### DEL CORONADO SANTEE TOWNHOMES HOMEOWNERS ASSOCIATION

#### **RENTAL RESTRICTIONS DISCLOSURE**

#### In 2011, the California Senate passed SB 150 which amends Civil Code §1360.2. Rent Restrictions.

(a) An owner of a separate interest in a common interest development shall not be subject to a provision in a governing document or an amendment to a governing document that prohibits the rental or leasing of any of the separate interests in that common interest development to a renter, lessee, or tenant unless that governing document, or amendment thereto, was effective prior to the date the owner acquired title to his or her separate interest.

(b) Notwithstanding the provisions of this section, an owner of a separate interest in a common interest development may expressly consent to be subject to a governing document or an amendment to a governing document that prohibits the rental or leasing of any of the separate interests in the common interest development to a renter, lessee, or tenant.

(c) For purposes of this section, the right to rent or lease the separate interest of an owner shall not be deemed to have terminated if the transfer by the owner of all or part of the separate interest meets at least one of the following conditions:

- (1) Pursuant to Section 62 or 480.3 of the Revenue and Taxation Code, the transfer is exempt, for purposes of reassessment by the county tax assessor.
- (2) Pursuant to subdivision (b) of, solely with respect to probate transfers, or subdivision (e), (f), or (g) of, Section 1102.2, the transfer is exempt from the requirements to prepare and deliver a Real Estate Transfer Disclosure Statement, as set forth in Section 1102.6.

(d) Prior to renting or leasing his or her separate interest as provided by this section, an owner shall provide the association verification of the date the owner acquired title to the separate interest and the name and contact information of the prospective tenant or the prospective tenant's representative.

(e) Nothing in this section shall be deemed to revise, alter, or otherwise affect the voting process by which a common interest development adopts or amends its governing documents.

(f) This section shall apply only to a provision in a governing document or a provision in an amendment to a governing document that becomes effective on or after January 1, 2012.

The following rental restrictions are contained in the governing documents for the above referenced association:

#### CC&R's, Article II, Section 2.8 Lease Must Require Conformance to Governing Documents.

Any lease, rental agreement or contract of sale entered into between an Owner and a tenant or contract purchaser of a Lot shall require compliance by the tenant or contract purchaser with all of the Governing Documents, which provision shall be for the express benefit of the Association and each Owner. The Association and each Owner shall have aright of action directly against any tenant or contract purchaser of an Owner, as well as against the Owner, for nonperformance of any of the provisions of the Governing Documents to the same extent that such right of action exists against such Owner. Any lease shall specify that failure to abide by such provisions shall be a default under the agreement.

#### Section 2.9 Hotel or Transient Purposes.

There shall be no hotel or transient use of any Lot located within the Properties. No Property shall be leased or rented for less than a thirty-day (30) period.

## **INTRODUCTION**

These Rules & Regulations have been established to serve as comfortable guidelines for enjoying life within the Del Coronado community without infringing on the rights and common benefits of all owners. In maintaining the quality of life within the community, observing, enforcing and adhering to these Rules and Regulations is the responsibility of each Owner, Resident, Tenant and Guest.

The Board has issued and adopted the Rules & Regulations set forth below. The Rules and Regulations are in addition to the provisions of the Declaration of Covenants, Conditions, & Restrictions and By-laws. In the event of any conflict between the Rules & Regulations and the Declaration and By-laws, the provisions of the Declaration or By-laws (whichever applies, shall prevail. Owners are urged to read these documents carefully since they set forth, in complete and detailed form, the rights, duties, and obligations of each Owner.

The Rules & Regulations can be amended or otherwise changed in whole or part, by the Board of Directors at any time without notice to the members. By acceptance of membership, each member, for themselves, their families, guests and tenants agrees to abide by these Rules & Regulations in every respect, and all amendments hereafter adopted.

# **COMPLIANCE WITH THE RULES & REGULATIONS**

The association has only a few options to assure compliance with the Rules & Regulations. The Board can suspend violators' voting rights, privileges, or use of Common Area and/or monetary penalties. See section 7.5 of the Bylaws for details. The fines range from \$50.00 to \$250.00.

Any owner or tenant may file, with the management company, a written complaint against any other unit owner or tenant. Said complaint will be heard at the next scheduled Board meeting or Rules & Regulation meeting.

## CHANGE OF OWNERSHIP OR RESIDENCY

Any change of ownership or residency must be reported to the management company evidenced by delivery of the following:

- A: Sellers must furnish to new owner:
  - 1: Articles of Incorporation
  - 2: Association By-laws
  - 3: Declaration of Covenants Conditions, and Restrictions (The CC&R)
  - 4: Rules & Regulation booklet
  - 5: A complete set of keys: House keys (front and back) Pool key Mailbox key
- B: Landlords must furnish to their tenants:
  - 1: Rules & Regulations booklet
  - 2: Complete set of keys: House keys (front and back) Pool key Mailbox key

A charge will be made for board furnished documents and keys.

# HOMEOWNERS' REQUESTS FOR BOARD CONSIDERATION

It is preferred members send requests for Board consideration to the management company in writing in advance of the meeting date. Members are encouraged to attend the monthly meetings.

# **COMMON AREAS GENERAL**

Only owners, their families, guests, or tenants may use common areas. Owners are responsible for the actions of their families, guests, or tenants and the costs of repair or replacement required by the actions of any such persons. Violations of the Rules & Regulations are considered the obligation of the owner. Such repair or replacement shall be assessed against the owner as provided in the Declaration of CC&R's.

The following provisions are established to ensure proper conditions of common areas.

A: Balls may not be bounced off any building walls.

- B: Plants shall not be cut, broken, transplanted or otherwise affected, except with prior written approval of the Board of Directors.
- C: No billboards or other signs may be posted on any common area walls or other projections, except with prior written approval of the Board of Directors.
- D: The common areas shall not be used, directly or indirectly for any business, commercial, merchantable, vending, charitable, fraternal or other non-residential purpose, including yard sales.
- E: Walking, running, or sliding on embankments is not permitted.
- F: Bikes, skateboards or similar wheeled items are restricted to driveways and interior streets and are not permitted on sidewalks."Ramps" for related recreational purposes are not permitted within the Del Coronado property.
- G: Because of the danger or injury and property damage, the use of permanent or portable basketball hoops is prohibited except within a resident's patio. Portable hoops may not be used or placed in the streets, parking areas or common areas.

