

SECLUDED VALLEY HOMEOWNER'S ASSOCIATION
P.O. BOX 1441
LAFAYETTE, CA 94549-1441



2023 ANNUAL POLICY STATEMENT REPORT

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California Civil Code requires common interest developments, or Homeowner Associations like the Secluded Valley Homeowner’s Association, to disclose annually information considered of particular importance to current and potential Members of such developments.

Official Communications To The Association

Peter Milcovich, President of the Association is the person designated to receive official communications for the Secluded Valley Homeowner’s Association. His mailing address is P.O. Box 1441, Lafayette, CA 94549-1441.

Mailing Address for Overnight Payment of Assessments

The following address is to be used for overnight payment of Assessments:
Secluded Valley Homeowner’s Association
P.O Box 1441
Lafayette, CA 94549-1441

Architectural Guidelines and Procedures

Homeowners within the Secluded Valley Homeowner’s Association need to review their copy of the Architectural Guide before proceeding with any changes to the exterior of their home or its surrounding area including fences. Please see ARTICLE VI – Architectural Control in the CC&R for further information. Approval by the Architectural Committee is required on all applicable areas of the Architectural Control matters. Homeowners are requested to contact the Chair of the Architectural Committee to determine if their project submittal is required to be approved. The SVHOA Architectural Committee Chair information is noted on the inside cover of your yellow SVHOA Architectural Guide folder.

Dispute Resolution Procedures

I. Internal Dispute Resolution Procedure (IDR)

Pursuant to California Civil Code §5905 the Association provides an informal, Internal Dispute Resolution program whose goal is to reach early resolution of disputes over enforcement of the governing documents and/or specified state laws. The Association “meet and confer” program supplements and does not replace the requirement for more formal Alternative Dispute Resolution (ADR) prior to filing an enforcement lawsuit.

The Association offers a “meet and confer” program for Members who have disputes with the Association involving their rights, duties, or liabilities under the governing documents or specified provisions of state law can explain their positions to the Board or to a Board representative and attempt to resolve their concerns informally. The “meet and confer” program also applies to circumstances when the Board has a dispute with a member and would like to talk it over.

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The Member and or the Association may be assisted by an attorney or another person to explain their positions at their own cost.

The following is a general description of the Association's "meet and confer" program and how it works: The statutory default procedures set forth in Civil Code §5915 shall apply and are as follows:

- A. Either party to a dispute within the scope of Civil Code §5900 et seq. may invoke the following procedure:
 1. A party may request the other party to "meet and confer" in an effort to resolve the dispute. The request shall be in writing.
 2. A Member of the Association may refuse a request to "meet and confer". The Association may not refuse a request to meet and confer.
 3. The Association's Board of Directors shall designate a Member or Members of the Board to "meet and confer".
 4. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney, another person, or at their own cost when conferring.
 5. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by both parties.
- B. A written agreement reached under the above procedure binds the parties and is judicially enforceable if, both parties sign it and both of the following conditions are satisfied:
 1. The agreement is not in conflict with the law or the governing documents of the Association.
 2. The agreement is either consistent with the authority granted by the Board of Directors to its designee or, the Board of Directors ratifies the agreement. A Member may not be charged a fee for participating in this procedure.

II. Alternative Dispute Resolution Procedures (ADR)

The Association's "meet and confer" program is intended to resolve differences informally, in a fast, fair, and reasonable manner. Where the circumstances of a dispute reasonably call for the assistance of a neutral third party, the program makes maximum use of local dispute resolution services, including low-cost mediation services such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development. If such services are used, they are paid for entirely by the Association.

California Civil Code §5930 addresses your rights to sue the Association or another member of the Association regarding the enforcement of the governing documents and/or specified state laws. The following is a summary of Civil Code §5930.

In general, Civil Code §5930 provides that an Association or an owner may not file a lawsuit to enforce the governing documents or to enforce certain laws that govern community associations, unless the parties first try to submit their dispute to

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Alternative Dispute Resolution (ADR). Recognized forms of ADR include conciliation, mediation, or arbitration. The ADR law for common interest developments applies to enforcement of most provisions of the governing documents as well as to provision of the Davis-Stirling Common Interest Development Act (Civil Code §§4000 through 4765) and the Nonprofit Mutual Benefit Corporation Law (Corporations Code §§7110 et seq.).

The intent of the ADR law is to promote speedy and cost-effective resolution of disputes, to better preserve community cohesiveness, and to channel CC&R and compliance disputes away from our state's court system.

