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**DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS
PARCEL MAP NUMBER 84434
WILSON EMERSON HOA**

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Signature Page

Exhibit “A”

**DECLARATION
OF
COVENANTS, CONDITIONS & RESTRICTIONS
PARCEL MAP NUMBER 84434
WILSON EMERSON HOA**

THIS DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS is made the date hereinafter set forth by the undersigned Declarant, present Owner of that certain real property described in Exhibit "A" to this Declaration and incorporated by reference herein, the subject property hereinafter referred to as the "development" covered under this Declaration.

WHEREAS, it is Declarant's intention to impose upon said property mutually beneficial restrictions under a general plan of improvement for the benefit of the entire project development and the Owners of each separate interest thereof.

NOW, THEREFORE, Declarant hereby declares that the development is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance of a plan for the improvement of said property and the division thereof into separate interests and are established and agreed upon for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the development and every part thereof.

All of the covenants, conditions, and restrictions shall run with the real property and shall be binding upon all parties having or acquiring any right, title, or interest therein or any part thereof, and shall be for the benefit of each Owner of any portion of said development or any interest therein, and shall ensure to the benefit of and be binding upon each successor in interest of the Owners thereof.

Each of the dwelling units as separately shown, numbered, and designed in the condominium plan, includes all of the land within, and all improvements, including but not limited to the dwelling structure, garage, private yard and porch, if any, now and hereafter constructed within the unit boundary line and any improvements, if any, which may overhang but permit driveway level access and open yard within the boundary line of each unit.

Each separate interest is subject to such encroachments as are contained in the building, whether such encroachments now exist or may later be created in any manner specified in this declaration.

In interpreting deeds and plans, the then existing physical boundaries of a separate interests, whether in its original state or reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or deed, and those of the building. In the event of inconsistency in definition of the elements of a separate interest between this Declaration and the condominium plan, the definition contained in the condominium plan shall control.

ARTICLE I

PROJECT DEVELOPMENT RIGHTS

Said property is a "Common Interest Development" within the meaning of and except as otherwise stated in the governing documents, said common interest development shall be governed by the Davis-Sterling Common Interest Development Act as contained in Civil Code Sections 4000, et seq.

The terms as used in the governing documents shall be defined by said statute.

This development is a condominium project.

To the extent of any inconsistency between the governing documents and the law, including the Davis-Stirling Common Interest Act, the law controls. To the extent of any inconsistency between the operating rules and the bylaws, articles of incorporation, or Declaration, the bylaws, articles of incorporation, or Declaration control.

To the extent of any inconsistency between the articles of incorporation and the Declaration, the Declaration controls.

To the extent of any inconsistency between the bylaws and the articles of incorporation or Declaration, the articles of incorporation or Declaration control. (Civil Code §4205.)

Notwithstanding any other provision of law or provision of the governing documents, if the governing documents include a reference to a provision of the Davis-Stirling Common Interest Development Act that was repealed and continued in a new provision by the act, the Board may amend the governing documents, solely to correct the cross-reference, by adopting a Board resolution that shows the correction.

Member approval is not required in order to adopt a resolution pursuant to this section. A Declaration that is corrected under this section may be restated in corrected form and recorded, provided that a copy of the Board resolution authorizing the corrections is recorded along with the restated Declaration. (Civil Code §4235.)

Section 1.01. Separate Interests and Creation of Association. This development has a total of three (3) condominium units or separate interests.

Each Owner shall be entitled to a separate interest or unit in the condominium project and an equal one-third (1/3 rd) undivided interest in the Common Area.

The units in the project are as identified and numbered on the condominium plan recorded or to be recorded for this project.

The separate interest may not be separated, severed or partition apart from the undivided right in the Common Area or the Owner's membership in the Associating or rights in common with the other Owners as to use or rights to commonly-owned facilities or in the Common Area.

No partition action for said condominium project shall be permitted, except in accordance with the conditions as stated in Civil Code Section 4610.

The term(s) "separate interest", "unit", "condominium" or "common interest development" shall have the meaning as defined or as used in Civil Code Section 4185, et seq. of the Davis-Stirling Common Interest Act and as defined in Section 8.01 herein of this Declaration.

Each of the units or separate interest of this project included all land within, and all improvements now and hereafter constructed within the unit boundary lines as delineated or marked on the condominium plan recorded or to be recorded for this project and any improvements, which overhangs but permit driveway level access within the boundary lines of the Common Area.

An Association shall be created for the purpose of managing the project development, including maintenance and operations of its common facilities and Common Area.

The name of the Association for this project shall be called "WILSON EMERSON HOA", a California nonprofit homeowner' entity, its successors and assigns and the members of said Association are or will be the Owners of the separate interests of said project development.

Section 1.02. Common Area.

(a) "Common Area" shall mean the entire project development except the separate interests. There are appurtenant to each separate interest reciprocal and non-exclusive easement rights of ingress, egress and support, if necessary, through or on and use of the Common Area, as well as for any necessary access and utility easements for any or all of the units.

(b) "Exclusive Use Common Area" shall mean a portion of the Common Area for the exclusive use, if any, of one or more, but fewer than all, of the Owners of the separate interests and which is or will be appurtenant to the separate interest(s), responsible for the

maintenance. Porches, Private Yards and Balconies are reserved for the Exclusive Use of the Owners of the units, to which these areas are marked or assigned on the condominium plan recorded or to be recorded for this project.

Notwithstanding any other provisions of the Declaration, internal and external telephone wiring designed to serve a single separate interest, but located outside the boundaries of the separate interest, is an Exclusive Use Common Area allocated exclusively to that separate interest and to be maintained by that separate interest.

Section 1.03. Parking.

Each of the units or separate interest is assigned a one-car or two-car carport, as marked or assigned on the condominium plan recorded or to be recorded for this project. The carports shall be used solely for vehicle parking for the use of the respective separate interest Owners, members of their families, guests or lessees of the Owner. All carports shall be kept clear of stored items and other material to allow for the parking of vehicles at all times. No carport shall be used for storage or converted to living quarters or otherwise used for habitable purposes. The garage area is an element of each separate interest and shall not be separated from the separate interest by later sale.

There are no on-site guest parking spaces.

Future residents, occupants or owners are not eligible to apply for or to receive overnight parking permits from or by the City of Pasadena.

Fire Lane and Restriction. There are no guest parking spaces, but the Association shall continuously maintain and ensure that there is no parking in the "fire lane". A sign shall be posted to restrict parking on the driveway stating "No Parking -- Fire Lane". The Association shall continuously maintain said sign and the driveway shall be posted to allow for enforcement of all traffic and parking regulations by the local Police Department per Vehicle Code 21107.7.

Section 1.04. Easements and Utilities:

Easement Access to Common Area(s). Declarant as the current Owner of the real properties as contained or described in Exhibit "A", hereby grants and conveys to each successive Owner of any units or separate interests in said Common Interest Development project for the benefit of Declarant and each future or successive Owners in said project, including their tenants, employees, guests, licensees and invitees, a perpetual non-exclusive, the term of and subject to the limitations in this Declaration, for purposes of ingress, egress irrevocable and reciprocal easement over, on or in, as well as the right to the use of the Common Area, including the driveway, its access, walkways and guest parking spaces, during, use and access over, through, in and on the Common Area for purposes of vehicular and pedestrian ingress and egress to and from any of the separate interests and to and from all abutting streets or rights-of-way, driveway or other easements furnishing access to the separate interest, for parking and for such other purposes as shall be consistent with the nature of maintenance requirements of the Common Area.

Driveway Easement.

A driveway easement as part of the Common Area is hereby specifically established and reserved by Declarant to and for the benefit of the Association and each

of the Owners of said project, whether or not, such easement is, will or may be delineated or as described in the condominium plan or by separate easement agreement, if any, recorded or to be recorded for this project, which provides for vehicular and pedestrian ingress and egress of or for the benefit of the Owners, residents, occupants their invitees or guests to, in or for this project and incorporated by reference as though set in full herein.

Use and Maintenance of Easement.

Each separate interest, its Owner, and the Association, are hereby declared to be subject to all the easements, dedications and rights-of-way granted or to be reserved in, on, over and under the entire Common Interest Development, including the Common Area, as shown or delineated on the in the condominium plan or the Parcel Map recorded or to be recorded for this project. All use of easements shall be governed by and subject to rules and regulations, as may be enacted from time to time, by the Association. The Association shall be fully responsible for all maintenance, repair, and replacement of any easement or its share of any shared easement, if any, as necessary to keep such in good operating condition.

Utility Easements

Easements over and under the project development for the installation, repair, and maintenance of electric, electrical conduit or panel, telephone, water, gas, and sanitary sewer lines and facilities, heating and air-conditioning facilities, cable or master television antenna lines, drainage facilities, walkways, and landscaping as shown on the recorded map of the development, and as may be hereafter required or needed to service the development, are hereby reserved to the Association for access to install, maintain, service, replace or repair utility lines, connections or systems as necessary for the use or benefit of common facilities, the Common Area or as benefitting or as connecting to utility services for the units.

The Association shall have the authority to grant easements where necessary for utilities and sewer facilities over the Common Area to serve the common and open space areas and the separate interests, as necessary for ingress and egress or for the benefits of all Owners, occupants, residents, visitors or guests to or through the project. The Association shall have the authority to provide for the benefit of all Owners water, gas, electric, refuse collection, janitorial maintenance or landscaping service. The Association shall maintain all utility installations located in the Common Area except for those installations maintained by utility companies, public, private, or municipal. The Association shall pay all charges for utilities supplied to the Project except those metered or charged separately to the separate interests.

(a) Internal and external wiring designed to serve a single separate interest, shall be part of the exclusive use Common Area allocated exclusively to that separate interest.

