SOUTH BAY HOME OWNER'S ASSOCIATION Rules and Regulations

BY RESOLUTION OFTHE BOARD OF DIRECTORS June, 2017

WHERE AS, the South Bay Homeowners Association (the "Association') isa Nevada nonprofit corporation duly organized and existing under the laws of the State of Nevada; and CC&Rs and Bylaws gives the Board of Directors ('Board") the power to adopt, amend, repeal and enforce reasonable Rules and Regulations for the use and occupancy of the Association project; and,

WHERE AS, NRS116.3102, gives the Board rule-making authority; and,

WHERE AS, the purpose of these Rules and Regulations is to provide guidance for general conduct within the community, it is the duty and obligation of the Association to administer and enforce all governing documents of the Association as a whole. These Rules and Regulations are not to be construed as a substitute for the complete CC&Rs. The Rules and Regulations are in addition to all other Association governing documents in effect. If there is a conflict between the Rules, the Bylaws, the Articles of Incorporation and the CC&Rs, then the Articles and Bylaws control over the Rules, the Articles control over the Bylaws and the CC&Rs control over everything; and,

WHERE AS, the following Rules and Regulations were adopted by the Board on Friday, February 26, 1016; all previous rules and regulations documents of South Bay Home Owner's Association are considered null and void; and,

WHERE AS, any and all violations of these Rules and Regulations and other governing documents will be enforced pursuant to the enforcement and fine policy resolution in effect;

NOW, THEREFORE, BEITRESOLVED, the Board adopts the following Revised Rules and Regulations:

PLEASE NOTETHATTHE FOLLOWING RULESAND REGULATIONS ARE INADDITION TOTHE REQUIREMENTS STATED IN THE CC&RS, BYLAWS AND ALL OTHER GOVERNING DOCUMENTS. ANY RULESSTATED INTHE CC&RSAND OTHER GOVERNING DOCUMENTS ARE EQUALLY AS ENFORCEABLE AS THESE RULES AND REGULATIONS.

SOUTH BAY HOMEOWNERS ASSOCIATION RULES ANDREGULATIONS

The nature of living in an Association requires a higher degree of cooperation and thoughtfulness among its residents than is customary in neighborhoods without the benefit of an Association. Living within an Association requires mature acceptance of restraints on your individual desires and lifestyles. It is the desire of all residents to maintain an attractive, congenial and pleasant living environment.

The following Rules and Regulations are adopted to protect property values, to keep the owner's investment secure and to ensure that all members of the Association will have a pleasant environment in which to live. These Rules and Regulations shall remain in effect until changed, modified or revised by the Board of the Association.

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ALLTERMS DEFINED IN THE CC&RS SHALL HAVE THE SAME DEFINITION WHEN USED HEREIN.

1. NON-OWNER (TENANT) OCCUPIEDRESIDENCES

For ownerswhodecideto leasetheir units, the following rules apply.

11 Owners are required to register their tenants with the Association management within fifteen (15) days of leasing their unit. The registration shall include the unit address, names and ages of each occupant, and a copy of the lease agreement. The owner remains responsible for the actions of their tenants and guests. Owners must provide their tenants with a copy of all of the Association's governing documents. Owners encourage participating rental agencies perform a background check on all perspective tenants.

12 Notwithstanding any other provisions in the Rules and Regulations or other Association governing documents, the owner remains liable for all acts of the owner's tenants, including any fee assessments for violations of these Rules and Regulations, as well as any cost for repairing damage to the Common Area or other property caused by the owner's tenants. Refer to fee schedule for assessmenttotal.

All properly registered tenants (pursuant to rule 1.1 above) will enjoy all rights and privileges otherwise enjoyed by the owner with regards to the use or recreational facilities and parking areas are fully and automatically vested with the tenant. Any tenant is obligated and responsible for adhering to the rules and regulations of the association.

14 The owner must notify the Association, in writing, when the owner's tenant no longer resides in the Unit within fifteen (15) days of the tenant vacating the Unit. The owner remains liable for any acts or occurrences of the tenants until such notice is sent to the Association AND the tenant actually vacates the Unit.

2. PARKING AND VEHICLES

The following vehicles may not be parked in the Association community for more than thirty six (36) hours. This includes recreational vehicles or any vehicle requiring state of Nevada registration. Any such vehicle is subject to towing at the owner's expense.