This form of an Alternative Dispute Resolution may be binding or non-binding, and costs will be borne as agreed to by the parties involved. The ADR law does not generally apply to assessment disputes or to disputes that can be resolved in small claims court.

Any party covered in this dispute may initiate the ADR process by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (3) a notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the Request will be deemed rejected.

If the Request is accepted, the ADR must be completed within 90 days of receipt of the acceptance, unless otherwise agreed by the parties. Any Request for Resolution sent to an owner must include a copy of the ADR law in its entirety. If an applicable statute of limitations will expire, serving the Request will extend the statutory period for 30 days and, if ADR is accepted, also for the 90-day period of time allowed to complete the process and any agreed-upon extension of time.

Failure of a Member of the Association to comply with the Alternative Dispute Resolution requirements of §5930 of the Civil Code may result in the loss of your right to sue the Association, or another Member of the Association regarding enforcement of the governing documents or the applicable law. Should the Association or an individual Member wish to file a lawsuit for enforcement of the governing documents or a specified statute, the law requires the Association or the individual to file a certificate with the court prior to the filing of the suit, stating: (1) that the ADR has been completed, (2) that one of the other parties did not accept the terms offered for the ADR, or (3) that urgent orders of the court were necessary. Failure to file this certificate can be grounds for dismissing the lawsuit.

In any lawsuit to enforce the governing documents, Civil Code §5975(c) provides that the prevailing party may be awarded attorneys' fees and costs. If any party has refused to participate in ADR prior to the lawsuit being filed, the court may consider whether that refusal was reasonable when it determines how large or small the award should be.

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Fines and Enforcement

Violations of Rules may result in suspension of Member privileges including, but not limited to, loss of use of Common Areas and suspension of voting rights, in addition to liability for any damage to common areas.

Rules

The following rules apply to all Members. Members are responsible for the conduct of all family members, guests and invitees.

GENERAL RULES

Garage or Estate Sales: Garage or Estate Sales are considered to increase security threats and disturb the neighborhood quiet enjoyment by inviting non-SVHOA Members into the SVHOA neighborhoods. No “Garage or Estate Sales” may be held. A garage or estate sale is any advertised sale for the purchase and sale or donation of items of personal property that is open to members of the public who are not Members of the SVHOA. are prohibited in the Secluded Valley Homeowner’s Association.

Architectural Approvals: No alteration of any structure may be made without prior written application to, and written approval by, the Architectural Committee or the SVHOA Board. Alterations subject to this rule include, but are not limited to new, repair or replacement exterior painting, staining or recoloration, fencing, hardscaping, siding, roofing, windows of any kind. Members have been provided with a set of SVHOA Guideline Application forms to assist with their application process. (CC&Rs)

Rentals: No lot, structure or other real property or any portion of any Lot, structure or other real property, may be rented in whole or in part for any period of less than 90 days, or for any period of time for any social entertainment or recreational or purpose than a single family residential. Any rental of any property shall in writing expressly prohibit any subrental contrary to this rule. (CC&Rs)

Business Uses: No Member property may be used for any business purpose. Use as a home office solely by a Member that does not involve the coming and going of clients or other business invitees will not be considered a violation of this rule. (CC&Rs)

Offensive or Noxious Activities: No activity may be conducted on a Member property that by noise, light, smell or other sensory perception unreasonably disturbs Members on their property or other users of the Common Area. (CC&Rs)

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SVHOA COMMON AREA VIOLATION RULES

(including but not limited to Open Space, Pathways, Tennis Courts and Playground)

Common Area Modifications: Nothing in the Common Area may be altered in any way without prior written approval of the Board of Directors. Prohibited alterations include, but are not limited to, removing, modifying, adding, cutting, spraying, excavating, pruning, sawing, painting, and all other alterations or modifications of any kind whatsoever. (CC&Rs)

Motorized Vehicles: Motorized Vehicles, including vehicles of all types are prohibited in the Common Areas at all times.

Wheeled Vehicles: Wheeled vehicles, including, but not limited to, bicycles, roller skates, or skateboards off the pathways, are prohibited anywhere in the Common Area except on paved pathways and established dirt extensions of existing paved pathways. This rule includes, but is not limited to, the tennis courts and playground.

