

RULES, REGULATIONS AND INTERPRETATIONS OF THE BEVERLYWOOD HOMES ASSOCIATION

(Effective as of _September 17, 2018)

In order to provide for the protection of the value and environment of the Association and the individual Lots, these Rules, Regulations and Interpretations (collectively “Rules”) of the Beverlywood Homes Association Covenants, Conditions and Restrictions (“CC&R’s”) are promulgated in accordance with the California Civil Code and Sections 2.36 and 4.6 of the CC&R’s.

These Rules are promulgated as of the date listed above based upon the facts, circumstances and other factors which are available to the Board of Directors of the Association as of the date so promulgated. The Board reserves the right to change these Rules at any time, for any reason whatsoever, in accordance with the CC&R’s and California law. All capitalized terms have the same meaning as those assigned to them in the CC&R’s, unless otherwise specifically defined in these Rules.

1. COMMON AREA USAGE

1.1 Circle Park

- a) Circle Park is the only Common Area that Members, their families or their guests may use.
- b) Circle Park is reserved for the exclusive use of Members, their families, their household employees, their tenants and limited number of invited guests. Members must accompany their guests. The term “Guests,” for purposes of park usage, means only the common usage of guest as a person visiting or being entertained by the Member and not the broader legal usage of the term “guest.” Members have no right or authority to authorize others to use the park for any purpose whatsoever. Trespassers will be prosecuted.
- c) Park hours are from sunrise to sunset only. No overnight usage or camping.
- d) The use of Circle Park for parties or other gatherings must be approved in advance by the Association.
- e) Circle Park may only, unless prior written consent is otherwise given by the Association, be used for limited park-like recreational purposes. It may not be used for, by way of example only and not by way of limitation, such things as parties (unless prior permission is granted), filming, camping or organized sporting activities (including team practices).

- f) The Board, on prior written request, may, in its sole discretion, and subject to such conditions, restrictions or requirements that it may deem appropriate, and the size of the proposed use relative to typical park use by other Members will be a consideration in such approval. Adequate security deposits and proof of adequate and valid insurance will be required prior to the date of the event. Approvals will only be given in writing.
- g) Nothing contained herein is intended to restrict the ability of the Board to sponsor Association events in the park.
- h) The following are always prohibited in Circle Park:
 - i. BBQs or fire;
 - ii. Smoking of any kind;
 - iii. Alcohol;
 - iv. Bicycles, scooters, skateboards or skates;
 - v. Team practice;
 - vi. Tree climbing;
 - vii. Golf, including practice driving, putting and similar activities.
- i) Dogs must be kept on a leash and under control, and dog droppings must be picked up.
- j) Members are responsible for cleaning up any trash caused by their usage or the usage by their families, household employees and invited guests.
- k) No portion of Circle Park may be enclosed, decorated, landscaped, or covered, nor shall any sign be placed on the Common Area, without the prior written consent of the Association, which consent may be withheld in the Board's sole discretion.
- l) All Members are responsible and liable to the Association for the behavior and actions of themselves, as well as of their family, household employees and invited guests, for violations of these rules.
- m) Any Member (which includes for this purpose a Member, his/her family, household employees and invited guests) found by the Board to have: a) caused a significant disturbance to the usage of the Park by others; b) intentionally or negligently caused damage to the Park; or c) violated these Rules, or to have allowed, by action or inaction, their family, household employees or invited guests to violate these Rules, may be subject to suspension for no more than six (6) months of the right to use the Park and/or be fined up to \$25,000.00 for each violation.

1.2 Other Common Areas

- a) All other Common Areas, including but not limited to, the parkway or buffer strips maintained by the Association on Robertson Boulevard,

Bagley Drive, Beverly Drive and Beverwil Drive (collectively “Parkway Strips”), are intended for use as a green buffer only and are not for general park purposes. As such, these areas are not available for Member access for general park or other purposes.

- b) Any Member, other than an immediately adjacent Owner, using the Parkway Strips for any purpose, whatsoever, without the permission of the Association, will be subject to disciplinary action, including, but not limited to fines, denial of access to Circle Park or other appropriate penalties as determined by the Board in its reasonable discretion.
- c) Owners immediately adjacent to the Parkway Strips are granted permission to use such strips for ingress and egress only. Any other use must be with the express written permission of the Association which permission may be withheld in the Board’s sole and absolute discretion. Adjacent Owners are encouraged to help the Association maintain such strips, but any material changes to the landscaping of such strips must be approved by the Association.
- d) Encroaching walls and fences on Association-owned property, including but not limited to the Parkway Strips, are not permitted except with the express written consent of the Association, which permission may be withheld in the Board’s sole discretion.
- e) No portion of the Common Area shall be enclosed, decorated, landscaped, or covered, nor shall any sign be placed on the Common Area, without the written consent of the Association, which consent may be withheld in the Board’s sole discretion.

2. **DESIGN STANDARDS AND DESIGN REVIEW, INCLUDING LANDSCAPE REVIEW**

- a) The Design Review Committee and the Board review applications for conformity with the objective standards (such as roof slope, building height) and subjective standards (such as compatibility with the predominant character of the Association) of our CC&R’s. In accordance with our CC&R’s, the Board and Design Review Committee must be reasonably satisfied with the grading plan; location of the improvement or altered improvement on the lot; the color scheme; finish; design; proportions, architecture; shape; height; style and appropriateness of the proposed improvement or altered improvement; the materials used; the kind, pitch and type of roof proposed to be placed thereon, and any other aspect of the plan that the Board, in its reasonable judgment believes would render the proposed improvement inharmonious or out of keeping with the general plan of improvement of the Association or with the improvements erected on other lots in the immediate vicinity. The Landscape Review Committee and the Board review applications for conformity with the objective standards (such as hedge height and ground cover selection) and subjective standards (such as compatibility with the

predominant character of the Association) of our CC&R's. Diversity in the community is encouraged, however, diversity does not mean atypical. Some designs may be considered by the Board and Design Review Committee too extreme, innovative or out of keeping with the surrounding look of the community. The goal of the CC&R's is to promote uniformity.

- b. Remodeling, replacement and construction which employs inferior or inexpensive material or design is discouraged and will likely not be approved, even in cases of hardship.
- c. The Board and Design Review Committee or Landscape Review Committee, when applicable, shall exercise their subjective review in a consistent and non-arbitrary fashion. Grandfathered improvements that do not meet the current CC&R's or the standards of review and approval that have been in effect since 1994, shall not be precedent. Prior approvals shall be a guide, but not binding precedent upon the Board unless the facts and circumstances are identical in all respects.
- d. Construction Plans: - The Association has the following policies with regard to submittal of plans for construction of new homes and remodels:

Improvements must conform to City building and safety codes. The Board may deny an application because of its failure to comply with City building and safety codes. If a City permit is required, copies of all plans approved by the City and all building permits obtained must be sent to the Association office, and approval obtained prior to commencement of any work, which includes demolition and the installation of temporary fencing. Plans approved by the City of Los Angeles, including all architectural, structural, grading, drainage, electrical, mechanical, and any plans for pools and related equipment, accessory buildings that may be permitted, and retaining walls, must be submitted to the Association within 30 days of approval by the City. Failure to submit all plans as required, including, but not limited to all pages of all architectural, structural, grading, civil and drainage plans, within seven (7) days of receipt from the City, shall be grounds for not approving an Application, or for revocation of any application plans previously approved. If the City requires plan changes after Association approval, or the homeowner makes plan changes after Association approval, the homeowner must submit those changes for approval by the Association. Failure to submit all plan changes for approval and obtaining Association approval of plan changes within seven (7) days of receipt from the City, shall similarly be grounds for revocation of any application and plans previously approved.
- e. In addition to the general standards of review noted above, specific guidelines have been adopted for certain types of improvements. These specific guidelines are described in these Rules under separate headings, below.

2.1 Generally, All Improvements Subject to Review

Except as set forth in Section 2.2 below, approval of the Association must be obtained prior to repairing, replacing, modifying or adding any improvement to a residence or property; this includes demolition and the installation of temporary fencing. The following

are examples of situations where Owners must obtain the approval of the Association before commencing any work.