Subject to the consent of the Association, the Owner of the separate interest shall be entitled to reasonable access to any portion of the Common Area for the purpose of maintaining the internal and external telephone lines.

The Association's approval shall not be unreasonably withheld, and may include its approval of telephone wiring upon the exterior of the Common Area on such conditions as the Association determines reasonable.

ARTICLE II.
MEMBERSHIP AND VOTING RIGHTS

Section 2.01. Membership and Voting Rights. (Regulations 2792.18.)

Membership in the Association is automatically be allocated, transfer and granted with the title to the current Owner of each separate interest in the Project. Upon the transfer of title, the membership of the transferor automatically ceases and the new Owner or Owners become Members.

Voting rights attributable to separate interests shall not vest until assessments have been levied against those separate interests by the Association. If a subdivision or separate interest is owned by more than one person, each such person shall be a member of the Association, but there shall be no more than one vote for each subdivision or separate interest. A member or members of the Association shall be entitled to only one vote for each subdivision or separate interest owned.

The Association shall have one class of voting memberships, as follows:

(a) Class A. All Owners shall be entitled to Class A membership. Class A Members shall be entitled to one vote for each separate interest owned as to any matter concerning the Association, the Common Area or the common interest development. When a separate interest is owned by more than one person, such persons shall decide among themselves how that vote is to be cast, but in no event shall more than one vote be cast per separate interest.

In the event of a deadlock and a possible lack of quorum or other inability between the units to cast votes or to decide matters relating to the project or to amend the governing documents, subject to specific provisions or limitations or procedures set forth in the CC& R's, the dispute shall be determined by ADR (alternative dispute resolution) or as otherwise governed by Article IX herein.

Section 2.02 Members' Meetings. (Civil Code §5000 and Regulations 2792.17.)

Regular meetings of members of the Association, whether a regular or special meeting, shall be held within 45 days after the closing of the sale of the first subdivision interest.

However, in no event shall the meeting be held later than six months after the closing of the sale of the first subdivision interest.

Meetings of the membership of the association shall be conducted in accordance with a recognized system of parliamentary procedure or any parliamentary procedures that the Association may adopt in the Bylaws for this project as permitted or in accordance with the provisions of Sections 5000 and 5100, et seq. of the Civil Code.

Notwithstanding any other provision of law, notice of meetings of the members shall specify those matters the Board of Directors intends to present for action by the members. Except as otherwise provided by law, any proper matter may be presented at the meeting for action. The Board of Directors shall permit any member to speak at any meeting of the membership of the Association. A reasonable time limit for all members to speak at a meeting of the Association shall be established by the board.

Special Meetings of Members. A special meeting of the members of the Association shall be promptly scheduled by the governing body in response to:

(1) The vote of the Board of Directors itself.

(2) Written request for a special meeting signed by members representing at least 5% of the total voting power of the Association.

Written notice of regular and special meetings shall be given to members by the Board of Directors by any means which is appropriate given the physical setup of the subdivision.

This notice shall be given not less than 10 nor more than 90 days before the date of any meeting at which members are required or permitted to take any action.

The notice shall specify the place, day and hour of the meeting and the matters the governing body intends to present for action by the members.

Section 2.03 Action without a meeting.

Any action which may be taken by the vote of members at a regular or special meeting, (except the election of members of the Board of Directors members where cumulative voting is a requirement), may be taken without a meeting if done in compliance with the provisions of Section 7513 of the Corporations Code.

Section 2.04 Proxy or Written Ballot:

Any form of proxy or written ballot distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except it shall not be mandatory that a candidate for election to the Board of Directors be named in the proxy or written ballot.

The proxy or written ballot shall provide that, where the member specifies a choice, the vote shall be cast in accordance with that choice. The proxy shall also identify the person or persons authorized to exercise the proxy and the length of time it will be valid.

Section 2.05. Membership Register.

The membership register, including mailing addresses and telephone number, books of account and minutes of meetings of the members, of the Board of Directors and of committees of the Board of Directors of the Association shall be made available for inspection and copying by any member of the Association --or by his duly-appointed representative --at any reasonable time and for a purpose reasonably related to his or her interest as a member, at the office of the Association or at such other place within the subdivision as the Board of Directors shall prescribe.

Section 2.06. Delivery of Documents to Association by a member. (Civil Code §4035.)

(a) If a provision of this act requires that a document be delivered to the Association, the document shall be delivered to the person designated in the annual policy statement, prepared pursuant to Civil Code Section 5310, to receive documents on behalf of the Association. If no person has been designated to receive documents, the document shall be delivered to the president or secretary of the Association.

(b) A document delivered pursuant to this section may be delivered by any of the following methods:

(1) By e-mail, facsimile, or other electronic means, if the Association has assented to that method of delivery.

(2) By personal delivery, if the Association has assented to that method of delivery. If the Association accepts a document by personal delivery it shall provide a written receipt acknowledging delivery of the document.

Section 2.07 Delivery of Documents by Association to a member. (Civil Code §4040.)

(a) If a provision of this act requires that the Association deliver a document by “individual delivery” or “individual notice,” the document shall be delivered by one of the following methods:

(1) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the recipient at the address last shown on the books of the Association.

(2) E-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery. The consent may be revoked, in writing, by the recipient.

(b) Upon receipt of a request by a member, pursuant to Civil Code Section 5260, identifying a secondary address for delivery of notices of the following types, the Association shall deliver an additional copy of those notices to the secondary address identified in the request:

(1) The documents to be delivered to the member pursuant to Article 7 (commencing with Civil Code Section 5300) of Chapter 6.

(2) The documents to be delivered to the member pursuant to Article 2 (commencing with Civil Code Section 5650) of Chapter 8, and Civil Code Section 5710.

(c) For the purposes of this section, an unrecorded provision of the governing documents providing for a particular method of delivery does not constitute agreement by a member to that method of delivery.

Section 2.08 General Delivery of Documents or General Notice by Association to a member.(Civil Code §4045.)

(a) If a provision of this act requires “general delivery” or “general notice,” the document shall be provided by one or more of the following methods:

(1) Any method provided for delivery of an individual notice pursuant to Civil Code Section 4040.

(2) Inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods provided in this section.

(3) Posting the printed document in a prominent location that is accessible to all members, if the location has been designated for the posting of general notices by the Association in the annual policy statement, prepared pursuant to Civil Code Section 5310.

(4) If the Association broadcasts television programming for the purpose of distributing information on Association business to its members, by inclusion in the programming.

(b) Notwithstanding subdivision (a), if a member requests to receive general notices by individual delivery, all general notices to that member, given under this section, shall be delivered pursuant to Civil Code Section 4040. The option provided in this subdivision shall be described in the annual policy statement, prepared pursuant to Civil Code Section 5310.

Section 2.09 General Delivery of Documents or Notice.(Civil Code §4050.)

(a) This section governs the delivery of a document pursuant to this act.

(b) If a document is delivered by mail, delivery is deemed to be complete on deposit into the United States mail.

(c) If a document is delivered by electronic means, delivery is complete at the time of transmission.

Section 2.10 Electronic Delivery of Documents or Notice. (Civil Code §4055.)

If the Association or a member has consented to receive information by electronic delivery, and a provision of this act requires that the information be in writing, that requirement is satisfied if the information is provided in an electronic record capable of retention by the recipient at the time of receipt.

An electronic record is not capable of retention by the recipient if the sender or its information processing system inhibits the ability of the recipient to print or store the electronic record.

ARTICLE III.

DUTIES OF THE ASSOCIATION AND OWNERS

Section 3.01. Maintenance Duties

The Association is responsible for maintaining the Common Area, other than Exclusive Use Common Areas, and the Owner of each separate interest is responsible for maintaining that separate interest and any parkway or Exclusive Use Common Area, appurtenant or assigned to that separate interest.

(a) Maintenance by Association:

The Association shall continuously maintain, repair, replace, operate and manage all of the Common Area and to insure their efficient operation at all times. (excluding any Exclusive Use Common Area, if any, which is to be maintained by the appurtenant or assigned separate interest Owner) and any common facilities or equipment that may exist, drainage and sewer systems or connections, if any or as applicable or as may be acquired for their proper maintenance

The continuous maintenance duties of the Association are for all common facilities and Common Area, with all facilities, improvements, furnishings, equipment and landscaping thereon, and all property that exist at the time of this Declaration or which may be acquired by the Association, including but not limited to, the common or private driveway and fire lane, walkways, lighting system along all walkways, landscaping (including all front yard trees), irrigation systems, walls, fences, drainage systems and storm water sump pump(s), if any.

However, the responsibility of the Association for repair and replacement shall not extend to repairs or replacements arising out of or caused by the willful or negligent act or neglect of any Owner, or his guests, tenants, or invitees, the cost of which is not covered by insurance. Such repair or replacement of such items shall be the responsibility of such Owner; provided however, that if an Owner shall fail to make the repairs or replacements which are the responsibility of such Owner, as provided above, then, dwelling the other owner may request that the Association voluntarily (but not the obligation) to make such repairs or replacements, and the cost thereof shall be immediately paid to the Association by the Owner subject to Article IV herein.

(b) Maintenance By Owner:

Each Owner shall continuously maintain, paint, repair and/or replace the entire dwelling structure and garage exterior walls and roof and all improvements within the boundary, in, or on or off his, her or theirs' respective separate interest(s) or unit(s) and shall continuously maintain and upkeep the exterior appearance, structure and condition of the exterior of each dwelling unit and all improvements now and hereafter constructed within the boundaries of such unit, in a presentable and good operating condition, subject to the requirements of the Association for architectural standards in effect from time to time as applied to all the separate interests in the project.

