

KNOLLWOOD TERRACE OWNERS' ASSOCIATION RULES

Introduction

The Knollwood Terrace Owners' Association is a California nonprofit mutual benefit corporation consisting of all owners within the Knollwood Terrace community. The Governing Documents of the Association are the Articles of Incorporation, the Declaration of Covenants, Conditions and Restrictions ("CC&Rs"), and the Bylaws ("Bylaws"), which are adopted by the Membership; and the Association Rules, which are adopted by the Board of Directors. The Rules contained herein are not an exclusive list of all applicable restrictions. Please review all Governing Documents for a complete set of the restrictions applicable at Knollwood Terrace. In the case of a conflict, the CC&Rs control.

All owners and residents are responsible for understanding and abiding by the Rules. Owners are responsible to insure that tenants receive and abide by the rules. The objective is to provide a safe and harmonious living environment for everyone.

Management Company

Knollwood Terrace Owners' Association employs a management company to collect monthly dues, handle all accounting on the Association's behalf, and assist the Board of Directors in day-to-day matters and larger projects. Any communication directed to the Board should be sent to the management company. The management company is:

Aurora Property Services
Mailing Address:
Post Office Box 1227
San Luis Obispo, CA 93406
Business Address:
444 Higuera Street, Suite 200
San Luis Obispo, CA 93401
Tel: 805-545-7600
Fax: 805-545-9836
Kristen@aurorapropertyservices.com

Association Dues

Operation, maintenance, and repairs of the Common Area landscaping (excluding landscaping on patios), fences, walls, walks, asphalt paving and driveways, and other exterior improvements, as well as the exterior maintenance of the structure bounding each unit, all Common Area pipes, drains, conduits, appliances providing water service to the Units (unless such equipment has been altered by an Owner), and the original wooden garage doors are funded by regular assessment of the homeowners. This assessment (the monthly dues) is the only source of revenue to the Association.

Assessments are due on the first of the month and late on the 30th of the month, with a 10% late charge. The Association places top priority on timely monthly payments from all Owners. The dues pay for all the items in the Association budget, including insurance, common area utilities, services, repairs, landscaping, reserve account funding and administrative costs. A copy of the annual budget is provided to Owners each year.

Insurance

The Association pays for the blanket hazard and casualty insurance for the Common Area facilities. If an Owner believes he or she has a claim against the Association's insurance, please contact Aurora Property Services. The insurance purchased by the Association does not cover upgrades or betterments which the Owner may have installed, or anything inside an individual Owner's Unit. Furthermore, the Association's insurance does not cover personal belongings, lost rent, or displacement housing.

Residential Use

Each Unit shall be used as a residence for a single family in compliance with applicable zoning regulations. Home occupations are permitted provided those occupations are conducted entirely within the Unit (not the garage) by the residents thereof. There shall be no external signage, storage, or other indications of the home occupation visible from the exterior of the structure. Without the express consent of the Board of Directors, no employees, independent contractors, or customers may come to the Unit for purposes of the home occupation. Any Owner or Tenant conducting a home occupation at Knollwood Terrace must carry appropriate insurance, as specified by the Board, naming the Association as an additional insured, and must agree to indemnify and hold the Association and Board of Directors harmless for any claims or causes of action which result from or are in any way related to the home occupation. With this exception, no part of the Project shall be used or caused, allowed or authorized to be used in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, educational, storing, rendering, or other such nonresidential use except as permitted by the City of Santa Maria's zoning ordinance. The number of persons residing in a Unit shall not exceed the limitations contained in the Uniform Building Code or other similar code adopted by the City of Santa Maria and governing occupancy. Guests may visit the Units but not reside in the Units; provided, however, that at no time shall the number of guests and residents occupying a Unit exceed the maximum number of persons permitted to reside in a Unit as above set forth. For purposes hereof, a visit shall be considered a period not to exceed thirty (30) days in any calendar year.

Information Requirements

All Owners are required to keep the Association current on all personal information as follows: Names(s) of Owners on file, names of resident(s) and/or tenant(s), mailing address, telephone numbers including emergency numbers, email (if applicable), pets and vehicle information on all residents. Current is deemed to mean within thirty (30) days of an Owner purchasing the property or within (30)

days of any change to information on file.

Leases

It is the responsibility of the Owner who leases his or her Unit to provide copies of the CC&Rs, Bylaws, and the Rules to each new tenant. With every new lease, the Owner is required to provide management with a form signed by each of the tenants agreeing to abide by the Rules, along with the tenant's information and vehicle registration. Owners are not permitted to lease or rent their homes for transient or hotel purposes. The rental period for any lease shall be not less than ninety (90) days. No subleasing is allowed. The Owner must reside at Knollwood Terrace for a minimum of one (1) year prior to becoming a landlord.