- a) Making any addition to their property, no matter how small.
- b) Repairing or replacing aspects of the exterior of any improvement on the property with materials different than the original.
- c) Adding or removing any architectural or cosmetic element to the exterior of a home or any other improvement on the property.
- d) Adding, removing, replacing or repairing any physical improvement within the front or side setback areas.
- e) Adding or removing a deck or patio, whether in the front, side or rear of a property.
- f) Adding, removing or replacing anything which will be visible to the street or neighbors.
- g) Adding, removing or replacing a pool, satellite dish (except as noted below), ham radio antenna, tool shed (except as noted below) or other equipment.
- h) Adding, removing or replacing an air conditioning unit, solar heating panel or similar equipment (except as noted below).
- i) Adding, removing, replacing, repairing or maintaining anything which does not comply with the exemptions noted below.

2.2 Exemptions to Design Review (with Requirements)

The following specific types of improvements may be installed without prior review or approval of the Association (any ambiguity as to the applicability of these exemptions shall be resolved in favor of requiring Association approval):

- a) Interior Construction – No review or approval of the Association is required to repair, replace or remodel ONLY the interior of a residence, provided however, if windows, exterior doors, skylights, solar tubes or other such improvements are part of the interior remodel and the exterior is thereby affected, Association review and approval is required for such exterior improvements except as noted below. If any dumpster(s) and/or fencing are to be utilized, prior Design Review Committee and Board approval must be obtained.
- b) Exact Repair or Replacement to Home – Except for non-compliant elements located on a lot, no review or approval of the Association is required to repair or replace portions of the exterior of a home with

EXACTLY the same material, texture, color and design. Changes which are not exact repairs or replacements require Board review and approval (examples of changes which are not exact replacements include removal of siding and replacement with stucco or replacement of wood divided light windows with anodized metal windows).

- c) Painting Home in Same or Approved Color – No review or approval of the Association is required to repaint a home in exactly the same color as it exists or to paint the home in one of the Association pre-approved colors (i.e., Dunn Edwards and Sinclair Paints standard exterior color combinations). Painting a home in colors that are substantially similar to homes in the immediate vicinity of the property also does not require review or approval of the Association. However, if you are painting your home in a color that is not one of the pre-approved colors or a color that is not substantially the same color as currently exists on the home or substantially similar to that on homes in the Association in the vicinity of the Member’s home, then the colors must be reviewed by the Board. For information to Members, the Board generally approves “off-white” shades for the main color of a home, but does not approve dark or bright colors.

- d) Roofs – The CC&R’s require a minimum 3:12 roof pitch. The Board has interpreted this requirement to apply to the main residential structure and any detached garage.
 - (i) Flat roof components to a home’s structure are discouraged and are only allowed if all of the following conditions are met:
 - a) The approved flat portion of the roof is located on the second level of the residence;
 - b) The approved flat portion of the roof cannot be seen from the street or from adjacent properties;
 - c) The approved flat portion of the roof comprises no more than 10% of the total roof area;
 - d) The approved flat portion of the roof is located relatively in the middle of the roof area.
 - (ii) No review or approval of the Association is required to:
 - e) make repairs to an existing roof where the materials, color or appearance of the roof will not change;

- f) replace an existing roof, without changing its slope or appearance, with substantially the same materials and color as the existing roof; or,
 - g) replace an existing roof, without changing its slope or appearance, with either wood shake, Spanish tile (traditional red color), concrete shingle (Spanish tile or wood shake colors), slate or composition shingle (shades of brown, tan or gray).

- f. Gazebo, Tool Shed, etc. – No review or approval of the Association is required to add, remove, replace, repair or maintain a tool shed, gazebo or other uninhabitable structure that is less than six (6) feet in height, not located in the front or side setback areas, and not visible to the street or a neighbor, subject to Sec. 2.2(j).

- g. Satellite Dishes – Satellite dishes of greater than one (1) meter in diameter are prohibited anywhere in the community. Owners may, without seeking prior approval of the Association, install satellite dishes which are one (1) meter or less in diameter if the installation complies with the following requirements:
 1. Dishes are located entirely within the confines of an Owner's Lot;
 2. They are installed no higher than is necessary for reception of an acceptable quality signal;
 3. Dishes must be secured so they do not jeopardize the safety of any structure or person, including damage from high winds;
 4. Owners (and tenants) may not permit satellite dishes and related components to fall into disrepair or to become a safety hazard. Owners and tenants shall be solely responsible for all maintenance and repairs associated with their satellite dishes.

- h. Antennas – No review or approval of the Association is required to add, remove, replace, repair or maintain a television or radio antenna which has no component part in excess of one and one half inches (1.5”) in diameter, stands less than six feet (6’) in height and is installed on the back facing roof of the residence.

- i. Children’s Play Equipment – No review or approval of the Association is required to add, remove, replace repair or maintain children’s play equipment, provided it is not located in the front or side setback areas.

2.3 Required Design Review Standards

The following design review standards must be followed by all design review or landscape review applicants, and require the approval of the Association (any ambiguity as to the applicability of these design review standards will likely be resolved in favor of requiring Association approval):

- a. Massing of New Construction and Remodels - The Association has the following policies with regard to massing of new construction and remodels:
 - (i) Consistent with Article 9, Section 3(e) of the CC&Rs, (a) the massing of any home where new construction or a remodel is proposed, and (b) the massing of surrounding homes, shall be a consideration in approving a proposed construction project. Notwithstanding the foregoing, a second story addition shall not be denied because homes on either side of the proposed project are only one story.
 - (ii) When comparing the existing massing of any home to the massing of any proposed new construction project or remodel, any floor area living space, storage area or garage existing on a level of the home below street level shall be considered, and homes with floor area living space, including storage or garage, existing on a level of any home which is below street level, may be required to include an equal amount of floor area below street level in any proposed new construction or remodel.
 - (iii) Approval of the Association may require first and/or second story setbacks, balconies and porches, among other design elements, to reduce massing of new construction projects and remodels, and/or for aesthetic purposes, and the Association's approval of any construction plan may be contingent upon the plans including one or more such design elements at the Board's discretion.
 - (iv) All proposed new construction or remodels that include plans for any construction below street level, or below the area of the 1st floor, whether or not it is considered a basement, must submit plans for approval of that construction, and the square footage of that area shall be used by the Association in determining the design review construction fees.

b. Grade Changes & Retaining Walls – Grade changes and addition of retaining walls adjacent to neighboring properties are strongly discouraged, and changing the grade of a homeowner’s property will be reviewed and approved on a case by case basis.

(i) No retaining walls are allowed in the required building setback for purposes of changing the grade for any of the following reasons:

- a) Flatten a sloped site (either by excavation or by fill;
- b) Change the finish grade of a property to allow an underground garage;
- c) Adding a basement (for the purpose of measurement for basement exposure;
- d) To increase view.

(ii) Excavation of Rear Yard: When retaining walls are requested to be approved by the Association for the excavation of the rear yard, all of the following conditions must be met:

- a) Retaining walls will only be allowed in the rear yard of the property (which is defined as the area between the rear property line and all rear main walls of the residence and extending parallel to the rear lot line across the full width of the lot).
- b) Retaining walls must be a minimum of 5’-0” from the side and rear property lines.
- c) Retaining walls must not be visible from any street.
- d) Planting must be provided between the property line and any permitted retaining

wall. Landscape plans must be approved by the Board.

- e) Subject to the above, the height of retaining walls are limited to (1) 8'-0" high wall or (2) 6'-0" high walls with a minimum of 5'-0" between each wall. . (See Diagram "A" in Appendix A hereto).