Whenever not in use, portable basketball hoops must not be visible above the patio fence line. Use of portable basketball hoops in the patio area is limited to between the hours of 9:00 AM and dusk.

H: Vandalism of any kind will not be tolerated. Any resident observing any vandalism should report it to the Sheriff's Department and to the management company for repairs.

The Association is not responsible for any property lost, stolen or mislaid in any common area.

### **NOISE CONTROL**

At all times noise shall be kept at a level that is not disturbing to residents. Residents can report noise problems to the sheriff's department.

## **MAINTENANCE OBLIGATIONS OF OWNERS**

An architectural change request form is required before you add to or change any exterior component of your unit. Some examples would are windows, doors, (front or sliding) patio covers, and garages. TV dish systems that are attached to the garages or carports require an architectural change request form. A freestanding TV dish system doesn't require an architectural change request form.

Each owner shall keep the windows of their unit clean and in good repair. Laundry or other unsightly items shall not be permitted to extend from windows. All draped windows shall have, facing the exterior either draperies, drapery linings or blinds of a neutral color approved by the board. (Neutral colors are usually defined as white, off white, beige, tan, or gray.)

All windows are to have screens in place that are in good repair.

Nothing such as rugs, towels etc may be draped over the fence.

Homeowners may replace the windows with double pane windows. The windows must be white vinyl plain sliders. No grids are allowed on the windows.

Homeowners may replace the sliding door with a double pane door. The door must be white vinyl. The door may have grids.

Homeowners may replace the front door with a white door. The Board of Directors must approve the design before installation.

Awnings and outside blinds are not permitted if visible from the streets or common areas of the development.

Shade covers, and patio umbrellas may extend above the fence line. They must be kept in good repair.

In order to conserve energy and money clotheslines are permitted above the fence line. They must be kept in good repair.

A casement style window air conditioner is the only approved design. An architectural change request form MUST be approved by the board prior to installation of the air conditioner. Only manufactured made or recommended clear or white window panels are approved to blank off the remaining window. No wood, plastic etc will be accepted as a filler for the remaining open window area. No brackets or other hardware may be attached to the building.

Fans are allowed in the windows.

Potted and/or hanging plants are permitted in your patio. All trees and shrubs in the backyard must be kept away from the buildings and fences to prevent damage to the stucco, roofs, and fences as well as to prevent water intrusion under building slabs. Trees with roots systems that can intrude on water or sewer lines are subject to removal. Such trees will be decided on a case-by-case basis by the board of directors. The board may and is encouraged to consult with the landscaper.

Plants in decorator pots may be placed near the front door. Pots must be placed in "saucers" to prevent water intrusion under building slabs. The owner is responsible for the watering and care of the plants. Outdoor figurines are also allowed near the front door. Pots and figurines are limited to 6. Planters are limited to 5 gallons in size.

## POOL

Hours are: 9:00AM-11:00 PM

All persons using the pool do so at their own risk. The Association does not assume any liability in this regard.

Children under the age of 14 are not allowed unless accompanied by an adult 5(18 years of age or older) at all times.

Any adult leaving children unattended in the enclosed pool area will be subject to a fine. Such children may be escorted out of the pool area.

Use of the pool is restricted to residents and their guests. Residents must provide responsible supervision for their guests. No more than 4 guests per unit will be allowed at the pool.

Lifesaving equipment is to be used only in an emergency.

No diving, running, rough housing, or lewd behavior is permitted in the pool area.

Food is not permitted inside the fenced pool area. No glass of any kind is allowed in the pool area at anytime.

Styrofoam objects are not allowed in the pool.

Chairs, tables or benches must not be overturned, scratched, broken, damaged or abused in any way.

Non-floating items such as rocks, dirt, fishing weights, marbles, and keys must not be thrown into the pool or used for diving objects.

Persons with open wounds or cuts are not allowed to use the pool.

Hairpins, hair clips and similar metal objects must not be worn or used in the pool.

DO NOT PROP THE GATE OPEN. Make sure the gate is closed and locked upon entering or leaving the pool area.

In the event that the pool is occupied upon arrival of the pool maintenance workers, users may be asked to vacate the pool so that the cleaning and servicing can be accomplished.

Animals are not permitted within the pool area.

Bicycles, motorbikes, skateboards, and other wheeled toys are not permitted within the fenced area.

Proper swim attire must be worn at all times.

Each unit has been issued 1 pool key. This key is also for use of the restrooms. There will be a \$25.00 charge for replacement keys. Keys must not be duplicated, loaned or given to non-residents. The use of the pool can be denied to any owner or resident if the dues for that unit are 2 months in

arrears. The key must be surrendered upon request. Failure to surrender the key can result in a fine.

Nothing herein shall prevent the Board of Directors from denying the use of the pool to anyone, at any time for multiple infractions or any other good causes.

Groups will not be authorized by the Board of Directors to use the pool facilities on an exclusive basis.

A fine may be assessed for each violation of the above rules at the discretion of the Board of Directors.

Audio equipment taken to the pool or other common areas must be used in conjunction with headsets.

# **CARPORTS, GARAGES, DESIGNATED UNIT PARKING SPACES**

## CARPORTS

Carports and designated unit parking spaces may be used for the storage of:

- A: Parking of licensed operational vehicles (autos, motorcycles, boats (on trailers), and campers (that can be parked under the carport roof.
- B: Bicycles, tricycles and mopeds.

No vehicle overhaul, major maintenance work or oil changing shall be Performed on the interior streets or carports or designated unit parking spaces.

Nothing shall extend beyond the limits of the carports or designated unit parking spaces.

Carports and driveways are reserved for the exclusive use of the unit's owners or residents.

No storage of any kind is allowed in carport rafters.

No hazardous items may be stored in garages or storage cabinets.

## **GARAGES**

Garage doors must be kept closed when not in use.

