

RULES & REGULATIONS

Palermo Homeowners Association

**Palermo Homeowners Association
A California Corporation**

NOTICE OF ADOPTED RULES & REGULATIONS REVISION
July 13, 2023

Enclosed you will find the adopted version of the Palermo Homeowners Association Rules & Regulations. The general purposes of this Rules & Regulations revision are to:

1. Present the rules in a more organized and clearly understandable format.
2. To update certain terminology and/or vendor information.
3. To ensure that the rules are in compliance with the Association's CC&Rs and also new laws in force as of the date of the revision.

This revision was formally adopted by the Board of Directors at the July 13, 2023, meeting. Please keep these Rules & Regulations safe with your other important Association documents.

Every owner and resident is responsible and accountable for their own actions and all efforts to follow these rules in order to maintain the values and enjoyment within the Palermo community are greatly appreciated.

Questions or concerns should be directed to the management company:

TSG Independent Property Management, Inc.
27129 Calle Arroyo, Suite 1802
San Juan Capistrano, CA 92675
Office 949-481-0555
Fax 949-481-0556
Web: www.tsgindependent.com

Respectfully,

Palermo Board of Directors

PALERMO HOMEOWNERS ASSOCIATION

RULES AND REGULATIONS

Adopted July 13, 2023

These regulations describe some of the basic rules and regulations of the Palermo or Palermo Homeowners Association ("Association"). Please refer to the CC&R's for a comprehensive description. These Rules and Regulations are adopted pursuant to Article IX, of the CC&R's.

No owner shall permit or suffer anything to be done or kept upon or in his unit of the common area which will increase the rate of insurance thereon or which will obstruct or interfere with the rights of other owners, their families, guests or invitees, nor annoy them by unreasonable noises or otherwise, nor which shall in any way interfere with the quiet enjoyment of each of the owners of his respective condominium, nor will he commit or permit any nuisance, noxious behavior thereon or therein. Each owner shall comply with all of the requirements of the local State Board of Health and with all other governmental authorities with respect to the occupancy and use of said premises.

Each Owner shall be liable to the Association for any damage to the commonly owned areas or any equipment thereon which may be sustained by reason of negligence of said owner, his family, guests or invitees, to the extent that any such damage shall not be covered by insurance.

Owners are responsible for the conduct of their guests, tenants, and guests of tenants in abiding by the Association Rules and Regulations. It is the responsibility of each owner to inform his/her tenant(s) and guest(s) of appropriate regulations and restrictions.

INSURANCE POLICY DEDUCTIBLES

The Board of Directors shall have in its sole discretion to determine the amount of any deductible in any insurance policy carried out by the Association. In the event of a loss, Association insurance coverage is used, the responsibility for any deductible shall be as follows:

1. Owners shall be responsible for the cost of any deductible if the damage or loss occurs to the Owners' real or personal property, or other property for which the Owner is responsible ("Owner Property")
2. The Association shall be responsible for the cost of any deductible if the damage or loss occurs to any real or personal property owned by the Association, or for which the Association is responsible. ("Association Property").
3. If the damage or loss occurs to any Owner Property and any Association Property or to more than one Owner's Property, the responsibility for the payment of any deductible shall be apportioned among the affected parties on the basis of the ratio of each party's insured loss to the total insured loss under that policy.
4. The foregoing notwithstanding, if the Board determines the damage or loss is caused by the negligence or misconduct of any Owner, or resident, guest, tenant or invitee of an Owner or is the Owner's maintenance responsibility under the Declaration, such Owner shall be liable for the full amount of the deductible.

GENERAL RESTRICTIONS

1. Excessive noise (voice, radio, stereo, etc.) is prohibited after 10:00 p.m., or at any other times that would cause a disturbance to a neighbor or the neighborhood. (**California Penal Code 415**)
2. Reckless driving or speeding (over 10 mph) within the community is not permitted.
3. All pool and safety rules shall be obeyed as posted. Repeated violations may lead to suspension of pool privileges.
4. Destruction or defacing of property, buildings, equipment or landscaping is not permitted.
5. Trash, trash receptacles, cans, or bags are not allowed in the common area prior to 6:00 p.m. the night before the scheduled weekly trash pickup and/or after the end of the trash pickup day.
6. Trespassing will be immediately reported to the Sheriff's Department.
7. Smoking in areas where the smoke travels to the residence of others is prohibited.
8. No drones are allowed within the community unless approved by the Board of Directors AND FAA.

