

ASSOCIATION RULES

These Rules have been adopted by the Association as provided in the Montecito Shores Covenants, Conditions and Restrictions (CC&Rs) and in accordance with California law. All capitalized terms in the Rules shall have the same meaning as they have been given in the CC&Rs with the exception of the term "Resident." As used in these Rules, the term "Resident" shall include both the "Owner" and any "Permitted Resident" as those terms are defined in the CC&Rs. Rule captions are for convenient reference only; and a caption shall not be construed to define or limit the provisions of the Rule.

I. RESPONSIBILITIES OF RESIDENTS (Owners, Lessees or Residential Guests).

A. Noisy Appliance Hours of Operation. The operation of all washing machines, dryers, dishwashers and garbage disposals is restricted to the hours of 8:00 a.m. to 10:00 p.m. daily. This includes washers and dryers in the Common Area.

B. Storage of Personal Property. Personal property may be stored in assigned places in the basement storage rooms. Each unit has the right to equally-sized floor space within the storage room. Storage space also is available in the overhead lockers (two to each unit) at the assigned garage parking spaces (Sec. 7.16 CC&Rs). Residents may store bicycles, surfboards and cut wood for fireplaces in the area below assigned overhead lockers, but nothing else without prior permission of the Board. (also see Sec. 7.18 CC&Rs prohibiting storage of boats or trailers).

C. Trash Disposal and Recyclables. Trash chutes on each floor shall be used only between the hours of 8:00 a.m. to 10:00 p.m. (Section 7.10 CC&Rs). Trash chutes are for the disposal of trash which should be bagged. Recyclables, including certain paper, plastic articles, aluminum and metal cans may be recycled in bins located in the garage. Residents should follow the directions for recycling on the posted signs.

D. Auto Stickers and Parking Passes. Each resident shall obtain an identification sticker from the Property Manager for each vehicle that is driven in and out of Montecito Shores regularly. Stickers shall be affixed to the lower left hand corner of the front windshield.

Visitors and guests driving vehicles into Montecito Shores must obtain a temporary parking pass from the security officer upon first entry at the security gate. Such pass shall be placed in a conspicuous position in the vehicle. The pass shall be returned to the security officer upon final departure of the visitor.

E. Notification To Gate of Visitors and Tradespersons. Residents must notify the gate security officer of the expected arrival time of guests, visitors and tradespersons. If such persons arrive without notification, security will attempt to contact the host-resident. If the host cannot be reached, security will assume that the person arriving is not expected and will deny admittance.

F. Parking. Each unit has a revocable license for the use of two parking spaces in the basement garage, as assigned by the Association (Sec. 4.1 CC&Rs). No resident may use another resident's parking space without express permission of the other resident.

Exterior, off-street parking spaces adjacent to buildings are intended for use by guests and trades persons only (Sec. 7.9 CC&Rs). Residents may use such parking spaces for temporary parking only. Vehicles of resident violators shall be towed away (after due notice), and the expense shall be charged to the resident. Trades persons may find parking spaces along the northern section of the eastern half of Bonnymede Drive.

G. Car Washing. Washing of vehicles is prohibited anywhere on the property.

H. Pets. Except as expressly provided below, no animals, birds, reptiles, livestock, poultry or pets of any kind shall be brought within the Condominium Project or any Unit. Fish and domesticated dogs, cats and caged birds, may be kept as household pets within any Unit if they are not kept, bred or raised for commercial purposes and comply with local government laws and regulations. Each Owner shall be liable to other Owners, their Permitted Residents, Invitees, and the Association, for damage to Person or property caused by any pet brought or kept upon or in the Condominium Project by an Owner or by members of his or her family, Permitted Residents, or Invitees.

Permitted pets must be clean and quiet and not vicious or destructive and must not disturb or annoy any other residents. When in the Common Area, dogs must always be kept on a leash so as to be under full control of the accompanying person in accordance with Santa Barbara leash laws. Anyone walking pets in the Common Area must pick up the pet's feces and place them in a plastic bag which shall be tied shut so that no spillage occurs. The bag shall then be deposited in a proper receptacle such as a trash chute, marked container or dumpster.

