Event. Any unused portion of the deposit shall be refunded to Owner within thirty (30) days after the Event.
- 4. <u>Compliance with Rules</u>. Owner shall comply with, and shall be responsible for ensuring that all participants in the Event comply with, (a) all applicable Association policies, rules, regulations, and restrictions (hereinafter "the Rules") governing the use and conduct on the Common Area and use of Bounce House devices, and (b) all applicable Federal, State, and Municipal laws, statutes, and regulations that may apply to the Event and use of the Bounce House.
- 5. Owner Inspection of Common Area. Owner shall be responsible to inspect the Common Area where the Event will take place prior to use and identify any potentially dangerous conditions that may be present and report same to Association. Association shall not have any duty to inspect the Common Area prior to Owner conducting the Event, or at anytime during the term of this

Agreement. Association makes no warranty or representation that the Common Area is fit or suitable for the Event. Owner shall be responsible for properly and clearly marking any observed dangerous conditions and ensuring that the Event activities are not conducted in the proximity of such dangerous conditions and that all participants in the Event are kept away from such dangerous conditions. Owner acknowledges and agrees that Association shall not be responsible for inspecting the Common Area where the Event will be held or identifying any potentially dangerous conditions prior to Owner conducting the Event thereon. Upon being notified of any dangerous conditions on the Common Area where the Event will take place, Association, in its discretion, may make appropriate repairs, require Owner to mark the dangerous condition and take steps to ensure no activities concerning the Event are conducted in the proximity thereof, or close-off the portion of the Common Area where the dangerous condition exists.

- 6. <u>Clean-up</u>. Owner shall remove and clean-up promptly after conclusion of the Event and in a reasonable fashion all debris, materials, trash, and rubbish created by, or arising from, the Event. If Owner fails to comply with Owner's responsibilities hereunder, Association may, but is not obligated to, clean-up and restore the affected areas and Owner shall be responsible to reimburse Association for the costs thereof, which may be deducted from Owner's deposit provided hereunder (if available); otherwise, Owner shall make payment to Association within ten (10) days after Association's tender of written demand for reimbursement.
- 7. <u>Insurance</u>. Prior to the Event, Owner shall purchase and maintain for the Event Liability Insurance on an "occurrence" basis with a combined single limit of at least \$1,000,000 each Occurrence, or limit carried, whichever is greater with coverage for property damage, personally injury, and wrongful death concerning the Event. Such insurance must state that there are no exclusions applicable to condominium projects, homeowner associations, or other common interest developments. As evidence of insurance coverage, Owner shall deliver certificates of insurance issued by Owner's insurance carrier showing such policies in force, **including an endorsement naming Association and Association's directors, officers, managing agents, and representatives as Additional Insured's, a Waiver of Subrogation, and which endorsements provide that the insurance coverage is Primary and any insurance or self-insurance maintained by the Additional Insured's is Excess and Noncontributing. Each certificate of insurance and endorsement shall provide that such policy shall not be subject to cancellation or non-renewal without ten (10) days prior written notice delivered to Association. The insurance company must be authorized to transact the business of insurance in the State of California and with no less than an A:VII Rating (or a lower rating if approved by the Board).**
- 8. <u>Assumption of Risk</u>. OWNER AGREES TO ACCEPT THE RESPONSIBILITY AND ANY AND ALL RISKS OF INJURY OR DEATH TO ANY PERSON, OR DAMAGE TO PROPERTY DIRECTLY OR INDIRECTLY ARISING OUT OF OR RESULTING FROM USE OF THE COMMON AREA FOR THE EVENT.
- 9. Release. OWNER HEREBY AGREES ON BEHALF OF OWNER, AND HIS/HER HEIRS, EXECUTORS, ADMINISTRATORS, AND ASSIGNS TO RELEASE, WAIVE, DISCHARGE ASSOCIATION, ITS DIRECTORS, OFFICERS, MEMBERS, EMPLOYEES, AGENTS, REPRESENTATIVES, ATTORNEYS, AND CONTRACTORS (COLLECTIVELY, THE "ASSOCIATION PARTIES") FROM ALL MANNER OF CLAIMS, ACTIONS, CAUSES OF ACTIONS, SUITS, LIENS, LAWSUITS, DEBTS, DUES, OBLIGATIONS, DAMAGES, COSTS, FEES (INCLUDNG WITHOUT LIMITATION ATTORNEY'S FEES), AND

DEMANDS OF EVERY NATURE, KIND, AND DESCRIPTION WHATSOEVER, INCLUDING, WITHOUT LIMITATION, FOR PERSONAL INJURY, PROPERTY DAMAGE, OR WRONGFUL DEATH, WHETHER KNOWN OR UNKNOWN, AND WHETHER SUSPECTED OR UNSUSPECTED (COLLECTIVELY, "CLAIMS," AND INDIVIDUALLY, "CLAIM"), WHICH MAY HEREAFTER ARISE ON OWNER'S BEHALF OR ON BEHALF OF OWNER'S HEIRS, EXECUTORS, ADMINISTRATORS, OR ASSIGNS, DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATED TO THE EVENT OR OWNER'S USE OF THE COMMON AREA FOR THE EVENT.

- 10. Covenant Not To Sue. OWNER AGREES THAT UNDER NO CIRCUMSTANCES WILL OWNER, OR OWNER'S HEIRS, EXECUTORS, ADMINISTRATORS, OR ASSIGNS, PROSECUTE OR PRESENT ANY CLAIM AGAINST ANY OF THE ASSOCIATION PARTIES, WHETHER THE SAME SHALL ARISE BY ANY ACT OF GOD, BY OWNER'S NEGLIGENCE, BY THE NEGLIGENCE OF ANY OF THE ASSOCIATION PARTIES, OR OTHERWISE. OWNER AGREES THAT IT IS OWNER'S INTENTION BY THIS AGREEMENT, TO EXEMPT AND RELIEVE EACH OF THE ASSOCIATION PARTIES FROM LIABILITY FOR ANY CLAIMS CAUSED BY NEGLIGENCE IN CONNECTION WITH OWNER'S USE OF THE COMMON AREA FOR THE EVENT HOWEVER THE SAME MAY OCCUR, AND FOR WHATEVER PERIOD OF TIME SAID EVENT MAY CONTINUE.
- 11. Indemnification. OWNER AGREES TO INDEMNIFY AND DEFEND, AT OWNER'S SOLE COST AND EXPENSE, AND TO SAVE AND HOLD HARMLESS EACH OF THE ASSOCIATION PARTIES FROM ANY AND ALL CLAIMS ARISING DIRECTLY OR INDIRECTLY FROM THE EVENT, AND/OR USE OF THE COMMON AREA FOR THE EVENT, HOWEVER THE SAME MAY OCCUR, AND FOR WHATEVER PERIOD OF TIME SAID ACTIVITIES MAY CONTINUE, AND WHETHER OR NOT RESULTING FROM ANY ACT OF GOD, OWNER'S OWN NEGLIGENCE, OR THE NEGLIGENCE OR OTHER ACTS, HOWEVER CAUSED, OF ANY THIRD PERSON, OR ANY OF THE ASSOCIATION PARTIES. THIS INDEMNIFICATION SHALL INCLUDE CLAIMS RESULTING FROM OR ALLEGED TO RESULT FROM EITHER ACTIVE OR PASSIVE NEGLIGENCE OF ANY OF THE ASSOCIATION PARTIES. OWNER'S OBLIGATIONS HEREUNDER SHALL NOT BE LIMITED IN DURATION OR AMOUNT. OWNER'S OBLIGATIONS HEREUNDER SHALL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT AND UNTIL SUCH TIME AS ACTION AGAINST THE ASSOCIATION PARTIES ON ACCOUNT OF ANY SUCH CLAIM IS BARRED BY THE APPLICABLE STATUTE OF LIMITATIONS.
- 12. Attorneys' Fees. In the event of any arbitration, mediation, litigation, or other proceeding arising out of the interpretation or enforcement of this Agreement or otherwise in connection with this Agreement, the prevailing party shall be entitled to recover from the nonprevailing party attorneys' fees and costs incurred in connection with such dispute and any such arbitration, mediation, litigation, or other proceeding.
- 13. <u>Representation</u>. Owner warrants and represents that Owner has carefully read this Agreement, fully understand its contents, is fully aware of the consequences of signing this Agreement, and has an opportunity to confer with legal counsel concerning entering into this Agreement. Owner is fully aware that this Release of Liability and Indemnity Agreement, including the consents, agreements, and authorizations set forth herein, shall be valid.

