

STONEGATE VENTURA ASSOCIATION

Rules and Regulations

Revised 2006

c/o Anchor Community Management, Inc.
P. O. Box 3237, Camarillo, CA 93011-3237
805-388-3848 ↓ fax: 805-388-0856

See the Stonegate web-page at:
www.anchorcommunitymgmt.com/stonegate.htm

INTRODUCTION

The following Rules and Regulations have been adopted by the Stonegate Board of Directors to promote safety, to preserve, protect, and enhance property values, and to provide for a pleasant environment for all homeowners'/residents' enjoyment. These rules and regulations are to be used in conjunction with the Association's Covenants, Conditions and Restrictions (CC&R's), and By-Laws.

Both owners and tenants are responsible for understanding and abiding by the Rules and Regulations. Please take time to study each one. Help maintain our property values and quality of life by becoming familiar with, and adhering to, these Rules and Regulations. Off-site owners are required to provide a copy of these Rules to their tenants, and are responsible for the actions of their tenants.

If you have any questions regarding any of the following, as well as the CC&R's and/or By-Laws, please contact Anchor Community Management in writing for clarification, not the Board members.

The Board of Directors does not discriminate in its enforcement. The Board of Directors asks for your cooperation and assistance in enforcement. Complaints, suggestions, and/or recommendations must be in writing and submitted to the management company. Please include your home address and telephone numbers. THE BOARD OF DIRECTORS MAY LEVY, ASSESS AND COLLECT MONETARY PENALTIES AGAINST THE HOMEOWNER FOR VIOLATIONS.

This document will be amended and/or revised as necessary and supersedes all previously issued Rules and Regulations.

GENERAL

1. Parking of commercial vehicles in Stonegate is prohibited. A commercial vehicle is any vehicle that is used or maintained primarily for the transportation of persons for hire, compensation, or profit, or designed, used, or maintained for the transportation of property. A commercial vehicle shall not include automobiles, pickup trucks, and vans used primarily for the owner's personal transportation, so long as any tools or equipment transported on such vehicles are not visible from the common area (e.g., street, walkway) when parked within the Association.
2. Parking is allowed only on one side of the street in designated parking spaces. Stopping or parking on the opposite side of the street is prohibited. This lane is reserved for emergency vehicles only and must remain open. Vehicles in violation are subject to towing, without notice, at the owner's expense.
3. No more than one vehicle may be parked in a single designated space.
4. THERE ARE NO ASSIGNED PARKING SPACES.
5. For the safety of all residents, adhering to posted speed limit of 15 MPH is required of all residents,

guests and visitors.