(iii) Infill of Rear Yard: When retaining walls are requested to be approved by the Association for the infill of the rear yard, all of the following conditions must be met:

- a) Retaining walls will only be allowed in the rear yard of the property (which is defined as the area between the rear property line and all rear main walls of the residence and extending parallel to the rear lot line across the full width of the lot, i.e. within the building envelope – 15' from rear property line and not within the side yard setback).
- b) Retaining walls must comply with the building setback requirements.
- c) Retaining walls must not be visible from any street or neighbors on either side of the property.
- d) Planting must be provided between the property line and any permitted retaining wall. Landscape plans must be approved by the Board.
- e) Subject to the above, the overall height of retaining walls and guard rails are limited to (1) 8'-0" high wall or (2) 6'-0" high walls with a minimum of 5'-0" between each wall. Required railings and fences are not included in the calculation of the wall height as long as the walls comply with the building setback requirements, i.e. 15' rear yard, and required side yard setbacks.

- f) The applicant must submit a landscape plan to the Board for review designed to completely hide the retaining wall from view within a reasonable amount of time.
- e) Walls and Fences – The Association has the following policies with regard to walls and fences:
- (i) Walls, other than retaining walls, and fences of any kind are prohibited in the front setback area. This includes trees and/or hedges, unless prior Board approval is obtained.
 - (ii) With respect to retaining walls, the Association considers retaining walls that have a face towards the street of more than 1½ feet above grade to be inconsistent with the look of the community. Nevertheless, the Board may approve such applications if other architectural or landscaping features are incorporated into the plans or other justifiable reasons exist in the sole discretion of the Board. The Board may require a recorded covenant to maintain plant material on such retaining wall as a condition of approval, with all fees and costs to create and record such a covenant to be the responsibility of the homeowner.
 - (iii) Walls and fences existing in the front setback area that were in contravention of the CC&R's at the time of its amendment and restatement were grandfathered, subject to certain restrictions. Design Review Committee and Board approval must be obtained when the owners of such walls and fences seek permission to repair or replace them. Generally, such requests will not be approved.
 - (iv) Chain link fences are considered inappropriate in the Association. Nevertheless, the Board may approve such applications if not visible to the street or neighbors, other architectural or landscaping features are incorporated into the plans, or other justifiable reasons exist in the sole discretion of the Board. The Board may require a recorded covenant to maintain plant material on such fence as a condition to approval, or may require that the improvement be temporary, with all fees and costs to create and record such a covenant to be the responsibility of the homeowner. Notwithstanding the foregoing, temporary fences must be installed to secure lots which are undergoing construction, demolition and/or major remodeling as may be directed by the Design Review Committee or the Board. Such fences

may not be installed however until the Owner receives approval from the Design Review Committee and Board of his or her plans.

(v) No review or approval of the Association is required to:

- (i) **make repairs** to an existing wall or fence that is not located in the front set back, with substantially the same materials and color as the existing wall or fence, except as stated above;
- (ii) **replace** an existing wall or fence that is not located in the front set back with a new fence that will be (a) not greater than six (6) feet in height, and (b) composed of wood or concrete block (no chain link fence or replacement of chain link permitted), except as stated above;
- (iii) **build or extend** a property line wall or fence provided it will (a) not be greater than six (6) feet in height, (b) be composed of wood or concrete block (no chain link fence or replacement of chain link permitted), (c) does not protrude past the front of the residence; (d) be located on the owner's side of the property line.

c. Underground Garage (below the 1st floor) Underground garages are **only** allowed on a property if **all** of the following conditions are met:

- (i) The finish floor level of the new residence must be the same as the existing residence as measured at the entry door.
- (ii) The maximum driveway slope is 10% with a maximum driveway drop of 18 inches as measured from the sidewalk to the garage finish floor.
- (iii) The change between the elevation of the sidewalk and the existing elevation of the finish floor of the residence must be 6'-6" or greater.

d. Garages and Carports – The CC&R's require that a two-car garage be maintained on all lots. As such, conversion of a garage to non- garage use, such as for use as a residence or warehouse, is inconsistent with our

CC&R's and will not be approved. Carports may, if otherwise approved by the Board, be constructed in addition to the required two car garage. Erection of a carport should be in the side or rear of the property, not in the front yard, and shall be behind a gate. The Association has determined that the largest number of crimes in the Association is theft of or from cars. As such, keeping cars in garages or behind fences on the side of a home will dissuade such thefts.

e. Accessory Residential Structures – Accessory dwelling units and guest houses are prohibited in the Association. Any other accessory residential structures is subject to approval, and if approved, shall not be equipped with:

- (i) Cooking or sleeping facilities, except that an unenclosed gazebo may have an “outdoor kitchen” (grill, sink, wet bar, etc.);
- (ii) Restroom facilities, except that a parcel with a permanent (requires a construction permit(s)) swimming pool or spa pool may have a pool house or cabana with a sink and/or shower and/or toilet. When a pool house has a toilet, a covenant shall be required stating that the pool house shall be maintained as an accessory structure and not be used for sleeping quarters or be converted to a residential use. The purpose of the covenant is to ensure that subsequent owners of the property are aware of this restriction. This covenant shall be recorded against title to the property, and evidence of recordation shall be provided to the HOA prior to the issuance of a construction permit. All fees and costs to create and record such a covenant shall be the responsibility of the homeowner.
- (iii) Pool house shall be architecturally compatible with the primary residence, and have the same architectural style and materials.

Maximum floor area. The floor area of pool house (excluding attached garages) shall not exceed 400 square feet. When a detached garage is combined with a pool house, the area of the non-garage portion of structure shall not exceed 400 square feet. All dimensions refer to gross floor area, which is measured from the outside surfaces of the exterior walls.

- (iv) All accessory structures that require a building permit are subject to Design Review and any adopted design guidelines.
 - (v) Accessory structures shall be located at least five feet from a side and/or rear property line.
- f. *Pools and Pool Equipment* – All pools are subject to approval.
 - (i) Pool must be located at least 5’-0” from all property lines. As measured to the water line.
 - (ii) If pool wall is 12 inches or more above the adjacent grade, the setback is measured to the exterior of the pool wall.
 - (iii) Pool equipment must be located in the rear yard. (which is defined as the area between the rear property line and all rear main walls of the residence and extending parallel to the rear lot line across the full width of the lot).
- g. *Second Floor Side Yard Balconies* - Second floor balconies are not permitted along the side of the residence from the front wall of the residence to the rear wall of the residence. Second floor balconies are only permitted on the front and rear elevation of the residence. They are not allowed to return down the side yards between the house and adjacent neighbors.
- h. *Ventilation, Air-Conditioning Systems and Mechanical Units* – The Association has the following policy with regard to ventilation, air-conditioning systems and backup generators, or similar equipment:
 - (i) Air conditioning compressors, backup generators, and other such equipment are required to be placed in the backyard of the property or otherwise located where not visible to either neighbors or the street.
 - (ii) Installation of air conditioning compressors and other such equipment is prohibited in the front yard setback.
 - (iii) Installation of equipment on roofs is strongly discouraged and only under exceptional circumstances will such placement be approved by the Association. Exception:

- a) The location of the mechanical unit on the roof is approved by the Association,
 - b) and is completely hidden from public view with architecturally integrated designs and materials, as approved by the Board. Parapet walls or other such obstructions are prohibited, and
 - c) written approval of the neighbors on both sides and the three neighbors to the rear must also be obtained on an approval form (as provided on the HOA website).
- (iv) Installation of mechanical units in any portion of a side yard located between the front line of the main building and the most rear portion of the main building is strongly discouraged. Exception:
- a) the location of the mechanical unit in the side yard is approved by the Association,
 - b) is within the buildable envelope and does not encroach into the required side yard setback,
 - c) are appropriately screened from view from both the neighbor and the public,
 - d) the homeowner provides specifications to the Association that the proposed mechanical unit is sufficiently quiet so as not to create a nuisance, and
 - e) the adjacent neighbor signs an approval form (as provided on the HOA website). The Board may, nevertheless, approve placement in the side yard or roof, over the objections of the neighbors, if the Board deems such necessary or otherwise appropriate, or believes the neighbor's concerns are being met or are not justified, but generally, the Board will defer to the neighbor's concerns. The sound to be generated by the air conditioning compressor based on its planned

location shall be considered in the review and approval process.