Homeowners are responsible for maintaining and repairing their own garages.

City ordinance mandates garages must be clear enough to park a vehicle.

# PARKING

Carport and/or garage parking is available for 2 vehicles per unit, unless sufficient space exists at the end units to allow parking of a third vehicle without encroachment on the common area landscaping. All residents must park their vehicles in their respective carports and garages.

Storage of vehicles, trucks, motor homes, pick-up trucks, motorcycles, trailers, boats, and automobiles is prohibited on the interior street of the development. Storage is considered any period longer than 72 hours.

No vehicle may be parked unattended on the interior streets of the development at any time, except for loading and unloading of the vehicle. Violators may be assessed an/or towed at the owner's expense.

Visitor parking is for the convenience of visitors and not for long-term resident use. Visitor parking is limited to 72 hours.

All streets are fire lanes as well as the common means of entry and exit for all. Vehicles parked in any fire lane are subject to towing at any time without warning.

## SPEED LIMIT

The speed limit on the interior streets is five miles per hour.

### PETS

Each owner shall be absolutely liable to each and every other resident, their families and guests for any damages to persons or property by any pet brought and kept on the premises by said owner, resident, family members or guests.

All owners must comply with San Diego County ordinances with respect to the control and health of pets.

Any resident may report any violation to the San Diego County Animal Control, Humane Society of San Diego, or County Health Department.

All animals must be controlled by leash at all times when outside individual patios or living quarters. Any litter deposited on common areas such at lawns, and sidewalks must be promptly removed by the owner of the animal involved. In order to prevent damage to landscaping, animals are not to be tied to carports, garages, in parking spaces or within the common areas. Dogs whose bark can be heard from anywhere within the development must be silenced.

No more than two pets shall be allowed per unit in accordance with Declaration of CC&R's Section 7.12.

# FLAGS AND SIGNS

Fabric flags or banners may be displayed from the carport/garage. An American flag may be displayed out front as long as it is not mounted to the stucco. Flags and banners must be in good repair.

Signs such as welcome, family name, parking for Dad, or beware of dog may only be posted on the gates or storage cupboards in the carports. No signs are permitted on the fences. Signs are subject to being removed when the association contracts for painting. Owners should remove the signs before painting begins. Each unit is limited to 2 signs no larger than 18 inches x 18 inches. Dog owners are encouraged to post sign on their gate stating beware of dog. No commercial sign may be displayed within the development except real estate signs.

No real estate signs may be attached to the buildings or fences. Signs may only be displayed in the windows. One sign is allowed in the front and one sign is allowed in the back. "For Sale or For Rent" signs can't exceed 18 x 24 inches.

Signs must be removed within 5 days of close of escrow or the listing expiring.

Real estate agents may display directional signs. The directional signs must be removed when the agent leaves the complex.

Political signs may be displayed in the windows. Each unit is limited to 2 signs in the front and 2 signs in the back. Signs can't exceed 9 square feet in size. Political signs can't be displayed more than 60 days before an election. Signs must be removed within 5 days after the election.

# PORTABLE OUTDOOR FIREPLACES

Portable outdoor fireplaces are forbidden due to City of Santee fire code #307.6. Line 6 of #307.6 states "the appliance shall be operated at least 15 feet from all combustible materials or structures and shall not be used under eaves, patio covers, or other shade structures". The average unit of this complex doesn't allow for the 15 feet requirement in all directions.

# TRASH REGULATIONS

All rubbish, trash, garbage, and dead plants need to be removed regularly from each unit and not allowed to accumulate in the project.

All trash containers must be stored in storage areas, garages or patios in order to be kept concealed from view of the other units and common areas, and the adjacent streets. The containers may not be stored in the carports.

Trash collection service is once a week on Wednesday.

Trash must be placed at the entrance to carports/garages for collection in City-mandated containers. The containers must be off the street by dusk on service day. The use of open-top containers is prohibited.

Holiday schedules will cause trash to be collected one day later than usual. The holidays that are involved are New Year's Day, Memorial Day, 4<sup>th</sup> of July, Labor Day, Thanksgiving Day, and Christmas Day.

# **MISCELLANEOUS PROVISIONS**

# **FINES**

The Board of Directors is authorized to assess fines, tow vehicles, sue for damages and suspend privileges. An appropriate fine may be assessed for violations of any of these rules at the discretion of the Board of Directors. The fine may be doubled by the same amount for a second and each subsequent infraction(s) of the same rule.

Failure of and Board or unit owner or tenant to enforce any rules or regulation herein in the past does not prevent same from being enforced in the future.

# **DISPUTES**

The Board shall resolve any and all disputes arising under these Rules & Regulations. The Board shall have full, final, and exclusive jurisdiction of such disputes and its decisions shall be final and binding on all parties.

Nothing herein, however, shall prevent the Board from taking such action, as is necessary or appropriate, to enforce or implement its decision.

# **INSURANCE**

Fire, public liability and property damage insurance for the common area and structures is carried under a master policy purchased by the Association. Premiums for this master policy are included in the homeowners' monthly dues.

Residents are prohibited from doing anything that causes the rates for the master policy to be increased or be canceled.

Owners are required to insure their personal property against loss and obtain personal liability insurance covering the contents of their individual lot and any improvements.

## SPECIFICATIONS FOR GARAGE (CARPORT ENCLOSURES)

A city building permit is required for the construction of a garage (carport enclosure). A copy of the permit must be submitted to the management company prior to any work is started.

An approved architectural change request form is required before any work is started. Architectural change request forms are available from the management company.

Only single car garage construction is permitted.

Unless approved by the Board, construction must be completed within 30 days.

Homeowners are responsible for maintaining and repairing their garages.

Copies of the Board of Director's approved plan for the construction of a garage are available from the management company upon request.

Homeowners will be responsible to meet City building requirements and may also be assessed by the board for violations of the above.

The completed garage must past final inspection by both the City and the Board of Directors.

## SPECIFICATIONS FOR PATIO OVERHEADS

An approved architectural change request is required prior to starting construction of the patio overhead. Architectural change request forms are available from the management company. A building permit must be obtained from the City if required by size. A copy of the permit must be submitted to the management company prior to starting construction of the patio overhead.