6. Vehicles consistently violating traffic rules may be barred from the Association by the Board of Directors.
7. No trailers, boats, recreational vehicles of any kind, or personal property shall be kept on the street. Only currently registered and operable vehicles may be parked on the street.
8. Parking in designated (and visitor) parking spaces is limited to no more than 72 hours.
9. Inoperable vehicles or vehicles not displaying current registration may not be parked on driveways, streets, or anywhere in Stonegate. Major car repairs may not be made in the confines of the Association property. Emergency repairs, minor maintenance and cleaning may be made on vehicles owned by residents.
10. For the safety of all residents, climbing on common area structures, walls, fences or landscaping (including trees) is prohibited.
11. Articles shall not be stored outside in the visible areas.
12. Fireworks or firearms shall not be discharged in the complex at any time, including July 4th.
13. All owners and harborers of animals must comply with County and City ordinances pertaining to domestic pets. (City Code MHP Section 15.220.050(f)). All owners are responsible for the behavior of their animal(s), and for the behavior of their tenant's animals.
14. Dogs must be leashed when not in the owner's backyard. If any animal(s) become a general nuisance, action may be taken. [City Code CD 4:43, Section 4456 (Animal Nuisances)]
15. Trash and recyclables must be placed completely within the appropriate dumpsters. Ensure all boxes are broken down to allow maximum amount of use of space in bins. Bin lids are to be kept closed for sanitary reasons and to prevent critters from entering.
16. Trash dumpsters are not intended for the disposal of large quantities of landscape or building material.
17. Toxic and similar wastes (oil, chemical) shall not be placed in the trash or recycle dumpsters. Call 652-4525 for City information on collection dates and alternate disposal services.
18. Owners shall be responsible for the actions of themselves, their children, and their guests at all times. Owners renting their units shall be responsible for their tenants (please see "UNIT RENTAL" section).
19. Sound from units (TV, radio, stereo, parties, etc.) shall be kept at a reasonable level at all times. Please be considerate and turn down the volume of sound from your unit, especially between the hours of 10:00 PM and 7:00 AM. (Ventura City Code 10.650.130)
20. Skateboarding is prohibited between the hours of 9:00 PM and 7:00 AM. No curbing, waxing and/or jumping off common area walls, fences, car stops at guest parking areas and/or neighbors' private property. No ramps or jumps are allowed. Parents will be held fully responsible for any damage caused by this activity.
21. Broken windows must be replaced immediately to avoid receiving a violation citation. All windows, entry door and sliding door screens are to be kept in good condition at all times. Only appropriate window coverings shall be installed on windows: drapes, levorlours, blinds, and shutters are considered appropriate. Sheets or bedding, paper, foil, cardboard, wood, or similar coverings are not suitable. All window coverings are to be in good condition at all times.
22. One (1) garage/patio sale per calendar year is permitted per unit. Combined garage sales count as one sale per unit involved. A garage sale cannot be conducted for more than two (2) consecutive calendar days in any calendar year (City Code, Section 2258). For more information call City Hall. The Association strives to have two community wide garage sales per year, one in April and one in

October.

23. Residents/homeowners are responsible for prompt removal of oil stains they cause on unit driveways and streets.
24. Remove Christmas holiday lights and decorations by January 15. Other holiday decorations must be removed within 7 days after the holiday.

ARCHITECTURAL

1. Exterior alterations or additions of any type (including painting) are not permitted without the written approval of the Architectural Committee or the Board of Directors.
2. To ensure uniformity of colors, all paint on the exterior of individual units must match the color schemes approved by the Board of Directors. Failure to follow approved color schemes will result in repainting at homeowner's expense. Be sure to call the management company or check the Association web-page at anchorcommunitymgt.com/stonegate.htm for information prior to doing any work. Pre-approved paint colors are available for viewing in the clubhouse. You must choose colors from these charts.
3. A property owner or his/her agent may cause to have displayed signs which are reasonably located in plain view of the public, and are of reasonable dimensions and design.
5. All fencing placed along the perimeter block wall must not exceed City height standards. You must receive prior written approval from the Board for changes or additions to fencing.

LANDSCAPE

In an effort to maintain a look of 'green' in the community, Stonegate no longer allows for the addition of rock or cement to the front yards, without prior written approval from the Board (effective August 2005). The intent of this policy is to keep Stonegate looking colorful with plants and bushes and trees. 'Green' landscaping is good for the environment, it helps keep the temperature cooler and it just looks friendlier!

Owners may add mulch or bark instead of rock or cement. Only real plants and/or a lawn will be allowed in front yards.

Owners are reminded that all changes to the front yards, other than the addition of more plants, must receive prior, written approval from the Board. To submit a request for approval, you may download the form from the Stonegate website at anchorcommunitymgt.com/stonegate.htm and download the 'Architectural Request' form. You may fax it, mail it or send by email to management.

A drawing depicting major changes to the front yards or fences must accompany an architectural request form. Please remember to sign the form before submitting. The Board has 30 days in which to render its decision so please do not schedule the work to be done before receiving approval.

Trees in front yards may not be removed without first obtaining prior written permission from the Board. These requests are handled on a case by case basis. An architectural request form must be submitted.

All yards must be regularly maintained and kept free of weeds, debris, dead landscaping, and overgrown landscaping. Owners must keep trees in their yards from overgrowing into common areas.