- 14. <u>Severability</u>. If any provision, or part thereof, of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions or parts thereof shall nevertheless continue in full force and effect without being impaired or invalidated in any way.
- 15. <u>Governing Law and Execution</u>. This Agreement shall be governed by and construed in accordance with the laws of the State of California. A facsimile, photocopied, or electronic (e.g., pdf) signature shall be deemed as effective as an original for all purposes.

OWNER:			
Date:	By:		
Address:			
Home Telephone		Work Telephone	
	omeowners Association		
Date:	By:		
Print Name:			
Title:			

Section 6: COLLECTION PROCEDURES FOR DELINQUENT ASSESSMENTS

Prompt payment of assessments by all Owners is critical to the financial health of the Association and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the CC&R's and the California Civil Code to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. Therefore, pursuant to the CC&R's and applicable California law, the following are the Association's assessment collection practices and policies, which the management company has been directed to enforce. Owners are advised that they do not have a legal right to withhold assessments, or any portion thereof, on the grounds that the owner is entitled to recover money or damages from the Association or for any alleged failure of the Association to maintain the Common Area. (Park Places Estates HOA v. Nabor (1994) 20 Cal. App. 4th 427).

1. Regular monthly assessments are due and payable on the first (1st) day of every month and are due *whether or not the Owner receives a billing statement*. If a statement is not received for any reason, mail your check for the regular monthly assessment amount payable to SOUTH COAST SHORES HOMEOWNERS ASSOCIATION, c/o the Association's **Property Management company at the following address:**

South Coast Shores Homeowners Association c/o Optimum Property Management, Inc. 230 Commerce, Suite 250 Irvine, CA 92602

In addition, Contact information for the Association's Property Management company can be found on the bulletin board at the entry to the clubhouse or in the monthly SCS newsletter. Overnight payments are accepted Monday through Friday.

- 2. All other assessments, including Special Assessments, are due and payable on the date specified by the Board in the notice of assessment.
- 3. Assessments, late charges, interest and collection costs (including attorney's fees) are the personal obligation of the owner of the property at the time the assessment or other sums are levied. (Civil Code 5650[a]).
- 4. Unpaid assessments are delinquent 15 days after they are due (Civil Code 5650(b); CC&R's Art. VI, Sec. 11b). Any installment of annual assessments and special assessments not received within thirty (30) days after the due date, plus all reasonable costs of collection (including attorney's fees) and late charges, shall bear interest commencing thirty (30) days from the due date until paid at the rate of twelve percent (12%) per annum. (Civil Code 5650(b)).

PROCEDURES FOR COLLECTION OF PAST DUE ASSESSMENTS

- 1. *15 Days Past Due*: A late charge of \$10 will be assessed to the Owner's account for any assessment that is not received on or before the 15th of the month (Civil Code 5650(b)). One past due statement will be mailed to the Owner with notification that the assessment is past due.
- 2. **45 Days Past Due:** A Delinquent Processing Fee of \$150.00 will be assessed to the Owner's account after Board of Directors review. A *Notice of Intent to Record Assessment Lien* letter will be mailed to the Owner as required by Civil Code 5660 via Certified & First Class Mail to the owner of record at the address of record after Board of Directors review. The Association will state its intent to either lien the property or file a small claims action if payment in full is not received within 30 days, or a longer period of time that may be prescribed in the letter. If the small claims action is taken, the letter may be titled *Notice of Intent to Commence Collection Action*.
- 3. In addition to all other available remedies as described herein, in the Association's governing documents, and under law, the Association's Board of Directors may, after providing the owner notice and an opportunity for a hearing, determine to suspend (a) the owner's voting rights and/or privileges, and (b) right of use of the Association's recreational facilities. Such suspension of voting rights, privileges, and/or use of recreational facilities may remain in effect for any period during which payment of any assessment against the owner remains delinquent. Also, the suspension of privileges shall apply to all residents of the owner's unit and any other person who may derive rights from the owner (e.g. tenants, guests, and family members).

LIEN PROCESSING ACTIONS

- 1. After issuing of the *Notice of Intent to Record Assessment Lien* letter, the Board of Directors shall decide in a Board of Directors open meeting to file a lien against the property (while preserving the confidentiality owner's name by referring to the matter by the property parcel number or account number).
- 2. No Sooner Than 75 DAYS Past Due: A Lien Processing Fee of \$300.00 plus applicable notary fee(s) will be considered by the Board of Directors for assessment to the Owner's account. A lien for the amount of any delinquent assessments, late charges, interest, and costs of collection will be recorded against the Owner's real property. If the amount set forth in the Notice of Intent to Record Assessment Lien is not received within 30 days of the postmark of said letter (or such longer period of time that may be prescribed in the letter), and said lien was approved by the Board of Directors, a copy of the lien will be sent to the Owner at the address of record via certified & first class mail. This Lien Processing Fee also includes the Lien Release Fee.
- 3. *No Sooner Than 15 Days After The Lien Has Been Recorded*: An Intent to Foreclose Fee of \$100.00 will be assessed to the Owner's account, and an *Intent to Foreclose Letter* will be mailed to the owner.
- 4. No Sooner Than 30 Days After The Intent to Foreclose Letter Has Been Mailed: A Debt Collector Package Fee of \$300.00 will be assessed to the Owner's account. The delinquent account will be referred to a Debt Collector for further collection action at the expiration of

thirty (30) days following recordation of the lien. The lien may be enforced in any manner permitted by law, including judicial or non-judicial foreclosure. (Civil Code 5700). The Owner will also be responsible for all reasonable costs of collection (including attorney's fees) to collect any delinquent sums (Civil Code 5650).

SMALL CLAIMS ACTIONS

The Association, at any point after the *Intent to Commence Collection Action*, may file an action in small claims court to collect the past due assessments and other charges. The Association shall charge a \$750.00 collection fee plus all court costs to the Owner's account if appearance in small claims court is necessary. If a judgment is obtained in small claims court, the judgment may be reported to the credit reporting agencies. In addition, all costs of collection shall be considered due and payable and added to the judgment. Assessments owed after the date of the judgment will remain due and payable according to the collection policy set forth herein.

OWNERS RIGHTS REGARDING PAST DUE ASSESSMENTS

Owners have the right under California law to dispute the debt. Said dispute must be in writing in accordance with the Association's meet and confer program required by Article 2 (commencing with Section 5900) of Chapter 10 of the Civil Code. If it is ever proven that the Owner did in fact pay the assessments on time, the Owner will not be liable for any late charges, interest and costs of collection.

PAYMENT PLANS FOR PAST DUE ASSESSMENTS

Owners have the right to request a payment plan in writing by postmarking said request within fifteen (15) days of the postmark of the Notice of Intent to Record Assessment Lien letter. In addition to requesting a payment plan, Owners also have the right to request a meeting with the Board of Directors in executive session to discuss the payment plan. Payment plans will be approved on a case by-case basis. The submission of a payment plan request to the Association does not delay the collection proceedings. A lien may still be filed against the property in accordance with the Association's collection policy while the request is being reviewed. Reviewing the request does not constitute a waiver by the Association of any default, and does not relieve the Owner of the obligation to pay all assessments, late charges, collection costs, and interest when due. The Owner should submit the request in writing, and should describe any circumstances, which the Owner wishes the Board of Directors to consider. The Owner should also attach to the request copies of all documents the owner wishes the Association to consider. The Owner should also attach to the proposed payment plan a cashier's check for the amount of the first payment as proposed in the payment plan. If the Owner wishes to submit a payment plan request after the Owner has been contacted by the Association's third-party Debt Collector regarding the delinquent account, the request for a payment plan with all attachments should be submitted directly to that Debt Collector. Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association.

OTHER INFORMATION

Any payments made without specific direction shall be first applied to the oldest assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner and the

Association enter into an agreement providing for payments to be applied in a different manner. (Civil Code Section 5655(a)

Any owner may request in writing that an additional copy of notices concerning assessment collection be sent to a secondary address pursuant to Civil Code Section 4040(b). The owner's written request must be sent via first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express an express service carrier to the Association's Property Management company at the address provided above.

An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Civil Code Section 5205.

The Association will charge \$25.00 to the owner for any returned check. In addition, the owner will be assessed for any bank charges associated with the returned check or direct debit. If the check or direct debit cannot be negotiated, the Association may also seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) pursuant to Civil Code Section 1719.

Fees are subject to change without notice.

Section 7: ENFORCEMENT PROCEDURES

Basic Policy on Enforcement.