Except for those portions of the project which the Association is required to maintain and repair, each separate interest and shall continuously maintain, repair or replace any area which is an element of or within the separate interest as well as any parkway or Exclusive Use

Common Area, if any, as defined in Subsection 1.01(B) herein, if any, appurtenant to that separate interest, all to be maintained at the Owner's sole cost and expense, in a presentable and good operating condition, subject to the requirements of the Association for architectural standards in effect from time to time as applied to all the separate interests.

Each Owner shall bear the cost of maintenance, repair and replacement of the following items within or serving such Owner's separate interest, if any: private patio areas., garage entrance, trellis, garage door openers, garage interior, entrance and stairway, interior dwelling surfaces of all perimeter and interior walls, ceilings and floors (including carpeting, tile, wall paper, paint or other covering); garbage disposals, hot water heaters, ranges, refrigerators, dishwashers, washing machines, dryers, interior light fixtures, and any and all other appliances of any nature whatsoever, heating, ventilating and air-conditioning equipment servicing such separate interest (although such equipment may be located in part outside such separate interest) ; interior and exterior doors, including all hardware thereon; window panes and light bulbs; plumbing and other fixtures of any nature whatsoever; "built-in" features; and decorative features, fireplaces, if any, and any furniture and furnishings, if any.

However, any other separate interest Owner may request the Association to maintain, upkeep or replace any Exclusive Use Common Area, if any exist, if that responsible separate interest Owner fails to do so and such failure may affect the insurance rates or coverage or affect the appearance or value of the over-all development. The cost of such repairs shall be assessed to that particular separate interest who failed to maintain that Exclusive Use Common Area.

Electric utilities serving individual separate interest shall be separately metered and shall be the expense of each individual separate interest Owner. Electric utilities serving the general common elements shall be a common expense of the Association.

Each separate interest Owner shall keep neat and clean those portions of the landscaping in the Common Area, which is most adjacent to that separate interest, or those portions of the Common Area to which he or she has exclusive easement rights.

Each Owner shall immediately pay his or her proportionate share of all expenses and costs of maintenance and reserve for any Common Area or common facilities to ensure the efficient and good operation and condition of the entire project and adequate reserve for all subsequent transferees and purchasers of the separate interests.

Each Owner shall be responsible to ensure for trash clean-up and pick-up and shall be responsible for trash or discarded items left by the separate interest Owners, their family members, guests or invitees and to keep all portions of the development in a good and sanitary condition.

The irrigation system for each unit will be installed prior to sale or transfer of any unit. Each of the systems has been designed or set up to irrigate or water that unit's landscaping and also certain assigned portions of landscaping facing a street or parkway. The unit owner may not disconnect or discontinue the irrigation system areas as so designed or installed since there is no common irrigation system.

Section 3.02. Board of Directors.

(a) Authority, Power and Duties: In addition to the duties enumerated in its Bylaws, or elsewhere provided for in this Declaration, and without limiting the generality thereof, the Association's duties to enforce the governing documents and its maintenance duties specified herein, shall be delegated to its governing body which shall be called its Board of Directors, which shall have the full authority and powers to perform the duties required of the Association.

The governing body of this Association shall be its current Board of Directors.

The Board shall be fully authorized and empowered to carry out the maintenance duties as provided herein for the Association, including the maintenance and operation of all common facilities and the Common Area in the project.

The Board of Directors or governing body of the Association shall be fully empowered and authorized to act to carry out its powers and duties, without the prior approval of members representing a majority of the voting power of the Association, for all matters and which normally shall include specifically but shall not be limited to, the following matters in carrying out the Board's duties or maintenance obligations on behalf of the Association:

(1) Enforcement of applicable provisions of the CC& R's, Articles, Bylaws, regulations and other instruments for the Ownership, management and control of the subdivision, collectively referred to as "governing documents".

(2) Payment of taxes and assessments that are, or could become, a lien on the Common Area or a portion thereof.

(3) Contracting for casualty, liability and other insurance on behalf of the Association.

(4) Contracting for goods and/or services for the Common Areas, facilities and interest or for the Association subject to the limitations set forth below in subsection (e).

(5) Delegation of its powers to committees, officers or employees of the Association as expressly authorized by the governing documents.

(6) Preparation of budgets and financial statements for the Association as prescribed in the governing documents.

(7) Formulation of rules of operation of the Common Areas and facilities owned or controlled by the Association.

(8) Initiation and execution of disciplinary proceedings against members of the Association for violations of provisions of the governing instruments in accordance with procedures set forth in the governing documents.

(9) Entering upon any privately-owned subdivision interest as necessary in connection with construction, maintenance or emergency repair for the benefit of the common area or the Owners in common.

(10) Election of officers or appointment of committee members serving for the

Board of Directors.

(11) Filling of vacancies on the Board of Directors except for a vacancy created by the removal of a Board of Directors member.

(12) Any Managing Agent as defined by Civil Code Section 4158, to be retained by the Association shall be subject to the requirements for disclosure and shall have the duty in handling funds of the Association as provided for or required by Civil Code Sections 5375 -5385, inclusive.

The Association shall adopt rules (commencing with Civil Code Section 4340, in accordance with the procedures as set forth or prescribed by Sections 5105-5135, inclusive) as may be necessary, applicable or appropriate regarding casting ballots for election of a director.

(c) Limitations on Liability -Tortious Acts. Of Volunteer Officer or Director.

Any person who suffers bodily injury, including, but not limited to, emotional distress, wrongful death as a result of the tortious act or omission of a volunteer officer or volunteer director of this Association shall not recover damages from a volunteer officer or volunteer director if all of the following criteria of Civil Code Sections 5800, et seq., as enacted from time to time are met:

(1) The act or omission was performed within the scope of the officer's or director's Association duties.

(2) The act or omission was performed in good faith.

(3) The act or omission was not willful, wanton or grossly negligent.

(4) The Association maintained and had in effect at the time the act or omission occurred and at the time a claim is made one or more policies of insurance which shall include coverage for (A) general liability of the Association and (B) individual liability of officers and directors of the Association for negligent acts or omissions in that capacity; provided, that both types of coverage are in the following minimum amount:

(A) At least five hundred thousand dollars (\$500,000) if the common interest development consists of 100 or fewer separate interests.

(B) HOWEVER, THE BOARD OF DIRECTOR, IN PURCHASING INSURANCE, SHOULD CONSIDER THE HIGHER AMOUNT OF GENERAL LIABILITY COVERAGE AS MAY BE AVAILABLE FOR COVERAGE, FINANCIAL FEASIBILITY, LIMITATIONS, EXCLUSIONS AND OTHER COVERAGE OR LIABILITY ISSUES IN CONSIDERING CIVIL CODE SECTIONS 5800 ET SEQ. AND SECTION 8.05 HEREIN OF THESE CC&R'S IN INCLUSION, LIMITATIONS OR EXCLUSIONS OF COVERAGE OR LIABILITY WITH RESPECTIVE TO OR IN CONSIDERATION OF THE INDIVIDUAL OWNERS, DIRECTORS, OFFICERS AND

AGENTS OR AS MAY BE APPLICABLE.

(d) The payment of actual expenses incurred by a director or officer in the execution of the duties of that position on does not affect the director's or officer's status as volunteer within the meaning of this section.

(e) Nothing in this section shall be construed to limit the liability of the Association for its negligent act or omission or for any negligent act or omission of an officer or director of the Association.

(f) Conflict of Interest or Prohibited Actions by Directors & Committee Members.
(Civil Code §5350.)

Prohibited Acts of Board of Directors:

The Board of Directors of the Association shall ordinarily be prohibited from taking any of the following actions, except with the written assent, by vote at a meeting of the Association or by written ballot without a meeting pursuant to Corporations Code Section 7513, of a simple majority of the members, other than the subdivider, constituting a quorum consisting of more than 50 per cent of the voting power of the Association residing in members other than the subdivider.

(1) Entering into a contract with a third person wherein the third person will furnish goods or services for the Common Area or the Owners' Association for a term longer than one year with the following exceptions:

(A) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.

(B) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.

(C) prepaid casualty and/or liability insurance policies of not to exceed three years duration provided that the policy permits short rate cancellation by the insured.

(D) Lease agreements for laundry room fixtures and equipment of not to exceed five years duration provided that the lessor under the agreement is not an entity in which the subdivider has a direct or indirect ownership interest of 10 percent or more.

(E) Agreements for cable television services and equipment or satellite television services and equipment of not to exceed five years duration provided that the supplier is not an entity in which the subdivider has a direct or indirect ownership interest of 10 percent or more.

(F) Agreements for sale or lease of burglar alarm and fire alarm equipment,

installation and services of not to exceed five years duration provided that the supplier or suppliers are not entities in which the subdivider has a direct or indirect ownership interest of 10 percent or more.

(G) A contract for a term not to exceed three years that is terminable by the Association after no longer than one year without cause, penalty or other obligation upon Ninety (90) days written notice of termination to the other party.

(2) Incurring aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that fiscal year.

(3) Selling during any fiscal year property of the Association having an aggregate fair market value greater than 5% of the budgeted gross expenses of the Association for that fiscal year.

(4) Paying compensation to members of the governing body or to officers of the Association for services performed in the conduct of the Association's business provided, however, that the governing body may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association. Notwithstanding any other law or provisions herein, and regardless of whether the Association is incorporated or unincorporated, the provisions of Sections 7233 and 7234 of the Corporations Code shall apply to any contract or other transaction authorized, approved, or ratified by the Board or a committee of the Board.

(b) A director or member of a committee shall not vote on any of the following matters in which he or she is involved:

(1) Discipline of the director or committee member.

(2) An assessment against the director or committee member for damage to the common area or facilities.