- i. Water Heater Location and Hot Water Heater Cabinets and Similar – The following rules apply to the location of hot water heaters and hot water heater cabinets and similar:
 - (i) Water heaters (including tankless water heaters) are not permitted in that portion of a required side yard located between the front lot line and the most rear portion of the main building. Exception:
 - a) the water heater is within the buildable envelope and does not encroach into the required side yard,
 - b) the homeowner provides specifications to the Association that the proposed mechanical unit is sufficiently quiet so as not to create a nuisance, and
 - c) the adjacent neighbor signs an approval form (as provided on the HOA website).
 - (ii) Hot water heater cabinets or other equipment cabinets are disfavored. To the extent they are approved they should be placed in the rear yard area and architecturally integrated into the main residence. Homeowners are reminded that hot water heater cabinets in the side yard setback violate current City building and safety laws, and, for that reason, in addition to aesthetics, will be denied.
- j. Skylights, Solar Tubes (and similar) – Skylights, Solar Tubes and/or similar items on front facing roofs or otherwise visible to the street are disfavored and only under exceptional circumstances will such placement be approved by the Board. Low profile skylights are required.
- k. Solar Panels – The Association has the following policies with regard to solar panels: Solar panels (i) should be placed on the portion of the roof least obtrusive to the views from the street and neighbors and (ii) should match the color of the existing roof. The Association encourages the installation of solar panels.

- l. Roof Top Protrusions – All roof top protrusions, such as ventilation pipes, exhaust fans, ducts, shall be black or painted a color to match the roof material and shall not extrude unnecessarily. Such appurtenances shall be placed in the rear facing portion of the roof to the maximum extent possible.
- m. Landscape and Hardscape – Changes and/or replacements to hardscape and/or landscape are subject to review and approval by the Design Review Committee (or the Landscape Review Committee in the case of landscape) and the Board except for flowers and traditional grass (i.e., Bentgrass, Bermuda, Bluegrass, Buffalo, Fescue, Rye, and/or Zoysia). Artificial grass (or turf) is discouraged in the front yard and anywhere else visible from the street or sidewalk.
- n. Parkway Trees (Removal and Replacement) – Parkway trees may not be removed without the prior written approval from the Association after an application to the Association and hearing by the Board approving of the Application. The Application must specify the reason why the removal of a parkway tree is necessary. Any parkway tree that the Association consents to be removed by a homeowner must be replaced by a 60” box tree on the member’s parkway, and only after the Association approves the species. This rule does not replace any required approval by the City of Los Angeles, nor does any approval by the City of Los Angeles create an exception to this rule.
- o. Exception: A parkway tree may be removed in an emergency where there is a life/safety hazard, and the homeowner provides notice to the Association office with proof that the need was immediate and the homeowner could not wait for Board approval. Homeowners are referred to Article 9.3 for potential fines if parkway trees are found to be improperly removed. The member will still be responsible for replacing the parkway tree as described above. Additionally, for good cause, i.e. requesting to replace a diseased tree, the Association may, at its discretion, approve the planting of a 48” box tree in the Parkway, or approve the planting of a 36” box tree if a homeowner is requesting to plant a new tree in their parkway where there was no tree removed.

2.4 The Applications

- a) The Board has adopted forms for “Design Review Application” and “Landscape Review Application” which forms, and applicable filing fees, may be amended by the Board from time to time in its sole discretion. All

design and landscape reviews must be on the Association forms and include the required photos, fee, plans and drawings. Applications that do not have the required materials, are incomplete or fail to include the required number of copies will be considered incomplete. Incomplete applications or applications missing the necessary photos, plans, drawings and samples may be reviewed or continued to the following month, in the discretion of the Board, the Association officers, Design Review Committee or Landscape Review Committee (for landscape plans only), but if reviewed, the results of such review will not be made available until the application is complete.

- b) Preliminary reviews are encouraged with the Design Review Committee. Preliminary reviews are filed on the same form as a normal Design Review Application, but indicate that the review is preliminary. A preliminary review enables the Member to get feedback from the Design Review Committee and/or Board as to the proposed improvement. Complete applications are not required for a preliminary review, but an incomplete application may not be sufficient for the Design Review Committee or the Board to reach a recommendation. Preliminary reviews are not binding and are only an indication of how the Design Review Committee and/or Board are likely to rule on the application. Only complete and final applications may receive an official, binding approval.
- c) Color rendering(s) of the proposed project (front elevation from street level view), no smaller than eleven by seventeen inches (11" x 17") are mandatory and must be submitted with the application for any additions or new construction.
- d) A digital file (".pdf") containing all proposed plans, drawings and photographs must be submitted with the Design Review package.
- e) As a condition of the approval of every application, the homeowner agrees that the Board, or a representative thereof, shall be permitted full and reasonable access to the entire construction site so that the Board can verify that the project is being built as per BHA approved plans.
- f) Expect that this process will take at least two months, if not longer, from submission to final resolution. Please plan accordingly.

2.5 The Fee

Filing fees shall be adopted by the Board from time to time based on the type of improvement being considered.

2.6 Deadlines, Review Timetable and Amendments

- a) Pursuant to the CC&R's, the Design Review Committee has been established. The Design Review Committee shall be composed of such members, who shall serve for such terms as the Board determines from time to time. The Board may remove and/or replace a Design Review Committee member at any time. The Board has delegated Design Review functions to the Design Review Committee, the Landscape Committee is a subcommittee of the Design Review Committee. However, the Board has retained the final right to approve or disapprove any Design Review Application or Landscape Review Application and to hear any appeal of any determination.

As for any additions or new construction, no final approval will be given until a complete package, including all final plans, elevations, drawings, material samples, windows, doors, and hardscape has been delivered to the BHA Office, approved by the Design Review Committee and the Board and the required fee is paid in full. Within sixty (60) days of obtaining City approval of the final plans, Owner must submit his/her landscape plans for review.

No work, including demolition, the installation of temporary fencing, landscape, hardscape and/or any other construction may be commenced before: (1) Owner has obtained final Board approval; (2) Owner has obtained all required permits; (3) A copy of the full set of the final stamped City approved plans has been delivered to the management office within seven (7) days of receipt by the Owner and (4) Owner has remedied any violations of the governing documents, including delinquencies in payments.

- b) Design Review Applications and Landscape Review Applications, including any amendment(s) to a previously filed application, are due on or before the 15th of each month by 12:00 PM (or, if on a weekend, the first Monday thereafter by 12:00 PM). Applications received after the above deadline will not be reviewed except under extraordinary circumstances.
- c) The Board will not review for approval any application previously denied by the Design Review Committee or Landscape Review Committee unless and until the owner has in good faith worked with the designated representative of the Design Review Committee or Landscape Review Committee and submitted an alternative complete package for review and consideration, which has also been denied by the Design or Landscape Review Committees.
- d) The Design Review Committee and Landscape Review Committee generally meet once a month, subject to such change as to accommodate holidays and member absences. All members of each Committee shall be given advance notice of the time and place for any meetings of the Committee. There is no requirement for a quorum of members to be present for the Committees to meet and reach its findings. Committee meetings are not public meetings. Only Members and those invited by the Committee or requested to be present by the Board may attend. The

Design Review and Landscape Review Committees, by majority decision, shall make recommendations to the Board concerning approval, conditional approval, denial or other ramifications of the application.