- (a) Vehicles incapable of being driven;
- (b) Expired OMV registration; unless the vehicle has the proper association management's parking sticker displayed (registered with the association management company) and the owner has notified the management office they are out of town for an extended period of time.
- (c) Flat tires; if the owner is out of town for an extended period of time, the association's management company will notify the owner and the owner needs to arrange to have the tire repaired.

Each unit is assigned one reserved, covered parking space. Additional uncovered parking spaces have been provided for those residents with more than one vehicle. Any vehicle parked in an unauthorized location will be subject to tow at the owner's expense. Vehicles must be registered with the Association. Owners must obtain a registration sticker from the Association's management company and be properly displayed on the vehicle.

23 No vehicle may be stored permanently in any unassigned parking spaces. Permanently, in this instance, shall be construed to mean more than one (1) week. At the end of one week's time, said vehicle shall be removed from the parking space and parked elsewhere. If the vehicle is not moved, the vehicle is subject to towing at owner's expense.

No vehicle may park in the Common Area streets except for purposes of loading and unloading for a maximum time of five (S) minutes. No recreational vehicles, camp trailers, boat trailers, or motor homes shall be parked on any Common Area except as may be designated by the Board.

Vehicle overhauls or maintenance work (which includes washing the vehicle) is not permitted on the Association property. This shall also include no changing of fluids (oil, transmission fluid, coolant, etc.) Vehicles leaking fluids (oil, transmission, coolant, etc.) are subject to tow at the owner's expense.

No vehicle shall be parked so as to preclude or prohibit the entry or exit from any parking space or driveway by another vehicle. This rule specifically includes, but is not limited to, the parking of a vehicle owned or operated by a unit owner or occupant, or a guest of such owner or occupant, in a position blocking entry into or exit from another owner's or occupant's own unit or parking space.

All vehicles are to be parked in a forward position with the exception of motor homes, which must be backed into the designated RV Parking areas.

The speed limit on the Association Common Area streets is five (S) miles per hour. Careless or reckless driving in the Association is strictly prohibited.

No RV, camper or other vehicle shall be used as a living area while located in the Association.

All RVs, boats, campers, trailers and all other permitted recreational vehicles must be parked in the designated RV Parking areas and must be registered with the Association. Such registration must include the make, model, year and license plate number. Owners of the RVs must obtain a registration sticker from the Association's management company. There is a one-time fee of twenty-five dollars. Only one sticker will be issued per unit.

No vehicle shall be parked within fifteen (15') feet of any fire hydrant or adjacent to red painted zones or otherwise block access to handicapped parking or access by any

emergency vehicle.

Any vehicle parked by a fire hydrant or within a fire lane is subject to immediate tow without notice at owner's expense.

3. TOWING OF VEHICLES

3.1 The Board may direct that any vehicle in violation of these Rules and Regulations and other governing documents including, but not limited to, the CC&Rs, may be towed in accordance with law.

32 Any vehicle in the community in violation of the above provisions, or any provision of the CC&Rs or any other applicable Governing Document of the Association, may be subject to towing, where the Association has the right, but not the duty or obligation, to have the violating vehicle towed, subject to the following:

- (a) Prior to exercising the right to tow the vehicle, the Association, or a designee of the Association, shall post written Notice on the violating vehicle forty-eight **(48)** hours prior to having it towed.
- (b) The Notice shall state the vehicle is in violation of the Association's parking regulations and if the vehicle is not removed from the street and fitdoes not remain otherwise compliant with all parking regulations prior to the expiration of the forty-eight (48) hour notice, the vehicle maybe towed.
- (c) The forty-eight (48) hour notice applies from the time notice is posted on the vehicle. Should any vehicle receiving such notice violate the same parking rule or regulation for which the notice was given within thirty (30) days of that notice, no further notice will be necessary and the Association may remove such vehicle.
- (d) The vehicle owner shall be responsible for all expenses incurred in the towing and retrieval of the vehicle.
- (e) The right of the Association to have a violating vehicle towed shall not require any notice other than the forty-eight (48) hour posting described herein or hearing prior to removal of the vehicle.
- (f) Provided, however, any vehicle that is blocking a fire hydrant, designated red zone, fire lane or parking space designated for the handicapped, or poses an imminent threat of causing a substantial adverse effect on the health, safety or welfare of the owners or tenants, as determined by the Board, may be immediately towed without notice and the vehicle owner shall be responsible for all expenses incurred in the towing and retrieval of the vehicle.