(3) A request, by the director or committee member, for a payment plan for overdue assessments.

(4) A decision whether to foreclose on a lien on the separate interest of the director or committee member.

(5) Review of a proposed physical change to the separate interest of the director or committee member.

(6) A grant of Exclusive Use Common Area to the director or committee member.

(c) Nothing in this section limits any other provision of law or the governing documents that govern a decision in which a director may have an interest.

ARTICLE IV.

COVENANT FOR ASSESSMENTS

Section 4.01. Regular and Special Assessments. Regular assessments against all subdivision or separate interests in the project shall commence on the date of the first day of the month following the first conveyance of a subdivision interest in the project.

The Board of Directors on behalf of the Association must comply with the provisions of Sections 5600, et seq, of the Civil Code, prior to any increase in assessments or the levy of any special assessments. Any meeting or election of the Association for purposes of obtaining approval prior to any increase in assessments or the levy of any special assessments shall be conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3, Division 2 of Title 1 of the Corporations Code and Section 7613 of the Corporations Code and shall require a quorum of more than 50% of the members of the Association.

(a) Except as provided in Civil Code Section 5605, the Association shall levy regular and special assessments sufficient to perform its obligations under the governing documents and this act.

Regular assessments to defray expenses attributable to the Ownership, operation and furnishing of common interests by the Association shall ordinarily be levied against each separate interest, equally according to the ratio of the number of subdivision interests owned by the Owner assessed to the total number of interests subject to assessments.

In the case in which it is reasonable to anticipate that any Owner will derive as much as 10% more than any other Owner in the value of common services supplied by the Association, the assessment against each Owner may be determined according to a formula or schedule under which the assessments are variable against the various subdivision interests, bearing a relationship which is equitably prorated or proportionate to the value of the services furnished to the respective interests.

Special assessment shall be levied upon the same basis as that prescribed in this Section 4.01 of this Declaration for the levying of regular assessments and shall not be imposed unless the Board has complied with the requirements of Sections 5600, et seq. and as provided for in Sections 4.01 and 4.02 herein. Special assessments are items determined by the Board of Directors which were not previously considered for regular assessments, but which are necessary to carry out the maintenance duties of the Association.

Regular assessments imposed or collected to perform the obligations of the Association under the governing documents or this act shall be exempt from execution by a judgment creditor of the Association only to the extent necessary for the Association to perform essential services, such as paying for utilities and insurance. In determining the appropriateness of an exemption, a court shall ensure that only essential services are protected pursuant to Civil Code Section 5620. This exemption shall not apply to any consensual pledges, liens, or encumbrances that have been approved by a majority of a quorum of members, pursuant to Civil Code Section 4070, at a member meeting or election, or to any state tax lien, or to any lien for labor or materials supplied to the Common Area.

(b) The Association shall not impose or collect an assessment or fee that exceeds the amount necessary to defray the costs for which it is levied pursuant to Civil Code Section 5600.

(c) The subdivider and his successor in interest, if any, is an owner subject to the payment of regular and special assessments against subdivision interests which he owns provided, however, that the subdivider and any other owner of a subdivision interest which does not include a structural improvement for human occupancy may be exempted by the governing instruments from the payment of that portion of any assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and the use of the structural improvements. The exemption may include, but shall not necessarily be limited to:

- Roof replacement;
- Exterior maintenance;
- Walkway and carport lighting;
- Refuse disposal;
- Cable television; and
- Domestic water supplied to living structures.

(1) Any exemption from the payment of assessments attributed to dwelling structures shall be in effect only until the earliest of the following events.

- (A) A notice of completion of the structural improvements has been recorded.
- (B) Occupation or use of the dwelling structure.

(C) Completion of all elements of the residential structures which the Association is obliged to maintain.

(2) The subdivider and any other owner of a subdivision interest may be exempted by the governing instruments from the payment of that portion of any assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and use of a common facility that is not complete at the time assessments commence. Any exemption from the payment of assessments attributed to common facilities shall be in effect only until the earliest of the following events.

- (A) A notice of completion of the common facility has been recorded.
- (B) The common facility has been placed into use.

Section 4.02. Increases in Regular and Special Assessments. (Civil Code Sections 5600, 5605 and 5610.)

The Association shall provide individual notice pursuant to Civil Code Section 4040 to the members of any increase in the regular or special assessments of the Association, not less than 30 nor more than 60 days prior to the increased assessment becoming due.

Annual increases in regular assessments for any fiscal year shall not be imposed unless the Board has complied with paragraphs (1), (2), (4), (5), (6), (7), and (8) of subdivision (b) of

Civil Code Section 5300 with respect to that fiscal year, or has obtained the approval of a majority of a quorum of members, pursuant to Civil Code Section 4070, at a member meeting or election.

Notwithstanding more restrictive limitations placed on the Board by the governing documents, the Board may not impose a regular assessment that is more than 20 percent greater than the regular assessment for the Association's preceding fiscal year or impose special assessments which in the aggregate exceed 5 percent of the budgeted gross expenses of the Association for that fiscal year without the approval of a majority of a quorum of members, pursuant to Civil Code Section 4070, at a member meeting or election. For the purposes of this section, "quorum" means more than 50 percent of the members.

Notwithstanding any other provisions in this Article, the Board of Directors on behalf of the Association is authorized and may increase assessments for emergency situations pursuant to Section 5610 of the Civil Code. For purposes of this section, an emergency situation is any one of the following:

(a) An extraordinary expense required by an order of a court.

(b) An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the Association is responsible where a threat to personal safety on the property is discovered.

(c) An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual budget report under Civil Code Section 5300. However, prior to the imposition or collection of an assessment under this subdivision, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment.

Section 4.03. Assessments as debt of Owner of Separate Interest. (Civil Code Sections 5650 – 5690, inclusive.)

(a) A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, as determined in accordance with subdivision (b), shall be a debt of the Owner of the separate interest at the time the assessment or other sums are levied.

(b) Regular and special assessments levied pursuant to the governing documents are delinquent 15 days after they become due, unless the Declaration provides a longer time period, in which case the longer time period shall apply. If an assessment is delinquent, the Association may recover all of the following:

(1) Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorney's fees.

(2) A late charge not exceeding 10 percent of the delinquent assessment or ten dollars (\$10), whichever is greater, unless the Declaration specifies a late charge in a smaller

amount, in which case any late charge imposed shall not exceed the amount specified in the Declaration.

(3) Interest on all sums imposed in accordance with this section, including the delinquent assessments, reasonable fees and costs of collection, and reasonable attorney's fees, at an annual interest rate not to exceed 12 percent, commencing 30 days after the assessment becomes due, unless the Declaration specifies the recovery of interest at a rate of a lesser amount, in which case the lesser rate of interest shall apply.

(c) Associations are hereby exempted from interest-rate limitations imposed by Article XV of the California Constitution, subject to the limitations of this section.

(d) Any payments made by the Owner of a separate interest toward a debt described in subdivision (a) of Civil Code Section 5650 shall first be applied to the assessments owed, and, only after the assessments owed are paid in full shall the payments be applied to the fees and costs of collection, attorney's fees, late charges, or interest. When an Owner makes a payment, the Owner may request a receipt and the Association shall provide it.

The receipt shall indicate the date of payment and the person who received it.

The Association shall provide a mailing address for overnight payment of assessments. The address shall be provided in the annual policy statement.

(e) If a dispute exists between the Owner of a separate interest and the Association regarding 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 the amount in dispute does not exceed the jurisdictional limits of the small claims court stated in Sections 116.220 and 116.221 of the Code of Civil Procedure, the Owner of the separate interest may, in addition to pursuing dispute resolution pursuant to Article 3 (commencing with Civil Code Section 5925) of Chapter 10, pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney's fees, late charges, and interest, if any, pursuant to subdivision (b) of Civil Code Section 5650, and commence an action in small claims court pursuant to Chapter 5.5 (commencing with Section 116.110) of Title 1 of the Code of Civil Procedure.

Nothing in this section shall impede the Association's ability to collect delinquent assessments as provided in this article or Article 3 (commencing with Civil Code Section 5700).

(f) At least 30 days prior to recording a lien upon the separate interest of the Owner of record to collect a debt that is past due under Civil Code Section 5650, the Association shall notify the Owner of record in writing by certified mail of the following:

A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount, a statement that the Owner of the separate interest has the right to inspect the Association records pursuant to Civil Code Section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed:

“IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.”

An itemized statement of the charges owed by the Owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney’s fees, any late charges, and interest, if any.

A statement that the Owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the Association.

The right to request a meeting with the Board as provided in Civil Code Section 5665.

(g) The right to dispute the assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association’s “meet and confer” program required in Article 2 (commencing with Civil Code Section 5900) of Chapter 10.

(h) The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Civil Code Section 5925) of Chapter 10 before the Association may initiate foreclosure against the Owner’s separate interest, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

Section 4.04. Request of Owner to meet with Board regarding payment plan. (Civil Code Sections 5665.)

(a) An Owner, other than an Owner of any interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7 of the Business and Professions Code, may submit a written request to meet with the Board to discuss a payment plan for the debt noticed pursuant to Civil Code Section 5660.

The Association shall provide the Owners the standards for payment plans, if any exists.

(b) The Board shall meet with the Owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice, unless there is no regularly scheduled Board meeting within that period, in which case the Board may designate a committee of one or more directors to meet with the Owner.

(c) Payment plans may incorporate any assessments that accrue during the payment plan period. Additional late fees shall not accrue during the payment plan period if the Owner is in compliance with the terms of the payment plan.

(d) Payment plans shall not impede the Association’s ability to record a lien on the Owner’s separate interest to secure payment of delinquent assessments.