Each design plan shall have a plan and sectional view. The plan view may be done 1/8" scale (1 " = 8'). The sectional view may be done in  $\frac{1}{4}$ " scale (1" = 4') for ease of inspection of the plans. A drawing showing the relationship to the garage/carport should also be included.

Each overhead should be a minimum of 6'w x 4'd x 7'h, but not exceed 8'h overall.

No electric outlets may be connected to the structural aspects of the overhead.

No part of the structure shall exceed the fence line or property boundaries.

No items of any kind may be placed on top of the structure, except Boardapproved solar screens or shade screens. Samples should be submitted.

Plants and other decorative items may be hung from the structure at the discretion of the Board.

# WOOD OVERHEADS

Each structural post must be a minimum of 4" x 4" in size and must be redwood or other wood treated with preservatives.

Each structural posthole should be a minimum of 1 foot deep and contain not less than 1 cu. Ft. of concrete mix or other methods approved by the board.

No roof shall be solid in nature, and it is deemed more desirable to utilize a batted roof.

If the overhead is to be painted, the color should be specified and accompanied by a color chip. Colors must coordinate with building trim.

# WOOD LOOKING BUILDING MATERIALS

The overhead must be constructed exactly to the manufacture's specifications.

## SPECIFICATIONS FOR SCREEN DOORS & SECURITY DOORS

Security doors may be black or white in color.

Screen doors must be constructed of high-quality extruded aluminum. The doors may be natural aluminum color, black or white.

Doors must be kept clean and in good repair.

The board of Directors reserves the right to request removal or repair of a screen door at the unit owner's expense.

### **DEL CORONADO HOMEOWNERS ASSOCIATION**

August 7, 2013

## **IMPORTANT NOTICE**

To: Members of the Del Coronado Homeowners Association

Re: Rules & Regulations Amendment – Alterations

From: Board of Directors

Dear Members;

The proposed amended rule in the Del Coronado Rules & Regulations is being presented to the Membership for a 30-day review and comment period pursuant to California Civil Code §1357.130. Please take a moment to review the proposed amended rule. If you have any questions or concerns regarding the proposed amended rule please submit them in writing to the Board of Directors, care of Professional HOA Consultants Inc. Unless you are notified otherwise, the proposed amended rule shall be adopted and take effect September 6, 2013 following a minimum 30-day review and comment period.

1. No alteration of the front entry way, temporary or permanent structures, including but not limited to baby gates, fencing, screens, cardboard barricades. This shall also include no pets tied or restrained to the front porch.

2. No clothes lines above the patio fence line. You may have one, as long as it is not visible from the outside of your unit.

Thank you for your time and consideration.

Sincerely,

Del Coronado Homeowners Association Board of Directors

# DEL CORONADO SANTEE TOWNHOMES GUIDLINES

## SPECIFICATIONS FOR GARAGE (CARPORT ENCLOSURES)

A city building permit is required for the construction of a garage (carport enclosure). A copy of the permit must be submitted to the management company prior to any work is started.

An approved architectural change request form is required before any work is started. Architectural change request forms are available from the management company.

Only single car garage construction is permitted.

Unless approved by the Board, construction must be completed within 30 days.

Homeowners are responsible for maintaining and repairing their garages.

Copies of the Board of Director's approved plan for the construction of a garage are available from the management company upon request.

Homeowners will be responsible to meet City building requirements and may also be assessed by the board for violations of the above.

The completed garage must past final inspection by both the City and the Board of Directors.

# SPECIFICATIONS FOR PATIO OVERHEADS

An approved architectural change request is required prior to starting construction of the patio overhead. Architectural change request forms are available from the management company. A building permit must be obtained from the City if required by size. A copy of the permit must be submitted to the management company prior to starting construction of the patio overhead.

Each design plan shall have a plan and sectional view. The plan view may be done 1/8" scale (1 " = 8'). The sectional view may be done in  $\frac{1}{4}$ " scale (1" = 4') for ease of inspection of the plans. A drawing showing the relationship to the garage/carport should also be included.

Each overhead should be a minimum of 6'w x 4'd x 7'h, but not exceed 8'h overall.

No electric outlets may be connected to the structural aspects of the overhead.

No part of the structure shall exceed the fence line or property boundaries.

No items of any kind may be placed on top of the structure, except Boardapproved solar screens or shade screens. Samples should be submitted.

Plants and other decorative items may be hung from the structure at the discretion of the Board.

# WOOD OVERHEADS

Each structural post must be a minimum of 4" x 4" in size and must be redwood or other wood treated with preservatives.

Each structural posthole should be a minimum of 1 foot deep and contain not less than 1 cu. Ft. of concrete mix or other methods approved by the board.

No roof shall be solid in nature, and it is deemed more desirable to utilize a batted roof.

If the overhead is to be painted, the color should be specified and accompanied by a color chip. Colors must coordinate with building trim.

## WOOD LOOKING BUILDING MATERIALS

The overhead must be constructed exactly to the manufacture's specifications.

## **SPECIFICATIONS FOR SCREEN DOORS & SECURITY DOORS**

Security doors may be black or white in color.

Screen doors must be constructed of high-quality extruded aluminum. The doors may be natural aluminum color, black or white.

Doors must be kept clean and in good repair.

The board of Directors reserves the right to request removal or repair of a screen door at the unit owner's expense.

# **Del Coronado Santee Townhomes**

Enforceability of Covenants and Restrictions

California Civil Code 1363 requires that the board adopt and distribute to each owner (member) of Del Coronado Santee Townhomes Homeowners Association a schedule of monetary penalties that may be assessed for those violations of governing documents or rules of the association. Such action is always unpleasant and your board and manager make every effort to maintain harmony with our neighbors. We even go a step further than required and give written warnings before taking the below adopted action. Owners are responsible for providing copies of the CC&R's and Community Rules to their tenants.

Thus, the following procedure will apply to all violations and infraction of the governing documents and rules and regulations. Owners may report violations to the Manager or Board of Governors by submitting a notice describing the violation. The Board and/or Manager may also note any violations discovered during walk-through or by personal knowledge of any of its owners or resident.

