

September 1, 2004

TO: GALLERY WALK HOMEOWNERS

FROM: STARLYN GAY, COMMUNITY MANAGER

The Board of Directors is providing this mailing to all homeowners to advise of the rules and regulations that will become effective on October 1, 2004.

Should you have any comments, please forward them to my attention for the Board's review prior to October 1, 2004.

The towing policy portion of these rules and regulations will become effective immediately in accordance with vehicle code 22658.2.

Additionally, a recorded amendment to the CC&R's is provided for you to thoroughly review and file with the original CC&R's documents that you received at your close of escrow.

Should you need further clarification, please contact me at (949) 450-0202.

Thank you.

Gallery Walk Corporation

Rules & Regulations

Adopted

October 1, 2004

AUTHORITY

1. The Board of Directors operates like a legislative body. The Board meets on a regular quarterly basis. These meetings are open to homeowners. Special meetings to handle exceptional situations are called as the need arises. Board members are vested with the responsibility for making decisions on all administrative and financial matters affecting Gallery Walk Corporation. A simple majority of the Board members is required to pass issues that require a vote. Those who serve on the Board do so, on a voluntary basis without pay.
2. The Board of Directors of the Gallery Walk Corporation has the power under Article VI, Sections 2 and 12 of the CC&Rs, as well, as Article VIII of the Bylaws to adopt rules and regulations from time to time regarding the use and enjoyment of the Association property, also know as the “common area”.
3. WHEREAS, the Board has determined that the creation of the following rules and regulations regarding the use and enjoyment of the condominium property would be beneficial to the health, safety, enjoyment, and welfare of the Unit Owners, as well as to the administration, management, and operation of the property.
4. NOW, THEREFORE, LET IT BE RESOLVED that as of October 2004, the following rules and regulations are *in effect*.

INTRODUCTIONS

1. Condominium ownership is subject to restrictions not applicable to free standing home ownership. These legal restrictions are outlined in the Gallery Walk Corporation CC&Rs and this Rules and Regulations booklet. The Bylaws give the governing Board of Directors the authority and responsibility to establish rules and regulations necessary for the common welfare of the complex, the owners, tenants and their guests.
2. In order to preserve harmony, there must be a balance between the individual’s rights and the needs of the community as a whole. These rules and regulations have been established in an attempt to set guidelines to achieve this balance. All observed rules violations should be reported to the Management Company in writing as soon as possible after the observed violations.
3. All rules and regulations adopted by the Board of Directors are equally applicable to owners, tenants, and guests alike. Owners are responsible for advising tenants and residents are responsible for advising guests concerning these Rules and Regulations.
4. Owners are required to notify their tenants that the terms of the lease or rental agreement shall be subject, in all respects, to the provisions of the CC&Rs, Bylaws and these Rules and Regulations. The best way to do this is to give the tenant a copy of these documents and to have the tenant sign an acknowledgment of receipt.
5. Any additions, changes, or deletions of these rules will be published in the Association Newsletter or by some other printed means to each resident. It is the responsibility of absentee homeowners to provide a mailing address to the Management Company to allow written notification of any rules changes.

ANIMAL CONTROL

1. Dogs are not allowed to be unattended in the common area. All dogs must be maintained on a leash when outside the dog owner's unit or "exclusive use" common area.
2. Pet owners must immediately pick up and properly dispose of the pet's defecation, whether it is on common area or restricted use common area, such as a patio.
3. Pets are not allowed within the confines of the pool area.
4. No more than two (2) usual and ordinary household pets (exclusive of fish) may be kept within a living unit, including the garage.
5. Any damage incurred in the common areas caused by the conduct of a pet shall be repaired and/or replaced by the Association and billed to the owner.
6. The Board of Directors will take action against any owner whose pet becomes a nuisance, such as, but not limited to, regular and incessant barking, or allowing a dog to run free.

