

UPPER TERRACE HOMEOWNERS ASSOCIATION
RULES AND REGULATIONS

Revised January 2008

INTRODUCTION

Purpose of booklet: This booklet contains some of the important rules and information essential to the smooth day to day functioning of the Upper Terrace Homeowner's Association. A more detailed description of the "rules" for residents living within the Upper Terrace development may be found in the "Declaration of Covenants, Conditions and Restrictions", (CC&R's) which was prepared by the developers and approved by the California State Department of Real Estate and was agreed to by each owner at the time of purchase. While these rules reflect the intent of those CC&R's, they do not in any way supersede any provisions of the CC&R's.

Responsibilities of the Board of Directors: In accordance with the CC&R's, the development is governed by a Board of Directors elected annually by the homeowners. It is the responsibility of the Board of Directors to make such rules as necessary, in addition to those contained in the CC&R's, and to maintain the standards of the development as it was designed. The Board also has the responsibility to enforce the rules to the best of its ability.

Responsibilities of Homeowners: Each homeowner has the responsibility to participate to the extent he or she can in making Upper Terrace a desirable place to live where the property values are maintained and improved. Each homeowner is of course obligated to follow the rules set by the CC&R's or the Board of Directors and to assist where possible in seeing that others adhere to the rules. When leasing out your property, you should include the cost of watering, for the tenant, so the common areas are maintained as required.

Responsibilities of Tenants: Tenants are welcome to participate in the Association and are expected to live by the "rules" as if they were owners. This includes adequate watering of the common areas.

Responsibilities of the Management Company: To assist the Board of Directors in governing the development, a management company is employed to oversee the day-to-day affairs of the Association. The Board delegates certain powers and duties to the managing agent.

Complaints: There are (2) two main avenues for channeling complaints, requests for action and/or information.

1. Complaints about landscape problems, requests for sprinkler repair, and the like, should be directed, in writing, to the management company. Emails and faxes are acceptable, but anonymous complaints are not.
2. Requests for action or complaints about policy should be directed in writing to the Board of Directors.

RULES

GENERAL RULES

1. It is the responsibility of tenants and homeowners to adequately water both common areas

and exclusive use areas. Failure to do so will result in fines being assessed.

2. Minutes of the Board meetings are available to any member of the Association upon written request within 30 days of the meeting (*Civ. Code § 1363.05*).
3. Each housing unit shall be used exclusively for single family residential purposes.
4. No gainful occupation, trade or other non-residential type of activity shall be conducted in any residence or garage.
5. No video or television antenna or satellite dish shall be constructed, erected or maintained on any building or connected in such a manner as to be visible from the outside of any such building unless approved by the Board of Directors or Architectural Committee. These devices must be 36" or less in diameter and must be used for the purposed of video or television, as defined in the Telecommunications Act of 1996. The Association requires these devices to be installed so that they cannot be seen from the streets or the common areas, so long as installation, as required, does not impair signal reception (*Civ. Code § 1376*).
6. Each homeowner shall plant and maintain the backyard of his or her unit in a manner described in the CC&R's (*Article IV, item B*).
7. Trash shall be kept in covered containers or bags and shall not be visible from neighboring property or streets except on trash day. Trash containers may be placed curbside no sooner than 6:00 P.M. prior to pick-up and must be removed by 8:00 P.M. on pick-up day.
8. No exterior drying or laundering of clothes, linens, etc., that can be seen by others is permitted.
9. Homeowners are responsible to trim and maintain all trees, shrubs, and bushes in their exclusive use areas.
10. Residents may not park commercial vehicles, trailers, campers, oversize trucks, boats or similar vehicular equipment on the City or the private streets or driveways. (*See City Ordinance 133*).
11. Large delivery trucks are not to come onto the driveways. They cause damage and it's very expensive to repair.
12. Vehicles shall not be permitted to foul or damage our private streets or driveways with leaking oil or other fluids.
13. There will be nothing stored on the outside of any unit that is visible from neighboring property (*Article 1, page 3 CC&R's*).
14. Homeowners/tenants must maintain control of dogs. Owners must keep dogs on leash when outside, and pick up dog waste in accordance with Westlake Ordinance *WC 10.40.060 Sub sec. B*. Barking must be controlled so as not to disturb neighbors.
15. Patio covers must be painted with same color as the unit or the trim.
16. Regarding trees planted on exclusive use areas that may hinder a neighbor's view, the neighbors need to discuss this and voluntarily decide what to do. Out of consideration for other homeowners, such trees should be kept topped and trimmed. This is a homeowner's responsibility. For trees planted on exclusive use areas, owners are responsible for the maintenance of sprinklers, timers, and valves.
17. Trash receptacles must be stored completely out of sight and may not be visible from any

common area.

TENANT OCCUPANCY

1. Each owner shall provide each tenant a copy of these rules upon leasing their property. A copy should be signed certifying that the tenant has been made aware of the rules for living within the development. It is to be sent to and retained by the management of the Association.
2. An owner is responsible for his/her tenant's compliance with the governing documents, and can be fined or penalized for the tenant's violations.