- e) The Board shall review all recommended approvals of the Design Review Committee at its monthly board meeting (usually the 3rd Monday of each month) and any appeals of denials consistent with section 2.6(c) above and 2.6(i) below.
- f) The Board shall apply, on a consistent and non-arbitrary manner, the standards for approval set forth in the CC&R's and these Rules, and make a decision, approving or denying the application, by majority vote. The Board, subject to any limitations set forth in the CC&R's, these rules and state law, may attach such conditions to any approval, as it deems appropriate. Based on the facts and circumstances of any application, the Board in its discretion, but on a consistent and non-arbitrary basis, may waive any condition or review standard set forth in these Rules.
- g) Applications which are approved, or approved with conditions, will receive a written notice to such effect.
- h) Applications which are denied or for which more information is requested, will receive written notice to such effect. Revised applications must be submitted within thirty (30) days of the date of the notice of denial or request for more information or such applications will be deemed abandoned. Where an application has been abandoned, the homeowner must resubmit the filing fee and application as if no application had ever been previously submitted. Extensions for more time to resubmit the application will be granted for up to an additional thirty (30) days, provided written notice of intent to amend or supplement the application is received within thirty (30) days of the denial or request for more information and the written request asks for such extension.
- i) Applications which have been twice denied by the Design Review or Landscape Review Committees (consistent with section 2.6(c) above) may be appealed to the Board by filing with the Association, within 15 days of the date of the rejection, an Application for Public Hearing - Appeal. If the application cannot be filed by such date, a written statement that an appeal will be sought must nevertheless be filed within the 15 days, but the homeowner may have an additional 30 days in which to file the formal appeal. A failure to timely file such appeal, or request an extension, shall be a waiver of the right to appeal the denial.
- j) Any change in an approved Design Review Application, and/or plans approved therewith, must be submitted to the Design Review Committee and the Board for approval as an amendment to an existing approved Design Review Application. Failure to submit such amendment may be grounds for the Association to revoke its prior approval in addition to any other ramifications of such unauthorized change.

Any material change to an approved landscape application, and/or to any material change to plans approved therewith, must be submitted to Landscape Review Committee and the Board for approval as an amendment to an existing approved Landscape Review Application. Material changes include, but are not limited to changes to, removal of, or additions of trees, hedges ground cover, and/or ground

materials, i.e. soil, mulch, DG, pavers, stones or other hardscape. Failure to submit such amendment may be grounds for the Association to revoke its prior approval in addition to any other ramifications of such unauthorized change.

- k) Amendments to applications for additional improvements or for changes in approved plans shall be subject to additional fees pursuant to the Fee Schedule adopted by the Board and amended from time to time. In addition to fees for amendments to applications or changes in approved plans that are made after a homeowner is found to be in non-compliance, homeowners will likely also be subject to fines for such violation pursuant to Article 9.
- l) Construction and demolition may only be undertaken during the following time periods: (1) Monday – Friday: 7:00 a.m. to 6:00 p.m.; (2) Saturday: 9:00 a.m. to 5:00 p.m. No work shall take place on Sundays and National Holidays. Please note that these work hours are more restrictive than those allowed by the City of Los Angeles. Violation of these work hours may subject the Owner to penalties including withdrawal of approval(s), the imposition of monetary fines, suspension of membership voting privileges and/or an order of injunctive relief by the Los Angeles Superior Court.
- m) Construction of improvements must be completed in a diligent manner, but in no event longer than twelve (12) months, unless approved by the Board. The Board shall specify the applicable completion date in its written approval based upon the scope of the proposed project. An owner of property at which work has stopped for more than thirty (30) days must provide the Board with a prompt notice and explanation as to the work stoppage, timetable for recommencement of the work and a reasonable estimated date for completion. A failure to diligently and continuously construct improvements that have been commenced is a violation of these Rules and the CC&R's.

2.7 Construction Timelines and Status Updates

Applications for design review must include a proposed timeline for construction of the proposed project, beginning with demolition through obtaining a certificate of occupancy. After demolition, members must submit quarterly status reports to the Association, which shall include current photographs of the construction, and an updated timeline if the construction status is not consistent with the previously submitted timeline. Failure to timely comply with these requirements may result in the imposition of fines and/or the Association revoking its approval.

2.8 Sale and/or Transfer of Homes with Approved Plans

- a) Approved Plans shall not be transferred nor sold by a homeowner to a purchaser or transferee, except under the following conditions:
 - i. Applications previously submitted by a homeowner must be re-submitted for approval by any new owner or transferee with the appropriate design review fee;

- ii. The Association has the absolute discretion whether to re-approve, require modification, or reject any resubmitted Application;
 - iii. Changes to building codes, HOA governing documents and/or HOA design review policy may be considered in the Association's decision.
- b) The Board has discretion to waive or reduce design review fees for resubmittals based on the following criteria:
 - i. Resubmittal is identical and the new owner is not making any changes;
 - ii. Proximity of time of new owner/transferee's request for approval to the time of original approval; or
 - iii. No change in time of completion of the project.

3. **MAINTENANCE**

3.1 **Landscape**

All owners must maintain the landscaping in the front yard of their homes in a neat and orderly manner.

- a) Lawns should be sufficiently watered to avoid turning brown.
- b) Lawns must be trimmed to no more than 4" in height.
- c) Ivy, dirt, cement and other such features are not favored and will only be allowed in rare instances and only with Board approval.
- d) Planters should be planted with appropriate flowers or foliage.
- e) Parkway trees must be maintained (watered), particularly during construction activities and if the homeowner has installed any approved drought tolerant or other landscaping on the parkway that requires little watering.
- f) Untended lawns or planters and/or incomplete or unplanted landscaping in the front yard are not considered to be in compliance with the maintenance requirements of the CC&R's.
- g) Landscaping and Gardening that involves loud machines such as blowers, lawn mowers and tree trimming equipment shall be restricted as follows:
 - i. Such landscaping and gardening shall only be undertaken during the following time periods: (1) Monday – Friday: 7:00 a.m. to 6:00 p.m.; (2) Saturday: 9:00 a.m. to 5:00 p.m.

- ii. Such landscaping and gardening shall not take place on Sundays and National Holidays.

- h) Note that these work hours are more restrictive than those allowed by the City of Los Angeles.

- i) Violation of these work hours may subject the Owner to penalties including withdrawal of approval(s), the imposition of monetary fines, suspension of membership voting privileges and/or an order of injunctive relief by the Los Angeles Superior Court.

3.2 Home Structure and Appearance

Under the CC&R's, all owners have a duty to maintain their home and other Improvements in a clean and orderly manner.

- a) Severe cracking, peeling or other deterioration of the paint of a home or other Improvement requires immediate repair or painting.

- b) Gutters should not be allowed to deteriorate.

- c) Wood siding, shutters, gates and similar features must be maintained so as not to rot. Significant deterioration of such features will require timely repair or replacement.

- d) All owners have a duty to maintain their homes so they are not a blight on the neighborhood.

- e) Each Owner shall keep any ventilator or air-conditioning device that is visible to any neighbor or the street in good appearance and mechanical repair. Further, the Owner shall not permit a ventilator or air-conditioning device to leak condensation or to make any noise that unreasonably disturbs or interferes with the rights, comforts or conveniences of any other Owner. Excessive noise created by an ill-maintained device shall constitute a nuisance. If the device becomes rusty or discolored, the Owner shall have it painted in a good and workmanlike manner in a color that otherwise complies with the painting guidelines described in the Rules.

4. SIGNS

Except for statements otherwise considered constitutionally protected free speech, no sign, notice, advertisement, or illumination shall be displayed to the public view on or from any window, terrace, or other part of a Lot without the prior written consent of the Board of Directors. For the purposes of these Rules and the CC&R's, the Board has interpreted "sign" to mean and include any form of expression, however manifest, and in whatever medium, including but not limited to written words (on any medium including paper, wood, cement or other material), images, rock formations, statues, effigies, images, flags, lights. The Association specifically permits the following signage, if it is erected and maintained as described below.

4.1 First Amendment Rights

Association recognizes that Owners and their families have a right to expression under the first amendment. This first amendment right includes the basic right to say things that the majority disagrees with. Nevertheless, as we live in a community, Owners are encouraged to recognize the affect that some political, religious or other expressions may have on others. Sometimes what may seem innocuous to one person is offensive to another. Signs may only be posted in accordance with the law. Temporary political or other ideological signs, if they relate to an election or other event, shall be removed within 15 days following the election or event to which they relate.

4.2 For Sale and For Rent

Signs advertising the home for sale or rent are limited to one sign measuring no more than eighteen (18) by twenty-four (24) inches. The sign shall be promptly removed following the sale or rental of the property. As the renting of less than the whole house is not permitted, signs advertising rental of less than the whole house are prohibited.