ARCHITECTURAL

1. Prior to any external architectural changes, owners are required to submit an Architectural Application to the Architectural Committee.
2. No preparation or construction is permitted without prior written approval by the Architectural Committee.
3. The Architectural Committee must approve all antenna or satellite dish installations prior to the work being done.
4. Antennas may not be larger than one meter in diameter.

BOARD MEETINGS

1. The Board shall meet on a quarterly basis at a meeting place to be decided by the Board of Directors and published within the monthly billing statement and/or newsletter.

BUILDINGS

1. Homeowners shall be responsible for keeping patios; front walk areas or any areas that can be seen from the streets or common areas, free from litter or any unsightly debris.
2. Aluminum foil, paper, paint, exterior window coverings or other unconventional means of covering windows are prohibited.

3. Garage doors must be closed at all times, except when the garage is in use.
4. There shall be no throwing of balls or other objects against buildings, garage doors or common area walls.
5. Towels, clothing, laundry, or other items are not to be draped over any balcony, fence, or wall.
6. Outside laundry lines are prohibited.
7. No storage or obstruction in the emergency stairwells.
8. Barbecues are not allowed to be stored or used in the patio or balcony areas.

COMMON AREA

1. The common areas are defined in the CC&Rs and include the pool area, lawns, and landscaping.
2. Unreasonable loud noises will not be tolerated, such as, loud parties or loud music.
3. The Board of Directors has the right to hold a homeowner liable for damage to a common area property, including buildings, equipment, green and planted areas, and furnishings, as a result of negligence, carelessness, misuse, or violation of the governing rules.
4. Minors are the responsibility of their parent or host.

INSURANCE

1. The Association is required to maintain a blanket fire and liability policy, which covers the structures and the general common areas of the complex.
2. All residents may, at their option, obtain their own personal contents insurance, personal liability coverage, fire insurance for unit interiors, earthquake, and any other types of coverage desired and/or recommended by their insurance professional.

PARKING RULES AND VEHICLE RESTRICTIONS

1. Speed limits must be observed within the complex.
Speeds shall not exceed 10 miles per hour.
2. No owners, tenants, or guests shall park any restricted or prohibited vehicles in any common area. For the definition of a restricted or prohibited vehicle see Article IX, Section 12 of the CC&Rs.
3. No parking in red zones or fire lanes. Violating vehicles may be cited or towed.

4. Resident parking is allowed only in garages. Storage in garages must allow for the regular parking of two (2) vehicles in a two-car garage and one (1) vehicle in a one-car garage.
5. Vehicles can not be parallel parked facing the wrong direction of traffic.
6. Parking stalls are for guest parking only.
7. No recreational or commercial vehicles are permitted within the community.
8. The Board of Directors, or the agency representing the Association, has the right to remove any vehicle in violation of the vehicle restrictions at the owner's expense. The following towing policy will apply:

Vehicles will be towed from the community without notice at the owner's expense under these conditions:

- Vehicles parked in a marked fire lane (see map) (This includes alleys and in front of garages)
- Vehicles parked within fifteen (15) feet of a fire hydrant
- Vehicles parked in a handicapped parking space without a handicap placard or similar authorization
- Vehicles parked in a manner which interferes with any entrance to or exit from either the development or any residence therein

Please be reminded that no recreational or commercial vehicles are permitted within the community.

Unassigned open parking areas are to be used for guest and temporary resident parking.

POOL/SPA RULES

1. There is no lifeguard at the pool/spa area. Therefore, residents and their guests use the pool and spa at THEIR OWN RISK.
2. The use of the pool/spa is expressly limited to homeowners, tenants, and their invited guests. Homeowners and tenants must accompany their guests at all times.
3. Pool/Spa hours are from 8:00 a.m. to 10:00 p.m. local time.

POOL/SPA RULES (Continued)

4. Children under the age of fourteen (14) are not permitted in the pool area unless supervised by an adult resident.
5. Infants/children, who are not toilet trained must wear waterproof rubber pants at all times when in the pool/spa area. No child under three years of age will be allowed in the spa.
6. Animals are not permitted in or around the pool/spa area at any time, nor may they be tethered to the fence, bushes or stakes.
7. California law requires that the pool gates must be latched at all times when not passing through.