I. Window Coverings. The exterior lining or surface of the draperies, shades or other items covering the windows and glass doors and visible from the exterior of the building shall be white or other neutral color. No blankets, sheets, towels or similar materials may be used as coverings or curtains.

J. No Hanging Towels or Laundry. No clothes, sheets, blankets, towels, laundry, wet suits or other similar articles shall be hung out or exposed on any part of the Common Area, balconies, decks, patios, yards or porches.

K. Resident's and Guest's Use of Amenities; BBQs Prohibited. Every owner has a non-exclusive easement of use and enjoyment throughout the Common Area, which includes the swimming pool, tennis court and beach-front recreational facilities (Sec. 4.3 CC&Rs). All use of the recreational areas of our development by residents and their guests is at their sole risk. The Association has no obligation to and does not provide a lifeguard at the pool or attendant at the tennis court, shuffle board courts, saunas or restrooms.

Owners can extend these rights to residents and their guests as permitted by Association Rules. Owners shall provide the names of those to whom these rights have been extended (Sec. 4.4 CC&Rs) on the permanent guest list maintained at the guard gate.

Guest privileges of an owner may be suspended at any time at the discretion of the Board for violation of an Association rule.

As required by our CC&Rs, and the Montecito Fire Dept regulations, as well as California regulations, no open flame cooking or barbequing is permitted on balconies, patios or within 10 feet of any combustible material. This applies to all Common Areas, including the pool area, tennis courts and grass areas. (Sec 7.7 CC&Rs).

L. Pool Area. These facilities are open from 9:00 a.m. to 9:00 p.m. Children under 14 years of age may use these facilities only when accompanied by an adult. All posted rules at the pool shall be obeyed or pool privileges may be suspended. The gate shall be kept shut and locked.

M. Tennis Court. The facility is open from 9:00 a.m. until dark daily. Reservations may be obtained by signup at the chalkboard next to the tennis court gate. Children under 14 years of age shall be permitted reasonable use when accompanied by an adult. All posted rules at the tennis court shall be obeyed or tennis court privileges may be suspended. Appropriate tennis attire is required including rubber soled shoes.

N. Offensive Activities Nothing shall be done on or within the Condominium Project that in anyway interferes with the quiet enjoyment of the owners, there Permitted Residents and invitees. Excessive noise after 10:00 pm is not allowed.

II. POLICIES, REMODELING, CONDO UNIT REQUIREMENTS

A. Board/Property Manager. Pursuant to the CC&Rs, the Board has delegated the day-to-day responsibility and authority to enforce these Rules to the Property Manager.

B. Issues Regarding Policies and Operations. Questions, suggestions or complaints pertaining to policies of the Association should be written, signed and

directed to the Board. Those pertaining to operations should be presented to the Property Manager.

C. Leases and Rental Agreements. Any lease or rental agreement shall be in writing and any lessee or tenant shall abide by and be subject to all provisions of the CC&Rs, By Laws and Association Rules; and any lease or rental agreement must specify that failure to abide by such provisions shall be a default under the lease or rental agreement. Every Owner shall be responsible to the Association for the acts and omissions of their tenant.(Sec. 7.2 CC&Rs).

Only an entire unit (not separate rooms or facilities) can be leased or rented, and a unit shall only be leased or rented once in any twelve month period, and any lease or rental shall not be for less than a four month period.

Prior to a lessee or tenant taking possession of the unit, the Owner shall complete a Tenant Information form and deliver it to the Property Manager together with a fee of \$100 to defray the costs of additional administrative work associated with the lease or tenancy. There is also a move-in fee (see D. below) and soundproofing requirements (see H. below).

D. Move-In Fee. If moving of household furnishings, furniture or fixtures in or out of a unit is necessary because of a change in occupancy or a remodeling project, a non-refundable fee of \$300 shall be charged for wear and tear to the Common Area. This charge shall be the responsibility of the owner of the unit. Either the owner or the resident of the unit where such moving is to take place shall notify the Property Manager in writing at least 10 days before the moving begins, and the fee shall be paid before any moving is permitted. If the Association incurs any property damage or other expense by reason of such moving process and total exceeds the \$300, the owner of the unit must pay the excess immediately to the Association.