All the time a violation is noted or reported, action will begin as follows:

1. A first notice to correct the violation will be sent by the Manager. The notice will contain a description of the violation and instructions regarding response to the notice and correction of the violation. The owner will be notified that a fine will be assessed for non-compliance.

2. If the violation continues, or if the response is otherwise unsatisfactory after the first notice, the owner will receive a notice of monetary penalty and be afforded an opportunity to appear before the Board or an appointed committee either by appearing personally or submitting written testimony. The hearing date shall be no less than 15 days from the date of the hearing notice and shall be at least five days before the effective date of the monetary penalty. The notice shall be mailed by first class mail to the owner at the last know address shown on the Association's records.

3. If the violation continues, or if the response is otherwise unsatisfactory, even after the imposition of a monetary penalty, the Board or its appointed committee may impose additional or continuing fines until such time as the matter is satisfactorily resolved.

4. If the violation continues, the Board may refer the matter to the Association's legal counsel and expense incurred will be the responsibility of the owner. If a lawsuit is filed, the homeowner may be liable for the Association's legal costs and fees.

5. If the violation is committed by a tenant or a lessee, the Association's primary course of action shall be against the owner. The Board may at its discretion also provide notification to the tenant or lessee of the violation and of any hearing dates. However, the Association shall not be obligated to do so.

### FINE SCHEDULE

Fines for the first time violation shall be levied in accordance with the following schedule:

\*\*Hazardous Activities: (Any action that would harm or place in danger any resident of property):

First Infraction	\$100.00
Second Infraction	\$200.00
Third Infraction	Legal Action

\*\* Use Restrictions: (Pool/Common areas/Parking violations):

First Infraction	Warning
Second Infraction	\$ 50.00
Third Infraction	\$100.00
Fourth Infraction	Legal Action

\*\*Noise and Obnoxious Activity: (Anything heard outside your unit):

First Infraction	Warning
Second Infraction	\$ 50.00
Third Infraction	\$100.00
Fourth Infraction	Legal Action

\*\*Any Violation of the Bylaws, CC&R's or Rules and Regulation not specifically mentioned:

First Infraction	Warning
Second Infraction	\$ 50.00
Third Infraction	\$100.00
Fourth Infraction	Legal Action

#### **\*\*Pet Control Violations:**

First Infraction	Warning
Second Infraction	\$ 50.00
Third Infraction	\$100.00
Fourth Infraction	Legal Action

### DEL CORONADO SANTEE TOWNHOMES HOMEOWNERS ASSOCIATION COLLECTION POLICY

The Del Coronado Santee Townhomes Homeowners Association (the "Association") has the right and duty under the Association's governing documents and California law to impose and collect assessments so that the Association can, among other things, manage, maintain and operate your development.

Timely payment of assessments is of critical importance to the Association. Although most property Owners consistently pay their assessments on time, the failure of any Owner to pay assessments when due creates a cash-flow problem for the Association and causes those Owners who make timely payments of their assessments to bear a disproportionate share of the Association's financial obligations. Therefore, to encourage the prompt payment of assessments and as required by law and/or the Association's governing documents, the Board of Directors has enacted the following policies and procedures (this "Collection Policy") concerning collection of delinquent assessment accounts, subject to Civil Code section 4340, et seq., if applicable.

1. **DUE DATES.** All Regular Assessments shall be due and payable, in advance, in equal monthly installments, on the first day of each month. Special Assessments shall be due and payable on the due date specified by the Board in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. In no event shall a Special Assessment be due and payable earlier than thirty (30) days after it is imposed.

2. PAYMENT / RECEIPTS / OVERNIGHT PAYMENT LOCATION. The Association will be the collectors of the assessments (current and delinquent), late charges, interest, and collection costs (which may include attorneys' fees). Assessments may be paid by personal check, bank drafts, cashier's checks and/or money orders, as well as by electronic payment, if available. A charge of \$25.00, in addition to late fees, if applicable, will be assessed against any account whose check has been returned for Non-Sufficient Funds (NSF). When an Owner makes a payment, the Owner may request a receipt and the Association will provide such receipt, which will indicate the date of payment and person who received such payment. (Civil Code Section 5655) Any Owner is entitled to inspect the Association's accounting books and records. Any request for a receipt of payment must be submitted directly to the Association's business address (separately from any actual payment). Overnight payment of assessments may be sent/delivered to the following address:

### DEL CORONADO SANTEE TOWNHOMES HOMEOWNERS ASSOCIATION c/o Professional HOA Consultants, Inc. 8181 Mission Gorge Road, Ste. E & F San Diego, CA 92120

**3. APPLICATION OF PAYMENTS.** Payments received on delinquent assessments shall be applied to the Owner's account in the following order of priority: First, the principal on the assessments owed; then to accrued interest and late charges; then to attorneys' fees; then the title company and foreclosure service company charges and other reasonable costs of collection. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first.

4. LATE CHARGE: All assessments shall be delinquent if not paid within **fifteen** (15) **days** after they become due and will result in the imposition of a late charge of **ten percent** (10%) of **the delinquent assessment**. Furthermore, the Association shall be entitled to recover any reasonable collection costs, including attorneys' fees, that the Association then incurs in its efforts to collect the delinquent sums.

5. LATE LETTER. If a delinquent assessment payment is not paid within fifteen (15) days after it becomes due, a late letter or current ledger may be sent to the Owner reminding the Owner of his or her

delinquent account status. The Association, however, is in no way required to send a late letter or ledger before sending a pre-lien letter referenced below.

6. **INTEREST.** If an assessment payment is not paid within thirty (30) days of its original due date, interest may be imposed on all sums due, including the delinquent assessment, attorneys' fees, collection costs, and late charges, at an annual percentage rate of **twelve percent** (12%) or the rate specified within the CC&RS, whichever is less.

7. SECONDARY ADDRESS. Upon receipt of a written request by an Owner identifying a secondary address for the purposes of assessment collection notices, the Association shall send collection notices required by this Collection Policy to the secondary address provided. The Owner's notice of a secondary address must be in writing and mailed to the Association in a manner that shall indicate that the Association has received it. The Association shall only send notices to the indicated secondary address at the point in time the Association receives the written request.