8. GLASS MATERIALS / CONTAINERS of any kind are not allowed in the pool/spa area.
9. Large or potentially dangerous objects are not allowed in the pool area.
10. Barbecues are not allowed in the pool/spa area. Food may be eaten in the pool area, but not in the pool or spa.
11. All trash must be picked up and properly disposed of. Residents and their guests shall maintain cleanliness in the pool/spa area.
12. Do not remove furniture from the pool/spa area. Furniture is not to be placed in the pool/spa.
13. When using tanning oils/lotions, a towel must be placed over the furniture.
14. Residents and guests must use the pool showers before entering the pool or spa.
15. DIVING IS NOT PERMITTED.
16. Running, boisterous or rough playing is not permitted in the pool/spa. Persons in the pool/spa area should conduct themselves in such a manner as to not disturb other residents.
17. Headphones must be used with all radios or other audible devices.
18. Tampering with pool/spa equipment or machinery is not permitted.
19. The Owner or Tenant shall be responsible for any damage caused by his/her guests.

SIGNS

1. All signs must meet the requirement found in Article IX, Section 5 of the CC&Rs.
2. "Open House" signs shall be placed no earlier than two (2) hours before and removed immediately after an open house activity.
3. No solicitations may be placed on mailbox structures.

TRASH

1. Refuse is not to be placed on any area that will cause damage to plants or trees.
2. Large items, such as furniture, must not be set out for trash pick up. Contact the Disposal Company or appropriate organizations for disposal.
3. Trash should not be placed out for pick up prior to 5:00 p.m. on the evening preceding the pick up day.

4. Trash containers should be taken in within 10 hours after trash pick up.
5. The responsible resident must remove any litter remaining on the ground after pick up.
6. Each individual homeowner is responsible for contracting with the waste Disposal Company.

VANDALISM AND/OR MALICIOUS MISCHIEF

1. If damage to Association property is found, a fine will be assessed to the Homeowner(s) where the offender resides or is visiting, regardless of the age of the offender. Juveniles are the responsibility of the parent or guardian.
2. If the damage was caused by unintentional conduct, the fine will be full restitution, such as, the present full replacement or repair value of the property damages or destroyed.
3. If the damage was caused by intentional conduct, the fine will be full restitution, and an additional fine, at the discretion of the Board, up to 100% of the restitution amount.
4. All attorneys' fees and/or court costs incurred in the collection of fines or serving of mandatory injunction shall be assessed to the owner of the unit involved.
5. Homeowners are responsible for all assessments as a result of rule violations by his/her tenants or guests.

VIOLATION ENFORCEMENT PROCEDURES

1. Written notification of an observed violation will be sent to the alleged offender briefly stating the nature of the violation and the time period to comply.
2. If the violation continues beyond the time period allotted, a second Notice of Non-Compliance will be sent. Upon third notification or observation following the expiration of the time period allotted, Management will send out a Notice of Hearing and a notice of the monetary assessment.
3. The hearing is held before the Board of Directors for homeowner to explain the reasons for the continued non-compliance.

VIOLATION ENFORCEMENT PROCEDURES (continued)

4. The homeowner will be notified of the Board's decision, following the hearing to advise the homeowner of the action that needs to be taken to achieve compliance. At the Board's discretion a non-compliance fine may be assessed to the homeowner's account.
5. At any time during this procedure, the Board of Directors may determine that it is in the best interest of the Association to take legal action or to cause the violation to be corrected at its expense and assess the account of the owner for reimbursement for said correction.

FINE SCHEDULE

First hearing- \$50.00
Second hearing- \$100.00

The Association may pursue any and all other remedies available to it under the Declaration, the Bylaws, and California laws.

Adopted by the Board of Directors October 2004.