E. Duty of Sellers. A seller of a unit shall notify the Property Manager immediately upon the opening of an escrow so that the prospective buyer may receive a copy of these Rules, the CC&Rs and other information required by California law in advance of the sale.

F. Inspection of Unit Upon Change of Ownership. The Association has suffered from owners' unauthorized remodels and failures to disclose Common Area conditions to the Association. In order to protect the Association from unexpected liability, the Property Manager or other representative of the Association, shall inspect an Owner's unit prior to any listing for sale or lease or transfer to another. The purposes of the inspection include, but are not limited to, identifying non-conforming alternations, unauthorized remodeling, rule violations, and common areas that require maintenance or repair. Should the inspection reveal unauthorized improvements or alternations, the Owner shall be required to bring the unit into compliance prior to listing or transfer. The Property Manager shall enter the results of the inspection in the Association's records of the unit.

G. Remodeling Requires Board Approval And Payment Of Fee. Any remodeling or renovating requires prior written approval by the Board. Pre-approval analysis will include review of architectural drawings; of engineering studies; and of specifications for structural alteration, for plumbing and electrical work within bearing walls, and for any modifications or penetration of the ceiling, exterior wall, or slab likely to be part of the project (See Sec. 7.5 CC&Rs and the Montecito Shores Remodeling Policy Statement for details). Any failure to obtain written Board approval shall subject the owner to a fine, restoration of the unit or such other appropriate remedy as provided in the Remodeling Policy Statement.

The Montecito Shores Remodeling Policy Statement and the Policy For Electrical Upgrades are hereby incorporated by reference herein as if set forth at length. Any remodeling that intrudes into the Common Area will require the Owner to execute and record an "Obligation To Maintain." All of these items are included in the white three-ring binder entitled "Montecito Shores Reference Guide for Association Documents" provided to all Owners.

H. Requirements for Soundproofing and Carpeting of All 2nd and 3rd Floor Units. Vertical sound intrusion is a serious problem in our condominium buildings. In an effort to assure quiet enjoyment for all our residents, the Association requires that all second or third floor units have wall to wall padding and carpet for all areas except the entry, bathrooms and kitchen. (Dressing rooms and closets are not considered part of the bathroom.) Any unit currently having flooring other than carpeting will be required to install wall to wall carpeting upon (1) the leasing of the unit, (2) the remodeling of the unit, or (3) the sale or transfer of ownership of the unit.

Carpet padding must be a minimum of either 50 ounce fiber pad or 90-120 ounce rubber pad. Owners are encouraged, but not required, to install cork underlayment in addition to the required minimum padding.

The entry, kitchen and bathrooms need not be carpeted; however, installation of new floors in these areas will only be approved if they include the proper installation of one of the following sound reduction underlayment products: Sika Acoubond, dodge-Regupol Tscu 10mm, AcousticCork 5130 13mm or WE Cork Soundless + ½ inch.

It shall be the duty of an Owner to advise a prospective purchaser, tenant or real estate professional of this rule prior to sale or any change of occupancy.

I. Use of Attics. Attics above third floor units are Common Area belonging to the Association. The Association may grant a revocable license permitting limited access to attics for appropriate alterations to create storage areas upon application by the owner(s) in accord with Sec. 7.5 of the CC&Rs and completion of a "Notice of Agreement and Owner's Assumption of Obligation to Maintain." Although there are a few non-conforming units in the Association that have been "grandfathered", the Association has encountered problems where attics have been remodeled and used for purposes other than storage.

Requests to remodel attics will only be approved if the attic is to be used for storage. Attics will be permitted to install flooring for the storage, but attic walls and the inside of the roof shall remain with studs exposed. Insulation may be installed between

the studs. Various County departments or agencies may require permits for the use of attics as storage space.

III. FINES AND LATE FEES.

A. **Fines for Rule Violations.** Except for fines permitted by the Remodeling Policy Statement (which are hereby incorporated by reference), the Board hereby establishes the following fines and late fees for violations of Association Rules (Sec. 5.2.2 CC&Rs), to be assessed by written notice:

1 st violation of a single specific Rule	Warning letter.
2 nd violation of a Rule (whether the one previously violated or another one)	Fine not to exceed \$500
3 rd violation of a Rule (whether the one previously violated or another one)	Fine not to exceed \$1500
4 th and further violation of a Rule (whether one previously violated or another one)	Fine not to exceed \$3000

In addition to a monetary fine, the offender's privilege to use the Common Area(s) may be suspended.