8. **PRE-LIEN LETTER.** If an assessment payment from the Owner is not paid within **thirty (30) days** after its original due date (for example, if an Owner fails to pay an assessment which was due on June 1st and the failure to pay continues through July 1st, then the June assessment would not have been paid within 30 days after its original due date), a notice of delinquency (Pre-Lien Letter) may be sent to the Owner by regular first-class mail and certified mail, return receipt requested. The Pre-Lien Letter shall provide at least 30 days' written notice to a delinquent Owner prior to recording an Assessment Lien and further provide an itemized statement of the charges owed, including a breakdown of the following items: (a) The principal amount owed; (b) any late charges with the method of calculation used to determine such charges; (c) any attorneys' fees incurred; and (d) a description of collection practices, including the right of the association to the reasonable costs of collection. A copy of the Association's collection policy shall be attached to the Pre-Lien Letter.

### 9. ALTERNATIVE DISPUTE RESOLUTION PROCESS.

a. <u>Assessment Lien.</u> Prior to recording an assessment lien, the Association shall offer the Owner and, if so requested by the Owner, the option of participating in dispute resolution, consistent with Civil Code sections 5910 and 5915, et seq. The Association's offer shall either be placed within the Association's Pay or Lien Letter or in a separate written communication to the Owner. An Owner who desires to accept the offer to "meet and confer" under this section shall elect such option by submitting a written request to the Association or the Association's legal counsel, which written request must be received by the Association within twenty (20) days from the date of the offer to "meet and confer." If the offer to "meet and confer" under sections 5910 and 5915, is accepted by the Owner, the Association shall designate a prompt date and time for the meet and confer, at a location that shall either be the Association's principal office or another convenient location as designated by the Association. The Association shall designate a Board officer, along with its Property Manager to participate in the meet and confer with the Owner.

b. <u>Foreclosure.</u> Prior to initiating foreclosure proceedings against an Owner's separate interest, the Association shall offer the delinquent Owner, and if so requested by the Owner, to meet and confer with a delinquent Owner (Civil Code sections 5910 and 5915) OR alternative dispute resolution (Civil Code sections 5925, et seq.) to resolve any dispute related to the total amount of delinquencies owed by the delinquent Owner to the Association and/or the Association's Collection Policy ("ADR Offer"). The Association's ADR Offer shall either be placed within the Association's Pay or Lien Letter or in a separate written communication to the delinquent Owner. An Owner who wishes to accept the ADR Offer must do so by submitting his/her/it's written request to facilitate the ADR that is elected with the Association, which written request must be received by the Association shall designate a prompt date and time for the elected ADR. If a "meet and confer" is elected by the delinquent Owner, the Association shall designate a Board member, along with its Property Manager to participate in the meet and confer with the delinquent Owner. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the Owner, except that binding arbitration

shall not be available if the Association intends to initiate a judicial foreclosure.

**10. SHOW CAUSE HEARING.** Additionally, the Association may elect to provide a delinquent Owner a written notice (either in the Pay or Lien Letter or in a separate written document, as determined by the Board of Directors) of a hearing before the Board of Directors, wherein the Owner shall be invited to show good cause why (a) the Owner's voting privileges; and/or (b) the Owner's privileges for use of the common area/recreational facilities (hereinafter collectively "Membership Privileges") should not be suspended for non-payment of the delinquent assessment(s) ("Show Cause Hearing"). The notice and hearing procedures shall be in accordance with the governing documents for the Association.

### 11. ASSESSMENT LIEN.

a. If the delinquent Owner does not bring his or her account current within the deadline set forth in the Pay or Lien Letter, the Board of Directors may proceed with recording an assessment lien against that Owner's separate interest.

b. The decision to record a lien for delinquent assessments shall be made only by the Board of Directors of the Association and may not be delegated to an agent of the Association. Prior to causing an assessment lien to be recorded, the Board of Directors must approve the recordation of an assessment lien against the delinquent Owner's separate interest. The Board of Directors for the Association shall approve the decision to record an assessment lien by a majority vote in an open meeting; the Board shall record the vote in the minutes of that meeting. The Board's action should refer to the Unit or account number of the property that is delinquent, rather than the name of the Owner.

c. The Assessment Lien shall be recorded in the County Recorder's Office itemizing all sums that are then delinquent, including the delinquent assessment(s), the then current monthly assessment amount which will also accrue and be a part of the lien, interest, late charges, collection costs and reasonable attorneys' fees. Recording this notice creates a lien, which may be foreclosed upon by the Association.

### 12. FORECLOSURE.

a. <u>ADR Procedure.</u> The Association, prior to initiating foreclosure proceedings against a delinquent Owner's separate interest, must comply with the alternative dispute resolution procedure set forth above (except that the timeline for the delinquent Owner to accept a meet and confer would be thirty (30) days from the date of the Owner's receipt of this pre-foreclosure offer) or alternative dispute resolution consistent with *Civil Code* sections 5925, 5910 and 5915. ("IDR/ADR Offer"). The Owner shall have thirty (30) days from the date of the IDR/ADR Offer to decide whether or not the Owner wishes to pursue dispute resolution or a particular type of alternative dispute resolution (except that binding arbitration is not available to any delinquent Owner if the Association intends to initiate a judicial foreclosure).

b. <u>Board Approval.</u> Prior to initiating foreclosure proceedings, the Board of Directors must, in executive session, approve the decision to proceed with foreclosure by a majority vote. The decision to initiate foreclosure of a lien for delinquent assessments that has been validly recorded shall be made only by the Board of Directors of the Association and may not be delegated to an agent of the Association. The Board shall record the Board's executive session decision in the minutes of the next meeting of the Board open to the members by referencing the Unit or account number of the property that is delinquent, not the name of the delinquent Owner. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale. The Board of Directors shall provide notice by personal service to an Owner of a separate interest who occupies the separate interest or to the Owner's legal representative, if the Board votes to foreclosure upon the separate interest. If the Owner does not occupy the subject lot/unit, the Board shall provide written notice via first-class mail to the most current address shown on the books of the Association.