UNIT RENTAL

ALL HOMEOWNERS WHO RENT THEIR UNITS MUST ABIDE BY THE FOLLOWING:

1. Provide tenants with copies of CC&R's and Rules and Regulations PRIOR TO MOVING IN.
2. Homeowners are responsible for providing names and telephone numbers of all individuals occupying the rented property to management within 30 days of occupancy, and any/all changes that occur during occupancy. The tenant registration form is available on-line at www.anchorcommunitymgt.com/stonegate.htm.

POOL AND SPA

THE POOL ENTRY CARD ELECTRONICALLY REGISTERS THE CARDHOLDER'S UNIT NUMBER, DATE AND TIME OF ENTRY. THE ASSOCIATION USES THE INFORMATION FOR IDENTIFYING RESPONSIBLE PARTIES IN THE CASE OF AN INFRACTION. THEREFORE, IT IS IMPORTANT THAT YOU DO NOT LOAN YOUR CARD NOR GIVE ENTRY TO ANYONE.

**POOL HOURS ARE
FROM 8:00 AM TO 10:00 PM DAILY**

NO LIFEGUARD ON DUTY

1. The pool is for the exclusive use of Stonegate homeowners/residents and their guests. Guests must be accompanied by a homeowner/resident (over 18 years of age) at all times. Homeowners/residents are responsible for the behavior of their guests and for violations incurred.
2. IMPORTANT: Anyone who opens the gate and provides access to the pool/spa area will be held responsible for the conduct of persons admitted.

PARENTS NOTE: Children under 14 years of age must be accompanied and supervised by an adult homeowner/resident 18 years of age or older who can assume full responsibility for the younger person. At no time may a child under 14 years of age be at or in the pool without adult supervision.
3. Homeowners/residents are limited to no more than four (4) guests per household.
4. The pool and spa may not be reserved for the exclusive use of any specific group or party.
5. Be considerate — do not disturb others. For safety purposes, no roughhousing, horseplay, boisterous conduct or acts of similar nature are allowed in the pool and spa areas.
6. Voices, radios and other noises must be kept at reasonable levels so as not to disturb other members' enjoyment. The use of headphones is encouraged.
7. Diving is not allowed in the pool and/or spa.
8. No glass or other breakable containers are allowed within the fenced perimeter of the pool and spa areas.
9. No smoking is allowed at the pool or spa.
10. ALCOHOLIC BEVERAGES ARE NOT PERMITTED WITHIN THE FENCED AREA OF THE POOL AND SPA.
11. All persons using the pool or spa must wear appropriate bathing attire. No cutoffs, no t-shirts allowed, due to sanitation concerns and hardship to the equipment.
12. For sanitary reasons, children under the age of three (3) or those not toilet trained MUST wear close-fitting, water-proof pants while in the pool and spa. Soiled diapers MUST BE REMOVED from the pool or clubhouse area, not disposed of in pool or clubhouse receptacles.

13. Pool gates must be kept closed and locked at all times.
14. Pool chairs and/or lounges may not be reserved.
15. No more than 12 persons allowed in the spa at one time.
16. Pets, bicycles, skateboards, or surfboards are not permitted in the pool/spa area.
17. Association property shall not be placed or thrown into the pool or spa.
18. Homeowners/residents or their guests may not remove any pool furniture, equipment or property from the pool/spa area.
19. Persons using the pool and spa are responsible for cleaning up prior to leaving the area.
20. Replacement cost for a Pool and restroom Entry Card is **\$100**.
21. The Association assumes no responsibility for any personal articles brought into the pool or spa areas.
22. The lifesaving equipment may not be used except in emergencies.

CLUBHOUSE

CLUBHOUSE HOURS ARE FROM 8:00 AM TO 10:00 PM DAILY (unless other arrangements are made with the Clubhouse Chairperson)

1. **IMPORTANT:** Anyone who opens the door and provides access to the clubhouse area will be held responsible for the conduct of persons admitted.