4. SWIMMING POOLSANDSPAS

4.1 The Association does not provide lifeguards in the pool areas. Therefore, all persons using the pool facilities do so at their own risk. The Association assumes no responsibility or liability for injuries. Lifesaving equipment is available in the pool area and may be used for its intended purpose only. All state and local laws and rules pertaining to the use and operation of the pool will be strictly enforced. Violations of such state and local laws may result in fines. The pool area is operated primarily for the use and enjoyment of the owners. The use of the Association facilities and amenities by guests is a privilege and prudent judgment must be used by the residents with regard to the number and frequency of guests using the pool. Violations of the governing documents pertaining to use of the pool may result in the suspension of pool use privileges.

42 Appropriate swim wear shall be worn while in the pool area at all times. Nudity is not permitted in the pool and spa area. Cutoffs, street clothes or any other types of non-swim wear attire will not be permitted within the pool or spa. Infants and small children must be toilet trained in order to use the pool and must remain in swim wear at all times. In the event a child defecates in the pool, the parent or responsible adult accompanying the child will be responsible for the costs of draining, cleaning and refilling the pool. Individuals wearing diapers are not permitted to enter the pool.

43 Glass bottles, containers or other breakable items are prohibited in the pool area. Eating, smoking and drinking beverages in the pool or spa are prohibited. Food should only be eaten at the tables provided.

4.4 Regular pool hours are 7:00 a.m. to 10:00 p.m. Quiet time is allowed from 10pm to 7am; no parties, loud noise, etc. The pool is closed periodically for cleaning and maintenance. Adjustment of any control or equipment regulating the pool or lights or other common area services is prohibited.

45 Persons using suntan lotions or oils must shower before entering the pool or spa. The use of shampoo, bubble bath or other soaps and detergents in the pool and spa area are strictly prohibited.

4.6 A resident over the age of eighteen {18} must accompany residents and guests under the age of eighteen {18} at all times. Other adults using the facilities will not be considered as babysitters or be responsible for children. A resident is defined as either an owner or a tenant registered by the owner with the associations' management company.

4.7 Diving, running, pushing, screaming, unreasonable splashing, destructive use of pool furniture, loud or foul language or lascivious behavior or similar actions are prohibited. No more than four (4) moderately sized inflatable rafts shall be in the pool at any time.

Entry cards may not be reproduced, loaned or given to non-residents. Entry cards must be used to enter and leave the pool area and the pool gate must be fully closed upon entering and leaving the pool area. The gate shall not be propped open or made not to lock at any time. This is a health, safety, and welfare violation; fines for health, safety and welfare violations will commensurate with such violation and may be unlimited

48 Residents may have up to four (4) guests and must accompany them at all times while using the pool or spa. The Board of Directors may make exceptions under special circumstances and with prior authorization.

5. CLUBHOUSE RULES

5.1 Residents desiring to utilize the clubhouse for private functions must reserve the clubhouse at least two (2) weeks in advance. The specific details of the function must be disclosed at the time of reservation. The deposit amount shall be payable at the time the reservation is made. Any damage caused to the clubhouse during use will be billed to the resident reserving the clubhouse. Upon reserving, resident must supply an insurance document.

52 A two hundred dollar (\$200.00) deposit is required for such parties. Subsequently, after an inspection, \$200.00 will be returned if everything is in good order and no maintenance, cleaning or repairs are necessary. Residents are asked to report any damage or issues with the clubhouse to the management company immediately.

53 Extra cleaning and repair costs will be deducted from the two hundred dollars (\$200.00} refundable deposit. Should these costs exceed two hundred dollars (\$200.00), then the resident party host will be billed for such an amount.

5.4 Other residents shall not be restricted from the use of the pool and other facilities outside the main clubhouse area while private parties are being held.