B. **Hearings.** Any violator subjected to a penalty who wishes to protest its imposition is entitled to a hearing before the Board, upon making a written request within 10 days of receiving notice of the penalty.

C. **Fee for Late Payment of Assessments.** A fee for late payment of monthly assessments shall be a minimum of Ten Dollars but not exceeding a maximum of ten percent (10%) of the delinquent assessment. (See CC&Rs 6.7)

IV. RULES APPLYING TO ELECTIONS.

A. **Campaign Publicity.** Any candidate in an election for the Board of Directors, or member advocating a point of view, including those not endorsed by the Board, shall be provided access to association media, newspapers, or internet web sites during a campaign, for purposes that are reasonably related to that election. The association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the Association, is responsible for that content.

B. **Access to Common Area.** Access to the Common Area meeting space, if any exists, shall be provided during a campaign, at no cost, to all candidates, including those who are

not incumbents, and to all members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election.

C. **Qualifications of Board Members and Officers.** All candidates for the Board of Directors and any other elected position must be a Member of the Association and be at least eighteen (18) years of age. Elected officers must be a member of the Board of Directors. As provided in the By-Laws, in the event a corporation, partnership, trust or other legal entity is a Member of the Association, the Member shall be entitled to designate only one person on its behalf to stand for election to the Board. No person may be a candidate for the Board, or, once elected, shall automatically cease to be a Director (i) if that person is a Co-Owner of a Unit and another Co-Owner is already on the Board, or (ii) if that person has been designated by an entity and the entity already has one of its members serving on the Board. The intention of this Rule is to ensure that no Unit is represented by more than one Board member at any one time. Furthermore, no person shall serve on the Board, or once elected shall automatically cease to be a Director, if that person, or the legal entity that he or she represents, is delinquent by more than sixty (60) days in the payment of any Assessment due the Association; or is engaged as an opponent in litigation with the Association.

D. **Nominations.** Any member of the Association may nominate one or more members to fill vacancies on the Board. Such nominations shall be written or oral and shall be made or delivered at a regular meeting of the Board at least forty-five (45) days prior to the annual meeting. Any member may nominate himself or herself for election to the Board.

E. **Vacancies on the Board.** In the event of a vacancy on the Board, the person nominated and elected to fill such vacancy shall serve the balance of the unexpired term of the vacated office. Such person shall be nominated and elected by the Board of Directors at a regular or special meeting of the Board.

F. **Term of Office.** Except for such a vacated office, directors shall be elected for a two-year term.

G. **Voting Members.** The owners of each unit shall designate one such owner as the voting member for the unit and each unit shall have but one vote in any election.

H. **Proxies.** Proxies in the form of a written, signed and dated statement may be utilized but can only be given to and utilized by, a member of the Association. Such proxies must be limited to one election and must be presented at the outset of any meeting at which an election is set to occur.

I. **Ballots.** A ballot in any election regarding assessments, election to the Board of Directors, amendments to the governing documents and any grant of exclusive use of the common area property shall be prepared by the Board listing all persons or proposals being acted upon and shall be mailed or delivered to every member not less than thirty (30) days prior to the deadline for voting.

J. **Election Inspectors.** At the time the ballots are mailed in any such election, the Board shall appoint one independent third party as the inspector for the election, specifying the name and address of such inspector in a separate document accompanying the ballot, and directing that completed ballots be mailed or delivered to

such inspector on or before the specified time and date adopted by the Board for the close of election.

In all matters involving nominations, elections, balloting, proxies, access, tabulation of ballots, qualifications of an inspector, grants of exclusive use of the common area, and civil actions for enforcement, the provisions of Section 1363.05, 1361.1, 1363.5 and 1363.810 of the California Civil Code shall govern.

V. ASSOCIATION RULES EFFECTIVE DATE.

These revised Association Rules were adopted by the Board of Directors at its meeting May 3, 2010.