Promotional flags, directional signs and other real estate promotional tools may only be placed on public property if permitted by local laws and regulations. No such signs are permitted on Common Area. No such sign or flag may exceed eighteen (18) by twenty-four (24) inches. No more than three (3) such signs or three (3) such flags (or any combination of three (3) in total thereof), are permitted within the boundaries of the Association. Owners are responsible for making sure their real estate brokers comply with these restrictions.

4.3 Construction

The following rules apply to signs posted during construction:

- a) One (1) temporary construction sign, not larger than eighteen (18) by twenty-four (24) inches, may be located on a Lot where a building or structure is being erected or remodeled, which single sign may identify the Owner, architects, engineers, financing agent and/or contractors involved in the project. Multiple signs advertising each such person involved in the project are not permitted at the same time. Such sign shall be removed

within 15 days following substantial completion of the construction or remodeling.

- b) A Beverlywood Homes Association construction sign, obtained from the HOA office, must be posted on the exterior construction fence (while erected) or posted where visible on the front of the house (if the construction fence has been removed or there is no construction fence), at all times during construction, until all construction work and improvements have been completed.

4.4 Security Patrols

Multiple signs which identify security protection systems are permitted, provided such signs shall not exceed forty-nine (49) square inches in area.

4.5 Common Area

No homeowner may erect any sign in or on the Common Area without the express written permission of the Association. The Association may erect such signs in or on the Common Area as it deems necessary or appropriate.

4.6 General Rules for Permitted Signs

If a sign is permitted pursuant to the foregoing Rules:

- a) Signs shall not be illuminated.
- b) Signs may not be placed on the roof.
- c) Signs shall not exceed a height to the top of the sign of six feet above the elevation of the sidewalk or edge of the roadway nearest the sign.
- d) Signs shall be located not less than ten feet from the property line.
- e) Signs may not be larger than eighteen (18) by twenty-four (24) inches, unless otherwise expressly permitted or limited by these Rules.
- f) Unless otherwise permitted by these Rules or by law, no more than one such sign is allowed to be maintained.

5. OTHER REGULATIONS

5.1 Window Coverings

No shades, venetian blinds, awnings or other materials shall be visible to the street or a neighbor if they are inconsistent with the colors, designs and/or materials utilized for such appurtenances in or on residences within the Association in the immediate vicinity, or which are otherwise inharmonious or out of keeping with the general plan of improvement of the Association, as determined by the Board.

5.2 Electric and Electronic Equipment

All radio, television or other electronic equipment of any kind or nature installed or used on a Lot shall fully comply with all the rules, regulations, requirements, and recommendations of the local fire authorities, FCC, appropriate local or state authority and/or insurance underwriters and shall not cause reception or other interference with any other Owners electronic equipment.

5.3 Noise

No Owner shall make or permit any disturbing noises or do or permit anything to be done that will materially (as determined by the Board) interfere with the rights, comforts or convenience of other Owners. In accordance therewith, no Owner shall play, or permit the loud playing of, any musical instrument, or operate or permit to be operated a phonograph, stereo, radio, television set, mechanical equipment or similar device, between the hours of 10:00 p.m. and 7:00 a.m. week days, and 11.00 pm and 8:00 am on weekends, in a manner that would materially disturb or annoy other Owners.

5.4 Unsightly Displays

No garbage cans, boxes, yard trimmings or other rubbish shall be placed on a Lot visible to a street, except on the day before and the day of trash pickup. Except for statements otherwise considered constitutionally protected free speech, nothing shall be hung from the windows terraces or balconies, or placed upon the window sills, which is offensive to other Owners or which is or would be inconsistent with similar displays in or on residences within the Association in the immediate vicinity, or which are otherwise inharmonious or out of keeping with the general plan of improvement of the Association as determined by the Board.

5.5 Cars Boats and RVs

No cars, boats, motorcycle, RVs or other equipment shall be stored in the front yard (which includes the front set back and any other portion visible to the street) or otherwise visible to the street for more than five (5) days in any 30-day period. No car, boat, motorcycle, RV or other equipment shall be parked on the grass or other unimproved area of the front yard of a property at any time. Repair of a car, boat, motorcycle, RV or other equipment is not allowed on a regular basis and for more than five (5) days in any 30-day period.

5.6 Tents

Tents are prohibited other than in the rear yard, and then, only on a temporary basis, for less than one week, unless otherwise approved in writing by the Board.

5.7 Trash and Storage Containers

The maintenance of storage, trash, construction or other containers on or about a property of a homeowner or on the street in front of one's home, other than in conjunction with construction that has been approved by the Board, is prohibited

5.8 Pets/Feeding of Strays

Feeding of stray animals is deemed to be a nuisance. The Association has had significant problems in the past where homeowners have left out food for stray cats or other animals. This creates an untenable situation for the surrounding neighbors in terms of allergies, feces on their property, late night dog or cat fights and other problems. The regular feeding of wild birds is also prohibited, especially if it results in significant quantities of birds inhabiting a neighborhood and creating problems (noise, feces) in or around a particular area as a result of such feeding.

6. BUSINESSES AND NON-RESIDENTIAL USE OF PROPERTY

The CC&R's prohibit business use and non-residential use of property with the Association. The Board of Directors strictly enforces this provision. While the City of Los Angeles may allow certain types of "home businesses," our CC&R's may not permit such businesses. The CC&R's contain a presumption that if a homeowner is using the property for a non-residential purpose and that the use becomes apparent to any neighbor or from the street, that use is a violation of the CC&R's, which means it is considered an automatic violation and it is up to the offending homeowner to prove to the Board that the use is not offending to the neighbors and is consistent with residential use.

The Rules and Regulations promulgated by the Board contain substantial fines for violation of these business and non-residential use restrictions. Fines are up to two times the gross receipts the homeowner receives from the prohibited activity, or up to \$10,000 per day, whichever is greater. The reason for such a substantial fine is that a homeowner should not profit from an unauthorized activity which is likely disturbing to the neighbors. The fine also has to be substantial enough so that it is not an incentive to simply violate the CC&R's and then pay a small fine and continue to violate the CC&R's. As the Association has gone to court to collect these fines from homeowners, the Association has found that the courts have stood behind the Association in setting and collecting these fines.

Our CC&R's grant the Board permission to enter a property upon three (3) days' notice in connection with violations of the CC&R's and Rules to abate the violation at the Owner's expense plus a 10% administrative fee. For purposes of non-residential use violations, abatement includes initial verification of the Owner's correction of the violation and verifying appropriate use of the property on a periodic basis for a period of twelve (12) months via audit/on-site inspection. With respect to the use of a property approved for use in accordance with Section 6.18, the CC&R's also grant the Board the foregoing rights on a continuing basis with respect to each biannual renewal application process.

The fact that a business has been continuing at a residence for a number of years is not a prohibition against the Association enforcing the business use restrictions. Changes in the nature

of the business or surrounding neighbors may have made the business more apparent to the Board. Unless the Board learns of the business use through complaints or the neighbors or through its own observations, the Board is not actively hunting down business uses.