An objective of enforcement action is to promote and seek *voluntary* compliance by Owners and residents with the Association's Governing Documents, and, if necessary, compel an owner's compliance where the owner refuses to comply voluntarily. The term Governing Documents as used herein includes the Association's Rules and Regulations, Architectural Policies, Bylaws, Articles of Incorporation, and recorded Restated Declaration of Covenants, Conditions, and Restrictions, as amended and supplemented ("Declaration"), and any other policies, rules, and procedures the Board adopts. The Association may, in its discretion, pursue any one or combination of the remedies described below in any order, including proceeding immediately with monetary fine hearing proceedings, suspension of privileges, implementing correction of the violation, alternative dispute resolution, legal action, or any other authorized remedy, if the Board determines such action is appropriate. In addition, notwithstanding the monetary fine schedule provided herein, the Board, in its discretion, may impose monetary fine up to \$500.00 and/or other disciplinary action on a first or subsequent violation if the Board determines, in its discretion, the facts and circumstances of the violation merit such disciplinary action. All available remedies are cumulative and not exclusive. If the Board has adopted a special enforcement procedures as to any other matter (e.g., parking violations, residential use policy), such special enforcement procedures shall have priority over and control over these enforcement procedures and the general fine schedule to the extent of any inconsistencies.

Informal Complaints. If a resident has a complaint about another resident violating the Association CC&Rs or Rules and Regulations, the resident is encouraged to contact the person believed to be in violation and request that the violation be corrected. Such informal requests are often the most effective method for correcting or preventing violations.

Formal Complaints. If direct contact between residents fails to correct the complaint, a resident may lodge a formal complaint with the Board of Directors. The written complaint must clearly state the nature of the violation, the person or persons involved in the violation, the date, time and location of the violation and should provide information on any other witnesses to the violation. The complaint must be sent to the Board of Directors in care of the Property Management company.

1. Initial Courtesy Letter.

A courtesy letter may be sent by management, requesting the owner and/or resident's voluntary cooperation to correct the alleged violation. Such notice shall describe in ordinary, concise language the nature of the alleged violation, and request that the owner and/or resident correct the condition within a reasonable time specified in the notice. If the courtesy notice does not bring about voluntary compliance, the Association may, as described herein, proceed with other enforcement action.

2. Violation Letter/Hearing Procedures.

If an initial courtesy letter is sent and the Owner and/or resident does not correct the violation, or if the Board determines, in its discretion, to proceed with a hearing violation letter as the first notice, the Board may impose a monetary fine, suspend Membership privileges, and/or determine to implement corrective maintenance and charge the owner for the cost thereof, after the owner is provided notice of an opportunity to attend a hearing on the matter. The violation/notice of hearing letter shall contain in substantial form, the following information:

- (a) A description of the alleged violation(s);
- (b) Notice of the date, time, and place of where the owner shall have an opportunity to be heard by the Board to explain why disciplinary action for the violation(s) should not be imposed. The date of the hearing shall be no less than fifteen (15) days after the date the notice of hearing is mailed to the owner; provided, however, no hearing may be held less than thirty (30) days after the written statement of alleged violations is mailed to the Owner (i.e., the shorter fifteen (15) day notice period may apply in instances where an initial courtesy letter with the written statement of alleged violations is sent prior to a subsequent notice of hearing letter);
- (c) No proceedings shall be brought against any Member more than sixty (60) days after such Member is provided a written statement of charges;
- (d) The Board shall appoint a panel of three (3) capable persons (one of whom shall be designated chairman), at least two (2) of whom shall be Board members, and who shall hear the charges and evaluate the evidence of the alleged violation. If the Board fails to appoint a specific hearing panel, the Board shall serve as the hearing panel.

3. **Hearing Procedures**.

The following procedures shall apply to hearing proceedings:

- (a) The hearing shall be conducted in Executive Session according to such reasonable rules and procedures the Board may prescribe;
- (b) The Owner may, but need not be represented by legal counsel at the hearing, shall have the right to attend the hearing, submit a statement of defense prior to the hearing, and present relevant oral and written evidence and testimony of witnesses at the hearing, and cross-examine any adverse witnesses;
- (c) The Board may impose one or more of the following sanctions for a violation: (i) levy a monetary fine, (ii) suspend or condition the right to use any recreational facilities the Association owns, operates or maintains, (iii) suspend the Owner's voting privileges, and/or (iv) enter upon the Owner's Lot to remedy the violation of the Governing Documents; provided however, any suspension of Membership privileges may not be for a period of more than thirty (30) days for any

noncontinuing infraction; but otherwise for a continuing infraction, such suspension may continue for so long as the violation continues;

- (d) The Board's written decision shall be provided to the owner within seven (7) days after the date of the hearing and explain the disciplinary action, corrective action, fines levied, suspension of Membership privileges, and/or other penalties levied, and the reasons therefor;
- (e) If the owner does not attend the hearing or otherwise submit a statement of defense prior to the hearing, the Owner shall be deemed to have waived his/her right to a hearing and his/her right to object to the action taken; and
- (f) If the Member corrects the alleged violation prior to the hearing date, the Board shall discontinue the proceedings.

4. <u>Initial Dispute Resolution and Alternative Dispute Resolution ("ADR")</u>.

The Association shall, as necessary, comply with the provisions of California <u>Civil Code</u> Sections 5900 et seq. and 5925 et seq., before bringing any civil action or suit to enforce the Association's Governing Documents.

5. <u>Court Action.</u>

The Association may file a court action in law or in equity.

Section 8: ELECTION RULES & PROCEDURES

These Election Rules and Procedures ("Election Rules") establish certain procedural rules for conducting membership meetings and implementing the relevant provisions of the Association's Bylaws, the California Civil Code, the California Corporations Code, and California law concerning membership elections and membership voting. To the extent any of the following rules are inconsistent with the Association's Bylaws, Articles of Incorporation, CC&Rs (collectively, "Governing Documents"), or California law, the Governing Documents or California law, as the case may be, shall control.

1. <u>Campaigning</u>: If any candidate or Member advocating a point of view is provided access to Association media, newsletters, or the internet web site for purposes that are reasonably related to an election, all candidates and Members advocating a point of view will be provided equal access. Any view, comments or opinions set forth in any communication from a candidate or Member are those solely of the candidate or Member. The Association is not responsible or liable for such content.

Access to the Common Area meeting space will be provided during a campaign at no cost to all candidates and to all Members advocating a point of view for purposes reasonably related to the election. Funds of the Association shall not be used for campaign purposes in connection with any Association election except to the extent necessary to comply with duties of the Association imposed by law.

- **2. <u>Board of Directors Qualifications</u>**: Directors must be Members of the Association in residence at South Coast Shores, physically living within the community.
- **3.** <u>Voting Qualifications</u>: Each Member of record is entitled to vote. Members shall be entitled to cast one (1) ballot for each Lot owned.
- (a) <u>Legal Entity Owners</u>. If title to a Unit is held by a legal entity that is not a natural person, the governing authority of that legal entity shall have the power to appoint a natural person to serve as the Member of the Association on the entity's behalf for purposes of voting on Secret Ballot Topics as provided herein and for all other purposes under Civil Code sections 5100 through 5145.
- (b) General Power of Attorney. A person with general power of attorney for a Member shall be entitled to vote on behalf of said Member, provided the general power of attorney is submitted to the Association prior to the date the ballots are counted (so that the Association has notice of the existence of the general power of attorney), or submitted to the inspector of elections prior to the inspector completing of the counting of ballots and provided the ballot was timely returned prior to the closing of the polls.
- (c) Record Date for Notice and Voting. The Board of Directors may fix a date in the future as a record date for the determination of the Members entitled to notice of any meeting of Members. The record date so fixed shall be not less than ten (10) days or more than ninety (90) days prior to the date of the meeting. If the Board does not fix a record date for notice to Members, the record date for notice shall be at 5:00 p.m. on the business day preceding the day on

which notice is given. In addition, the Board of Directors may fix a date in the future as a record date for the determination of the Members entitled to vote at any meeting of Members, which shall be not be more than sixty (60) days prior to the date of the meeting; provided, however, pursuant to Civil Code section 5105(g)(1), the Association shall not deny providing a ballot to a Member who was a Member at the time the ballots were distributed. If the Board does not fix a record date for determining Members entitled to vote, a person is entitled to vote at the meeting if the person is established to be a Member according to the Association's books and records on the day of the meeting or if the person can establish that he/she/it is a Member on the day of the meeting by producing a copy of a grant deed conveyance of a Lot in the community to such person recorded in the Office of the Orange County Recorder.