ENFORCEMENT OF RULES

1. Upon written notice to the management company of a violation of the Rules and Regulations, and CC&R's, a first violation letter will be sent to the homeowner/violator by the management company on behalf of the Board of Directors. If the violation continues, the fines levied will be as follows:

First Offense - Written notice

Second Offense - \$25 penalty and a hearing before the Board

Third Offense - \$50 penalty

Subsequent Offenses - \$100 at 30 day intervals

Homeowners will be given a hearing before the Board in the event that a second offense of the same violation within a twelve month period has occurred. Homeowners will be notified at least ten (10) days prior to the hearing. The homeowner will have the opportunity to speak and be heard by the Board for a reasonable duration, during an executive session. The homeowner will be notified within fifteen (15) days following the hearing, whether or not the Board has elected to levy the penalty.

All monetary penalties are immediately due and payable. In the event a penalty is not paid within thirty (30) days from the date of levy, or in the event that a homeowner continues violations after warning and initial penalty, and following a reasonable time for appeal and hearing by the homeowner before the Board of Directors, legal action may be taken for collection of monetary penalties, including the collection of legal fees and court costs (*Civ. Code § 1363*).

ARCHITECTURAL CONTROL

No alterations or additions shall be made to the exterior of any homes, or to any fence or wall, or to a patio or patio cover without written approval of the Board of Directors. The procedure for seeking approval to make any such change or addition is as follows:

1. A written request, including any requests to change paint colors, shall be made to the Board describing the nature, kind, shape, height, materials and location of the change. The request shall include an appropriate sketch or plan. This includes screens, sunshades, patio enclosures or awnings.
2. The Board will refer the request to the Chairman of the Architectural Committee who will

seek any additional information needed to make a decision as to whether or not the requested change will be in harmony with the external design and location in relation to surrounding structures and topography. The Committee shall then recommend approval or disapproval to the Board. If no architectural committee is in place, these decisions will be made by the Board.

3. The Board upon making its decision will see that the homeowner is informed of the decision. Upon being informed of an approved request, the homeowner may proceed immediately to effect the change or alteration.
4. The Architectural Chairperson or the Board of Directors will render all decisions in writing. If the request is disapproved, the written explanation of why the proposed change is disapproved and a description of the procedure for reconsideration of the decision by the Board of Directors. All decisions on proposed changes will be made in good faith.
5. If the proposed change is disapproved, the applicant is entitled to reconsideration by the Board of Directors at an open meeting, unless the Board of Directors serves as the architectural committee (*Civ. Code §1378*).

MAINTENANCE POLICY

This policy statement regarding maintenance will clarify and delineate Association and homeowner responsibilities. We expect that this will reduce if not eliminate homeowner misunderstandings.

The Association is responsible within a reasonable time after notification for:

1. Maintenance of the common areas and driveways excluding all driveway stains.
2. Tree removal and trimming of those trees in common areas as determined by Association.
3. Maintain the sprinklers and valves associated with the common areas.

Each homeowner is responsible for:

1. Maintenance of roof.
2. Mailbox repair and/or maintenance.
3. Walkways.
4. Maintenance of exterior improvements of buildings and additions made by a homeowner.
5. Window and screen repair or replacement.
6. Pest extermination.
7. Interior repairs.
8. Maintenance and repair of fences, patios, walls and gates on homeowner's exclusive use area.
9. Repair and or replacement of garage doors.
10. All utility lines from meter to house (water, gas, sewer, electrical).
11. Roof gutter clean-out and repair.
12. Storm drains on homeowner exclusive use areas.
13. Any interior repairs regardless of cause, including roof leaks.

14. Landscaping planted by owner/tenant including damage caused by said landscaping.
15. All repairs and replacements which shall be in accordance with the existing architectural standards following written approval by the Board.

ASSESSMENT DELINQUENCY POLICY

Timely payment of regular assessments is of critical importance to the Association. Members' failure to pay monthly assessments when due creates a cash-flow problem for the Association and causes those owners who make timely payment of their assessments to pay a disproportionate share of the community's financial obligations. Therefore, the Board of Directors has enacted the following policies and procedures concerning collection of delinquent assessment accounts, which incorporate the provisions of the California Civil Code Sec. 1356-1367.1, and Upper Terrace Homeowners Association's CC&R's.