(e) In the event of a default on any payment plan, the Association may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan.

Section 4.05. Pre-lien “Meet and Confer” regarding Delinquent Assessments. (Civil Code Sections 5670.)

Prior to recording a lien for delinquent assessments, the Association shall offer the Owner and, if so requested by the Owner, participate in dispute resolution pursuant to the Association’s “meet and confer” program required in Article 2 (commencing with Civil Code Section 5900).

Section 4.06. Lien for Assessment.

Notwithstanding anything in the governing document to the contrary, the Association cannot be empowered to cause forfeiture or abridgement of an Owner's right to the full use and enjoyment of his individually-owned subdivision interest on account of the failure by the Owner to comply with provisions of the governing documents or of duly-enacted rules of operation for Common Areas and facilities except by judgment of a court or decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay assessments duly levied by the Association.

No transfer of the subdivision interest as the result of a foreclosure or exercise of a power of sale shall relieve the new owner, whether it be the former beneficiary of the first encumbrance or another person, from liability for any assessments thereafter becoming due or from the lien thereof.

When a notice of assessment lien has been recorded, such assessment shall constitute a lien on such affected separate interests prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (2) the lien or charge of any "Holder of First Mortgage" as defined in Section 5.01 herein.

Any lien for delinquent common area expense assessments or other charges that the Association has on a separate interest will be subordinate to a holder of first mortgage on that separate interest, if the mortgage was recorded before the delinquent assessment was due.

The Association, acting on behalf of all the Owners, shall have the power to bid for the separate interest a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. During the period a separate interest is owned by the Association, following foreclosure:

- (1) No right to vote shall be exercised on behalf of the separate interest;
- (2) No assessment shall be assessed or levied to the separate interest; and
- (3) Each other separate interest shall be charged, in addition to its usual assessment, its proportionate share of the assessment that would have been charged to such separate interest had it not been acquired by the Association as a result of foreclosure.

After acquiring title to the separate interest by foreclosure sale following notice and publication, the Association may execute, acknowledge and record a deed conveying title to the separate interest which deed shall be binding upon the Owners, successors, and all other parties.

Procedure for Lien on Delinquent Assessments. (Civil Code Sections 5673 et seq.)

The decision to record a lien for delinquent assessments shall be made only by the Board and may not be delegated to an agent of the Association. The Board shall approve the

decision by a majority vote of the directors in an open meeting. The Board shall record the vote in the minutes of that meeting.

(a) The amount of the assessment, plus any costs of collection, late charges, and interest assessed in accordance with subdivision (b) of Civil Code Section 5650, shall be a lien on the Owner's separate interest in the common interest development from and after the time the Association causes to be recorded with the county recorder of the county in which the separate interest is located, a notice of delinquent assessment, which shall state the amount of the assessment and other sums imposed in accordance with subdivision (b) of Civil Code Section 5650, a legal description of the Owner's separate interest in the common interest development against which the assessment and other sums are levied, and the name of the record Owner of the separate interest in the common interest development against which the lien is imposed.

(b) The itemized statement of the charges owed by the Owner described in subdivision (b) of Civil Code Section 5660 shall be recorded together with the notice of delinquent assessment.

(c) In order for the lien to be enforced by non-judicial foreclosure as provided in Civil Code Sections 5700 to 5710, inclusive, the notice of delinquent assessment shall state the name and address of the trustee authorized by the Association to enforce the lien by sale.

(d) The notice of delinquent assessment shall be signed by the person designated in the Declaration or by the Association for that purpose, or if no one is designated, by the president of the Association.

(e) A copy of the recorded notice of delinquent assessment shall be mailed by certified mail to every person whose name is shown as an Owner of the separate interest in the Association's records, and the notice shall be mailed no later than 10 calendar days after recordation.

A lien created pursuant to Civil Code Section 5675 shall be prior to all other liens recorded subsequent to the notice of delinquent assessment, except that the Declaration has herein in Article V, provided for the subordination thereof to any other liens and encumbrances.

Within 21 days of the payment of the sums specified in the notice of delinquent assessment, the Association shall record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the Owner of the separate interest a copy of the lien release or notice that the delinquent assessment has been satisfied. If it is determined that a lien previously recorded against the separate interest was recorded in error, the party who recorded the lien shall, within 21 calendar days, record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the Owner of the separate interest with a Declaration that the lien filing or recording was in error and a copy of the lien release or notice of rescission. If it is determined that the Association has recorded a lien for a delinquent assessment in error, the Association shall promptly reverse all late charges, fees, interest, attorney's fees, costs of collection, costs imposed for the notice prescribed in Civil Code Section 5660, and costs of

recording and release of the lien authorized under subdivision (b) of Civil Code Section 5720, and pay all costs related to any related dispute resolution or alternative dispute resolution.

The Association that fails to comply with the procedures set forth in this article shall, prior to recording a lien, recommence the required notice process. Any costs associated with recommencing the notice process shall be borne by the Association and not by the Owner of a separate interest.

Section 4.07. Assessment Collection. (Civil Code Sections 5700 et seq.)

(a) Except as otherwise provided in this article, after the expiration of 30 days following the recording of a lien created pursuant to Civil Code Section 5675, the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted pursuant to Civil Code Section 2934a. Nothing in Article 2 of the Davis-Stirling Common Interest Act (commencing with Civil Code Section 5650) or in subdivision (a) of Section 726 of the Code of Civil Procedure prohibits actions against the Owner of a separate interest to recover sums for which a lien is created pursuant to Article 2 (commencing with Civil Code Section 5650) or prohibits the Association from taking a deed in lieu of foreclosure.

(b) Prior to initiating a foreclosure on an Owner's separate interest, the Association shall offer the Owner and, if so requested by the Owner, participate in dispute resolution pursuant to the Association's "meet and confer" program required in Article 2 of the Davis-Stirling Common Interest Act (commencing with Civil Code Section 5900) of Chapter 10 or alternative dispute resolution as set forth in Article 3 (commencing with Civil Code Section 5925) of Chapter 10. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the Owner, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

(c) The decision to initiate foreclosure of a lien for delinquent assessments that has been validly recorded shall be made only by the Board and may not be delegated to an agent of the Association. The Board shall approve the decision by a majority vote of the directors in an executive session. The Board shall record the vote in the minutes of the next meeting of the Board open to all members. The Board shall maintain the confidentiality of the Owner or Owners of the separate interest by identifying the matter in the minutes by the parcel number of the property, rather than the name of the Owner or Owners. A Board vote to approve foreclosure of a lien shall take place at least 30 days prior to any public sale.

(d) The Board shall provide notice by personal service in accordance with the manner of service of summons in Article 3 (commencing with Section 415.10) of Chapter 4 of Title 5 of Part 2 of the Code of Civil Procedure to an Owner of a separate interest who occupies the separate interest or to the Owner's legal representative, if the Board votes to foreclose upon the separate interest. The Board shall provide written notice to an Owner of a separate interest who does not occupy the separate interest by first-class mail, postage prepaid, at the most current address shown on the books of the Association. In the absence of written notification by the Owner to the Association, the address of the Owner's separate interest may be treated as the Owner's mailing address.

(e) Any sale by the trustee shall be conducted in accordance with Civil Code Sections 2924, 2924b, and 2924c applicable to the exercise of powers of sale in mortgages and deeds of trust. In addition to the requirements of Civil Code Section 2924, the Association shall serve a notice of default on the person named as the Owner of the separate interest in the Association's records or, if that person has designated a legal representative pursuant to this subdivision, on that legal representative pursuant to Civil Code Section 5710. Service shall be in accordance with the manner of service of summons in Article 3 (commencing with Section 415.10) of Chapter 4 of Title 5 of Part 2 of the Code of Civil Procedure. An Owner may designate a legal representative in a writing that is mailed to the Association in a manner that indicates that the Association has received it.

(f) The fees of a trustee may not exceed the amounts prescribed in Civil Code Sections 2924c and 2924d, plus the cost of service for either of the following:

(1) The notice of default pursuant to subdivision (b).

(2) The decision of the Board to foreclose upon the separate interest of an Owner as described in subdivision (d) of Civil Code Section 5705.

(g) A non-judicial foreclosure by the Association to collect upon a debt for delinquent assessments shall be subject to a right of redemption. The redemption period within which the separate interest may be redeemed from a foreclosure sale under this paragraph ends 90 days after the sale. In addition to the requirements of Civil Code Section 2924f, a notice of sale in connection with the Association's foreclosure of a separate interest in a common interest development shall include a statement that the property is being sold subject to the right of redemption created in this section.

(h) The Association that seeks to collect delinquent regular or special assessments of an amount less than one thousand eight hundred dollars (\$1,800), not including any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, may not collect that debt through judicial or non-judicial foreclosure, but may attempt to collect or secure that debt in any of the following ways:

(1) By a civil action in small claims court, pursuant to Chapter 5.5 (commencing with Section 116.110) of Title 1 of Part 1 of the Code of Civil Procedure. The Association that chooses to proceed by an action in small claims court, and prevails, may enforce the judgment as permitted under Article 8 (commencing with Section 116.810) of Chapter 5.5 of Title 1 of Part 1 of the Code of Civil Procedure. The amount that may be recovered in small claims court to collect upon a debt for delinquent assessments may not exceed the jurisdictional limits of the small claims court and shall be the sum of the following:

(A) The amount owed as of the date of filing the complaint in the small claims court proceeding.

(B) In the discretion of the court, an additional amount to that described in subparagraph (A) equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid assessments and any reasonable late charges, fees and costs of collection, attorney's fees, and interest, up to the jurisdictional limits of the small claims court.