c. <u>Threshold.</u> The Board of Directors shall not proceed with any form of foreclosure unless and until the amount of delinquent assessments (exclusive of any accelerated assessments, late charges, fees, costs of

collection, attorneys' fees or interest) equals or exceeds One Thousand Eight Hundred Dollars (\$1,800.00) or the assessments have been delinquent for more than twelve (12) months ("Threshold"). Once the Threshold has been met and all other requirements identified above have been completed, the Board may proceed with foreclosure of the assessment lien pursuant to the Association's governing documents and *Civil Code* sections 5700, 5715, 5710, 5715 and 5720. Unless otherwise provided herein, the procedure used shall be private foreclosure pursuant to *Civil Code* section 2924, *et seq.*, and *Civil Code* sections 5700 and 5710. The foreclosure action shall include, but is not necessarily limited to the following procedures:

i. <u>Notice of Default (NOD)</u>. A NOD will be recorded at the County Recorder's office. The cost of all attorneys' fees and/or trustee's fees will be added to the debt.

ii. <u>Notice of Trustee's Sale (NOS)</u>. If the delinquency is not paid within ninety (90) days after the NOD is recorded (and a lawsuit has not been filed), the Association will proceed with the recording and publishing of an NOS. The Owner is responsible for all publication, recording, posting and mailing costs, as well as attorneys' and/or trustee's fees.

iii. <u>Sale of Property by Public Auction.</u> If the trustee's sale proceeds, it is conducted as a public auction in the county in which the separate interest is located, during normal business hours on any business day. ANY OWNER WHOSE SEPARATE INTEREST IS IN FORECLOSURE IS URGED TO CONSULT WITH COMPETENT LEGAL COUNSEL OF THE OWNER'S SELECTION IN ORDER TO BE PROPERLY ADVISED OF THE OWNER'S RIGHTS AND OPTIONS AND THE TECHNICAL REQUIREMENTS OF THE FORECLOSURE PROCESS.

iv. <u>Right of Redemption</u>. The Trustee's Sale shall be subject to a statutory right of redemption, which shall terminate ninety (90) days after the trustee's sale is completed

13. MONEY JUDGMENT OPTION. If the Association determines that the property is over-encumbered, or otherwise makes a determination that a lawsuit is appropriate, the Association may file a personal lawsuit against the delinquent Owner to recover all delinquent assessments owing to the Association. If a lawsuit is necessary to collect the delinquent assessments from the Owner, all expenses, costs and attorneys' fees in connection with said lawsuit, including but not limited to pre- and post- judgment costs for filing fees, personal service, witness fees, interest, execution of judgment and/or writ fees shall be recovered from the Owner defendant. The Association may also refer certain accounts to collection agencies.

14. **RELEASE OF LIEN.** When a delinquent Owner has paid in full all delinquent assessments and charges, the attorney shall prepare a Release of Lien, which shall be recorded in the County Recorder's Office within twenty-one (21) days of receipt of the sums necessary to satisfy the delinquent amount and mail a copy of the lien release to the Owner of the residential Lot.

**15. PAYMENT PLANS.** An Owner of a separate interest which is not a timeshare or who is not a developer may, if mailed to the Association within fifteen (15) days of the postmark date of the pay or lien notice, submit a written request to meet with the Board to discuss a payment plan for the payment of any delinquency. The Association shall provide the Owner with the Association's standards for payment plans, if any exist. The Board shall meet with the Owner in executive session within forty-five (45) days of the postmark of the request, unless there is no regularly scheduled Board meeting within that period, in which case the Board shall designate a committee of one or more members to meet with the Owner. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans shall not impede an Association's ability to record a lien on the Owner's separate interest to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Owner is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Association may resume its efforts to collect delinquent assessments from the time prior to entering into the payment plan.

The Association shall have the power and authority to include (without limitation) the following elements/terms in any payment plan agreement that is reached with the Owner:

a. That Owner comply with the governing documents during the course of the payment plan agreement;

- b. That Owner waive any defenses or claims related to the Association's collection efforts;
- c. That the Association may place a lien against other real or personal property owned by Owner;

d. That Owner agrees to waive any homestead rights he/she may have relative to the delinquent assessments;

- e. That Owner assign the Association all amounts owed under any rental/lease agreement; and,
- f. That Owner be required to provide identifying information, including social security number, driver's license number, off-site address(es), phone numbers, etc.

16. **REJECTION OF PARTIAL PAYMENTS.** Once a delinquent account has been turned over to the Association's legal counsel, the Association and its legal counsel may to choose not accept partial payments and may reject such partial payments until the Owner's account is brought current and paid in full. Owners shall not send any assessment payments to the Association once the matter has been turned over to the Attorney for collection; such payments shall only be accepted by the Association's legal counsel. Any payments delivered to the collection agent shall be forwarded to the attorney's office; the attorney shall then release the lien if payment in full was made by the delinquent Owner.

17. PERSONAL OBLIGATION TO PAY ASSESSMENTS AND CHARGES. Assessments, together with late charges, reasonable fees and costs of collection, reasonable attorneys' fees, and interest determined in accordance with California Civil Code Sections 5600 and 5605 and the Association's governing documents are a debt of the Owner of a separate interest (the Owner's lot) at the time that the assessment or other charges are levied. Whether or not the Association records a notice of delinquent assessment (lien) on your property, the Association has a right to look to the Owner, personally, to pay the debt and pursue collection of that debt in a court action. The Association is also entitled, upon compliance with the requirements of California law and provided certain criteria and procedures as specified by law are satisfied, to record a lien against your property and to take enforcement action to sell your property without court action by non-judicial foreclosure. The recording of a lien against your property does not limit the right of the Association to pursue any Owner personally for payment of all monies due.