1. All regular assessments shall be due and payable, in advance, in equal monthly installments, on the first day of each month, in addition to all regular services and penalties (if applicable). A courtesy billing statement is sent each month to the billing address on record with the Association. **It is the owner of record's responsibility, however, to pay each assessment in full each month regardless of whether a statement is received.**
2. 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, but in no event earlier than thirty (30) days after the special assessment is duly imposed.
3. Regular assessments shall be delinquent if not paid within fifteen (15) days after they become due.
4. Special assessments shall be delinquent if not paid within fifteen (15) days after they become due.
5. If an installment payment of a regular assessment or payment of a special assessment is not made within fifteen (15) days after it has become due, a late payment charge of ten dollars (\$10) shall be imposed, and the Association shall be entitled to recover any reasonable collection costs, including attorney fees, that the Association incurs in its efforts to collect the delinquent sums.
6. If an assessment is unpaid for more than thirty (30) days after it is due, interest shall be imposed on all sums due, including the delinquent assessment, collection costs and late charges, at an annual percentage rate of ten percent (10%).
7. If an assessment is unpaid for more than thirty (30) days after it is due, the Association will send a written warning (pre-lien letter) via first class and certified mail to the owner of record. There is an administrative charge for this action, plus the cost of certified postage. The owner has the right to request internal dispute resolution ("IDR"), upon receipt of the pre-lien letter.
8. If the assessment is unpaid after 30 days following the postmark of the pre-lien letter and fails to request IDR, the Board shall decide, by majority vote in an open meeting, whether to authorize the management company to record a lien in the Los Angeles County Recorder's Office against the property concerning all sums that are delinquent, including delinquent assessments, plus late charges, costs and reasonable attorney fees. There is an additional administrative/recording charge for this action. Additional charges and costs are incurred by the owner to record a Release of Lien after payment in full.

9. If an assessment is unpaid for more than ninety (90) days after it is due, the Association may refer the matter to its attorney or trustee or other such designated agent for collection. The Association may cause an action at law to be brought against the owner who is personally obligated to pay the delinquent assessment, or may cause a judicial or non-judicial foreclosure proceeding to be initiated to foreclose its lien against the owner's unit, when the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1,800) or more, or the assessments are delinquent for more than twelve (12) months. If a lawsuit or foreclosure procedure is initiated by the Association to recover assessments, the Association is entitled by law (*Civil Code Section §1366*) and by the Declaration of the Covenants, Conditions and Restrictions (CC&R's) of the Upper Terrace Homeowners Association to recover not only the amount in default, plus late charges and interest, but also reasonable costs of collection, including title company charges and attorney fees. **You could lose ownership of your property if a foreclosure action is completed.**
10. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by only the parcel number of the owner's property. Prior to initiating any foreclosure sale on a recorded lien, the Association shall offer delinquent homeowners the option of participating in IDR or Alternative Dispute Resolution ("ADR"). An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 1369.510 et seq. before the Association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.
11. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full shall such payments be applied to late charges, interest, and collection expenses, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner. Payments received on delinquent assessments will be applied to the owner's account by the balance forward payment method, i.e., in reverse order so that the oldest arrearage is retired first. Thus, an owner's failure to pay interest or late charges on delinquent assessments will result in continued delinquencies.
12. Any owner who is unable to pay an assessment will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan if the request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an owner's separate interest to secure payment for the owner's delinquent assessments. If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.
13. If an owner disputes any late charge or other charge levied by the Association, the owner is obligated to pay the amount in question despite such ongoing dispute and will be entitled to a refund or credit if the dispute is resolved in the owner's favor.
14. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association. Prior to the release of any

lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorney's fees, must be paid in full to the Association.

15. There is no right of offset. An owner may not withhold assessments owed to the Association on the alleged grounds that the owner is entitled to recover money or damages from the Association for some other obligation.
16. The Association shall charge the owner a Twenty Dollar (\$20) fee for any check returned unpaid by the owner's bank.
17. Until the owner has paid all amounts due, including delinquent assessments, late charges, interest, and costs of collection, including attorneys' fees, the Board of Directors may suspend the owner's right to vote, and suspend the owner's right to use the Association's recreational facilities we have no recreational facilities after providing the owner with a duly noticed hearing pursuant to Civil Code Section 1363(h). However, any suspension imposed shall not prevent the delinquent owner from the use, benefit and pleasure of the owner's lot.
18. **The mailing address for overnight payment of assessments is: Upper Terrace Homeowners Association, c/o Anchor Community Management, 315 Arneill Road, Suite 204, Camarillo, CA 93010.**

We hope that you will never be subject to the above procedures. We appreciate your cooperation and understanding regarding the critical importance of assessment collections.

CHRONOLOGICAL CHART - DELINQUENCIES

Day Action/event

- 1 Assessment due
- 15 Unpaid assessment becomes delinquent. A \$10.00 late fee is applied.
- 30 If account is still delinquent, interest shall be imposed on all sums due, including the delinquent assessment, collection costs and late charges, at an annual percentage rate of ten percent (10%).
- 30 A Notice of Delinquency (Pre-Lien) is sent via 1st Class and Certified mail, detailing the amount due, the collection procedures of the Association, an itemized statement of the charges owed by the owner including the principal amount, any late charges and the method of calculation, and any attorney's fees, and a statement detailing that any payments towards such a debt shall first be applied to the principal owed, and only after the principal owed is paid in full shall such payments be applied to interest or collection expenses (*Calif. Civil Code Section §1367*). Administrative charge + Certified mail fee.
- 60 The member will have thirty (30) calendar days to cure the payment delinquency. If the delinquency is not cured within thirty (30) calendar days of the Pre-Lien letter, a NOTICE OF ASSESSMENT (Claim of Lien) will be filed on the member's property (administrative/recording charge).
- 90 Lawsuit or foreclosure procedure or Small Claims Action may be filed (lien service, attorney or paralegal hourly rates + costs).