Wheeled Vehicles – operation: Wheeled vehicles, including, but not limited to, bicycles, roller skates, or skate boards may not be operated in the Common Area at speeds or in proximity to users or animals that presents a foreseeable risk of injury to persons, animals or property. In no event may wheeled vehicles be operated in excess of ten (10) miles per hour. Violation of this rule is a separate violation from operation of wheeled vehicles in prohibited areas of the Common Area. (CC&Rs and Rule)

Substances: Use of smoking (including vaping), alcohol and illegal drugs in the Common Area is strictly prohibited. Possessing or secreting of illegal drugs or substances is strictly prohibited.

Fires and Fireworks: Fires, barbecues and fireworks in the Common Area are strictly prohibited.

Animals: All animals in the Common Area must be leashed and under control or subject to effective electronic control. No animal may attack any person or other animal.

Littering (including pet waste): Littering in the Common Area is prohibited. All pet waste shall be immediately removed by the person with supervision of the pet(s). A trash container is available at the Tennis Courts as well as at each Member's home.

Tennis Courts- key entry only: No one may enter the tennis courts except by using an authorized key issued by the SVHOA.

Tennis Courts-gate: The Tennis Courts gate may not be propped open or prevented from fully latched closure. The gate must be fully latched and locked after passing through the gate.

Tennis Courts-sole shoes: All black-soled shoes and all other footwear that may mark the surface of the tennis court, are prohibited in the tennis courts.

Tennis Courts-glass containers: Glass containers are prohibited in the Tennis Courts and Playground.

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Tennis Courts and Playground-pets: Pets are prohibited in the Tennis Courts and Playground for sanitary and safety reasons.

Tennis Courts and Playground- fences: Climbing on or over surrounding the Tennis Courts or Playground is prohibited.

No for-profit activities: The tennis courts, playground and all other Common Areas may not be used for for-profit business or activities. Payment by a member to a third person for lessons such as tennis lessons provided to the Member or his/her family are not considered for-profit business or activities.

Adult supervision of children: Children under the age of eight (8) in the tennis courts and playground must be accompanied by a responsible adult. Parents, even if not present, are responsible for their children's, guest(s), or tenant(s) actions.

Offensive or noxious activities: No activity may be conducted within the Common Area that by noise, light, smell or other sensory perception unreasonably disturbs Members on their property or other users of the Common area. (CC&Rs)

SVHOA TENNIS COURTS & PLAYGROUND

Facility Operating Hours:

- a) Court Hours: 7:30 A.M. to dusk.
- b) Prime Time: 7:30 A.M. through 2:00 P.M. on weekends and holidays.
- c) Adults have priority in activities on the courts during Prime Time.
- d) The playground is open at 8: A.M. until sunset.

The Playground: is for Secluded Valley Homeowner's Association residents and their guests only.

Secluded Valley Homeowner's Association is not responsible for injuries, accidents, or loss of property at the playground. Use the playground at your own risk and always use good judgment.

This is a place for children to have fun so please be respectful.

Basketball Usage:

- a) Basketball play is limited to 30 minutes when players are waiting to play. One-on-one must give way to team play when players are waiting to use the court.
- b) At no time are basketball players allowed to interfere with those playing tennis.

Financial Charges to use the Facility:

- a) There is no charge to use the Tennis or Basketball facility
- b) No person or family is allowed to use the facilities for profit. Fees are taxed both by the State and Federal Governments. To do so is unlawful and persons involved may be prosecuted.

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Member Access To Association Records

California Civil Code §5200 specifies the types of Association records that Members are entitled to inspect and copy and sets forth specific procedures that must be followed with respect to requests for documents.

In general, Association records prepared during the current fiscal year will be made available within ten (10) business days after receipt by the Association of a proper written request. Records prepared prior to the current fiscal year will be made available within thirty (30) calendar days after receipt of a proper written request.

Two of the exceptions to these procedures are:

1. Membership List: Members desiring to inspect or obtain a copy of the list of names and addresses of the Association Members must submit a written request to the Board of Directors. The request must state a purpose that is reasonably related to the owner's interest as a Member of the Association. The Association will make the Membership List available for inspection or copying by the requesting Member within five (5) business days after receipt of a proper written request, subject to the following conditions:

- A. If the Board reasonably believes the Membership List will be used for another purpose it may deny Member's access to the list or provide the requesting Member a reasonable alternative.
- B. Any Association Member has the right to opt out of sharing his or her name, property, address and mailing address included in the Association's membership list by notifying the Association in writing. However, a Member not on the shared membership list may receive correspondence or notices that have been mailed by the Association at the request of and on the behalf of the Member who requested the membership list.