ADDL GENERAL RESTRICTIONS - PAVED COMMON AREAS

1. **CHILDREN MUST BE SUPERVISED WHEN IN THE COMMUNITY.**
2. Cyclists must wear protective headgear as defined by law.
3. Reckless driving or speeding (over 10 mph) is strictly prohibited.
4. Sidewalks are limited to pedestrian traffic only.
5. Skate boarding/scooters within the community is **not allowed**.

PATIO AND DECK USE

1. Patio/deck furniture, BBQ, living plants and trees are permitted on a unit patio or deck.
2. No other miscellaneous material is permitted to be displayed on the patio deck.
3. Patio/deck umbrellas or other shade devices must be approved by the Architectural Committee prior to installation.
4. Owners are responsible for the maintenance and upkeep of patio/deck surfacing.
5. No charcoal barbecues, fire pits, and other open-flame devices are permitted to be used on patios / decks. Per the 2010 California Fire Code, Title 24, Part 9: 308.1.4 Open-flame cooking devices. Charcoal burners and other open-flame cooking devices shall not be operated on combustible decks or within 10 feet (3048 mm) of combustible construction.
6. Outside building surfaces and fences are common area. No articles or materials can be attached to the walls, fences or buildings; The examples of those include, but not limited to garland lights, shades, sunscreens, wall plaque/plates, planters, bird feeders, chimes etc.
7. Natural/black mesh screens are permitted to be attached to metal fences/gates only, subject to the board's approval.
8. Limited light garlands display will be permissible during the Holiday Season from December 1st until January 7th.

PET RULES

1. Each owner is responsible for his or her pet(s). This includes cleaning up after the pet and controlling the pet's behavior to avoid disturbing a neighbor.
2. A reasonable number of pets shall mean a maximum of two (2) common household pets, subject to variation upon Board approval.
3. A common household pet is defined as a domesticated animal, such as a dog, cat, bird, rodent (including a rabbit), fish, or turtle that is traditionally kept in the home for pleasure rather than for commercial purposes. Common household pets do not include reptiles (except turtles). This definition shall not include animals that are used to assist persons with disabilities.
4. Any Owner who has a total of three (3) animals at the time of the recording of this Declaration shall be permitted to keep the three (3) animals notwithstanding the limitation imposed herein. However, upon the death or removal of one (1) animal from Owner's Property, Owner shall comply with the limitation pertaining to the number of animals permitted in any other Rules adopted by the Board.
5. All pets must be licensed in accordance with city/county regulations or as deemed reasonable by the Board.
6. All pets must be on a leash and under control when outside the confines of any residence.
7. Pets are not allowed at any time in the picnic, tot lots, pool, spa, or pool area.
8. Loud, excessive noises from pets over extended periods of time is strictly prohibited. ***(O.C. Barking Dog Violation and Civil Fine pursuant to Sub-article 2. sec 4-1-59.3, notwithstanding sec. 4-1-48 of this article violations pursuant to Government Code section 53069.4 and the County's plenary police power.)***
9. Any dog or other animal which attacks, bites, or injures a member of the community or another animal shall be deemed an automatic nuisance and subject to immediate removal from the community.

