

**RULES AND REGULATIONS  
OF  
OCEAN HILLS SOCIAL CLUBS CORPORATION**

**Approved  
by the Corporation's Board of Directors  
on  
December 15, 2015**

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The Ocean Hills Social Clubs (“Social Clubs Corporation”) governs the social clubs (“Clubs”) that have been sanctioned, and hereafter will be sanctioned, by the Board of Directors (“Social Clubs Board”) of the Social Clubs Corporation. Membership in the Clubs is restricted to residents in the community of Ocean Hills Country Club with 1632 homes (“Lots”). Each Club is considered to be a department of the Social Clubs Corporation.

All Ocean Hills Country Club residents are eligible to become members of the Social Clubs Corporation. A resident is a member of the Social Clubs Corporation once he/she has paid the annual dues for one or more clubs, has executed any required documents, and is in “Good Standing” (as defined in the Social Clubs Corporation’s Bylaws). Membership must be renewed each year with the paying of annual club dues.

The Social Clubs Corporation provides guidance and assistance to the Clubs in serving the recreational, entertainment and educational needs and interests of the community of Ocean Hills Country Club. To that end, the Social Clubs Corporation is charged with the following:

1. To provide guidance with respect to level of funds and assets that may be held by the Clubs;
2. To provide procedures for accounting for, and reporting of, all income and all income expense;
3. To establish and define a Code of Conduct for all the Clubs and Club members, along with procedures to be followed should a violation of the Code occur.
4. To provide instructions for furnishing data related to taxes collected and owed.
5. To collect data for, and to assemble and file, any reports or returns required by law pertaining to the activities of the Clubs;
6. To obtain from each Club, and to disburse, its share of any funds needed to discharge any of its obligations and any professional services.

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The Rules and Regulations set forth herein are in furtherance of the Social Clubs Corporation’s obligations as set forth above and in the Social Clubs Corporation’s Bylaws. These Rules supplement the Social Clubs Corporation’s powers and duties as set forth in the Bylaws. In case of a

conflict between these Rules and the Social Clubs Corporation's Articles of Incorporation or Bylaws, the Articles and/or Bylaws (in that order) shall prevail.

These Rules and Regulations are binding on all Clubs, their officers and members. As more specifically set forth herein, a resident's right to belong to a Club or participate in Club activities can be suspended or permanently revoked for breach of any of the Social Clubs Corporation's governing documents (i.e., Articles of Incorporation, Bylaws, and Rules and Regulations).

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### **Article 1. General Rules**

1. The definitions set forth in the Social Clubs Corporation's Bylaws are incorporated into these Rules.
2. No Club shall invite groups of more than five (5) non-residents to participate in Club activities more than two (2) times in each calendar year.
3. Monies collected from Dues paid by the Club members shall be used only for expenses associated with the Club's intended purpose, and for the operation of the Social Clubs Corporation.
4. Alcoholic beverages shall be consumed in a responsible manner on the Association property or on common areas. For club events held on the Association property or on common areas and where tickets are sold, a Club may obtain a one-day liquor license together with one-day liability insurance. Otherwise, alcohol must be BYOB (bring your own bottle) or supplied by a fully licensed and insured caterer who is authorized to serve alcoholic beverages. Recreation Department can provide details.

### **Article 2 – Club Assessments**

1. Each Club shall remit to the Social Clubs Corporation an annual assessment derived from assessing the Club a fixed charge (\$0.50, for example) per Club member. At the October Presidents Meeting, the Board will announce what the fixed charge for the next year will be.
2. The purpose of the Club assessment is to cover costs entailed in operating the Social Clubs Corporation.

3. No later than January 31, each Club shall remit to the Social Clubs Treasurer the assessment owed the Corporation from club membership dues collected between October 1 of the prior year and January 15 of the current year. No later than October 15, each club shall remit to the Social Clubs Treasurer the assessment owed the Corporation from club membership dues collected between January 16 and September 30 of the current year.
4. Failure of any Club to remit Club Charges may result in disciplinary action being taken by the Social Clubs Board, which action may include removal of the Club's officers and/or dissolution of the Club.

### **Article 3 – Annual Club Reports to Social Clubs Corporation**

1. No later than December 27 of each calendar year, each Club shall provide the Social Clubs Board with a completed calendar year W-9 report pertaining to monies that have been paid to third parties (e.g., vendors) in excess of two-hundred dollars (\$200.00) for the calendar year.
2. No later than December 31 of each calendar year, the president of each Club shall submit to the Social Clubs Board the names and e-mail addresses of the following year's president and treasurer.
3. No later than January 31 of each calendar year, each Club shall provide the Social Clubs Corporation's treasurer with completed financial-statement forms for the prior calendar year.

### **Article 4 – Club Members' Rights (Code of Conduct)**

1. Each Club member has the right:
  - A. To be treated fairly, equally, and with respect by the Social Clubs Corporation, by the Clubs, and by the Club officers and members.
  - B. To learn and to socialize in an environment free from all forms of harassment, discrimination, and intimidation.
  - C. To voice his/her opinions concerning Club issues through democratic procedure.