**18. COURTESY STATEMENTS AND TIMELY PAYMENTS.** It is the Owner's responsibility to allow ample time to drop off or mail all monies due before the delinquency date. As a courtesy only, invoices or statements for regular assessments may be regularly sent to an Owner by first-class mail addressed to the Owner at his or her address as shown on the books and records of the Association. However, it is the Owner's responsibility to be aware of the assessment payment due dates and to pay any and all assessments when due, whether or not an invoice or statement has been sent. Owners should promptly advise the Association of any changes in the Owner's mailing address. The Association also reserves the right to send out coupon booklets in lieu of sending invoices or statements.

**19. RIGHT TO REQUEST VALIDATION OF DEBT**. An Owner has the right to request validation of the debt by notifying the Association in writing of such request within thirty (30) days of the Association's initial communication to the Owner. Upon such request being made, an account history or other document reflecting the delinquent balance will be forwarded to the Owner. Any information obtained in the collection process or obtained from an Owner will be used for the purpose of collecting any monies owed.

**20. COMPLIANCE WITH CIVIL CODE SECTIONS 5730 AND 5310.** The following notice is set forth to comply with the Civil Code.

### NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

### ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

### PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

### MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

**21. EFFECTIVE DATE OF THIS POLICY.** This policy shall be deemed effective once it is approved by the Board of Directors after compliance with Civil Code Section 4340, et seq.

#### DEL CORONADO SANTEE TOWNHOMES HOMEOWNERS ASSOCIATION ASSOCIATION ELECTION RULES, POLICIES AND PROCEDURES

Pursuant to California Civil Code §4340 (Previously Civil Code §1357.100) the following amended operating rules governing Annual Meetings and Elections is being presented to the Membership for a minimum 30-day review and comment period. Unless you are notified otherwise, the proposed operating rule shall be adopted and take effect following the minimum 30-day review and comment period.

#### ANNUAL MEETING AND ELECTION PROCEDURES

#### **Candidate Qualifications:**

All qualified Candidates in good standing are eligible to run for Director Positions. "Good Standing" means that the Candidate is not more than thirty (30) days delinquent in the payment of assessments and has no pending violations of the Association's governing documents.

#### **Nomination Procedures:**

The Board shall announce, at an open meeting of the Board of Directors, the date of the Annual Meeting at least one hundred twenty (120) days prior to the meeting. The Board shall determine the date by which ballots shall be received.

#### **Nominating Committee:**

The Board of Directors shall serve as the Nominating Committee. The Board may of course delegate the functions of this committee to any Members of the Association who are in good standing and who are not Candidates for the election.

### Nominations:

The Nominating Committee shall mail out requests for Candidates approximately ninety (90) days before the meeting.

Nominations for elected positions must be received no later than forty-five (45) days prior to the meeting date.

Any qualified Member of the Association may nominate himself or herself for election to the Board of Directors.

The Nominating Committee shall finalize the roster of Candidates no later than forty-five (45) days prior to the meeting date.

#### **Campaign Protocols:**

All Candidates shall have equal access to the Association's Media, including, but not limited to, newsletters, websites and bulletin boards, for purposes related to the election if the Board decides to make Association Media available to the Candidates.

Any Candidate shall have access to common area meeting spaces (if available) for the purposes of campaigning or stating of one's view or opinion. All requests for the use of common area facilities must be in writing and state the purpose for the proposed use.

#### **Inspectors of Election/Ballots:**

The Board of Directors shall appoint Inspectors of Election.

Inspectors of Election may be a Member of the Association in good standing that is not a Director or a Candidate for Director or related to a Director or a Candidate for Director, and/or may be an independent third party. If these parties are not available, the Managing Agent or Legal Counsel may act as Inspector of Election.

The Inspector(s) of Election shall be comprised of either one (1) or three (3) persons. In no case shall the number of Inspectors be even in number.

The Inspector(s) of Election shall perform their duty impartially, in good faith, to the best of their ability and as quickly as possible.

#### Voting:

The Associations governing documents shall determine voting classes.

Members in good standing shall be entitled to vote on behalf of each separate interest owned.

The Board of Directors shall have the right to suspend the voting rights of any Member, after notice and hearing, for non-payment of assessments and or for a violation of the governing documents.

#### **Voting Format and Scope:**

All Member voting related to election of Directors, amendments to governing documents, regular assessment increases exceeding the authority of the Board, special assessments and the granting of exclusive use of common area property **shall be conducted by secret ballot.** 

#### Proxies:

Proxies will no longer be mailed out to the Members as part of the election package. Owners may still use proxies that are compliant with the Civil Code, but the Association will not produce or provide proxies unless the Board votes to do so.

All proxies will include a separate sheet that is formatted to allow the Member to provide instructions for the proxy holder. The proxy holder shall retain this instruction sheet. Proxies that do not comply with this format as well as the Civil Code shall be deemed invalid. The Proxy holder must be present at the meeting to cast the Member's vote by secret ballot. Faxed/e-mailed proxies are not permitted.

#### **Ballots:**

Ballots shall contain the names of all Candidates who have been nominated and/or a description of any other matter being addressed in the voting.

Ballots shall be distributed to each Member along with two (2) pre-addressed envelopes and instructions for submission by mail or hand delivery at least thirty (30) days in advance of the meeting.

Members must identify his or her unit or lot number and print and sign his or her name on the return envelope containing the ballot. Ballots that are not received in properly identified envelopes shall not be counted. Once voted, a ballot may not be revoked. Only Association provided election materials may be used. The Inspector(s) may void any reproduced or unofficial election materials. If a ballot is lost or spoiled, the owner may request that a new one be issued by the Association. The Association may require that a "Declaration of lost or Spoiled Ballot" be completed by the owner.

Ballots shall not be opened, viewed, or otherwise reviewed prior to the date and time of ballot tabulation. The cut off date shall be the day of the Annual/Tabulation Meeting, and the cut off time shall be determined after the Annual/Tabulation Meeting registration begins. Faxed/e-mailed ballots are not permitted and will be deemed invalid.

#### **Election results:**

The counting and tabulation of ballots shall be performed in public.

The results of the election or other matter being addressed shall be promptly reported to the Board of Directors.

The Board of Directors shall publicize the results of the election or other matter being addressed within fifteen (15) days of the election.

Ballots shall be retained by the Association for a period of one (1) year. At the end of this period, all ballots shall be destroyed.