

**PROCEDURE FOR REVIEW OF APPLICATIONS FOR
PROPERTY IMPROVEMENTS & ARCHITECTURAL CHANGES
(INCLUDING CAPITAL IMPROVEMENTS)**

"No Structure shall be commenced, erected, placed, moved onto, or permitted to remain on any Residential Lot, nor shall any existing Structure upon any Residential Lot be altered in any (way) which (i) affects the exterior appearance of any Structure or Residential Lot or (ii) affects the interior design or structural integrity of any Structure, unless plans and specifications therefor shall have been submitted to and approved in writing by the ARB. Such plans and specifications shall be in such a form and shall contain such information as may be reasonably required in the Architectural Guidelines." {Property Use and Maintenance Regulations, Article II, Section 2.01 (a)}

PROCEDURE

1. Submit application form and attachments to the Office of Faculty Housing. Copies will be sent to each member of the ARB for review.
 - a) The ARB has the authority to approve or disapprove any proposed improvement that will affect the exterior appearance, interior design or structural integrity of a Residential Lot or Structure.
 - b) Members of the ARB have a maximum period of 45 days to review and vote on the proposed improvement. Approval or disapproval is by a majority vote. Any timely written comments by Homeowners will be considered by the ARB in their deliberations.
 - c) Once application is approved, the ARB will stamp approved plans and issue a permit to be displayed at the construction site.
 - d) If the application is not approved by the ARB, the Owner may petition the Chancellor for a review of the decision. (See Article V, Section 5.05 (d) of the Property Use and Maintenance Regulations for details).

2. If the application is for a capital improvement, it will be forwarded to the Homeowners' Association (HOA) Board of Directors (after approval by the ARB) for preliminary approval at the next regularly scheduled meeting.
 - a) The Owner will be notified in writing by the HOA if a proposed improvement is not approved as a capital expenditure.
 - b) If the HOA Board finds that the proposed expenditure does not qualify as a capital improvement, or if the Owner disagrees with the estimated useful life of the improvement, the Owner may resubmit the proposal for additional review by the ARB.
 - c) Receipts for all improvements should be kept for tax purposes, even if the improvement does not qualify as a capital improvement.

3. Construction may be commenced upon approval of the application by the ARB. It is strongly recommended that approval for any proposed capital improvement be obtained from the HOA and ARB before commencing construction.

4. Upon completion of the improvement, the Homeowner will submit "*as built*" plans and the ARB will issue a statement of compliance. An Owner requesting certification of a capital improvement will first be required to submit copies of canceled checks and invoices before formal certification by the HOA and ARB. Straight line depreciation of the capital improvement will begin following issuance of the statement of compliance and certification.

WEST CAMPUS POINT CAPITAL IMPROVEMENTS TO RESIDENCES

Article XII, Section 2(b) of the CC&R's provides that the purchase price of a residence when offered and sold pursuant to the resale price restrictions contained in Article XII may include:

"...the cost of all capital improvements to the Residence made by the Owner, but only to the extent that each such capital improvement exceeded \$1,000.00 in cost and was certified by the Association and Declarant at the time such improvement was completed following submission by the Owner of cost documentation in such a form as Declarant or Association may prescribe, which documentation shall be subject to audit and proof..."

The intent of this particular provision is to permit a fair return on the investment by a residence owner as a result of substantial improvements to the residence. The type of "*capital improvement*" should closely correspond to the definition of capital expenditure for income tax purposes.

Capital expenditures are defined in Treasury Regulation Section 1.263 (a)-1(a) as including "permanent improvement or betterment's made to increase the value of any property or estate..." Amounts expended in "restoring property or making good the exhaustion thereof" are not considered to be capital improvements.

1. The expenditure must actually increase the value of the residence. Ornamental or aesthetic changes which are principally made to reflect the taste or decorative style of the owner, or changes made for an owner's own personal convenience, may or may not increase the value of the residence. Such alterations to the residence will only be considered "*capital improvements*" if the owner can demonstrate that the value of the residence is enhanced.
2. Expenditures made to replace items which are already present in the residence (i.e. upgrades) will be considered to be capital improvements only to the extent of the added value of the upgrade item over the item currently in the residence which is being replaced. The amount which is added to the resale price must reflect the depreciated value of the item at the time of resale.
In the case of custom made fixtures or equipment (i.e. storage cabinets or water softeners), the residence owner will be entitled to add to the maximum resale price of the house a declining amount based upon a straight line amortization of the value of the installed item.
3. For purposes of calculating the \$1,000 minimum capital improvement, expenditures will be aggregated only if they are for a single, integrated improvement or set of improvement to the residence. Unrelated improvements, even if done at the same time will not be aggregated.

In order to ensure that a substantial improvement to the residence will be considered as a capital improvement as defined above, it is strongly recommended that the Homeowner submit an outline of proposed improvements prior to any expenditure for preliminary approval by the ARB and the HOA. A request for certification of capital improvement form for this purpose may be obtained from the Office of Faculty Housing. Please be aware that certification by the ARB and the Homeowners Association is for purposes of West Campus Point resale valuation and that the Internal Revenue Service may require additional information or justification to substantiate the claim of a capital expenditure for tax purposes.