CLUBHOUSE RULES

1. Prospective clubhouse users must apply to the Board of Directors via the management company for reservation approval.
2. The clubhouse may be reserved only by a resident of the Association.
3. There is a mandatory, non-refundable \$20.00 fee for use of the Clubhouse.
4. A deposit of \$100.00 is required and is refundable if the facility is left clean and undamaged.
5. Guest's vehicles may be parked in the Guest spaces. No "ON Street" parking will be allowed.
6. Loud noises will not be tolerated and will result in immediate termination of the Clubhouse reservation including vacating the facility and/or a complaint will be made to the Sheriff's Department.
7. The swimming pool may not be used exclusively in conjunction with the Clubhouse.
8. The curfew is 10:00 p.m. on weeknights and weekends.
9. Guests must be cautioned to leave quietly, particularly during evening hours.
10. The resident who reserves the Clubhouse is responsible for its cleanliness and any damage as well as the conduct of his/her guests and must attend the event.
11. Contact the management company, to request the date and form for reserving the clubhouse. The form must be completed and returned to management along with two (2) separate checks.
 - a. One for twenty (\$20.00) dollars for the rental of the clubhouse
 - b. And the second check for one hundred (\$100.00) as a security deposit.
 - c. Checks should be made payable to Palermo Homeowners Association. If the clubhouse is left clean with no damages the \$100.00 security deposit will be returned.
12. **NO ALCOHOL IS ALLOWED IN THE CLUBHOUSE.**

POOL RULES

1. Use of the pool and spa is limited to the hours of 6:00 a.m. to 12 midnight daily.
2. Residents must accompany their guests in the pool and spa areas. If guests are not accompanied by a resident, the pool key will be subject to confiscation.
3. Glassware or glass bottles of any kind are prohibited in pools, spa and sauna areas.
4. **NO ALCOHOL ALLOWED IN THE POOL AREA.** Violation may result in loss of common area use privileges.
5. The pool is considered a **NON-SMOKING** area.
6. All minors in the pool or spa must be accompanied by an adult.
7. Keys to the pool areas may not be in the possession of a minor.
8. Littering of the pool and spa areas is prohibited. All refuse shall be removed from the pool and spa areas or properly disposed of in garbage containers by the responsible homeowner or tenant.
9. Cut-off pants or frayed garments are prohibited while in the pool or spa.
10. Swimsuits must be worn by all people in the pool and spa. (No skinny-dipping.)
11. Pets (**other than seeing-eye dogs or service dogs for the physically disabled**) are not permitted in the pool and spa area at any time.
12. Infants and other individuals unable to control their natural body functions must wear protective rubber swim pants.
13. **POOL AREA GATES MUST BE KEPT LOCKED AT ALL TIMES AND MUST NOT BE PROPPED OPEN OR LEFT AJAR.** Violation may result in loss of common area use privileges.
14. No person shall climb over the pool fence or gate to gain entry to the pool/spa area.
15. Running, diving, pushing, or horseplay in or around the pool and spa area is prohibited.
16. Bicycles and self-propelled wheels, i.e. bicycle, skates, roller blades, etc. (Other than handicapped equipment) are prohibited in the pool and spa area.
17. All furniture and other personal belongings brought into the pool area enclosure by a homeowner, tenant, or guest shall be removed immediately upon departure.
18. Persons using radios or other sound equipment in the pool/spa area shall keep the volume sufficiently low, so it does not disturb others using the facilities or surrounding residents.
19. **Anyone requiring a replacement key will be charged \$50** payable to Palermo Homeowners Association. If you give your key out to anyone it will be subject to confiscation. The pool area is a smoke-free area

WORKOUT ROOM RULES

1. Anyone using the workout room is required to bring a towel and wipe down the equipment after use.
2. No equipment or part thereof should be removed from the workout room.
3. Use of the workout room by minors must be accompanied by an adult.

TOWING -The Association may automatically remove vehicles, at the owner's expense, from the community without prior notice for violation of the following parking rules:

1. Any vehicle parked and left **UNATTENDED** on any side of the street identified as a **FIRE LANE**. Fire Lanes are bounded on at least one side by **RED PAINTED CURBS**. This includes garage entrances that may not be painted red.
2. Any vehicle parked on or blocking any part of a sidewalk.
3. Any vehicle that blocks a garage, other than for loading, unloading or washing. Vehicles left unattended will be subject to towing.
4. Any vehicle parked in such a manner that it interferes with the normal flow of street traffic, entrances to, or exits from, the community.
5. Any vehicle parked within 15 feet of a fire hydrant.
6. Any vehicle parked in a space designated for handicapped parking does not display proper handicapped sticker or authority.
7. Any vehicle parked in such a manner that it blocks any handicapped access ramp to any sidewalk or driveway.
8. Trailers, campers, RV's, motor homes, boats, watercraft, aircraft, commercial vehicles, vehicles exceeding a 1-ton rating, inoperative or unlicensed/unregistered vehicles, unless the vehicle is temporarily parked for loading or unloading.