6. RECREATIONAL FACILITIES

6.1 The exercise room, tennis court, club house and steam room is restricted to residents and their guests only. Individuals under the age of eighteen (18) years of age may not use the exercise room or the steam room unless accompanied by an individual eighteen (18) years of age or older. Individuals under the age of sixteen (16) may not use the tennis court unless accompanied by an individual eighteen (18) years of age or older. Residents may have up to four (4) guests and must accompany them at all times while using the facilities.

6.2 Residents and guests are asked to keep noise levels down and be mindful of other residents. Language should remain respectful and fighting is not allowed. Residents and guests using the facilities must clean up and dispose of all trash.

6.3 No pets of any kind shall be permitted in or about any facility.

6.4 The use of the Association facilities and amenities by guests is a privilege and prudent judgment must be used by the residents with regard to the number and frequency of guests using the facilities. The Board can suspend the privilege of recreational facility usage to anyone violating these rules and regulations or any other governing documents.

7. PET CONROL

7.1 A maximum of two (2) household pets (exclusive of caged birds or aquarium fish) pursuant to Nevada Admin Code Chapter 503, 110 may be kept in any Living Unit or exclusive use area. Pets shall not be allowed on other portions of the Common Area except as may be permitted by rules made by the Board. Except as provided herein above, no animals, livestock, birds, or poultry shall be brought within the Condominium Property or kept in any Living Unit or on any portion of the Common Area.

All authorized pets must be registered with the Association's management company. All such pets must have a current license in accordance with local laws and ordinances. Registration of pets will include pets' name, current photo, shot record and name and address benefactor in case owner becomes incapacitated and pet is abandoned.

73 No animal shall be kept, bred, or maintained for any commercial purposes.

7.4 All local laws, including leash laws pertaining to pets will be enforced. Pets must be on a leash whenever outside of the owner's unit. Said owner shall, at all times, be in full and complete control of said pet.

75 Pets shall not be tied to trees, stakes or any exterior structure or improvement within the Common Area. Any pet found running loose will be turned over to the local animal control center.

7.6 Excessive barking or other pet noise is not allowed. Such barking or noise may be deemed to be a nuisance by the Board, which may lead to enforcement action by the Association, including expulsion.

7.7 Pet owners will be held responsible for deposits and actions of their pets, which are detrimental to the Common Elements and other Units. Animal waste must be removed immediately and disposed of in a healthful manner. Any damages caused by pets must be rectified to restore the Common Areas to its original condition and may result in a special assessment on the residence of the pet owner to recover restoration expenses incurred by the Association to correct damage.

7B All pets should not exceed a 35 lb. limit. This limit applies to all pets of homeowners, tenants, and/or guests.

8. SIGNAGE

8.1 No noncommercial signs of any kind shall be displayed on any portion of the Units except such signs as may be used in connection with the sale or lease of a unit, which may only be displayed inside of an exterior window. Commercial signs are prohibited except as to the following: only one "For Sale", "For lease" or "For Rent" signs per unit not larger than 18" x 24".

8.2 Garage sales are prohibited.

8.3 Residents may display political signs in accordance with NRS 116.325. Such signs are prohibited on the Common Areas.

9. GENERAL CONDUCT: ON COMMON AREAS, EXCLUSIVE USE COMMON AREA AND ACTIVITIES THEREON.

9.1 Open flame barbeques (propane, charcoal, wood or other combustible materials) are not allowed within ten feet of any building or overhang of any building. This restriction applies to any and all open flames. Electric barbeques are permitted. Clark County fire codes are to be followed.

92 Residents are responsible for maintaining all Exclusive Use Areas in a neat, clean and attractive condition. The unsightly or unkempt storage of any items on the Exclusive Use Area is prohibited. Garbage, trash, toys, rugs, firewood, barbeques{except electric barbeques}, clothesline, bathing suits, laundry, towels, or any other items that create an unkempt or cluttered appearance is not permitted.

93 The units shall not be used for commercial, business or any other non-residential purposes.

9.4 No firearms, including BB guns or pellet guns, may be discharged anywhere in the Association Project. Slingshots, knives, bows and arrows or other like items is prohibited anywhere in the Common Areas or Exclusive Use Areas. The discharge of fireworks, firecrackers or any other explosive items is prohibited.