- 4. Nomination Procedures: Nominations for election to the Board of Directors shall be made by a Nominating Committee consisting of a Chairman, who shall be a Member of the Board, one other Board member, and one or more members of the Association (who may be Board members), as appointed by the Board. If the Board does not appoint a Nominating Committee, the Board shall serve as the Nominating Committee. The Nominating Committee shall make as many nominations as necessary to fill vacancies on the Board, provided qualified persons are willing to serve. Nominations may be made from among only Members who reside in the South Coast Shores community. Nomination may also be made by qualified Owners submitting their names and candidate statements to the Property Management company. Nominations may also be made from the floor at the Annual Meeting. Self-nominations are permitted. "Write-in" candidates on the secret ballot are permitted, provided the "write-in" candidate gives his or her consent in writing to be nominated prior to or at the meeting, or is present at the meeting to accept the nomination as a candidate; otherwise, a write-in candidate will not be a valid candidate for election to the Board.
- (a) <u>Notice of Nomination Procedures</u>. At least 30 days before any deadline for submitting a nomination, the Association shall provide general notice (i.e., by posting pursuant to Civil Code section 4045) of the procedure and deadline for submitting a nomination for election to the Board of Directors; provided, however, individual notice shall be delivered to any Member pursuant to Civil Code section 4040 if Member has requested such individual notice.
- (b) <u>Notice of List of Candidates and Ballot Information</u>. At least 30 days <u>before</u> ballots are distributed to the Members, the Association shall provide the following information by general notice (i.e., by posting pursuant to Civil Code section 4045); provided, however, individual notice shall be delivered to any Member pursuant to Civil Code section 4040 if Member has requested such individual notice:
 - (i) The date and time by which, and the physical address where, ballots are to be returned by mail or handed to the inspector or inspectors of elections;
 - (ii) The date, time, and location of the meeting at which ballots will be counted; and
 - (iii) The list of all candidates' names that will appear on the ballot. In the Notice and on the Secret Ballot, candidates will be listed in alphabetical order by last name, then by first name if candidates have the same last name. Incumbents may be identified by an asterisk., but this practice shall not be mandatory.

(e) <u>Verification of Information on Candidate Registration List and Voter List.</u>
Members shall be permitted to verify the accuracy of their individual information on the candidate registration list and voter list (i.e., the list containing the name, voting power, and either the physical address of the voter's separate interest, the parcel number, or both) at least 30 days before the ballots are distributed. The Association or Member shall report any errors or omissions on either list to the inspector(s) who shall make the corrections within two business days.

5. <u>Nominee Qualifications</u>.

Pursuant to authority under Civil Code section 5105(c), the following persons are NOT qualified for nomination as a candidate to serve on the Board; provided, however, the Association shall provide any such nominee the opportunity to engage in internal dispute resolution (IDR) pursuant to Civil Code section 5900:

- (a) Any nominee who is not a Member of the Association.
- (b) Any nominee who has been a Member of the Association for less than one year.
- (c) Any nominee who, if elected, would serve on the Board at the same time as another person who holds a joint ownership interest in the same Unit as the nominee and the other person is either properly nominated for the current election or is an incumbent director.
- (d) Any nominee who discloses, or if the Association is aware or becomes aware of, a past criminal conviction that would, if the nominee was elected, either prevent the Association from purchasing the fidelity bond coverage required by Civil Code section 5806 or terminate the Association's existing fidelity bond coverage.
- (e) Subject to the conditions below, a nominee for a Board seat, and a director during his or her Board tenure, must current in the payment of regular and special assessments for the three (3) months immediately preceding the date of the election. A nominee shall be disqualified from nomination for nonpayment of regular and special assessments as provided above, but may not be disqualified for nonpayment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party (e.g., management, or a collection firm). Notwithstanding the foregoing under this subdivision (e), the nominee shall not be disqualified for failure to be current in payment of regular and special assessments if any of the following circumstances are true:
 - (i) The nominee has paid the regular or special assessment under protest pursuant to Civil Code section 5658; or
 - (ii) The nominee has entered into a payment plan pursuant to Civil Code section 5665.
- **6. Nominee/Candidate Statements**. Each candidate will be provided an opportunity to submit a written statement of up to 150 words, which is reasonably related to the election,

including advocating a point of view. Timely received candidate statements will be included with the Association's mailing of the notice and ballot materials. The Association will not edit or redact these statements but may include a statement specifying that the candidate is responsible for the content.

- 7. Quorum. The presence in person, by proxy, or secret ballot of Owners entitled to cast fifty-one percent (51%) of the voting power of the Association shall constitute a quorum for the transaction of business at all Member meetings, except as otherwise provided by California law or the governing documents.
- **8.** Other Business. Other business at the Annual or other membership meeting, such as approval of minutes, motions to close registration, motions to adjourn, and other parliamentary procedures required by a recognized system of parliamentary procedure, may be conducted by a show of hands, voice vote, or other recognized method, including a roll call vote, and may be approved by the majority vote of those Members physically present or present by proxy at the meeting.
- 9. <u>Voting Procedures</u>: The By-laws for South Coast Shores Homeowners Association and California law authorize the use of secret ballots and proxies. Membership voting regarding assessments, election or removal of members to the Board of Directors, amendments to the governing documents, the proposed grant of exclusive use of common area pursuant to <u>Civil Code</u> Section 5100, and any other matters the Board determines to conduct by a secret ballot vote pursuant to these Election Rules (hereinafter "Secret Ballot Topics") shall be conducted through secret ballot procedures in compliance with <u>Civil Code</u> Section 5100 et seq., and secret ballots will be provided to all Members for their use in such instances.

Elections will be conducted in accordance with the following procedures:

- (a) Delivery Of Secret Ballots And Election Rules (Delivery Required At Least 30 Days Before An Election). At least 30 days before an election, the Inspector(s) of election shall deliver, or cause to be delivered (e.g., the Inspector(s) may cause the Association's managing agent to deliver), to each Member both of the following documents:
 - (i) The ballot or ballots; and
 - (ii) A copy of these Rules. Delivery of these Rules may be accomplished by either of the following methods:
 - (A) Posting the election operating rules to an internet website and include the corresponding internet website address on the ballot together with the phrase, in at least 12-point font: "The rules governing this election may be found here:"; or
 - (B) Individual delivery, as described in California Civil Code section 4040.
 - (b) Completion and Return of Secret Ballots.

- (i) Ballots, instructions and two (inner and outer) envelopes shall be delivered or mailed by first-class mail to every Member not less than thirty (30) days prior to the deadline for voting.
- (ii) Ballots are *not* to be signed by the Member. Any identifying marks or signature on the ballot will waive the right to confidentiality.
- (iii) Completed ballots must be placed into the inner envelope that has no identifying information on it (for instance, no Member name, no property address, no signature), and the inner envelope is then sealed by the Member.
- (iv) The sealed envelope is inserted into the outer envelope that is pre-addressed to the Inspector(s) of Election and then sealed by the Member.
- (v) In the upper left-hand corner of the outer envelope, the Member *must* print his or her name and the address of the property in the South Coast Shores Homeowners Association. Then the Member *must* sign his or her name in the upper left-hand corner of the outer envelope. Return address labels should not be used. Ballots received in improperly completed envelopes (for instance, not completed by hand or not signed) may *not* be counted.
- (vi) The sealed outer envelope may be mailed or delivered by hand to the Property Management company's office, unless another place is designated by the Inspector(s). The Member may request a receipt for delivery.
- (vii) After a ballot is received by the Association, in the place designated by the Inspector(s), it is deemed irrevocable, even if it is unopened.
- (viii) The sealed ballots shall be in the custody of the Inspectors of Election or in the place designated by the Inspectors at all times.
- (ix) No person may open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.
- (x) With respect to voting at membership meetings on Secret Ballot Topics, the voting period shall commence when the first ballot is mailed or delivered to a Member of the Association and shall end at such time as the Inspectors of Election determine the polls close. With respect to voting at membership meetings on topics other than Secret Ballot Topics, the voting period shall commence at the meeting at such time as the chairperson declares the voting period open and shall end at such time as the Inspector(s) of Election shall determine the polls close. With respect to voting through a mail-in ballot on matters other than Secret Ballot Topics, voting shall commence when the first ballot is mailed or delivered to an Association Member and shall end at such time as is specified on the ballot. In the event the required quorum is not attained at an initial or adjourned meeting at which secret ballots will be used, and in the event the meeting is adjourned and rescheduled for a later date, all secret ballots cast shall carry over until quorum is attained.
- (xi) When a voting box for a candidate is "checked" or otherwise marked by a non-numerical symbol (e.g., an "X"), and it is the only box "checked" or

marked, all of the member's votes shall be counted for that candidate. When more than one box is "checked" or marked by a non-numerical symbol on the ballot, but less than the number of directors to be elected, the count shall be one vote per "check" or mark not to exceed the number of authorized votes. No fractional votes permitted.