PARENTS NOTE: Children under 14 years of age must be accompanied and supervised by an adult homeowner/resident 18 years of age or older who can assume full responsibility for the younger person.
2. Smoking is not permitted anywhere in the Clubhouse.
3. Overnight parties and/or sleeping in the Clubhouse are prohibited.
4. Before leaving the facility, you are responsible for completely securing all windows and doors. Failure to do so may result in a monetary assessment for damages due to vandalism, etc.
5. Reservations for the Clubhouse include the main dining/meeting room, kitchen and supply closet only.
6. Reservations may only be made by homeowners. Tenants wishing to reserve the Clubhouse should contact their landlords, as the homeowner will be the responsible party.
7. The homeowner/tenant reserving the Clubhouse area must be in attendance at all times and is responsible for any damage to the property or any other violation of any rule by anyone in attendance during the reserved hours.
8. A deposit of \$100 is required to cover any costs related to damages or failure to clean the Clubhouse properly after use.
9. Reservations are subject to all requirements of the Banquet Area/Kitchen Reservation Agreement.
10. Permanent reservations for use of the Clubhouse may not be made. Routine scheduled reservations may be subject to cancellation for requested use by another party.

CONTACT THE CLUBHOUSE CHAIRPERSON OR MANAGEMENT COMPANY FOR AVAILABILITY AND RESERVATION INFORMATION.

Clubhouse Reservation Rules

- A. Reservation time ends at 10:00 p.m., (clean up to be finished by 11:00).

- B. The clubhouse may not be reserved for any purpose involving a business or commercial type of activity. Vocational, religious, theater groups or for profit activities will not be allowed.
- C. Food and liquid items must be disposed of away from and outside of the clubhouse. Stonegate cleaning crews are only on premises twice a month and food and drink may not be left on premises.
- D. Reservations do not entitle users to use any room, but the main dining room or the kitchen. All other rooms (except bathrooms) in the clubhouse are off limits!
- E. Use of the pool and spa is limited to no more than 4 guests at anytime. Pool parties are not allowed.
- F. Reservation form must be completed and signed by the homeowner who will be in possession of the key. *This homeowner must be in attendance at all times while the clubhouse is in use.*
- G. When decorating the room, no nails or sharp objects may be used (which would create punctures, holes or discernible marks anywhere in or outside the building). All decorations must be removed after event.
- H. The kitchen must be left clean. All trash must be disposed of (away from the building).
- I. Folding chairs and folding tables are available in the storage closet located in the dining room and may be used. All tables and chairs must be returned to the closet, cleaned and stacked. Chairs and tables may be removed from building, but only with the prior approval of the clubhouse chair. A \$25 refundable deposit must also be submitted at the time of rental of the chairs and tables. In any case, owners will be charged for damages to the chairs and tables.
- J. Keys must be returned within 24 hours. Failure to do so will result in the Association cashing the deposit check and having the clubhouse rekeyed at the user's expense.
- K. Guests must park on Cachuma Avenue and may not park within the complex.
- L. Only owners in good standing may rent the clubhouse. The Stonegate owner who reserves the room is responsible for all activities which take place while the room is reserved. Any violation committed by any guest will become the responsibility of the Stonegate homeowner. Any damage created by any person using these facilities will also become the responsibility of the Stonegate homeowner.
- M. Overnight stays in the clubhouse are prohibited.
- N. Animals are not allowed in the clubhouse at ANYTIME!
- O. Reservation form must be filled out completely and accurately. Deviations from this will result in the reservation being denied or revoked.
- P. Loud or disturbing music must cease by 10:00 pm.
- Q. A deposit of \$100.00 is required at the time the clubhouse agreement is completed and returned. The deposit is not refundable if the clubhouse is not properly cleaned, is damaged or a violation occurs during the reserved hours. A user fee of \$25.00 must also be provided before a key will be issued. This user fee is not refundable.