2. Minutes: Members have the right to receive copies of approved meeting minutes. Minutes of Board meetings shall be provided within thirty (30) days after the date of the meeting the Board approved the minutes or, if a proper written request is received later than thirty (30) days after the date of the meeting, distributed within ten (10) business days after such request has been received and upon reimbursement of the Association's costs for making that distribution.

Requests for Information

Association information is available to Members or a Member's authorized

representative except for the membership list that is available to Members only.

Submit your requests to:

Secluded Valley Homeowner's Association
Attn: Board of Directors
P.O. Box 1441
Lafayette, CA 94549-1441

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Copies of the pro forma budget will be provided at no charge. There may be a charge for copies of all other documents.

Individual Delivery/Individual Notice:

Association Members have the option to receive general notices by individual email delivery, by submitting a formal written request to the Board of Directors.

Secondary Addresses:

Association Members may submit a secondary address to the Association for notices and annual reports. Specific requests must be submitted in writing, signed by the owner, and mailed to the Association in a manner that confirms the Association has received it. After a Member identifies a secondary address, the Association will send copies of the requested correspondence to the secondary address provided, in addition to the member's primary address shown in the Association's records.

An owner may identify or change a secondary address at any time. If a secondary address is identified or changed during any collection process, the Association will only be required to send notices to the designated secondary address from the point that the Association receives the request.

The primary or secondary address may be either an email or a mailing address.

Annual Assessment Policy:

Annual Assessment coverage begins on the first day of January of each year and the annual coverage ends on December 31st. The Association emails Annual Assessment Statements and other pertinent information on April 1st. For Members who do not utilize emails, the annual assessment statement and other pertinent information will be mailed on April 1st. Statements are not mailed to accounts that are current or that have a credit balance.

Delinquent Assessment Policy:

All regular assessments become delinquent after May 31st. A delinquency fee will be imposed commencing on June 1st. At the beginning of each succeeding month an annual rate of 8% of the balance of the unpaid assessment(s) will be assessed. All payments received are credited to the oldest outstanding items first.

It is Association policy not to waive the delinquency fee on delinquent assessments. It is the Member's responsibility to allow ample time for mailing payment of the annual assessment to be received by the Association.

The Association has the option of suspending the voting rights and the right to use of the Common Area and all SVHOA facilities for any Member delinquent in paying their annual assessment.

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Any assessment unpaid by a Member after 60 days will become subject to a lien on the Member's lot and will remain on the lot until the assessment is paid by the owner or until the time of resale of the lot or through a hearing process. All costs to remove a lien will be paid by the Member.

Special assessments are due and become delinquent as established by the Board of Directors.

Managing Agent:

The Board has hired an Office Manager to handle certain administrative duties currently at an Annual Cost of \$7200.

Notice Assessments and Foreclosures: Civil Code Section 5730 (Davis-Stirling Act)

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this disclosure applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

Assessment and Foreclosures

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay Association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as no judicial foreclosure. For liens recorded on or after January 1, 2006, an Association may not use judicial or no judicial foreclosure to enforce that lien if the amount of the delinquent assessments or due, exclusive of any accelerated assessments, late charges, fees, attorney's fee, and cost of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an Association may use judicial or no judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the 'Civil Code. When using judicial or no judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Section 5700 through 5720 of the Civil Code, inclusive).

In a judicial or non-judicial foreclosure, the Association may recover assessments, reasonable costs of collection, reasonable attorney's fee, late charges, and interest. The Association may not use non judicial foreclosure to collect fines or penalties, except for costs to repair Common Areas damaged by a Member or Member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code) The Association must comply with the requirements of Article 2 (commencing with Section 5650) of

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Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the Association. (Section 5675 of the Civil Code) At least 30 days prior to recording a lien on an owner's separate interest, the Association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the Association's records to verify the debt. (Section 5660 of the Civil Code) If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

Regarding fair debt collection, state and federal laws may govern the collection practices of the Association. Penalties can be imposed for debt collection practices that violate these laws.

Payments

When an owner makes a payment, he or she may request a receipt, and the Association is required to provide it. On the receipt, the Association must indicate the date of payment and the person who received it. The Association must inform owners of a mailing address for overnight payments. (Sections 5655 of the Civil Code) An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the Association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the Association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an Association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure. An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

Meetings and Payment Plans

An owner of a separate interest may request the Association to consider a payment plan to satisfy a delinquent assessment. The Association must inform owners of the standards for payment plans, if any exist. (Section 5665 of the Civil Code)

The Board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent

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assessment. These payment plans must conform to the payment plan standards of the Association, if they exist. (Section 5665 of the Civil Code)