- 10. Cumulative Voting: Cumulative voting is required in all elections for the Board of Directors in which more than two positions are to be filled. For example, if there are three candidates, a Member may cast three votes. These three votes may be distributed equally among three candidates, one vote for each candidate; or all three votes may be given to just one candidate; or you may give one candidate two votes while another receives one vote and the third candidate does not receive any votes. No Member shall be entitled to cumulative votes for candidates unless the names of such candidate(s) has/have been placed in nomination prior to the voting.
- 11. Use of Proxies: If a Member chooses to use a proxy, the proxy must be filed with the Secretary of the Association and must comply with Civil Code section 5130. A validly executed proxy that does not state that it is irrevocable shall continue in full force and effect unless (i) revoked by the Member executing it before the vote cast pursuant to that proxy by a written notice delivered to the Association stating that the proxy is revoked by a subsequent proxy executed by such Member, by personal attendance and voting at a meeting by such Member, or by submission of a secret ballot, or (ii) if written notice of death or incapacity of the maker of the proxy is received by the Association before the vote pursuant to the proxy is counted; provided that no proxy shall be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three (3) years from the date of execution. The Association may distribute "three year" proxies for quorum purposes only prepared in accordance with California law. Such proxies shall be used solely for quorum purposes and shall not be used for purposes of voting.

Any form of proxy that is distributed to the Membership by any person must afford the opportunity to specify a choice between approval or disapproval of each matter to be acted upon, except that it is not mandatory that a candidate for election to the Board of Directors be named in the proxy. The proxy must provide that where the Member specified a choice, the vote will be cast in accordance with that choice.

A proxy must (A) identify a proxy holder (who must be a Member of the Association and physically attend the meeting for which the proxy is being exercised), (B) contain voting instructions, and (C) be signed by the Member giving the proxy. Any instruction given in a proxy issued for an election that directs the manner in which the proxy holder is to cast the vote must be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. If votes are cast on a proxy, but the Member failed to check the box indicating that the proxy is to be voted in accordance with the Member's instructions, the votes cast shall be counted as marked by the Member, provided there are no conflicting instructions on the proxy and the proxy is otherwise valid. The proxy holder must cast the Member's vote by secret ballot. A proxy that does not satisfy these requirements may not be counted. Revocable proxies concerning certain matters which require a vote of the Members are not valid as to such matters unless it sets forth the general nature of the matter to be voted on. Those certain matters are as follows: (1) removal of a Director without cause, (2) filling vacancies on the Board created by removal of a Director, (3) approval of transactions involving Directors, (4) amendment of the Articles or By-laws repealing,

restricting, creating, or expanding proxy rights, (5) sale, lease, conveyance, exchange, transfer or other disposition of all or substantially all of the assets of the Association, (6) merger of the Association with another corporation, (7) amendment of an agreement to merger, (8) voluntary dissolution of the Association, and (9) distribution of the Association's assets upon dissolution.

- 12. <u>Inspectors of Election</u>: Inspectors of Election will be appointed by the Board of Directors at a Board meeting held prior to the election and will serve as Inspectors until such time that their successors are appointed by the Board of Directors. Alternatively, Inspectors of Election may be appointed at the meeting where the vote is undertaken by either the Board or the Members physically present at the meeting There shall be either one (1) or three (3) Inspectors of Election for the Association. The decision or act of a majority shall be effective in all respects. Inspectors shall be independent third parties. Inspectors may be Members of the Association, but may not be Members of the Board of Directors, a candidate for the Board, or related to a Member of the Board or candidate for the Board. An Inspector may <u>NOT</u> be a person who is currently employed or under contract to the Association for any compensable services, other than serving as an inspector of elections.
- (a) Role of Inspectors of Election: Inspectors will (i) deliver or cause to be delivered at least 30 days prior to an election the ballot or ballots and a copy of the Rules as provided above in Rule 9(a), (ii) determine the number of Memberships entitled to vote and the voting power of each in accordance with the Association's governing documents; (iii) confirm the number of memberships represented at the meeting, (iv) confirm the existence of a quorum; (v)receive and determine the authenticity, validity, and effect of ballots and proxies, if any; (vi) hear and determine all challenges and questions in any way arising out of or in connection with the right to vote; (vii) count and tabulate all votes; (viii) determine when the polls shall close, (ix) determine and announce the tabulated results of the election. Ballots will be returned to the Association's managing office, unless another location is designated by the Inspectors.

Inspectors may also perform any acts as may be proper to conduct the election with fairness to all Members in accordance with the Inspectors of Election rules and all applicable rules of the Association regarding the conduct of the election. Inspectors must perform all duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical. If an Inspector(s) is/are unwilling to, unable to, or does not, perform his/her duties as stated in these rules, or becomes ineligible to be an Inspector at any time after appointment, the Board may remove such Inspector(s) without notice, and may appoint an Inspector(s) in his/her place.

- (b) <u>Tabulation of Votes</u>: All votes shall be counted and tabulated by the Inspectors of Election at a duly noticed meeting of the Board of Directors or Members. Any candidate or other Member of the Association may witness the counting and tabulation of the votes. Members who are not Inspectors or being overseen by an Inspector must remain at least five feet away from the counting area, or such greater reasonable distance the Inspector(s) may prescribe. Members who are not Inspectors or designated assistants may not participate in the counting or tabulation process or any discussions that may arise among the Inspectors or their designated assistants. Every Inspector of Election must sign the ballot tally sheet for the Association's corporate records.
- (c) <u>Custody of Ballot Materials</u>. Sealed ballots, signed voter envelopes, voter list, proxies (if any), and candidate registration list ("Ballot Materials") at all times shall be deemed to

be in the custody of the Inspector of Elections whether held at the Inspector of Election's office, at a location designated by the Inspector of Elections (which may be the Association's management company in care for the Inspector(s) of Elections), until the Ballot Materials are provided to the Inspector(s) of Election for opening, counting, and tabulation. After the tabulation of the ballots, the Inspector(s) of Elections shall continue to retain custody of the Ballot Materials until the time allowed by Section 5145 of the Civil Code for challenging the election has expired (i.e., within 1 year after the date that the inspector or inspectors of elections notifies the board and membership of the election results or the cause of action accrues, whichever is later), at which time custody shall be transferred to the Association; provided, however, unless the Inspector(s) of Elections otherwise provide(s), the Inspector(s) of Elections shall retain custody of the ballots at the designated location of the Association's management company. Ballots shall be stored in a secure place for no less than one (1) year after the date the inspector or inspectors of elections notifies the board and membership of the election results. After transfer of the Ballot Materials to the Association, the Association shall retain, as association election materials (see Civil Code section 5200(a)(13)), both a candidate registration list and a voter list. The voter list shall include the name, voting power, and either the physical address of the voter's separate interest, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list if it differs from the physical address of the voter's separate interest or if only the parcel number is used.

13. Recording and Announcing Election Results: The Inspector(s) shall report the results of the election promptly to the Board of Directors and the results will be recorded in the next regular session Board meeting Minutes. In addition to recording the election results in the next regular session Board of Directors meeting Minutes, the Association shall keep Annual Meeting Minutes that reflect the results of the election.

The Board of Directors will publicize the results of the election in a communication directed to all Members within fifteen (15) days of a successful (quorum achieved) election.

In the event of a recount or other challenge to the election process, the Association or Inspector(s) of Elections, as the case may be, shall, upon written request, make the ballots available for inspection and review by Association Members or their authorized representatives. Any recount of ballots shall be conducted in a manner that shall preserve the confidentiality of the vote

Section 9: ENTRY DEVICE RULES

- 1. Vehicle and pedestrian gate entry devices (keys and remote transmitters) are deemed to be part of each lot and must pass to a new Owner upon transfer of title. It is the responsibility of the seller and the seller's real estate agent to ensure that this transfer takes place.
- 2. Two remote transmitters and two entry keys are issued to each address. Additional transmitters or keys may be purchased from the Property Management company.
- 3. Lost devices or devices not transferred with the sale of property may be replaced by purchasing them from the Property Management company. A replacement fee will be charged.
- 4. Remote transmitters are used for opening the five vehicle gates on the perimeter of the complex. Keys are used for the six pedestrian gates on the perimeter, the pool/spa area and the clubhouse restrooms. All entry devices must be used in compliance with the Association Rules.
- 5. Only the following are authorized to have and use entry devices:
 - A. Resident Owners and their household.
 - B. Non-resident Owners.
 - C. Tenants and their household.
 - D. Commercial businesses, utilities and governmental services which must have access to the area, such as Association contractors, delivery services and the U.S. Postal Service.
 - E. Service providers contracted by residents for services in their homes.
- 6. Entry keys should not be duplicated.
- 7. Enforcement: Refer to Section 13 for enforcement, fines and disciplinary actions.