Responsibility of Owners

The acquisition or rental of any of the Units at Knollwood Terrace or the act of occupancy of any of the Units will signify that these Rules are accepted and will be upheld. Noncompliance with Association Rules can result in fines or other sanctions being levied against an Owner.

1) GENERAL RULES

- a. Owners are responsible for the actions of their children, guests, and tenants. Although tenants are to abide by these Rules, Owners bear the ultimate responsibility for the actions of their tenants. If there is a need to impose penalties, they are imposed against the Owner and not the tenant.
- b. No Owner may make any alteration, repair or addition to his or her Unit which would affect the exterior appearance thereof, alter any structural component therein, or affect the Common Area elements in any way without the prior written approval from the Board of Directors. An Application for Modification, including a sketch and description of the work to be undertaken, must be submitted to the Board via the Management Company. No work may be undertaken until the Board approves the application. Depending upon the type of work involved, the Board may require that the work be completed by a licensed and insured contractor. All permits required must be obtained prior to the commencement of any alteration.
- c. Obstruction of sidewalks, driveways, and entries is not permitted. The 4-plex Units on Foster, Sumner, and Hilltop have a community driveway for ingress and egress to the garages. No parking of a vehicle in this Common Area is permitted. Storage of personal articles is not permitted in any part of the Common Area or in any easement area as defined in the CC&Rs.
- d. No fireworks or firearms shall be discharged within the Development.
- e. State and local ordinances must be observed if explosives or flammable liquids are brought into the Development. Storing large quantities of flammable liquids or paints or other combustible material which would increase the risk of fire is prohibited.

- f. No Owner or tenant is to plant, or cause to be planted, any plantings on the Common Area or install any fence, statuary, or structure in the Common Area without prior Board approval. If the Board grants such approval, the Owner must agree to maintain the plantings or additions and to restore the area to its original condition at the time of sale of his or her home. No living tree, plant or other vegetation located in any portion of the Common Area shall be cut, trimmed, pruned, removed, replaced, or otherwise altered by any Owner or tenant.
- g. Any costs of repair of damage to walkways, driveways, landscaping, or to any other Common Area property caused by an Owner or tenant, or any family member, guest, employee, contractor, or agent of an Owner or tenant, shall be at that Owner's expense.
- h. Skateboarding, rollerblading and bikes are prohibited within the Development. Children are not allowed to play in the streets or parking areas. Children's toys may not be stored in the driveways or visible from the Common Area.
- i. Noise from individual Lots (TV, radio, stereo, musical instruments, voices, dog barking etc.) may not disturb the peace of the residents, particularly between the hours of 10 p.m. and 6 a.m. in accordance with the noise ordinance of the City of Santa Maria. No obnoxious or offensive behavior is allowed at any time.
- j. No exterior signage is permitted in Common Areas except as allowed by State Law. Signs advertising an "Open House" may be used, providing they are placed in such a way that they do not interfere with ingress and egress, do not damage landscaping, and are removed in a timely manner.
- k. No exterior radio or television poles, antennae, or satellite dishes may be erected or maintained on the Development except as permitted by law. All requests for antennae or satellite dishes must be approved by the Association prior to installation. Complete information regarding satellite dish installation is available from Management.
- l. A limited number of plants may be maintained within the patio/yard area of a Unit (the EUCA) provided they are maintained in a manner which promotes a healthy appearance and they do not infringe upon any wood trim or exterior structures, including fences. Hanging plants must be of a size and weight which do not create a safety hazard or cause damage to the Common Area. No potted plants shall be placed on the top board of the fences.
- m. No basketball hoop is allowed in any Common Area.
- n. All trash, rubbish and recyclables shall be deposited at a location designated by the Association. Trash areas for the 4-plex Units on Foster, Sumner, and Hilltop are located to the rear of each garage area. All trash is to be placed inside the dumpsters. Nothing is to be placed on the ground. The lids to the dumpsters are to be kept closed at all times. Large cardboard boxes are to be folded flat or cut into pieces before placing them inside the recycle bins. Owners must make their own arrangements for removal of large items such as mattresses or appliances, which are not to be placed in or near the dumpsters.
- o. Garages must remain available for the parking of two (2) vehicles. Garages may not be converted to living, business or recreational use. Garage doors must remain closed except as necessary to permit ingress and egress or for the purpose of working in and around the garage. Once the wooden garage doors have been replaced by the Association, Owners are responsible for the new garage door maintenance.
- p. Residents are not permitted to wash vehicles of any type at Knollwood Terrace.