Stonegate owners may use the clubhouse on a weekly or monthly basis if:

- A. A \$100 deposit check is on file with the clubhouse person at all times.
- B. These regular meetings may not take place on Fridays, Saturdays or Sundays where the clubhouse is being used for an event.
- C. The key must be picked up and returned to the clubhouse person with each use, and returned within 24 hours of the event.
- D. These weekly or monthly users are subject to all the same requirements of the other users. By signing the clubhouse agreement, you agree to all of the conditions.

RV PARKING

1. RV spaces will be issued on a first-come, first-served basis.
2. Campers, boats, trailers and motorhomes qualify as RV's. Van conversions qualify if eating and sleeping units are built in. Storage units will be considered on an individual basis.
3. Owners must provide proof of current license (if applicable) and registration for each vehicle they maintain in the RV lot. This registration must be updated and provided to the management company on an annual basis. Those who do not provide this information will not be allowed to continue parking their vehicle in the lot. The vehicle may be removed, at the owner's expense, by the HOA for failure to provide this information.
4. Each RV in the lot must be owned by a current Stonegate resident. Each registration must show the name and address of a person currently residing at Stonegate.
5. Tenants may use the RV lot if the owner of the unit sends a letter to the management company acknowledging that he/she (the owner) will be responsible for all costs accumulated by the tenant associated with the RV lot. The owner must agree to assume all responsibility for the tenant's use of the lot. Owners must provide the deposits required, not the tenants.
6. The RV lot will not accommodate more than four storage units. If the Association requires that a storage unit be removed, 30 days notice will be given.
7. RV's and all other units must be kept in operable condition while in the lot. Repairs to vehicles and units may not take place in the lot. The vehicle or unit may be towed at the owner's expense if not kept in operable condition.
8. Stonegate Homeowners Association may not be held responsible for loss or damage to vehicles while stored in the lot. Owners shall be solely responsible for any damage or losses incurred and are responsible for obtaining their own insurance.
9. Persons utilizing more than one space in the RV lot may be asked to relinquish those spaces if a need arises; 30 days notice will be given. Those persons having more than one RV space are not guaranteed those spaces will remain theirs for any period of time.
10. No Persons shall reside in, sleep overnight or in any way inhabit any vehicle or unit in the RV lot for any period of time. The RV's or units may not be used while in the RV lot.
11. A \$25 refundable key deposit is required to occupy a space in the RV lot. Interested parties are asked to contact the management company for details. As well, a \$100 refundable deposit is required to use the lot.
12. Stonegate has a 24-hour loading and unloading policy. The RV may be parked in front of a unit, *but only in a designated parking space*, for 24 hours while loading and for 24 hours while unloading. Under no circumstances may RV's be parked anywhere in Stonegate for any other reason. This rule applies to boats and trailers as they are defined for the purposes of this document as an RV.
13. Any persons utilizing the RV lot may be asked to vacate the premises or to move their RV or unit for a temporary period of time so that maintenance work can be done in the lot. Owners must comply or risk having their vehicle or unit towed at their expense.
14. At this time, there is no charge to use the RV lot. The Board, however, reserves the right to levy a reasonable fee for the lot at any time and with 30 days notice to RV lot users.
15. RV spots which remain vacant for more than 90 days may be reassigned, unless prior arrangements have been made with management.
16. The RV lot keys must be returned after the vacancy of a unit by a tenant. The keys may not be passed onto the next occupant. Owners are responsible for the return of the key.

The regular Stonegate fining schedule, as outlined in the Rules book, will apply to the RV lot. RV lot vehicles or units may be towed at owner's expense if compliance is not achieved.

ENFORCEMENT

- 1. The failure of the Board to enforce the Rules and Regulations of the Association, the CC&R’s, or the By-Laws in any instances SHALL NOT constitute a waiver of the right to enforce the same thereafter.
- 2. Any Association member may report a violation of these Rules & Regulations, the By-Laws, and/or the CC&R’s by submitting their concerns in writing to the management company. Anonymous complaints will not be honored. These concerns are not shared with others, but are merely kept on file to show a valid concern was received.