Attachment 6

SOUTH COAST SHORES HOMEOWNERS ASSOCIATION GATE ENTRY CODE APPLICATION

To update the Entrance Gate Directories at Gates 1, 2, 4 and 5, please update your contact information. This information is for in-house use only and will not be given to any other person, company, or affiliate. If you have not already selected a four (4)-digit Personal Gate Entry Code please complete that section below. This is for your use and the use of your friends, family, care givers, delivery people, and others. After completion, return this form to the Property Management company:

Contact information for the Property Management company vendor can be found on the bulletin board at the entry to the clubhouse or in the monthly Association newsletter.

(Please Print Clearly)		
Owner:	Signature:	
On site Address:		
Mailing Address if Different from	Above:	
Owner's Phone #'s: HMWK	Cell	Other_
Owner's Email:		
Tenant Names and phone #'s (if ap	plicable)	
Name:	HM Phone:	Cell:
Name:	HM Phone:	Cell:
Name:	HM Phone:	Cell:
Four Digit Personal Entry Code:	1)	(Cannot start with the number 8 or 9)
Alternative Four Digit Entry Code:	2)	(Cannot start with the number 8 or 9)

Section 10: LANDSCAPING

- 1. **Gardening:** The Association's Landscape vendor will maintain planted areas around each house unless the Owner notifies the Property Management company that he or she wishes to maintain the planted area touching the Owner's house. Upon sale of the property, this agreement remains in effect unless terminated by the new Owner. Please complete/submit a Landscape Improvement Form if you wish take over the maintenance for plants that require special attention or specific water schedules.
- 2. **Plant Removal:** An Owner may not remove established plant material and replace it with new material unless a Landscape Improvement Form has been submitted to the Property Management company and has been approved by the Landscape Committee. This includes the planting of trees, which must be of approved types and planted in approved areas only. Any tree planted by an Owner that results in property damage or other damage or injury (whether from limbs, roots, or the tree falling) shall be the responsibility and liability of the Owner and any repairs must be paid for by the Owner.
- 3. **Request for Landscape Plan Revision:** The Association's Landscape vendor will provide, on request from the Owner to the Property Management company, or as directed, a landscape plan for revision of the area around the house. Cost of the new material and labor will be billed to the Owner and must be paid for before work can start.
- 4. **Planters:** An Owner may not alter planter configurations without prior approval of the Landscape and Architectural Committees. Alterations which require that the irrigation be moved will be charged to the Owner.
- 5. **Pruning:** A resident who prunes the front or side yards must bag the pruned waste and dispose of it in their garage court trash bin. Pruned waste cannot be left out in the Common Area for the gardeners to pick up.
- 6. **Landscape Problems**: Owners should report any landscape or irrigation problems to the Property Management company, or as otherwise directed, as soon as possible. The Property Management company will have the Association's Landscape vendor check the problem and work on correcting the issue.
- 7. Vines: Vines are not allowed on stucco walls due to possible damage to the walls.
- 8. **Enforcement:** Refer to Section 13 for enforcement, fines and disciplinary actions.

Attachment 7 SOUTH COAST SHORES HOMEOWNERS ASSOCIATION LANDSCAPE IMPROVEMENT REQUEST

 \square WORK AT OWNER EXPENSE

SECTION 1: OWNER INFORMATION	<u>\alpha</u> : (Please Print Clearly)	
Name: Date:		
SCS Address		
Home Phone:	Work Phone:	
Start Date:	Completion Date:	
Check One:	☐ Work performed by Landscape vendor	
NATURE OF IMPROVEMENT / GENERAL D	ESCRIPTION: (Please attach diagram if necessary.)	
SECTION 2: APPROVAL PROCESS M. The Landscape Committee will review the the Owner. WORK MAY NOT COMMI denied, a letter will be forwarded to the Owner Applicant agrees and understands that in the even that they might impose "Special Conditions" of Any special condition shall be attached and be particularly failure to conform to these requirements will be abrought into conformance with the approved plate. The information given above, including attachments.	ent that the Landscape Request is approved by the Committee landscape construction and maintenance on the approved work. art of the approval. Applicant agrees and understands that automatic authorization by the Applicant to have the work	
	LEASE DO NOT WRITE IN THE SPACE BELOW	

Section 11: POOL AND SPA RULES

These Pool/Spa facility rules are established to ensure a positive experience for all residents and guests of South Coast Shores. They are not meant as being restrictive but are to be used as a guideline for a respectful and safe Pool/Spa experience for all.

- 1. **WARNING:** Lifeguards are not provided by the Association. All persons (i.e., children, teenagers, adults) using the pool or spa does so at his or her own risk. In addition, in order to promote the health and safety of all persons using the pool area, Owners and tenants shall supervise any family member, occupant, or guest the Owner or tenant knows, or reasonably should know, needs supervision for their safety while using the pool area; or such Owner(s)/tenant(s) otherwise assume(s) the risk of all liability for injury or damage for failing to do so and shall hold the Association harmless for any injury.
- 2. The use of the Pool/Spa area is limited to South Coast Shores residents and guests. The guest limit, per property address, per visit to Pool/Spa area at one time, is six (6).
- 3. Consumption or possession of Alcohol is absolutely prohibited at all times in Pool/Spa area.
- 4. Hours of operation are 6:00 a.m. to 10:00 p.m.
- 5. No food is allowed in the Pool/Spa area at any time.
- 6. No glass containers of any type are allowed in Pool/Spa area at any time.
- 7. County Health Regulations restrict pets in the pool area, except as provided in Civil Code sections 54, 54.1, and 54.2. As an exception to the restrictions against pets in the pool area, a guide dog trained by a licensed person for visually impaired person, signal dog trained for a hearing impaired person, or service dog individually trained to the requirements of the disabled individual, may be permitted in the pool area subject to prior Board approval and only as reasonably necessary to permit the disabled person equal use of the facilities, and subject to the conditions that (a) the dog is on a leash, (b) the dog is tagged as a guide dog, signal dog, or service dog by an identification tag issued by the county clerk, animal control department, or other agency authorized under the Food and Agriculture Code, (c) the person shall comply with all rules regarding keeping of pets, and (4) the person shall be liable for any damages to the premises or facilities or injuries to persons caused by the dog.
- 8. All discarded items must be put in the waste containers.
- 9. Swim suits or appropriate attire must be worn at all times.
- 10. No smoking of any type is permitted in the Pool/Spa area at any time. For purposes of this rule, "smoking" means inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, or pipe, or any other lighted or heated tobacco or plant product intended for inhalation, whether natural or synthetic, in any manner or in any form. "Smoking" includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device.

- 11. California State law requires the Association to post sign at the pool warning that "children under the age of 14 shall not use the pool without a parent or adult guardian in attendance," and post a sign at the spa warning that "Unsupervised use by children under the age of 14 is prohibited." Also, please be aware that children can become dangerously overheated in the high water temperature of the spa. Further, because infants have thin skin, they are much more susceptible to overheating and suffering heat related injury or death that may arise from using the spa. Pursuant to safety recommendations from the Consumer Products Safety Commission, young children should not use the high temperature spa except with constant adult supervision; and even with such supervision, parents or guardians assume any risk of injury or death that may result to a child from the high water temperature in the spa. The Association of Pool and Spa Professionals recommends that (a) children should not be allowed in a spa unless their heads are completely out of the water when they stand on the bottom of the spa; (b) it is safer for young children to avoid immersing the whole body in the spa, and (c) a child's time in the spa should limited to between 5 to 20 minutes, depending upon age. In addition, elderly persons, pregnant women, and those with health conditions requiring medical care should consult with their physician before using the spa. Persons should not use the spa while alone. Long exposure may result in nausea, dizziness or fainting. Hot water immersion while under the influence of alcohol, drugs, narcotics or medicines may lead to serious health consequences and is not recommended.
- 12. Any person who is incontinent (i.e., unable to control bowel movements) may not use the pool or spa. The Center for Disease Control has noted that research indicates that although some swim diapers and swim pants are able to hold in some solid feces and infection-causing germs from leaking into the pool, they do not contain urine or feces that are not solid (and the related infection-causing germs) and they are not leak proof. Accordingly, the purpose of this rule is to promote the health and safety of users of the pool.
- 13. Flotation devices must not exceed three (3) feet in length.
- 14. Soap and detergents and other water contaminants are not allowed at any time.
- 15. Pool safety equipment is for emergency use only and must not be used for any other purpose.
- 16. Private pool or spa parties are not allowed at any time.
- 17. No running or pushing or rough play is allowed at any time.
- 18. Radios, TVs and any other devices with speakers that broadcast music are not allowed at any time. Personal (ear-bud or headset) listening devices are allowed.
- 19. Electrical equipment is not allowed at any time.
- 20. Furniture must not be removed from the Pool/Spa area by anyone for any purpose, except as authorized by the Board.
- 21. The Pool/Spa area key must not be given to non-residents at any time.
- 22. Duplication of the Pool/Spa gate key is not allowed.