The following are descriptions of situations which have been found by the Board, or expressly provided in the CC&R's, to be non-residential uses prohibited in Beverlywood and violations of the business use restriction. The following is not considered to be an inclusive or exhaustive list of potential violations of non-residential use restrictions, but come from the enforcement history of the Association:

- 6.1 **Film Shoots** – Our CC&R's specifically prohibit use of the home or any portion of a Member's property for film shoots, television commercial, television shows, magazine shoots or anything similar to the foregoing.
- 6.2 **Garage Sales, Yard Sales and Similar** – Specifically prohibited by our CC&R's.
- 6.3 **Warehousing** – Inventory, supplies, and similar are prohibited to be stored in the garage, within the residence or on the property. This is also a violation of Los Angeles city law.
- 6.4 **Delivery/Shipping** – The receipt and shipping of merchandise, inventory, supplies or other goods not intended for the personal use of the Member or his/her family is prohibited.
- 6.5 **Day Camps** – Use of the residence, pool or surrounding property in conjunction with a camp, summer camp, school or similar purpose is prohibited.
- 6.6 **Employees** – Other than household employees, such as a housekeeper, nanny or gardener, employees coming and going or working at a residence or on a property in Beverlywood or gathering at the property for the transportation to another business location is prohibited.
- 6.7 **Equipment** – The storing and using of equipment, other than for personal purposes, is prohibited. In particular, the use of washing and sewing machines for the rejuvenation of clothing for resale, the use of table saws, band saws, drill presses and other carpenter equipment for the building of cabinets, fences or other merchandise, or other equipment used in the production or maintenance of goods to be resold is prohibited.
- 6.8 **Patient or Clinic Meetings** – The regular meeting with patients, clients or customers at a residence is prohibited. Clearly, all residents will from time-to-time, as a minor adjunct to business or employment, meet with clients, customers or patients at a home. However, the regular and frequent coming and going of such customers is not permitted and is indicative of a violation.
- 6.9 **Home Office** – The CC&R's and city law permit a home office. Home office, as interpreted by the Board, means an office maintained by a Member with his/her home from which they conduct business without the use of any employees (secretaries, clerks or otherwise), without the coming and going of deliveries or shipments (other than normal Federal Express, UPS or USPS deliveries and shipments that are of a level not

significantly different from a resident who does not have a home office) and does not include the regular and frequent meeting at the home with customers, clients or similar. The home office use should not be apparent to any neighbor or from the street at any time.

- 6.10** *Hobby* – Hobbies, such as art work, cooking and the like, are permitted activities and the storage of materials related to such activities is not a violation. If, however, the activity becomes apparent to a neighbor or from the street, it may have become a business rather than a hobby, in which event it would be prohibited.
- 6.11** *Recording Studios* – Recording studios are presumed to be a violation of the business use restriction and may also violate the restrictions on noise and nuisance.
- 6.12** *Assembly Hall/Parties/Dance* – The use of the home as an assembly hall, for whatever purpose, is prohibited. An assembly hall is a place of gathering for groups of people in exchange for consideration. Whether a home is being used as an assembly hall tends to be dependent on the frequency, regularity, and size of the use. Instances where a fee or other consideration is required for admission clearly violate our CC&R's. While the frequency and regularity of such gatherings is indicative of a violation, a single gathering may violate our CC&R's depending upon all the facts and circumstances.
- 6.13** *Daycare Centers/Sober Living Facilities* – Except where the law permits or as approved in accordance with Section 6.18 and Section 7 of these Rules, such activity notwithstanding the prohibitions in our CC&R's, daycare centers, childcare centers, sober living facilities, recovery residences, transitional housing, and extended care facilities or anything similar are prohibited.
- 6.14** *Hotel/Apartment* – Homes in Beverlywood are intended to be used as single-family dwellings. This means that the homeowner, together with his/her family, household employee and invited guests are all that are permitted. The renting of rooms in a residence to others is specifically prohibited by our CC&R's. While roommates are permitted, our CC&R's only permit two such roommates in order to prevent a home from becoming a rooming or boarding house with 3, 4 or more unrelated persons living together and affectively turning the home into a fraternity house, apartment building or rooming house.
- 6.15** *Teaching* – The use of a home for the regular teaching of swimming, piano or other lessons is a violation of the business use restrictions. Coming and going of students is no different than the coming and going of medical patients, psychiatric patients or other clients or customers.
- 6.16** *Breeding* – The breeding of animals from a residence or property in Beverlywood is prohibited.
- 6.17** *Car Maintenance* – The use of the home, garage or other portions of a property or residence for the maintenance of automobiles not owned and used by the Member or his/her family for personal purposes is prohibited by our CC&R's. Car washing businesses, repair businesses and the like are not permitted. Storing of vehicles from

one's business is also prohibited. The fact that an automobile, truck or other vehicle is not insured on the Member's personal automobile insurance policy or is listed on a business insurance policy, is presumptive, albeit rebuttable, that a violation has occurred.

- 6.18 **Use of Property for Sober Living Facility, Recovery Residence, Transitional Housing, or Extended Care** – While the CC&R's generally prohibit the use of property within the Association for any purpose other than a single family residence, in recognition of federal and state laws that protect people with disabilities from discrimination, the Board creates an exception to the single family residence rule for those properties that serve as unlicensed residences for people in recovery or to promote recovery from alcohol and other drug use and associated problems. These unlicensed, facilities, commonly referred to by a variety of names, including without limitation, sober homes, recovery residences, transitional housing, and extended care facilities (and referred to collectively in this Section 7 as "sober living facilities"), have received growing attention for involvement in illegal business arrangements, including patient brokering and other forms of insurance fraud and abuse, as well as endangerment and violations of rights of their residents. In order to protect the safety of residents of the Association in and around these facilities and prevent disruption resulting from violations or enforcement of federal, state, and/or local law by any sober living facility operating within the Association, the Board has established the framework, described below, to enable it to verify the compliance with federal, state, and/or local law of any such sober living facility. The framework serves to ensure the Board that the operation of sober living facilities within the Association will not be disruptive to any residents of the Association, including to the sober living facility residents themselves.

The fact that a property within the Association is already operating as a sober living facility as of the implementation date of this Rule is not an exception to the applicability of this Rule to that residence. All sober living facilities operating within the Association, both existing and future, are subject to the mandates of this provision.

7. **APPLICATION PROCESS**

7.1 **Application Process** –

- a) Any person intending to use a residence within the Association as a sober living facility, recovery residence, transitional housing, extended care facility, and/or any other housing to promote recovery from alcohol and other drug use and associated problems must first complete and submit to the Board a Sober Living Compliance Review Application, together with the specified documents and fees. Fees paid in connection with the application are non-refundable, even in the event that the application is denied. The Sober Living Compliance Review Application must be completed in full; incomplete applications will be returned to the applicant. It is only following submission of the application fee upon Board approval of the Sober Living Compliance Review Application that an applicant may operate a residence within the Association as a sober living facility.

- b) The Board will hold a meeting for public comment after notice to the Association Members, and then verify the application. This process can take up to six months or more, but there are no set schedules. After the verification period, the Board will communicate its approval or denial of each application. Upon communication of Board approval, a sober living facility may commence operation within the Association.
- c) In the event of denial of an application, a renewed application may be submitted thereafter, subject to the payment of the requisite fees. In the event of approval of an application, the approval shall extend for two years, after which time submission of a renewal application to the Board shall be required.

7.2 Compliance Verification- Upon submission to the Board of an initial Sober Living Compliance Review Application and thereafter upon the submission biennially of a renewal application, the Board shall forward the application to an independent third-party auditor of the Board's choosing to assess the sober living facility owner/operator's compliance with federal, state, and local legal requirements. Each sober living facility owner/operator shall be required to contract with the Board's designated third-party auditor, pay the associated fee to the auditor, and cooperate in the conduct of the audit. Upon completion of the audit, the auditor shall send copies of a final report to the Board and the owner/operator assessing the state of compliance and identifying any problems requiring remediation. Failure to submit to the biennial renewal audit shall automatically void the Board's approval of the facility's operations. Upon completion of each audit, the Board will review the auditor's final report. Final audit reports evidencing compliance violations on the part of the sober living facility will provide a basis for revocation of the Board's approval of the facility's operations.

7.3 Effect on Existing Sober Living Facilities- Sober living facilities within the Association in operation prior to the implementation date of this Rule are not exempted from the application or compliance verification processes outlined in the above provisions. Existing sober living facilities must complete and submit a Sober Living Compliance Review Application within ten (10) calendar days of the implementation date of this Rule. The Board will expedite review of the applications of existing sober living facilities; during the review period, existing sober living facilities may continue operations. After the review period, an existing sober living facility may only continue operations within the Association if its application is approved by the Board. Existing sober living facilities with Board approval to operate must also comply with the biennial regulatory compliance audit requirement that is detailed above.