All reports are to be made IN WRITING, stating nature of violation, date and time where possible, and where relevant, vehicle identification (make, model, and license plate number) to the Board of Directors through the management company. All persons reporting a violation must identify themselves to the Board/management company.

3. Enforcement Policy

In order to enforce the CC&R’s, By-Laws, and Rules and Regulations, the Board of Directors may levy, assess and cover such costs as time and labor, legal expense, postage, etc. for violation of published Rules and Regulations governing the use of the common area. The fines shall be assessed against the homeowner involved for the violations by the owner, members of his or her family, or by any invitee, licensee or lessee of such owner. The fine schedule shall be as follows:

- First Offense..... Written Notice
- Second Offense*\$25.00 PENALTY and a hearing before the Board
- Third Offense*\$50.00 PENALTY
- Subsequent Violations*\$50.00 PENALTY

** of the same violation within a twelve month period*

- 4. Homeowners will be given a hearing before the Board in the event that a second offense of the same alleged 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.
- 5. All monetary penalties are immediately due and payable. In the event a penalty is not paid within thirty (30) days from date of levy, or in the event that 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.
- 6. Offenses that are of sufficient gravity, or of an immediate danger to life or property, shall be brought to the attention of the San Buenaventura City Code Enforcement, Police or Fire Departments as appropriate and the Association’s attorney for immediate rules enforcement action.

ELECTION AND VOTING RULES AND PROCEDURES

These rules and procedures are designed to provide for a fair and reasonable process for election of directors to the Board and other matters to be voted by members of the Association, as required by Civil Code sections 1363.03, *et seq.* These rules are intended to comply with Civil Code sections 1363.03, *et seq.*

- 1. **Qualifications for the Board.** The qualifications for candidates for a director for the Board of Directors include:
 - A. Candidates must be members of the Association,

- B. Candidates may not be convicted felons, and
- C. Additional qualifications may be stated in the CC&Rs or Bylaws of the Association.

2. **Nomination Procedures.** Nominations for a director may be made by any member of the Association. A member may nominate himself or herself as a candidate for a directorship. All nominations shall be submitted, in writing, to the Board or nominating committee (appointed by the Board), if any, at least 45 days prior to the date set for the election of directors. If the number of open director positions on the Board exceed the number of candidates already nominated then nominations shall also be taken from the floor at the meeting. Nominations from the floor must be accepted in writing by the potential candidate or the potential candidate must be present at the election meeting and verbally accept the nomination.
3. **Return of Ballots.** All ballots must be returned to the management company of the Association. The management company is designated as the "Ballot Collector." Ballots shall be addressed to the Inspector(s) of Election, but mailed to the management company. The management company is designated for the initial receipts of ballots until delivery to the Inspector(s) of Election. All ballots must be returned no later than the time scheduled for the election meeting to begin, or as otherwise set forth in section 6 below. The management company may review the returned unopened envelopes to determine which members have returned ballots. This will help identify which members still need to return ballots and whether those members should be given another ballot. The unopened ballots shall be delivered by the management company to the Inspector(s) of Election.
4. **Qualifications for Voting.** Only members in good standing may vote. A member's voting rights may be suspended after notice and hearing (see Civil Code section 1363(h) and Corporations Code section 7341). Only one ballot may be cast per lot. If more than one ballot per lot is cast, then all such ballots for the lot shall not be counted to determine the election of any candidate, but may be counted for quorum purposes.
5. **Proxies.** Proxies need not be distributed by the Association to the membership. All proxies for the election of any director must be presented to the Association no later than the time scheduled for the start of the election. When a dispute arises, the Inspector(s) of Election shall determine the authenticity, validity, and effect of proxies and ballots. Instructions, if any, given in a proxy issued for an election that directs the manner in which the proxy-holder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy-holder to retain. The proxy-holder shall cast the member's vote by secret ballot, unless the proxy is revoked prior to receipt of the secret ballot by the Inspector(s) of Elections. Proxies will be checked in after secret ballots have been checked-in to be assured that no irrevocable ballots have been checked-in for the same member. A proxy envelope may not be used as a proxy. A proxy may not be used as a ballot.
6. **Voting Period.** Voting shall begin at the time ballots are mailed to the owners and shall end: 1) by motion from the members to close voting period, or 2) if the balloting is by mail only, without voting of a members' meeting, then the voting ends as specified in the ballot. A members' meeting must be held in conjunction with the election of directors.
7. **Cumulative Voting.** Cumulative voting is allowed pursuant to Article IV, Section 2 of the Bylaws.
8. **Appointment of Inspector of Election.** Either one or three Inspector(s) of Election shall be appointed as follows:
 - A. If before the meeting begins, then the Inspector(s) are appointed by the Board;
 - B. If after the meeting begins, then appointment shall be by motion of the members.