- 23. The entrance gate must be fully closed and latched at all times after entering, or leaving the Pool/Spa area.
- 24. Persons currently having active diarrhea or who have had active diarrhea within the previous 14 days are not allowed in the Pool or Spa.
- 25. Enforcement: Refer to Section 13 for enforcement, fines and disciplinary actions.

Section 12: VEHICLES AND PARKING

- 1. **Speed Limit:** The speed limit is 15 miles per hour at all times.
- 2. **Vehicle Categories** Vehicles are divided into the following categories:
 - A. <u>Category I:</u> Standard passenger cars and vans, station wagons, sport/utility vehicles (SUV's) motorcycles, trucks or similar vehicles no larger than ³/₄ ton capacity. Category I vehicles must be operational and moved within a 30 day period or they will be cited as "stored vehicles."
 - B. Category II: Commercial vehicles, vans, campers, trailers, boats, motor homes, trucks larger than ³/₄ ton capacity or commercial vehicles defined as follows: Commercial vehicle shall mean all vehicles used for commercial purposes, including but not limited to vehicles with business identification signs, lettering or advertising and a motor vehicle designed for or regularly used for carrying freight, merchandise or passengers for compensation; tow trucks, and vehicles with more than two (2) wheels that have been constructed without passenger seats and vehicles equipped with construction equipment such as ladders, mixers and the like, but excluding tool boxes. Courtesy vehicles, loaner cars, or rental cars displaying the name of the dealership or that of the car agency, are not considered category II vehicles as long as they do not advertise a business different from the one of the dealership or of the car agency that owns them. Examples of Category II vehicles, based on weight limits defined here, are the Ford 250 series and Dodge 2500 pickups. Category II vehicles cannot be registered or safe-listed.
- 3. **No Parking Zones** Certain areas are designated **NO PARKING** to ensure free access for emergency vehicles. These are:
 - A. Curbs painted RED
 - B. Areas posted NO PARKING
 - C. ALL Garage Courts

Any vehicle parked in a designated No Parking Zone stated above will be subject to immediate towing at the vehicle owner's expense.

4. Registering Vehicles for Resident Parking in Common Area:

Each property will be permitted to register two (2) Category I vehicles per property address. A Category I vehicle parked in the Common Area between 1:00 a.m. and 6:00 a.m. that is not registered is subject to citation and towing at the vehicle owner's expense.

The registration process will be handled through the Parking Control company utilizing vehicle registration forms. Residents must contact the Parking Control company to receive these registration forms. The Parking Control company's contact information is posted on the bulletin board at the Clubhouse, and is also available in the Association newsletter. The vehicle registration process is not considered valid until the Parking Control company issues a receipt of completion.

- A. Vehicles that are kept garaged and not parked overnight in the Common Area do NOT need to be registered or safe-listed.
- B. All residents must keep information updated with the Parking Control company in the event a new vehicle is purchased or a registered vehicle is removed from the property. Parking Control company's contact information is posted on the bulletin board at the Clubhouse and in the monthly Association newsletter.
- C. Owners who lease their property are responsible for having their tenants provide vehicle information to the Parking Control company and for providing a copy of the parking rules to their tenants. Tenants have to acknowledge in writing the delivery of the parking rules. A copy of such receipt must be provided to the Parking Control company. Owners must provide tenants with the contact information for the Parking Control company. The Association's Property Management company and Parking Control company contact information is posted on the bulletin board at the Clubhouse and in the monthly Association newsletter.
- D. Authorization to register *additional* Category I vehicles requires Board of Directors approval. The Board, by a majority vote, shall determine whether good cause exists for the request.
- E. Residents must complete a vehicle registration form for any vehicle changes.

5. Safe-listing Vehicles for Non-Registered Non-resident Parking in Common Area:

- A. Safe-listing is required to prevent citation or towing of non-registered Category I vehicles parked in the Common Area between the hours of 1 a.m. and 6 a.m. This includes, but is not limited to, the vehicle of an Owner's family member, guest, or hired worker temporarily staying in a resident's home overnight.
- B. Safe-listed vehicles may NOT be parked on Bay Crest, Summer Wind, or Sea Cliff and will be subject to citation and towing if so parked. The limited parking spaces in these cul-de-sacs are reserved for registered vehicles. Safe-listed vehicles may ONLY be parked on Ocean Crest, West Wind, or Sea Breeze.
- C. A request for safe-listing may be made at any time through the Parking Control company via the internet or by phone. Parking Control company contact information is posted on the bulletin board at the Clubhouse and in the Association newsletter.
- D. A vehicle will only be deemed safe-listed when the Parking Control company provides a confirmation number to the vehicle owner for each requested safe-list time period. If more than one vehicle is being safe-listed, a confirmation number must be received for each vehicle.
- E. A maximum of thirty (30) days safe-listing per every six (6) month period will be permitted per resident address.
- F. The Association shall not be responsible for any fees or towing charges incurred by a non-registered vehicle not properly safe-listed, or not parked in the safe-listed designated areas, as required under these rules.

6. Parking Violations:

A vehicle of any type may not be parked in a designated No Parking Zone at any time. Such vehicles will be subject to <u>immediate</u> towing at the vehicle owner's expense. No warning citations will be issued.

<u>Towing after issuance of warning citations</u>. A vehicle that accumulates three (3) citations within a six (6) month period will be towed, at the owner's expense, *upon the third citation*. It is the Owner's responsibility to verify with the Parking Control company the number of citations accumulated over time.

- A. Category I vehicles may not be parked in the Common Area between 1:00 a.m. and 6:00 a.m. without being properly registered OR safe-listed.
- B. A safe-listed vehicle may **NOT** be parked on Bay Crest, Sea Cliff, or Summer Wind.
- C. Category II vehicles may not be parked in the Common Area between 1:00 a.m. and 6:00 a.m. (Category II vehicles cannot be registered or safe-listed.)
- D. Any vehicle considered "objectionable" by the Board of Directors such as unsightly, damaged, badly deteriorated, inoperable, or offensive may not be parked in the Common Area at any time.
- E. Vehicles may not park facing against the flow of traffic.
- F. Vehicles may not be double-parked.
- G. Category I or Category II Vehicles may not remain in garage courts for loading and unloading in excess of twenty (20) minutes.
- H. Large delivery vehicles and moving vans may not enter a garage court. They must park on a street for loading and unloading.
- I. Vehicles may not remain in garage courts for washing in excess of twenty (20) minutes. Biodegradable cleaners must be used.
- J. Vehicle repair or maintenance may not be done in any area other than the Owner's garage.
- K. Vehicles leaking oil may not be parked in the Common Area. Spilled oil may NOT be washed into the drains, but must be cleaned up properly at the owner's expense. Any clean-up costs incurred by the Association may be assessed to the Owner.
- L. Vehicles may not be stored in the Common Area. For purposes of this rule, a "stored vehicle", is defined as a vehicle that has not been moved within a 30-day period.

The Association will not assume responsibility for reimbursing any fees incurred by vehicles in violation of these stated parking rules. Each resident bears the responsibility for being familiar with these rules involving their own vehicles and those of anyone staying in their residence for any reason, as well as the responsibility for the payment of any fees incurred.

Section 13: ENFORCEMENT OF RULES AND FINES

- 1. The Board of Directors of South Coast Shores Homeowners Association is authorized by the Covenants, Conditions and Restrictions (CC&R's) to impose fines and take other disciplinary actions against Owners who violate the Rules and Regulations as promulgated by the Board.
- 2. For any violation of an Association rule, the Board of Directors may, at its discretion, issue a letter of reprimand to the Owner, impose a monetary fine, suspend membership privileges and voting rights, and/or, in the case of a parking violation, cause the vehicle to be towed. If a monetary fine is imposed, subsequent rule violations during the following twelve-month period may result in a fine which is up to double the amount of the previous one. In the case of multiple different violations or several violations of the same type, the Board may levy a separate fine for each violation.
- 3. The following listing specifies the fines or other disciplinary actions which may be imposed by the Board for the first violation of any rule, and are cumulative with and in addition to all other remedies the Association may pursue concerning a violation. They are indicated by section number and topic.

A. Section 1, **General Rules:** Swimming, wading, fishing or riding on any

watercraft in the lake - \$500 fine.

All other violations - \$100

B, Section 2, Animals: All violations - \$100

C. Section 3, Architecture: All violations - \$100

D. Section 4, Clubhouse: All violations - \$100 and possible ban on Clubhouse

privileges for specified period of time

E. Section 5, **Bounce House:** Disciplinary action is specified in Section 5.

F. Section 6, Collections: This section is a procedural guide rather than

a list of rules.

G. Section 7, Complaints/Hearings: This section is a procedural guide rather than

a list of rules.