Unlicensed/unregistered vehicles. Vehicles must have **current tags and stickers** (current or future month, and current or future year) to park at Bella Palermo at any time. Vehicles without current tags will be considered unregistered and towed with no notice. The parking management company has no way to verify registrations. They only use the tags and stickers to determine whether a vehicle is currently registered.

Any vehicle stored on the street or a parking stall. A stored vehicle is identified as any vehicle left in excess of three days (72 hours) within the project. Authorized vehicles must be stored wholly within the resident's garage and/or assigned reserved parking spot. Stored vehicles obviously being moved from one parking spot to another to avoid enforcement and not used for daily transportation to and from the project will be subject to being towed.

RESIDENT GARAGES, RESERVED PARKING

1. Two-car garages must be available to accommodate two vehicles.
2. One-car garages must be available to accommodate one vehicle; residents may park a 2nd vehicle in their assigned reserve space. (It is the responsibility of the resident to contact either the patrol service or a towing company to have an unauthorized vehicle towed from their reserved space.) The resident will be required to sign the tow company's impound paperwork that affects the tow.
3. Residents who have more vehicles that cannot be accommodated within their two (2) assigned spaces, must park those extra vehicles outside of the community.

GUEST PARKING

1. Spaces marked "Guest Parking" are reserved exclusively for guest vehicles. The community has the minimum number of guest parking spaces required by city and county zoning regulations.
2. **Resident vehicles may not occupy guest parking spaces AT ANY TIME.**
Resident vehicles in violation of this rule are subject to tow.
3. Guest parking spaces are monitored daily by a private patrol service. Any vehicle found in guest parking for more than 3 times without being safelisted is subject to immediate tow at the vehicle owner's expense. Residents must notify the management company when a guest plans on staying longer than 3 days in a calendar month. The guest's vehicle type and license number, along with the length of stay (inclusive from date to date), must be provided to management.
4. Residents shall be responsible for assuring that their guests abide by all parking and vehicular rules and regulations.

SAFELISTING OF VEHICLE

1. You must safelist your guest's vehicle that will be staying longer than 3 days.
2. You can safelist up to 10 days in a 30 day period.
3. Each unit may guest list 30 days within a one-year period.

OTHER PARKING AND VEHICULAR RULES

1. No repair or maintenance of any vehicle or its parts is permitted within the common areas of the community.
2. Mechanically inoperable vehicles are not to be parked or stored within the community. This includes but is not limited to individual garages within the community.
3. Backing into either guest or assigned parking stalls is prohibited. Front in parking only.

NON-SMOKING AREAS

1. **Smoking in areas where the smoke travels to the residence of others is prohibited.**
2. Smoking is prohibited in the following areas:
 - a. Tot Lots
 - b. Pool/Spa Area
 - c. Clubhouse
 - d. Workout room

COMMON AREA TRASH RECEPTACLES

1. Do not dispose of:
 - a. Personal trash items.
 - b. Diapers
 - c. Items used while in common areas, such as newspaper, occasional napkin, paper/plastic plates or cups, etc.
 - d. Household items
2. Use for:
 - a. "Doggie Waste" Baggies

ENFORCEMENT POLICY AND FINES

The Board of Directors will take appropriate action on a reasonable written complaint and/or email filed by a member. The Board of Directors may also initiate an action based on documentation, inspections or observations. The Board will do the following:

1. Issue a Courtesy Notice letter requesting the violator take corrective action within fifteen (15) days unless a different time frame is specified in the letter.
2. If the violation continues and/or corrective action is not taken a Violation letter will be issued.
3. If the violation continues a hearing notice to come before the board with a pending fine will be issued. Failure to attend or request an extension 72 hours prior to the hearing for a violation will result in the immediate assessment of applicable fines.
4. **Assess Penalties** - The Board of Directors, upon completion of the Hearing shall determine if the violation has been corrected or still exists and may assess the following penalties:
 - a. **FIRST PENALTY ASSESSMENT \$ 100.00**
 - b. **SECOND THROUGH FIFTH \$200.00**
 - c. **SIXTH AND SUCCEEDING ASSESSMENT \$400.00**
5. The Board may proceed under due process of law for the collection of such fines and/or an order by the Court for the violator to desist from such conduct, which may include:
 - a. Suspension of member's voting privileges as a member.
 - b. Suspension of or condition the member's rights to use community facilities.
 - c. Legal action at any point during this process. All legal fees are to be paid by the homeowner.