If any Inspector(s) of Election fails appear at the election meeting or fails and/or declines to act as an Inspector then replacement Inspector(s) of Election may be appointed by the members or the Board, as specified in paragraph 8 A and B above. Inspector(s) of Election shall not be candidates for the Board or related to any candidate for the Board. Inspector(s) of Election shall not be any director of the Board or related to any director of the Board. Inspector(s) of Election may be the

manager or other persons currently employed or under contract to the Association for compensable services. Inspector(s) of Elections may be outside independent third parties.

9. **Duties of Inspectors of Election.** The Inspector(s) of Election shall do all of the following:
 - A. Determine the number of memberships entitled to vote and the voting power of each.
 - B. Determine the authenticity, validity, and effect of proxies, if any.
 - C. Receive ballots. The ballots shall be mailed by the owners to the Ballot Collector and delivered for receipt by the Inspector(s) of Election. The sealed ballots shall be at all times in the custody of the Inspector(s) of Election until after the tabulation of the vote, at which time custody shall be transferred to the Association.
 - D. Verify the member's information and signature on the outer ballot envelope prior to election.
 - E. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
 - F. Count and tabulate all votes. All votes shall be counted and tabulated by the Inspector(s) of Election in public at a properly-noticed open meeting of the Board of Directors or members. Any candidate or other member of the Association may witness the counting and tabulation of the votes.
 - G. Determine when the polls opened or closed to determine timely receipt of ballots.
 - H. Determine the result of the election.
 - I. Perform any acts as may be proper to conduct the election with fairness to all members in accordance with Civil Code section 1363.03, the Corporations Code, and all applicable rules of the Association regarding the conduct of the election that are not in conflict with Civil Code section 1363.03 or any successor statute.
 - J. An Inspector of Election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. If there are three Inspectors of Election, the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the Inspector or Inspectors of Election is *prima facie* evidence of the facts stated in the report.
 - K. Appoint or oversee additional persons, if necessary, to verify signatures and to count and tabulate votes, provided that such additional persons are independent third parties.
10. **Secret Written Ballot.** The election of directors shall be held by secret written ballot in accordance with the procedures set forth in these Rules. Once a secret ballot is received by an Inspector(s) of Elections, it is not revocable. Ballots shall be counted as "attendance" by a member at the meeting for quorum purposes for the matter being voted upon. Write-in candidates may be added to the ballot provided the candidate is qualified as set forth in section 3 above and the candidate has accepted the nomination or the candidate has provided the Association with a written self-nomination statement.
11. **Confidentiality of Ballots.** Ballots and two pre-addressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Association to every member not less than 30 days prior to the date of the annual election. In order to preserve confidentiality, a voter may not be identified by name, address, or lot, parcel, or unit number on the ballot. The Association shall use as a model those procedures used by California counties for ensuring confidentiality of voter absentee ballots, including all of the following:
 - A. The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter signs his or her name, prints his or her name, and prints the address of his or her lot in the Association.