H. Section 8, **Elections:** All violations - \$100

I. Section 9, Entry Devices: All violations - \$100

J. Section 10, **Landscaping:** All violations - \$100

K. Section 11, **Pool/Spa:** All violations - \$100

Possible ban on use of the pool and spa for a specified

period of time

L. Section 12, Vehicles/Parking: All violations - \$100 and towing of vehicle upon third

citation.

M. Section 13, **Enforcement:** This section is a procedural guide

rather than a list of rules

N. Section 14, **Drones:** All violations - \$100.

O. Section 15, **Residential Use:** Within this rule section violation fines are listed for

first, second, third and fourth offenses.

P. Legal Action. In cases where the Board involves legal counsel in connection with enforcement action taken against an Owner, the Board may levy a fine of up to \$1,000.

Section 14: RULE PROHIBITING DRONE OPERATION

Drone Operation Restriction. No "Unmanned Aircraft" (i.e. Drone) may be operated by any Owner, resident, guest, tenant or invitee for either personal recreation/hobby purposes or business purposes over any portion of the Association's Common Area property, except as may be approved in writing by the Association.

- A. Further, a person may not operate a Drone over his/her own property, unless the person complies with the following:
 - 1. The "Remote Pilot" (Drone Operator) has obtained all required FAA (Federal Aviation Administration) certifications, registrations, and/or licenses;
 - 2. The Drone is operated strictly in compliance with all federal laws, statutes or rules, including all rules and policies of the FAA;
 - 3. The Drone operation does not violate any provisions of California law, including but not limited to Civil Code Section 3479 (nuisance) and Civil Code Section 1708.8 (Invasion of Privacy); and
 - 4. The Drone Operator has first obtained the prior written permission of the Association.
- B. For purposes of this Rule, "Drones" include the following types of aircraft.

<u>Unmanned Aircraft (UA)</u>. An aircraft operated without the possibility of direct human intervention from within or on the aircraft.

Model Aircraft.

- 1. A UA that is capable of sustaining flight in the atmosphere;
- 2. Flown within the visual line of sight of the person operating the aircraft;
- 3. Flown for hobby or recreational purposes.

<u>Small Unmanned Aircraft (UA)</u>. A UA weighing less than 55 pounds, including everything that is on board or otherwise attached to the Aircraft, and can be flown without the possibility of direct human intervention from within or on the Aircraft.

<u>Small Unmanned Aircraft System (UAS)</u>. A Small UA and its associated elements (including communication links and the components that control the Small UA) that are required for the safe and efficient operation of the UA in the National Airspace System.

- C. <u>Remote Pilot</u>. A person who holds a Remote Pilot Certificate with a UAS rating and has the final authority and responsibility for the operation and safety of a UAS operation conducted in accordance with the rules and policies of the FAA.
- D. <u>Business Purposes</u>. The term "business purposes" is defined as any commercial use of UAS in connection with a business including selling photos or videos taken from a UAS, using UAS to provide contract services such as equipment or factory inspection and

- mapping or land surveys, using UAS to provide professional services such as real estate sales, or using UAS to monitor progress of work a commercial company is performing.
- E. Persons unfamiliar with the FAA's rules and policies concerning Unmanned Aircraft and Small Unmanned Aircraft Systems are referred to the U.S. Department of Transportation, Federal Aviation Administration Advisory Circular number 107-2, issued June 21, 2016.

Enforcement: Refer to Section 13 for enforcement, fines and disciplinary actions.

Section 15: RESIDENTIAL USE ENFORCEMENT POLICY

1. Basic Policy on Enforcement Regarding Preserving Residential Use of Lots.

An objective of this Enforcement Policy is to promote and seek compliance by Members with the Association's governing documents with respect to leasing or renting of their Lots and residences in the community in compliance with the residential use restrictions. If any Member fails to comply with any of the terms of this Policy, the Association shall be entitled to pursue all available remedies at law and in equity to compel compliance and recover damages. The provisions and enforcement remedies set forth herein apply to the subject matter in this Policy, notwithstanding any other provisions and procedures set forth in the Association's Rules and Regulations.

Preserving the residential nature of the development is an important interest in the community. Although members are permitted to lease their respective Lots, please be aware that Article III, Section 1 of the Association's Restated Declaration of Covenants, Conditions and Restrictions ("Declaration") provides that the properties are to be used for residential purposes as follows:

Each Lot shall be improved, used and occupied only for residential purposes . . . No part of the Properties shall ever be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or other such non-residential purpose (Emphasis added.)

This means that the Declaration does not permit use of the Lots for hotel, transient, or other short-term nonresidential purposes because that is contrary to a "residential" use.

Therefore, the Declaration requires that each Lot may be leased, rented, or occupied in its entirety for <u>residential</u> purposes only, and not for any hotel, transient, time-share, vacation, or other short-term nonresidential purpose. Also, the Owner of the Lot ultimately shall be financially and legally responsible for the conduct of any lessees, renters, family members, guests, invitees, or other occupants of the Owner's Lot.

2. No Short-Term Rental of Lots for Less Than Ninety (90) Days.

Any rental, lease, or other occupancy of a Lot for less than a period of ninety (90) consecutive days constitutes an impermissible nonresidential use of the Lot for transient or hotel purposes in violation of the Declaration.

Therefore, each Owner is prohibited from entering into any oral or written agreement to rent, lease, or use a Lot for time-share, hotel, or transient purposes for occupancy of a term of less than ninety (90) consecutive days. Such prohibited conduct includes, without limitation, entering into an oral or written agreement to rent, lease, or use the Lot, which on its face or by its terms may provide for an occupancy term of at least ninety (90) consecutive days, but which the Owner knows, or reasonably should know, the renter, lessee, occupant, or user of the Lot actually intends to occupy

the Lot for a term of less than ninety (90) consecutive days. Also, the Board may determine that any other occupancy of a Lot that is less than a term of ninety (90) consecutive days (irrespective of the terms of any oral or written agreement), is a violation of the Declaration (excluding instances where an Owner owns a Lot as second home and the Owner periodically occupies the Lot for a term of less than ninety (90) consecutive days).

3. Notice To Association of Lease/Rental Agreements.

Within seven (7) days after executing, or otherwise entering into, a lease, rental, or other agreement for the lease, rental, occupancy, or use of a Lot, the Owner shall provide the Association's managing agent the name of the lessee, renter, occupant, or user of the Lot and all other persons occupying the Lot by completing the *Tenant Registration Form* (Attachment 9). The Owner is required to complete this form on an annual basis upon entry into and/or renewal of the lease or and any change in tenancy.

4. Enforcement and Fine Schedule For Violations of This Policy.

Any violation of the foregoing restrictions is considered an egregious breach of the Declaration and violation of the residential use limitations contemplated under the Declaration. The fine schedule set forth herein shall control for any violations of this Policy, notwithstanding any other provision of the Restrictions. In developing the fine schedule for violations of this Policy, the Board considered that an Owner may receive a significant sum of money for short-term leasing of a Lot for less than a period of ninety (90) days in violation of the Declaration. Thus, in recognition of this fact, together with the strong policy of wishing to preserve the residential use of the Lots, and as a disincentive against violations, and to prevent an Owner from profiting from violating the Declaration, the Board, in its discretion, may levy a fine (as a monetary penalty) against an Owner for violations of the residential use restriction in the Declaration according to the following schedule:

First Offense: \$500.00 Second Offense: \$1,000.00 Third Offense: \$2,500.00 Fourth Offense: \$5,000.00

A fine in the amount of \$100.00 may be imposed for failure to timely register a tenant with the Association's managing agent as provided above.

The foregoing fines shall be in addition to any other disciplinary action or remedies available to the Association (after providing the Owner notice and an opportunity for a hearing). The foregoing shall not be construed to limit or restrict the Association from immediately proceeding with filing legal action or pursuing other available enforcement action to remedy a violation.

The Board adopted the original foregoing Residential Use Enforcement Policy on December 7, 2017, which clarified that any rental, lease, or other occupancy of a Lot for less than a period of thirty (30) consecutive days constituted an impermissible nonresidential use of the Lot for transient or hotel purposes in violation of the Declaration. The revision to extend the minimum period to ninety (90) consecutive days shall be binding upon only persons who acquire title to a Lot after the effective date of these revised rules; and the original minimum thirty (30) day limitation shall apply to all other owners.

Attachment 8 SOUTH COAST SHORES HOMEOWNERS ASSOCIATION TENANT REGISTRATION FORM

Date:	_			
Owner's Name				
Property Address:				
Owner's Phone Number and E-Mail address	s:			
Lease Start Date:	Lease End Date:			
Tenant(s) Name(s) and Contact Information	(Phone Number and E-Mail address)			
For Management Use				
Processed by:	Dated:			