### **Article 5 - Club Members' Responsibilities (Code of Conduct)**

1. During a Club or Social Clubs Corporation event, or when acting under the aegis of a Club, each Club member has the responsibility to:

- A. Comply with OHCC Rules and Regulations regarding use of common facilities;
- B. Treat other Club members, Club Officers, Social Clubs Corporation's Directors, other OHCC residents, and OHCC staff fairly and with respect;
- C. Follow any reasonable directive or requirement given by Club officers, Social Clubs Corporations Directors, or OHCC staff;
- D. Behave responsibly and in a manner that is not abusive, harassing, or offensive;
- E. Maintain the harmony and good name of any Club and the Social Clubs Corporation and their officers, Directors, and OHCC staff;
- F. Abide by the Social Clubs Corporation's governing documents;
- G. Abide by the Clubs' governing documents ( e.g., charter,, rules and regulations);
- H. Promote the well-being of the Club by involving himself/herself in Club events and activities.

#### **Article 6 – Club Directors' and Officers' Code of Conduct**

1. The primary role of the directors and officers of the Clubs is to understand, support and ensure fidelity to the Club and Social Clubs Corporation's mission and primary purpose. Each is charged with (a) carrying out the functions of a director and/or officer as they are stated in such Club and Social Clubs Corporation's governing documents and Board policies as may be pertinent from time to time, and (b) with carrying out special functions when so delegated by the Club's directors or officers.
2. Each Club director or officer shall not misuse or take advantage of the power and responsibility he or she has been given, and shall not violate the trust of the other directors, officers, and Social Clubs Board members or Club members.
3. Each Club director or officer shall act in the best interest of the Club and Social Clubs Corporation, shall make decisions in good faith and not in an arbitrary manner, and shall set aside any personal agendas in favor of making decisions in the best interest both of the Club as a whole and of its members.
4. The Club Board shall act upon a reasonable allegation of a violation of this Code of Conduct and seek the true facts surrounding the allegation, prior to making a decision.

5. Each Club director or officer shall not divulge, disclose, or discuss private or confidential information that may be obtained through his or her position as a director or officer.
6. Each Club director/officer shall act in a civil and respectful manner and shall not engage in abusive, harassing, or offensive conduct.
7. Each Club Director/officer shall remain in good standing, shall avoid violation of any of the Club or Social Clubs Corporation's governing documents or of any provisions of California law, and shall promptly correct any violations when identified.
8. Each Club director/officer shall avoid, in fact and perception, conflicts of interest and disclose to the Club board, in a timely manner, any possible conflicts.

#### **Article 7 – Enforcement Against Club Members for Breach of Club Governing Documents**

1. Any Club member's alleged violation of the Club governing documents shall be resolved calmly, with honesty and dignity, and with as much confidentiality as circumstances permit.
2. Any Club member's alleged violation of **the Club governing documents** should first be addressed at the Club level as follows:
  - A. The Club's Board of Directors (or a committee charged by the Board) shall ascertain the exact nature of the alleged violation and establish reasonable cause to allege that a violation has occurred.
  - B. The Club's board of directors shall provide written notice to the Club member of the nature of the alleged violation.
  - C. The written notice shall include an invitation for the Club member to meet with the Club's board of directors (or with committee charged by the Board). It should inform the Club member of the nature of his/her alleged violation and should inform him/her that at the meeting he/she will have the opportunity to rebut charges and to defend himself/herself. This written notice should be provided to the Club member at least fifteen (15) days before the meeting.
  - D. At the meeting, the Club's board of directors should inform the Club member of his/her alleged violation and then listen to, be open to, and engage the Club member regarding what he/she has to say in his/her defense. The Board then needs to determine whether it feels a violation did probably occur and, if so, inform the Club member such activity must cease, provide him/her with a copy of the Rules

and Regulations, and alert him/her that continued violation of this nature could have consequences as spelled out in the Rules and Regulations.

- E. Should the Club's board of directors at any time in this process feel the violation would be better dealt with at the Social Clubs Corporation level, it may refer the matter to the Social Clubs Board.
3. Nothing in this Article obligates or requires the Club board and/or Social Clubs Board to take any action against an individual Club member. Each Board, in making its decision, will determine the appropriateness of taking any action.