- B. The second envelope is addressed to the Inspector(s) of Election, who will be tallying the votes. The envelope may be mailed or delivered by hand to a location specified by the Inspector(s) or delivered to the Inspector(s) at the meeting where the election is held. The member may request a receipt for delivery.
- C. No person, including a member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.
12. **Counting Ballots.** All ballots must be counted and tabulated in public so that candidate or the members may, if they so choose, view, but not interfere with, the counting and tabulation. The ballots must be counted and tabulated at a noticed meeting of the Association.
13. **Voting Results.** The results of the election shall be promptly reported to the Board and shall be recorded in the minutes of the next meeting the Board and shall be available for review by members of the Association. Within 15 days of the election, the Board shall publicize the results of the election in a communication directed to all members.
14. **Storage of Ballots.** After tabulation, election ballots shall be stored by the Association in a secure place for no less than one year after the date of the election. In the event of a recount or other challenge to the election process, the Association shall, upon written request, make the ballots available for inspection and review by Association members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.
15. **Campaign Funds.** Association funds shall not be used for campaign purposes in connection with any Association Board election. Funds of the Association shall not be used for campaign purposes in connection with any other Association election, except to the extent necessary to comply with duties of the Association imposed by these Election Rules and Procedures and by law.
- "Campaign purposes" include, but are not limited to, the following:
- (1) Expressly advocating the election or defeat of any candidate that is on the Association election ballot.
 - (2) Including the photograph, or prominently featuring the name of any candidate on a communication from the Association or its board, excepting the ballot and ballot materials, within 30 days of an election, provided that this is not a campaign purpose if the communication is one for which subdivision (a) of Civil Code section 1363.03 requires that equal access be provided to another candidate or advocate.
16. **Access to Media.** The Board may prohibit the use of the Association's media, newsletters, or internet web sites, if any, for campaigns or to advocate a point of view related to an Association election. However, if any candidate or member advocating a point of view is provided access to the Association's media, newsletters, or internet web sites, if any, during a campaign, then all candidates or members advocating a point of view shall be provided access to the Association's media, newsletters, or internet web sites, if any, during a campaign, for purposes that are reasonably related to that election. Equal access shall be provided to all candidates and members advocating a point of view, including those not endorsed by the Board, for purposes that are reasonably related to the election. The Association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the Association, is responsible for that content. The Association and its directors, officers, managers, employees, and agents shall not be liable for the content of those communications.
17. **Access to Meeting Space.** The Association shall allow access to the common area meeting space, if any exists, during a campaign, at no cost, to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election.

18. **Other Ballots.** The provisions of these rules regarding secret ballots also apply to amendments to the governing documents, election to or recall from the Board, the grant of exclusive use common area (pursuant to Civil Code section 1363.07), or assessments, provided the vote of the membership is so required.

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 Stonegate's Association 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 the larger of ten percent (10%) or (\$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. The current late fee for Stonegate Ventura is \$10.00.
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 twelve percent (12%).
7. If an assessment is unpaid for more than forty five (45) 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 Ventura 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 Stonegate Ventura 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. §1366.3
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 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: Stonegate Ventura 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	<u>Action/event</u>
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 twelve percent (12%).
45	A Notice of Delinquency (Pre-Lien) is sent via 1 st 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.
75	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) §1367(e).

CONFLICT OF INTEREST POLICY

WHEREAS, the Stonegate Ventura Homeowners' Association is a California corporation duly organized and existing under the laws of the State of California; and,

WHEREAS, the Board of Directors desires that the corporation shall act in full accordance with the nonprofit mutual benefit corporation laws of the State of California: and,

NOW, THEREFORE, the Board of Directors hereby adopts the following resolution by and on behalf of the Stonegate Ventura Homeowners Association.

RESOLVED, that the Board of Directors for the Association shall not, except as may be provided for in California Corporations Code Sections §7233 (and any successor code sections) enter into a contract or other transaction between the Association and one or more of its directors, or between the Association and any domestic or foreign corporation, firm or association in which one or more of its directors has a material financial interest. The Board of Directors shall disclose in the Association's annual reports any and all transactions involving the Association during the previous year that may constitute a conflict of interest pursuant to the reporting requirements of the California Corporations Code Section §8322 and any successor code section.