ALTERNATIVE DISPUTE RESOLUTION (ADR)

Summary of Civil Code Section 5925-5965 -Alternative Dispute Resolution:

Pursuant to the requirements of the California Civil Code 5925-5965, we are notifying you that under certain circumstances, all California community associations and their individual members are to offer to participate in some form of Alternative Dispute Resolution (ADR) prior to initiating certain types of lawsuits. This new legislation is contained within California Civil Code 5925-5965, which was revised into law effective January 1, 2015.

SCOPE OF NEW STATUTE

The new legislation applies only to lawsuits filed by either individual homeowners or Community Associations, involving enforcement of the governing documents, where the lawsuit seeks:

- **Declaratory relief only; of**
- **Permanent injunctive relief only (no request necessary for temporary restraining order or preliminary injunction); or**
- **Either declaratory relief of injunctive relief, which also includes a claim for monetary damages of \$5000.00 or less or which does not relate to the collection of Association Assessments.**

If the lawsuit does not involve at least one of the above causes of action, neither the Association nor the member is legally required to offer to participate in some form of Alternative Dispute Resolution.

PROVISIONS OF THE NEW STATUTE

Assuming that the intended lawsuit involves at least one of the above categories of relief, then the party seeking to bring the lawsuit must first notify and offer all of the parties in dispute an opportunity to resolve the matter first by some form of Alternative Dispute Resolution (such as mediation or arbitration, either binding or non-binding before bringing the lawsuit.

THE ONLY EXCEPTIONS TO THIS REQUIREMENT ARE:

- A. Where any applicable statute of limitations will run within 120 days following the filing of the lawsuit.
- B. Where the party filing the lawsuit certifies that either preliminary or temporary injunctive relief is necessary.
- C. Where claims of monetary damages exceeding \$5,000.00.
- D. For claims involving recovery of delinquent association assessment, late charges, interest, or cost of collection including attorney's fees.
- E. The statute does not apply to any cross complaint.
- F. Where any party demonstrates to the court that dismissal of the action for failure to comply with the ADR statute would result in substantial prejudice to one of the parties.

COMPLIANCE PROCEDURES

The ADR Process is initiated by one party serving all other parties with a "Request for Resolution", which shall include:

- A. A brief statement of the facts in dispute.
- B. A request for some form of ADR. The request must be accompanied by a copy of the new statute and served in the same manner as in small claims actions as provided in 116.340 of the California Code of Civil Procedure.
- C. A Notice to all parties that they are required to respond within 30 days of receipt, or else offer of ADR is deemed rejected.
- D. If the request for resolution is accepted by the "other party," the ADR procedure (such as mediation or arbitration) must be completed within 90 days of the receipt of the acceptance, unless the parties sign a written agreement

The cost of ADR is to be borne by the parties. Unless the parties agree, no oral or written evidence or statements made in the ADR proceeding are admissible as evidence in the later lawsuit. The form of ADR may either be binding or non-binding, at the option of the parties.

FAILURE TO PARTICIPATE IN SOME FORM OF ADR

Should a party refuse to participate in ADR before the lawsuit is filed, the court may, in its discretion, take this refusal into consideration in determining the amount of attorneys' fees and costs ultimately awarded at trial, even

if the refusing party ultimately prevails at trial in the main action. In accordance with the California Civil Code 5975, the Board of Directors of the Association hereby advises you the following:

"Failure by any member of the Association to comply with the pre-filing requirements of 5975 of the Civil Code may result in the loss of your rights to sue the Association or other member of the Association regarding enforcement of the governing documents."

NO EFFECT ON VOLUNTARY PARTICIPATION IN ADR

The parties may still agree, in writing, to refer any dispute involving enforcement of the Association's governing documents to some form of ADR, even in those categories of disputes which are technically outside of the new statute.