(2) By recording a lien on the Owner's separate interest upon which the Association may not foreclose until the amount of the delinquent assessments secured by the lien, exclusive of any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, equals or exceeds one thousand eight hundred dollars (\$1,800) or the assessments secured by the lien are more than 12 months delinquent. The Association that chooses to record a lien under these provisions, prior to recording the lien, shall offer the Owner and, if so requested by the Owner, participate in dispute resolution as set forth in Article 2 (commencing with Civil Code Section 5900) of Chapter 10.

(3) Any other manner provided by law, except for judicial or non-judicial foreclosure.

The limitation on foreclosure of assessment liens for amounts under the stated minimum in this section does not apply to any of the following:

(1) Assessments secured by a lien that are more than 12 months delinquent.

(2) Assessments owed by Owners of separate interests in time-share estates, as defined in subdivision (x) of Section 11212 of the Business and Professions Code.

(3) Assessments owed by the developer.

(i) A monetary charge is hereby authorized to be imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Area and facilities caused by a member or the member's guest or tenant may become a lien against the member's separate interest enforceable by the sale of the interest under Civil Code Sections 2924, 2924b, and 2924c by this Declaration pursuant to Civil Code Section 5725, which provided the Association with the authority to impose said lien.

(j) A monetary penalty imposed by the Association as a disciplinary measure for failure of a member to comply with the governing documents, except for reasonable late payment penalties for delinquent assessments and/or charges to reimburse the Association for the loss of interest and for costs reasonably incurred (including attorney fees) in its efforts to collect delinquent assessments which are allowable under California law, may not be characterized nor treated in the governing documents as an assessment that may become a lien against the member's separate interest enforceable by the sale of the interest under Civil Code Sections 2924, 2924b, and 2924c.

(k) The Association may not voluntarily assign or pledge the Association's right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the Association pursuant to subdivision (a) of Civil Code §5735 as a limitation on assignments and pledges.

Nothing in subdivision (a) restricts the right or ability of the Association to assign any unpaid obligations of a former member to a third party for purposes of collection.

Section 4.08. Notice required with Annual Policy Statement. (Civil Code Sections 5310 and 5730.)

(a) The annual policy statement, prepared pursuant to Civil Code Section 5310, shall include the following notice, in at least 12-point type as required by Civil Code Section 5730:

“NOTICE ASSESSMENTS AND FORECLOSURE

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 notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

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 non-judicial foreclosure.

For liens recorded on and after January 1, 2006, the Association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney’s fees, interest, and costs 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, the Association may use judicial or non-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 non-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. (Sections 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 fees, late charges, and interest. The Association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair Common Area damaged by a member or a 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 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). The collection practices of the Association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an Owner makes a payment, the Owner 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. (Section 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, the 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 Part 5 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 that is not a time-share 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 exists. (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 assessment. These payment plans must conform with the payment plan standards of the Association, if they exist. (Section 5665 of the Civil Code)"

(b) The Association distributing the notice required by this section to an Owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7 of the Business and Professions Code may delete from the notice described in subdivision (a) the portion regarding meetings and payment plans.

ARTICLE V.
RIGHTS OF HOLDERS OF FIRST MORTGAGE

Section 5.01. Rights of Holders of First Mortgage:

No breach of any of the covenants, conditions and restrictions herein contained, nor the enforcement of any lien provisions herein including any lien for regular or special assessments, shall render invalid the lien of any first mortgage (meaning a mortgage with first priority over any other mortgage on any separate interest made in good faith and for value), but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or Trustee's sale, or otherwise. In the event of any conflict between the provisions of this Article and of the other provisions of this Declaration, the provisions of this Article shall govern and prevail. "Holders of First Mortgage" shall mean any entity, including but not limited to bank, savings and loan Association, insurance company, or any other entity, financial institution or otherwise, holding a recorded first mortgage on any separate interest. "Mortgage" shall include a beneficiary or a holder of a deed of trust as well as a mortgage. Notwithstanding any provision in the governing documents to the contrary, Holders of First Mortgage shall have the following rights:

(a) Copies of Project Documents:

The Association shall make available to Owners and first mortgage, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, Bylaws, Articles or other rules concerning the project and the books, records and financial statements of the Association. "Available" means available for inspection and copying, upon request, during normal business hours or under other reasonable circumstances.

(b) Notice of Action:

Upon written request to the Association, identifying the name and address of the eligible mortgage holder, or eligible insurer or guarantor, and the separate interest number or address, such eligible mortgage holder or eligible insurer or guarantor will be entitled timely written notice of:

(1) condemnation loss or any casualty loss which affects a material portion of the project or separate interest on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder eligible insurer or guarantor, as applicable;

(2) any default performance of obligations under the project documents delinquency in the payment of assessments or charges owed by Owner of a separate interest subject to a first mortgage held, insured or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;

(3) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(4) any proposed action which would require: the consent of a specified

percentage of eligible mortgage holders as specified in Section 5.01(c) The Association shall discharge its obligation to notify eligible holders of mortgage or eligible insurers or guarantors by sending written notice required herein to such parties at the address given on the current request for notice.

(c) Consent to Action:

(1) Except as provided by statute or by other provision of the project documents in case of destruction or condemnation of the project, and further excepting reallocation of interests in the Common Area(s) which might occur pursuant to any plan of expansion or phased development contained in the original project documents:

(A) The consent of Owners of separate interests to which at least a majority of votes in the Association are allocated and the approval eligible mortgage holders holding mortgages on separate interests which have at least a majority of the votes of separate interests subject to eligible holder of mortgages, shall be required to terminate the legal status of the project.

(B) The consent of Owners of separate interest to which at least a majority of the votes in the Association are allocated and the approval of eligible mortgage holders holding mortgages on separate interest which have at least a majority of the votes of the separate interests subject to eligible holder of mortgages, shall be required to add or amend any material provisions of the project documents which establish, provide for, govern or regulate any of the following: (i) voting; (ii) assessments, assessment liens or subordination of such liens; (iii) reserves for maintenance, repair and replacement of the Common Area or commonly assessed facilities (iv) insurance or fidelity bond; (v) rights to use of Common Area; (vi) responsibility for maintenance and repair of the several portions of the project; (vii) expansion or contraction of the project or the addition, annexation or withdrawal of property to or from the project (except as provided in paragraph c(1) above) ; (viii) boundaries of any separate interest; (ix) the interest in the general or restricted Common Area; (x) convertibility of separate interests into Common Area or of Common Area into separate interests; (xi) leasing of separate interests; (xii) imposition of any right of first refusal or similar restriction on the rights of an Owner to sell, transfer, or otherwise convey his or her separate interests; or (xiii) any provisions which are for the express benefit of mortgage holders, eligible mortgage holders or eligible insurers or guarantors of first mortgages on separate interests.

(C) An addition or amendment to such document shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only.

An eligible mortgage holder, who receives properly a written notice or request to propose, approve additions or amendments, but does not deliver or post to the requesting party a negative response within sixty (60) days, shall be deemed to have or implicitly approved such request or proposal, provided the notice was delivered by certified or registered mail, with a return receipt requested.

(2) Except as provided by statute in case of condemnation or substantial loss to the separate interests and/or common elements of the project unless the holder(s) of at least a majority of the first mortgages (based upon one vote for each first mortgage owned or held),

or Owners of the individual separate interests have given their prior written approval, the Association and/or the Owners shall not be entitled to:

(A) By act or omission, seek to abandon or terminate the project (except for abandonment or termination provided by law in the case of substantial destruction by fire other casualty or in the case of a taking by condemnation or eminent domain).

(B) Change the pro rata interest or obligations of any individual separate interest for the purpose of:

Levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or

Determining the pro rata share of Ownership of each separate interest in the Common Area.

(C) Partition or subdivide any separate interest.

(D) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the project shall not be deemed a transfer within the meaning of this clause).

(E) Use hazard insurance proceeds for losses to any project property (whether to separate interest or to Common Area) for other than the repair, replacement, or reconstruction of such property.

(d) Right of First Refusal:

The right of a seller, who transfer, or otherwise convey his or her separate, shall not be subject to any right of first refusal or similar restriction impairing the rights of any holder of first mortgage to:

(1) Foreclose or take title to a separate interest pursuant to the remedies provided in the mortgage, or

(2) Accept a deed (or assignment) in lieu of foreclosure in the event of default by a mortgage; or

(3) Sell or lease a separate interest acquired by the mortgagee.

(e) Contracts: Any agreement for professional management of the project, or lease any other contract providing for services of the developer, sponsor, or builder, may not exceed one (1) year. Any agreement, contract, or lease, including a management contract entered into prior to passage of control of the Board of Directors of the Association to separate interest purchasers, must provide for termination by either party for cause on thirty (30) days written notice, or without cause and without payment of a termination fee or penalty on ninety (90) days or less written notice.

(f) Reserves: The Association's assessment dues shall include an adequate reserve fund for maintenance, repairs and replacement of those improvements which the Association is obligated to maintain that must be replaced on a periodic basic and shall be payable in regular installments.

(g) Priority of Liens: Notwithstanding any other provision herein in these CC& R's but as may be limited or governed by or superseded by California law otherwise, each holder of a first mortgage lien on a separate interest who comes into possession of the separate

interest by virtue of foreclosure of the mortgage, or any purchaser at a foreclosure sale under a first deed of trust, will take the separate interest free of any claims for unpaid assessments and fees, late charges, fines or interest levied in connection therewith, against the separate interest which accrue prior to the time such holder comes into possession of the separate interest except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all project separate interest including the mortgaged separate interest, and except for assessment liens recorded prior to the mortgage.

(h) Distribution of Insurance of Condemnation Proceeds: No provision of the project's governing constituent documents gives an individual Owner, or any other party, priority over any rights of first mortgagees of separate interests pursuant to their mortgages in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of separate interest and/or common elements.