- q. Residents may not fill hot tubs or water storage tanks or make any other use of water which is prohibited by local or state water use restrictions.
- r. No awnings, sunshades or screen doors are permitted except those that are installed in accordance with the construction of the Development and their replacement, or as approved in advance by the Association.
- s. Vehicle maintenance which will disable the vehicle for more than 24 hours is not permitted in the Common Area. Use of jacks to raise a vehicle is limited to the emergency tire changes. The changing of vehicle fluids is prohibited.
- t. Smoking is not permitted in any Common Area, including but not limited to the pool area.
- u. No boat, trailer, recreational vehicle, camper, truck (other than a pick-up truck) or commercial vehicle shall be parked or left in the Development without the approval of the Board of Directors. Temporary parking of commercial vehicles for the purpose of making deliveries is permitted, provided fire lanes, driveways, and garages remain open and accessible. A maximum of three (3) automobiles may be kept in the Development by any Unit, and all such vehicles must be parked or stored in the garages or on the public streets and registered with the Association's Management Company. No vehicle may exceed a length of 19 feet. Public parking is prohibited in the Common Area except in areas designed by the Board of Directors. Guests visiting a Unit for more than seven days must register with the Management Company and park in the Resident's garage or on the street.

2) ANIMALS

- a. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any portion of the Project, except dogs, cats or other household pets may be kept if they are not kept, bred or maintained for any commercial purposes and do not become a nuisance to other Residents. If and when a pet is declared to be a nuisance by the Board, it shall be removed from the Project immediately or as otherwise determined by the Board. A maximum of two (2) pets, such as dogs, cats or other household pets may be kept in each Unit. Dogs must be kept on a leash and under the control of the Owner or handler at all times while in the Common Area.
- b. Any costs of repair for damage to landscaping, shrubbery, or any Common Areas, caused by a pet shall be paid by the Owner.
- c. The Owner is responsible for the cleanup and proper disposal of animal waste.
- d. All pets must be kept in such a manner so as to not interfere with other residents' quiet enjoyment and use of their property.
- e. No pet food is to be left outside, as it attracts rodents. If pets are fed out-of-doors, all food must be removed every evening to keep rodent infestation to a minimum.

3) CLUBHOUSE RULES

- a. Empty all small trashcans and remove the trash from the Clubhouse area. Do not deposit any trash in the outdoor trashcans or dumpsters.
- b. Return chairs and folding tables to closet.
- c. Turn off the thermostat.
- d. Sweep and clean up the Clubhouse. Cleaning supplies are not provided.
- e. Turn off all lights and lock all windows and doors.
- f. Hours of operation are: Sunday thru Thursday until 10:00 p.m.; Friday and Saturday until 11:00 p.m. (although this additional hour should be used for cleanup). No one is allowed to

- remain in the Clubhouse overnight. Cleaning must be completed prior to leaving for the night, as there may be another event scheduled for the next morning.
- g. The pool area is not included in the Clubhouse reservation. No BBQs or food service is allowed in the pool area. Rental of the Clubhouse does not include use of any outdoor area.
- h. The resident reserving the Clubhouse must be present during the entire event. If the resident is not present, the guests will be asked to leave.
- i. Guests attending events at the Clubhouse are requested to use the Clubhouse parking lot.

4) SWIMMING POOL RULES

- a. Swimming pool keys are required to enter the pool and are transferred to Owners upon purchase of the Unit. Lost pool keys can be replaced by Owners only, at a cost of \$75.00. Owners are responsible for issuing pool keys to their tenants and obtaining those keys from the tenants at the termination of the lease.
- b. Hours of pool operation at from 9:00 a.m. to 10:00 p.m.
- c. Children are not allowed in or around the pool at any time unless accompanied and supervised by an adult resident 18 years of age or older. Children under the age of 14 are not allowed in the spa at any time.
- d. The pool is reserved exclusively for residents and their guests (who must be accompanied by a resident). Residents are responsible for the conduct of their guests. Authorized users of the pool must have a pool key in their possession when using the pool. There is a limit of two (2) guests per resident at any one time.
- e. The Association is not responsible for lost or damaged personal belongings. All personal items must be removed when leaving the pool area.
- f. Every person using the pool must exercise due care and caution in and around the pool area. Persons using the pool do so at their own risk. **NO LIFEGUARD IS ON DUTY.** Safety equipment is to be used for emergency purposes only. Do not swim alone.
- g. The Board, at its sole discretion, may limit the use, close, or exclude person(s) from the pool area.
- h. No food or glass is allowed in or around the pool area.
- i. No running, jumping, diving, or other noisy, disruptive or dangerous behavior is allowed in or around the pool area.
- j. Radios, compact disc players, or other musical devices may not be used without earphones. Musical instruments are not allowed.
- k. Cell phone conversations of more than five (5) minutes are not allowed.
- l. Towels or other covers must be used on all pool furniture to protect from suntan oils and lotions.
- m. Showering is required before entering the pool.
- n. Pets are not allowed in or around the pool area.
- o. Proper swim attire must be worn at all times.
- p. No inflatable objects other than Coast Guard approved floatation devices (excluding cushions) may be used in or around the pool area.