**WEST CAMPUS POINT
APPLICATION FOR PROPERTY IMPROVEMENT
AND/OR ARCHITECTURAL CHANGE**

SUBMITTED TO: **Architectural Review Board**

SUBMITTED BY: _____

ADDRESS: _____

DATE: _____

Before submitting an application it is important to read the applicable sections contained in the **Residential Lot Lease, Property Use & Maintenance Regulations, and the Architectural Guidelines**. Please read the attached procedures for completing this application and the description of a capital improvement. Return the following with this application:

1. A detailed description of the proposed improvement, including, but not limited to: specifications of materials to be used, color scheme and/or any other pertinent information including estimated cost _____ and lifetime _____.
2. A site plan showing existing structures and the proposed improvement (a scale of 1/4 inch= 1 foot is recommended).
3. Working drawing and construction specifications for the proposed improvement.
4. The proposed construction schedule, including the scheduled time of day for construction work.
5. Written evidence that adjoining owners have been informed of the application. (See Article II, Section 2.02 of the Property Use and Maintenance Regulations).
6. If applicable, Request for Certification of Capital Improvement.

Note: If the ARB feels that an application requires an external consultant, the fee for the consultant shall be due and payable in advance by the Homeowner.

Return this application with the above information to the Office of Faculty Housing, 6750 El Colegio Road, Goleta, Ca. 93117 or send it through intercampus mail.

List of Attachments: _____

**WEST CAMPUS POINT
ACKNOWLEDGMENT OF APPLICATION TO ARB
FOR PROPOSED PROPERTY IMPROVEMENT**

We, the undersigned Owners of Residences on adjoining Lots, hereby acknowledge that we have been informed of the proposed improvement on Lot # _____, which has a street address of _____ West Campus Lane, Goleta, Ca., 93117. The proposed improvement consists of

and work is tentatively scheduled to commence on _____.

We acknowledge that we may file written comments to the Architectural Review Board (ARB) concerning the proposed improvement. The ARB is required to vote on a complete application within 45 days of receipt per Article II, Section 2.02 of the Property Use and Maintenance Regulations; it is most typical for a vote to occur within one or two weeks.

UNIT #	HOMEOWNER'S SIGNATURE	DATE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**PERMIT
FOR
PROPERTY IMPROVEMENT**

Issued to: _____

Address: _____ West Campus Lane, Goleta, Ca. 93117

Improvement: _____

Date issued: _____

Issued by: _____

Chair, Architectural Review Board

Comments: _____

A new application package may be required by the ARB if permitted construction is not commenced within ninety (90) days of ARB approval
Architectural Guidelines II B (page 4)

Permit must be prominently displayed at construction site until improvement is completed- Architectural Guidelines II A 7 (page 4)

WEST CAMPUS POINT
REQUEST FOR
CERTIFICATION OF CAPITAL IMPROVEMENT

I/We, the undersigned Homeowner(s), request that the Board of Directors of the Homeowners' Association (HOA) and the Architectural Review Board (ARB) certify the below mentioned property improvement as a *capital improvement*. In order to ensure that a substantial improvement to a Residence will be considered as a capital improvement by the ARB and the HOA, it is strongly recommended that the Homeowner submit an outline of proposed improvements for preliminary approval **prior** to any expenditure. Homeowner is aware that certification by the ARB and the HOA is for purposes of West Campus Point resale valuation and that the Internal Revenue Service may require additional information or justification to substantiate the claim of a capital expenditure for tax purposes.

Proposed Improvement: _____

Projected Expenditure: _____ Estimated Life _____

Copies of canceled checks and invoices which verify the capital expenditure will be submitted following construction.

(signature) (date) (signature) (date)

_____ West Campus Lane, Goleta, Ca. 93117
(address)

PRELIMINARY APPROVAL

Submitted for your approval as a capital improvement are the plans and specifications submitted to the ARB, and the estimated project costs and useful life. Final certification is subject to completion of improvement as approved by the ARB & submission of all required documentation.

(HOA signature) (date) (ARB signature) (date)

HOA Comments: _____

ARB Comments: _____

CERTIFICATION

The proposed improvement has been completed as approved and is hereby certified as a capital improvement in the amount of _____ with a useful lifetime of _____.

Attached are copies of canceled checks and invoices which verify the capital expenditure.

(HOA signature) (date) (ARB signature) (date)

**WEST CAMPUS POINT
ARCHITECTURAL REVIEW BOARD
STATEMENT OF COMPLIANCE**

This statement of compliance will be issued upon completion of the approved construction,

Homeowner(s) _____

Address _____ Lot # _____

A Permit was issued by the ARB on _____ for the following property
improvement at the above address: _____

The installation, construction, or alteration has now been completed and the Structure complies
with the approved plans and specifications.

Date Construction Completed _____

Date of Statement of Compliance _____

Chair of the ARB: _____

(signature)