95 No littering on any of the Association Property. All trash must be disposed of properly and completely within an appropriately designated trash receptacle. Furniture, Christmas trees, or other large items must be hauled away from the property.

9.6 Bouncing balls off of walls, roofs or buildings is prohibited.

9.7 No combustible machinery is allowed within a unit; i.e., motorcycles.

9.8 All complaints or concerns must be submitted in writing. Member Concern Forms are available at the clubhouse, on the management company's website or at the management

company's office. Member Concern Forms must be signed by the complainant; if sent by email, the email address will be considered an electronic signature.

9.9 Any activity which is considered a violation of the right to peaceful, quiet enjoyment will be considered a violation of the Rules and Regulations and will be subject to a fine or other sanction. Residents may file a written complaint with the Association for such violations of peaceful enjoyment.

9.10 Conduct, including but not limited to the following actions will be considered interference with the right to peaceful, quiet enjoyment.

- (a) Loud, profane, indecent or abusive language, harassment or physical abuse of any person by another, or actions that compromise the safety of the other residents in the community in any of the Common Areas.
- (b) Disorderly conduct in the Common Areas including, but not limited to engaging in any illegal activities.
- (c) loud radios, stereos, musical instruments, party activities, vehicles and other noise producing sources at levels that are deemed to be a nuisance by the Board.
- (d) Activity which endangers life or property.

Noise complaints may be reported by other residents in writing to the Board or management.

9.11 Access to the roofs of the building is only permitted by the Association and its agents and representatives. Owners shall not be allowed access to the roofs. However, a contractor or other licensed professional may access the roof, after notifying management, for purposes of repairing A/C equipment or other necessary unit maintenance. The Association reserves the right to inspect the condition of the roof after the owner's agent or contractor has accessed the roof to inspect for damages. The owner will be held responsible for any damage to the roof caused by the owner's agent or contractor.

9.12 Individuals under the age of sixteen (16) must be under the direct control of their parents or legal guardians at all times. Individuals are not permitted to play, loiter or climb on fences, roof areas or in and around the water feature. The Common Area is for the use and enjoyment of all occupants and is not to be used as a playground area for organized group sports such as football, baseball, and other games or sports that unreasonably interferes with others' use of the areas.

9.13 No resident may interfere with, complain to, give direction to, act in a hostile manner with or harass any vendor or their employee, a committee member or an employee of the Association while they are acting within their scope of work. All work provided by the vendor and their employees is assigned by the management company, which

receives direction from the entire Board of Directors.

All concerns, complaints, alerts to rules violations, and requests for vendor action must be submitted in writing using the member concern form. The form is to be reviewed by the management company and the Board for appropriate action.

9.14 Skateboards, roller skates, scooters of any kind and go-carts are not to be ridden anywhere within the Association Project. Bicycles or other similar vehicles may not be ridden on sidewalk. AllADA-related vehicles are excluded.

- 9.15 All garbage must be suitably contained in plastic bags and disposed of into the dumpster. No furniture, bed mattress, bed box springs, or any other household amenities or appliances are to be placed in dumpsters. The resident is responsible for properly disposing of these items.
- 9.16 Dumpster diving is not allowed.
- 9.17 Bicycle Storage- Bikes may be stored in two areas. First, on the homeowner's patio/balcony. Second, may be stored at the homeowner's assigned parking space; as long as, bike is stored horizontal to front of vehicle. Vehicle's back fender cannot stick out in public drive. Bikes cannot be stored in-between two different vehicles nor chained to parking space pillars.

10. ARCHITECTURAL MODIFICATIONS AND GENERAL APPEARANCE

101 In addition to the architectural provisions of the CC&Rs, any and all changes, modifications, additions, installations or the like to the exterior of the Units must be approved by the Association.

102 Use only appropriate window coverings. Do not hang sheets over windows or cover them with aluminum foil or newspapers.

103 Owners must apply to the Association for permission to install any window or door coverings on their units such as solar screens, sun shades or door screen. The Association will review such applications in accordance with the standards set forth in Article V of the CC&Rs. In the event that the Association approves such an application, the owner shall be responsible for any and all damages to Common Areas that may result from the installation of the solar, window or door screens.

104 There shall be no outside television, radio antennae or satellite dishes, constructed or maintained on the Condominium Project for any purpose without the prior approval of the Board.