5) ENFORCEMENT

The Board of Directors has adopted an increasing fine schedule of violations of the governing documents. If a violation is not remedied after written notification to the Owner, the Board

may impose a fine of \$100.00 for the first violation, \$150.00 for the second violation, \$200.00 for the third violation, with subsequent increases of \$50.00 per additional violation up to a maximum of \$300.00. The Board also retains the right to suspend membership privileges as well. Violation proceedings are in accordance with California Civil Code as summarized below:

- i. When the Board is to meet to consider or impose discipline upon a Member, the Board shall notify the Member in writing, by either personal delivery or first-class mail, at least 10 days prior to the meeting. The notification shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a Member may be disciplined, and a statement that the Member has a right to attend and may address the Board at the meeting. The Board shall meet in executive session if requested by the Member being disciplined.
- ii. If the Board imposes discipline on a Member, the Board shall provide the Member a written notification of the disciplinary action by either personal delivery or first-class mail, within 15 days following the action. A disciplinary action shall not be effective against a Member unless the Board fulfills the requirements of this subdivision.
- iii. In the event a Member fails to correct the violation within a reasonable time, the Board may correct the violation on behalf of the Member. If the Board so corrects the violation, it may charge reasonable costs incurred, plus the fine imposed up to the date of the correction.
- iv. For purposes of this procedure for enforcement of the Governing Documents, the reoccurrence of any violation described in a Rules Violation notice at any time within ninety (90) days from the date of the Rules Violation notice, shall be deemed a continuation of the violation initially described therein, and the penalty imposed, whether it be a monetary penalty or other penalty, shall continue to be imposed and/or enforced on each day that the violation occurs without new or further notice beyond the initial Rules Violation notice.
- v. The accumulated fine for any member shall be included on the invoices for the regular monthly assessments.
- vi. The Board reserves the right in its sole discretion, on a case-by-case basis, to compromise, settle or otherwise resolve any violation of the Governing Documents in any manner deemed in the best interest of the Association that is not in conflict with the law or the Governing Documents of the Association.
- vii. The Association or an Owner may not file an enforcement action in the Superior Court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to the California Civil Code.
- viii. Any party to a dispute may initiate the process required by the Civil Code by serving on all other parties to the dispute (via personal delivery, first class mail, express mail, facsimile, or other means reasonably calculated to provide actual notice) a "Request for Resolution", which, at a minimum, shall contain the following:

1. A description of the dispute between the parties;
 2. A request that the member submit the dispute to non-binding arbitration. The Request for Resolution shall state the method of selecting an arbitrator as follows: the parties shall choose a mutually acceptable arbitrator; if the parties cannot agree, the Board shall select an arbitrator and the member shall select an arbitrator and these two arbitrators shall select a third arbitrator who shall then serve as the arbitrator of the dispute. The Request for Resolution shall also state that the cost of selecting arbitrators as well as the arbitration procedure shall be shared equally between the Board and the member;
 3. A statement that if a response is not received from the member by the Board within thirty (30) days from the date of the date stated on the return mail receipt, the request for non-binding arbitration shall be deemed rejected and that the parties shall be free to proceed with judicial action in the appropriate court.
 4. A copy of the relevant provisions of the Civil Code governing Alternative Dispute Resolution.
- ix. If the offer of non-binding arbitration in the Request for Resolution is accepted by the member, the arbitration shall be conducted and completed within ninety (90) days of receipt by the Board of the acceptance of the member, unless this period of time is extended by mutual written agreement of the parties.
 - x. If the alternative dispute resolution process fails to resolve the violation, either party may initiate legal proceedings in the court of appropriate jurisdiction to seek enforcement, or in the case of the Association, to collect any such fines.
 - xi. FAILURE BY ANY MEMBER OF THE ASSOCIATION TO COMPLY WITH THE PREFILING REQUIREMENTS THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHTS TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS.

ADOPTED ON 10/18, 2016.