#### **Article 8 – Enforcement Against Club Members by Social Clubs Corporation**

- 1. The Social Clubs Corporation is entitled to take enforcement action against:
  - A. Any Club member referred by a Club board for action (Article 7 Section 2 E above).
  - B. Any Club member alleged to have violated the Social Clubs Corporation's governing documents.
  - C. Any Club member whose conduct, **allegedly in violation of the Code of Conduct either during a Club event or when acting under the aegis of a Club**, involves interaction with individuals outside the Club (e.g., with non-Club residents or with Master Association staff /Directors).
- 2. The Social Clubs Board shall adhere to the following procedure:
  - A. The Board of Directors shall ascertain the exact nature of the alleged violation and establish reasonable cause to allege that a violation has occurred.
  - B. At least fifteen (15) days prior to taking disciplinary action, the Social Clubs Corporation shall provide written notice to the Club member, inviting him/her to a hearing before the Social Clubs Board.
  - C. The notice shall contain the alleged violation along with date and time of the hearing.
  - D. The Club member has the right to attend the hearing and may address the Social Clubs Board. He/she may bring supportive witnesses. Alternatively, he/she may submit the response in writing.

- E. The Board shall determine, based on evidence, whether a violation has occurred.
- 3. Depending on the severity and frequency of the violation, the choice of the enforcement procedure(s), and/or the sequence of enforcement remedies utilized, may vary. The following actions that may be taken by the Social Clubs Board against a Club member include, but are not limited to, the following:
  - A. A written warning against any such recurring action;
  - B. Suspension of the membership privileges in the Club in which the violation occurred. Such suspension applies to the ability to attend Club meetings and events (including parties). The time period for a suspension can be up to twelve (12) months;
  - C. Permanent revocation of membership in a Club;
  - D. Permanent revocation of memberships in all Clubs.
- 4. In the event the Social Clubs Board determines to take disciplinary action after the hearing, the Board shall provide the Club member with written notice of its decision, and of the discipline to be imposed, within ten (10) days after the hearing.
- 5. Nothing in this Article obligates or requires the Social Clubs Board to take any action against an individual Club member. The Social Clubs Board, in making its decision, will determine the appropriateness of taking any action.

#### **Article 9 – Enforcement Against Club Directors or Officers**

- 1. Any Club director/officer-alleged violation of the Club or Social Clubs Corporation's governing documents should be resolved calmly, with honesty and dignity, and with as much confidentiality as circumstances permit.
- 2. The Social Clubs Board will adhere to the following procedure:
  - A. The Board of Directors shall ascertain the exact nature of the alleged violation and establish reasonable cause to allege that a violation has occurred.
  - B. At least fifteen (15) days prior to taking disciplinary action, the Social Clubs Corporation shall provide written notice to the offending Club director or officer inviting him/her to a hearing before the Social Clubs Board. Notice shall also



be provided to the Club's president, or if he/she is the subject of the disciplinary action, to another Club director.

- C. The notice shall contain the alleged violation along with the date and time of the hearing. The Club director/officer has the right to attend the hearing and may address the Social Clubs Board. He/she may bring supportive witnesses. Alternatively, he/she may submit the response in writing.
  - D. The Board shall determine, based on evidence, whether a violation has occurred.
3. Depending on the severity and frequency of the violation, the choice of the enforcement procedure(s), and/or the enforcement remedy utilized, may vary. The following disciplinary actions that may be taken by the Social Clubs Board against a Club director or officer include, but are not limited to, the following:
- A. Suspension of the director's/officer's role in the Club. Such suspension applies to the ability to act as a representative of the Club. The time period for a suspension can be up to twelve (12) months;
  - B. Permanent removal from the director's/officer's position;
  - C. Permanent revocation of membership in the Club;
  - D. Permanent revocation of memberships in all Clubs.
4. In the event the Social Clubs Board determines to take disciplinary action after the hearing, the Board shall provide the Club director/officer with written notice of its decision and the discipline to be imposed within ten (10) days after the hearing.

#### **Article 10 – Enforcement Against Club**

- 1. Any Club violation of the Club or Social Clubs Corporation's governing documents should be resolved calmly, with honesty and dignity, and with as much confidentiality as circumstances permit.
- 2. The Social Clubs Board will adhere to the following procedure:
  - A. After having ascertained the exact nature of the alleged violation and having established reasonable cause to allege that a violation has occurred, at least fifteen (15) days prior to taking disciplinary action, the Social Clubs Corporation shall provide

written notice to the Club's president, inviting the Club's directors to a hearing before the Social Clubs Board.

- B. The notice shall contain the alleged violation(s), along with date and time of the hearing.
  - C. The Club's directors have the right to attend the hearing and may address the Social Clubs Board and may bring supportive witnesses. Alternatively, the Club may submit the response in writing.
  - D. The Board shall determine, based on evidence, whether a violation has occurred.
3. Depending on the severity of the violation, the choice of enforcement procedure(s), and/or the enforcement remedy utilized, may vary. The following disciplinary actions that may be taken by the Social Clubs Board against a Club, include, but are not limited to, the following:
- A. A written warning against any such recurring action;
  - B. Suspension of the Club's meetings, activities, and events. The time period for a suspension can be up to twelve (12) months;
  - C. Permanent dissolution of the club.
4. In the event the Social Clubs Board determines to take disciplinary action after the hearing, the Board shall provide the Club's president with written notice of its decision and the discipline to be imposed within ten (10) days after the hearing.