8. HEARINGS BEFORE THE BOARD

8.1 Types of Hearings

- a) Hearings for Variances from Provisions of CC&R's – Homeowners who seek to construct improvements in violation of the specific requirements set forth in the CC&R's, or otherwise seek to be exempt from certain

provisions of the CC&R's, shall file with the Association an Application for Hearing - Variance on the Board approved form. Applications must include the appropriate fee, drawings, tract maps, labels and other materials required by the application. Incomplete applications will be rejected. Although Section 8.8(b) of the CC&R's provide for a two-step notice process to allow elimination of public hearings if no objections are received, the Board has determined that it would be appropriate to allow the applicant to seek to bypass the first proscribed notice in order to expedite the process. Also, if prior to the mailing of the first notice, an objection is received from one or more other homeowners or a board member has filed an objection to the variance, in the interest of expediting the process, the first notice prescribed by Section 8.8 (b) of the CC&R's shall be bypassed, a hearing scheduled for the next available Board meeting or other date acceptable to the Board and a Notice of Hearing issued at least fifteen (15) days before the hearing.

- b) *Fine Hearings* – An owner will be provided at least ten (10) days prior written notice if the Board is considering the imposition of a monetary fine or fifteen (15) days' notice if the Board is considering suspension of a Member's rights.

With respect to continuing violations which result in additional fines being levied for the same violation, no right of hearing on such subsequent fines exists.

Unless a homeowner specifically requests an open hearing, notice of a hearing on disciplinary matters shall be without notice to other Members. If the homeowner requests an open hearing on the matter, then the procedure set forth in the CC&R's with respect to open or public hearings shall apply.

- c) *Hearings on Denial of Design Review Applications* – See Section 2.5: The Board has delegated its authority to review Design Review Applications to the Design Review Committee, subject to final approval by the Board.

8.2 ***The Hearing***

- a) Hearings are limited to Members only. Members may, however, bring their consultants (i.e., architects, engineers, landscape designers, etc.) necessary to the presentation of the case (i.e., witnesses), but representation by counsel is not permitted, unless required by law, and the Association has been given adequate notice to have its attorney present.
- b) Hearings shall be led by the President or if not available the vice president.
- c) Hearings are conducted on an informal basis. Members are given approximately fifteen (15) minutes to present their case, followed by questions from the Board only.

Hearings that require additional time may, at the Board's discretion, be continued to the following month.

- d) With respect to fines or other disciplinary matters, deliberations of the Board shall occur during executive session.
- e) Within ten (10) days of the hearing the Board will render a written decision. The decision shall include such findings of fact as the Board may consider relevant. The Board shall have the authority to either continue a fine hearing or to extend the period within which a written decision shall be rendered, if the facts and circumstances so merit.

8.3 Appeals from Hearings – The only source of appeal is a civil court action to overturn the decision of the Board as arbitrary or capricious or not in conformity with the state law, the CC&R's or these Rules. Nevertheless, on request, the Board, in its absolute discretion, may hold a rehearing on the matter.

9. FINES

The following fines (in addition to any fines specified elsewhere in these Rules or the CC&R's) will be levied in accordance with Section 8.7(b) of the CC&R's. The Board has adopted the following fine schedule based on the relative cost to the Association and its members for such violation, the administrative cost to enforce the CC&R's with respect to the violation, the effect of continued or further violations, to act as a deterrent to violation of the CC&R's and to impose a penalty of sufficient severity to avoid such violations in the future. The following schedule lists the maximum, and in some cases minimum fine which may be imposed. The Board of Directors, in its discretion, may impose fines up to the maximum listed. This schedule will be in effect until further notice.

9.1 Violation of CC&R Article 6, Section 4 (Offensive Activity/Nuisance); Article 6, Section 6 (Rubbish); Article 6, Section 10 (Signs); Article 6, Section 11 (Maintenance); Maintaining an unsafe or hazardous condition on a property; Failure to properly secure a construction site; and Starting, but not completing, construction within timeframe set forth in the Approval: Not to exceed \$2,500.00 for the first seven (7) days per violation and \$1,000.00 per week (or portion thereof) that each violation continues;

9.2 Use of Property Other Than as Residence, Including Garage Sale, Film Shoots, and Unauthorized Day Care and Sober Living Facilities: Not to exceed two times the gross receipts the homeowner receives from the prohibited activity or up to \$10,000 per day, whichever is greater;

9.3 Unauthorized Improvements Including, Unauthorized Demolition, Construction, Modification of Landscape, Modification of Hardscape, Unauthorized Improvements Based Upon Character and Size, Illegal Fences and Walls, Setback Violations: The initial fine shall not exceed ten-thousand dollars (\$10,000) for each such violation, upon notice to the homeowner of the violation and hearing thereon. If such violation is not abated within thirty (30) days of such notice, fines of up to \$2,500.00 per week (or portion thereof) may

be imposed for so long as each violation continues.

The fine for unauthorized removal of a parkway tree, in violation of Sec. 2.3(q)(5), or otherwise, shall not exceed an initial fine of twenty-five thousand dollars (\$25,000) for removal, and up to \$2,500 per week (or portion thereof) for any failure to replace a parkway tree as specified in Sec. 2.3(q)(5), whether removed with or without the Association's permission.

If a Homeowner (or other individual who is working on Homeowner's behalf) has previously been fined with respect to any project within the Beverlywood community within the prior thirty-six (36) months, including unrelated projects, the initial fine to an Homeowner shall not exceed twenty-five thousand dollars (\$25,000) for each such violation, upon notice to the homeowner (or other individual) of the violation and hearing thereon. If such violation is not abated within thirty (30) days of such notice, fines of up to \$2,500.00 per week (or portion thereof) that each violation continues.

9.4 Late Payment of Assessments: Ten percent (10%) of the assessment amount.

9.5 Subdivision of Property: Up to twenty-five thousand dollars (\$25,000.00) for each month, or portion thereof, in which the violation continues.

9.6 Excessive False Alarms: Homeowners will be allowed two (2) false alarm calls logged by the Beverlywood Patrol Service per calendar year. Each additional false alarm will be assessed a fine of \$150.00.

9.7 Any Other Violation Where Penalties Are Not Otherwise Specified Above: Not to exceed twenty-five hundred dollars (\$2,500.00) for each such violation, per week, or portion thereof.

The Board of Directors will determine the precise penalty amount(s) to be imposed based upon:

- a) The willful and/or negligent character of the violation(s);
- b) The prior violations of the governing documents by the particular homeowner and/or their representatives;
- c) Such other facts as the Board, in its sole discretion, deems relevant.

The prior violations of the governing documents by the particular owner and/or their representatives; and

The Board may waive or reduce any fine, including any minimum fine, in its sole discretion.

All unpaid penalties will, if in accordance with the governing documents and State law, become a lien upon the property in question.

To the extent the foregoing increases the prior fine structure, the new fine schedule will relate to violations occurring on or after January 1, 2014. Violations occurring prior to January 1, 2014, are subject to the prior fine structure, except that continuing violations will be subject to this revised fine schedule from the effective date thereof.

10. AMENDMENTS, WAIVERS AND SEVERABILITY

Any consent or approval given under these Rules, as well as these Rules themselves, may be amended at any time by resolution of the Board. Any amendment to these Rules shall not be effective until 30 days after notice of the revised Rules are mailed to Members. Except where otherwise prohibited, the Board may waive, modify or reduce the extent or affect a Rule has on any Member, where the Board determines, in the interest of fairness and the particular circumstance, such modification or waiver is justified. No failure of, nor any delay on the part of the Board in exercising any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege. All rights and remedies provided herein are cumulative and not exclusive of any other rights or remedies otherwise provided by the CC&R's, law or at equity. In the event any one or more of the provisions hereof is found to be invalid, illegal or unenforceable in any respect, such provision shall be curtailed and limited only to the extent necessary to bring it within legal requirements, and the validity, legality and enforceability of the remaining provisions of these Rules shall not in any way be affected or impaired thereby.

APPENDIX A