(i) Restoration or Repair: Any restoration or repair of the project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with the Declaration and the original plans and specifications, unless other action is approved by eligible mortgage holders holding mortgages on separate interests which have at least a majority of the votes of separate interest subject to eligible holders of mortgages.

(j) Termination: Any election to terminate the legal status of the project after substantial destruction or a substantial taking in condemnation of the project property must require the approval of eligible mortgage holders holding mortgages on separate interests which have at least a majority of the votes of separate interest subject to eligible holders of mortgages.

(k) Reallocation of Interest: No reallocation of interests in the Common Area resulting from a partial condemnation or partial destruction of the project may be effected without the prior approval of eligible mortgage holders holding mortgages on all remaining separate interests whether existing in whole or in part, and which have at least a majority of the votes of such remaining separate interest subject to eligible holders of mortgages.

(l) Termination of Professional Management: When professional management has been previously required by any eligible mortgage holder or eligible insurer or guarantor, whether such entity became an eligible mortgage holder or eligible insurer or guarantor at that time or later, any decision to establish self-management by the Association shall require the prior consent of Owners of separate interests to which at least a majority of the votes in the Association allocated and the approval of eligible mortgage holders, holding mortgages on separate interest which have at least a majority of the votes of separate interests subject to eligible holders of mortgages. So long as any mortgage which a lien on a separate interest is insured or guaranteed, if applicable, by Federal Housing Administration, any termination or change in professional management shall require the prior written approval of the Federal Housing Administration in accordance with requirements of its Regulatory Agreement.

ARTICLE VI.
USE RESTRICTIONS

In addition to all of the covenants contained in the governing documents, the use of the Project and each separate interest therein is subject to the following:

Section 6.01. Use. All use in said common interest development shall be subject to the requirements and restrictions of the local governing entity, zoning ordinance and State law.

No residential structure or separate interest shall be occupied and used for commercial or office purposes, and shall only be used or occupied only for residential purposes by the Owners, their tenants, and social guests, and no trade or business shall be conducted therein, except that Declarant, its successors or assigns, may use any structure in the Project owned by Declarant for use as a model home site or sites, display and sales office during construction and until the last separate interest is sold.

Storage of other items, including but not limited to barbeque items including any related bbq material, equipment or accessories, bicycles, trash cans, motorcycles, gardening equipment, brooms, mops, etc. is strictly prohibited in any private yard or patio areas, that are visible from the driveway, walkway or street.. There shall be no exterior clotheslines nor any exterior airing, hanging or drying of laundry, personal clothing, personal effects or other items.

Only patio furniture and potted plants may be placed in patios and courtyard areas visible from or directly facing or visible from the streets.

Use, activities or occupancy of or in any of the separate interests and Common Area shall otherwise comply with all applicable local governmental zoning ordinances and the Unruh Civil Rights Act. Association may enact further written Rules and Regulations, subject to any requirements for “Operating Rules” as the term is defined or pursuant to Civil Code Section 4340, et. seq., governing the occupancy or use of the Owners, their guests or invitees within or through the Common Area of the project” as may be necessary or appropriate for the shared use in the Common Area or for the safety and welfare of all the separate interest Owners.

Section 6.02. Nuisances:

No noxious, illegal, or offensive activities shall be carried upon any separate interest or in any part of the Project, nor shall anything be done thereon which may be or may become an annoyance or a nuisance to, or which may in anyway interfere with, the quiet enjoyment of each of the Owners of his or her respective separate interest, or which shall in any way increase the rate of insurance for the Project, or cause any insurance policy to be cancelled or to cause a refusal to renew the same, or which will impair the structural integrity of any building.

Section 6.03. Vehicle Restrictions: No commercial vehicle, trailer, camper, mobile home, commercial vehicle, truck (other than standard size pickup truck) or inoperable automobile, boat or similar equipment shall be permitted to remain or be parked in or on any part of the Common Area overnight or other than for delivery, unless written consent is given by the Association for repairs or other permitted purposes. Sedans or standard size pickup trucks that are used both for business and personal use are permitted only by the written consent of the Board of Directors of the Association and subject to parking regulations, to be enacted or promulgated from time to time as deemed necessary or appropriate by the Board of Directors.

No noisy or smoky vehicles shall be operated, parked or kept on or upon the property. No off-road unlicensed motor vehicles shall be operated upon the project.

Visitors shall be permitted to park only in the designated area in for residential guest parking area, if any.

The Association shall ensure that there is no parking in the "fire lane".

Section 6.04. Signs:

No commercial signs shall be displayed to the public view on any dwelling structure or on any portion of the project, except such signs as are approved by the Board of Directors or committee appointed by the Board of Directors which comply with all state and local governmental ordinances and zoning codes, as then existing.

A sign shall be posted to restrict parking on the driveway stating "No Parking -- Fire Lane". The Association shall maintain said sign.

"For Sale" or "For Rent" signs shall be allowed provided (i) they do not exceed three (3) square feet in size, and (ii) they comply with all applicable state and local governmental ordinances and zoning codes, as then existing, but the location, frequency, material, colors, shape, size and contents of posting of the signs are subject to the operating rules regulating signage of the Association to be enacted by the Board of Directors from time to time.

Non-commercial signs and posters that are more than nine square feet in size and noncommercial flags or banners that are more than 15 square feet in size are prohibited. Signage shall also otherwise comply with all applicable local zoning ordinances.

Section 6.05. Pets: Sight dogs and personal aquarium fishes are expressly permitted in the development. For purposes of this section, "pet" means any domesticated bird, cat, dog, aquatic animal kept within an aquarium, or other animal as agreed to between the Association and the homeowner. Each Owner shall otherwise be entitled to keep one pet that may be brought in or kept in or within any separate interest or any portion of the Project, as may be permitted by and in accordance with Civil Code Section 4715 and any express written Operating Rules, as may be promulgated by the Board of Directors, to meet the needs of an Owner's needs for pet(s), but subject to the written operating rules of the Association

considering the needs of adjacent or other separate interests within the entire project as well as the need to protect said development from undue noise, inconveniences, unsanitary conditions or possible nuisances. The Association shall promulgate written Operating Rules regarding the allowance of the Owner of a separate interest within a common interest development to keep at least one pet within the common interest development, subject to reasonable rules and regulations of the Association.

This section may not be construed to affect any other rights or limitations provided by law to an Owner of a separate interest to keep a pet within the development.

Section 6.06. Garbage and Refuse Disposal: All rubbish, trash and garbage shall be regularly removed from the Project, and shall not be allowed to accumulate thereon. Trash, garbage and other waste shall be kept in sanitary containers and in a sanitary condition until they are properly disposed of or emptied by the individual separate interest Owners in common trash receptacle provided for and maintained by the Association.

All disposal items or equipment for disposal of such materials shall be kept in a sanitary condition. All equipment, garbage cans or items for disposal shall be kept screened and concealed from other dwelling structures, streets and common areas.

The trash enclosure area shall be maintained by the Association in a sanitary condition.

Section 6.07. Right to Lease.

No Owner shall be permitted to lease his separate interests or dwelling structure for less than thirty (30) days.

Any lease agreement shall be required to provide that the term of the lease shall be subject in all respects to the provisions of the Declarations and the Bylaws and to all Association Operating Rules adopted or as may be adopted by the Board of Directors and that any failure of the Lessee to comply with the terms of such documents shall be a default under the lease.

Leasing of the separate interest shall not relieve or release an Owner in any manner, of any assessment payments or obligations, requirements or maintenance obligations contained herein in these CC& R's.

All Owners leasing or renting their separate interest shall promptly give written confirmation that the lease is for a term of not less than 30 days and shall also notify the Secretary of the Association in writing of the names of all tenants and members of said tenant's family occupying such separate interest and of the address and telephone number where such absentee Owners can be reached.

All leases shall be required to be in writing, requiring compliance with the use restrictions or provisions and other provisions as stated in these CC & R's and in accordance

with the provisions of Civil Code Section 4740.

Section 6.08. Antennas and Satellite Dishes.

(a) Installation or use of a video or television antenna or satellite dish that has a diameter or diagonal measurement of 24 inches or less is permitted, subject to local zoning ordinances.

(b) Installation or use of a video or television antenna or satellite dish that has a diameter or diagonal measurement of 24 inches or less shall be allowed subject to “reasonable restrictions” means those restrictions that do not significantly increase the cost of the video or television antenna system, including all related equipment, or significantly decrease its efficiency or performance and include all of the following:

(1) Requirements for application and notice to the Association prior to the installation.

(2) Requirement of a member to obtain the approval of the Association for the installation of a video or television antenna that has a diameter or diagonal measurement of 24 inches or less on a separate interest owned by another.

(3) Provision for the maintenance, repair, or replacement of roofs or other building components.

(4) Requirements for installers of a video or television antenna to indemnify or reimburse the Association or its members for loss or damage caused by the installation, maintenance, or use of a video or television antenna that has a diameter or diagonal measurement of 24 inches or less.

(c) Whenever approval is required for the installation or use of a video or television antenna, including a satellite dish, the application for approval shall be processed by the appropriate approving entity for the common interest development in the same manner as an application for approval of an architectural modification to the property, and the issuance of a decision on the application shall not be willfully delayed.

(d) In any action to enforce compliance with this section, the prevailing party shall be awarded reasonable attorney’s fees.

Section 6.09. Prohibition of unreasonable restrictions on marketing. Civil Code Section 4730.)

(a) Any provision of a governing document that arbitrarily or unreasonably restricts an Owner’s ability to market the Owner’s interest in a common interest development is void.

(b) The Association may not adopt, enforce, or otherwise impose any governing document that does either of the following:

(1) Imposes an assessment or fee in connection with the marketing of an Owner's interest in an amount that exceeds the Association's actual or direct costs. That assessment or fee shall be deemed to violate the limitation set forth in subdivision (b) of Civil Code Section 5600.

(2) Establishes an exclusive relationship with a real estate broker through which the sale or marketing of interests in the development is required to occur. The limitation set forth in this paragraph does not apply to the sale or marketing of separate interests owned by the Association or to the sale or marketing of Common Area by the Association.

(c) For purposes of this section, "market" and "marketing" mean listing, advertising, or obtaining or providing access to show the Owner's interest in the development.

(d) This section does not apply to rules or regulations made pursuant to Civil Code Section 712 or 713 regarding real estate signs.

Section 6.10. Modification of Separate Interest. (Civil Code Sections 4760 – 4765, inclusive.)

(a) Subject to the governing documents and applicable laws including local zoning ordinances and modifications to specifically allow accommodations for physical disabilities, a member may do the following:

(1) Make any improvement or alteration within the boundaries of the member's separate interest that does not impair the structural integrity or mechanical systems or lessen the support of any portions of the common interest development.

(2) Modify the member's separate interest, at the member's expense, to facilitate access for persons who are blind, visually handicapped, deaf, or physically disabled, or to alter conditions, which could be hazardous to these persons. These modifications may also include modifications of the route from the public way to the door of the separate interest for the purposes of this paragraph if the separate interest is on the ground floor or already accessible by an existing ramp or elevator. The right granted by this paragraph is subject to the following conditions:

(A) The modifications shall be consistent with applicable building code requirements.

(B) The modifications shall be consistent with the intent of otherwise applicable provisions of the governing documents pertaining to safety or aesthetics.

(C) Modifications external to the dwelling shall not prevent reasonable passage by other residents, and shall be removed by the member when the separate interest is no longer occupied by persons requiring those modifications who are blind, visually handicapped, deaf, or physically disabled.

(D) Any member who intends to modify a separate interest pursuant to this paragraph shall submit plans and specifications to the Association for review to determine whether the modifications will comply with the provisions of this paragraph. The Association shall not deny approval of the proposed modifications under this paragraph without good cause.

(b) Any change in the exterior appearance of a separate interest shall be in accordance with the governing documents and applicable provisions of law.

(c) In reviewing and approving or disapproving a proposed change, the Association shall satisfy the following requirements:

(1) The Association shall provide a fair, reasonable, and expeditious procedure for making its decision. The procedure shall be included in the Association's governing documents. The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for response to an application or a request for reconsideration by the Board.

(2) A decision on a proposed change shall be made in good faith and may not be unreasonable, arbitrary, or capricious.

(3) Notwithstanding a contrary provision of the governing documents, a decision on a proposed change may not violate any governing provision of law, including, but not limited to, the Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code), or a building code or other applicable law governing land use or public safety.

(4) A decision on a proposed change shall be in writing. If a proposed change is disapproved, the written decision shall include both an explanation of why the proposed change is disapproved and a description of the procedure for reconsideration of the decision by the Board.

(5) If a proposed change is disapproved, the applicant is entitled to reconsideration by the Board, at an open meeting of the Board.

This paragraph does not require reconsideration of a decision that is made by the Board or a body that has the same membership as the Board, at a meeting that satisfies the requirements of Article 2 (commencing with Civil Code Section 4900) of Chapter 6. Reconsideration by the Board does not constitute dispute resolution within the meaning of Civil Code Section 5905.

(d) Nothing in this section authorizes a physical change to the Common Area in a manner that is inconsistent with the Association's governing documents, unless the change is required by law.

(e) The Association shall annually provide its members with notice of any requirements for Association approval of physical changes to property. The notice shall

describe the types of changes that require Association approval and shall include a copy of the procedure used to review and approve or disapprove a proposed change.

Section 6.11. Architectural Control Committee:

The Association shall establish an Architectural Committee to promulgate Operating Rules regarding modifications and to review proposed changes that requires permission of the Board of Directors on behalf of the Association.

No change in any existing window awning, curtains, drapes or blinds nor changes in the landscaping of patios or yards visible from the street or from the Common Area shall be undertaken by any Owner until plans and specifications showing the nature, kind, shape, and location of the materials shall have been submitted to and approved in writing by the Board of Directors or by the architectural control committee. No further permission or approval shall be required to repaint in accordance with a color scheme currently approved by the Board of Directors or the architectural control committee, or to rebuild in accordance with plans and specifications already approved by the Board of Directors or by the committee.

No building, fence, rail, obstruction, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, improvement, or structure of any kind shall be commenced, erected, painted or maintained upon the project property, nor shall any exterior wall painting, alteration or improvement of any kind be made thereto until the same has been approved in writing by the Board of Directors, or by an architectural control committee appointed by the Board of Directors, in accordance with any Operating Rules of the Association and the provisions of Civil Code Sections 4700 to 4765, inclusive.

Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements, alterations, etc. shall be submitted to the Board of Directors or to the architectural control committee showing design and harmony of external design with existing structures, and the location in relation to surrounding structures, topography and finish grade elevation. Low-water maintenance plants as specified in Civil Code Sections 4735 shall be allowed.

No further permission or approval shall be required to repaint in accordance with a color scheme currently approved by the Board of Directors or the architectural control committee, or to rebuild in accordance with plans and specifications already approved by the Board of Directors or by the committee.

The subdivider or developer may appoint all of the original members of the Committee and all replacements until after the sale of the last separate interest

The members of the Architectural Control shall consist of 2 members.

ARTICLE VII.

FINANCIAL AND ASSOCIATION RECORDS

Section 7.01. Annual Reports (Civil Code Sections 5300 – 5320, inclusive.)

(a) The Association shall distribute an annual budget report 30 to 90 days before the end of its fiscal year.

(b) The annual budget report shall include all of the following information:

(1) A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis.

(2) A summary of the Association's reserves, prepared pursuant to Civil Code Section 5565.

(3) A summary of the reserve funding plan adopted by the Board, as specified in paragraph (5) of subdivision (b) of Civil Code Section 5550. The summary shall include notice to members that the full reserve study plan is available upon request, and the Association shall provide the full reserve plan to any member upon request.

(4) A statement as to whether the Board has determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less, including a justification for the deferral or decision not to undertake the repairs or replacement.

(5) A statement as to whether the Board, consistent with the reserve funding plan adopted pursuant to Civil Code Section 5560, has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the assessment.

(6) A statement as to the mechanism or mechanisms by which the Board will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms.

(7) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain. The statement shall include, but need not be limited to, reserve calculations made using the formula described in paragraph (4) of subdivision (b) of Civil Code Section 5570, and may not assume a rate of return on cash reserves in excess of 2 percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made.

(8) A statement as to whether the Association has any outstanding loans with an original term of more than one year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired.

(9) A summary of the Association's property, general liability, earthquake, flood, and fidelity insurance policies. For each policy, the summary shall include the name of the insurer, the type of insurance, the policy limit, and the amount of the deductible, if any. To the extent that any of the required information is specified in the insurance policy Declaration page, the Association may meet its obligation to disclose that information by making copies of that page and distributing it with the annual budget report. The summary distributed pursuant to this paragraph shall contain, in at least 10-point boldface type, the following statement:

“This summary of the Association's policies of insurance provides only certain information, as required by Civil Code Section 5300, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association member may, upon request and provision of reasonable notice, review the Association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.”

(c) The annual budget report shall be made available to the members pursuant to Civil Code Section 5320.

(d) The summary of the Association's reserves disclosed pursuant to paragraph (2) of subdivision (b) shall not be admissible in evidence to show improper financial management of the Association, provided that other relevant and competent evidence of the financial condition of the Association is not made inadmissible by this provision.

(e) The Assessment and Reserve Funding Disclosure Summary form, prepared pursuant to Civil Code Section 5570, shall accompany each annual budget report or summary of the annual budget report that is delivered pursuant to this article.

Unless the governing documents impose more stringent standards, a review of the financial statement of the Association shall be prepared in accordance with generally accepted accounting principles by a licensee of the California Board of Accountancy for any fiscal year in which the gross income to the Association exceeds seventy-five thousand dollars (\$75,000) pursuant to Civil Code Section 5305.

A copy of the review of the financial statement shall be distributed to the members within 120 days after the close of each fiscal year, by individual delivery pursuant to Civil Code Section 4040.

Section 7.02. Annual Policy Statement (Civil Code Sections 5310.)

(a) Within 30 to 90 days before the end of its fiscal year, the Board shall distribute an annual policy statement that provides the members with information about Association policies. The annual policy statement shall include all of the following information:

(1) The name and address of the person designated to receive official communications to the Association, pursuant to Civil Code Section 4035.

(2) A statement explaining that a member may submit a request to have notices sent to up to two different specified addresses, pursuant to subdivision (b) of Civil Code Section 4040.

(3) The location, if any, designated for posting of a general notice, pursuant to paragraph (3) of subdivision (a) of Civil Code Section 4045.

(4) Notice of a member's option to receive general notices by individual delivery, pursuant to subdivision (b) of Civil Code Section 4045.

(5) Notice of a member's right to receive copies of meeting minutes, pursuant to subdivision (b) of Civil Code Section 4950.

(6) The statement of assessment collection policies required by Civil Code Section 5730.

(7) A statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments.

(8) A statement describing the Association's discipline policy, if any, including any schedule of penalties for violations of the governing documents pursuant to Civil Code Section 5850.

(9) A summary of dispute resolution procedures, pursuant to Civil Code Sections 5920 and 5965.

(10) A summary of any requirements for Association approval of a physical change to property, pursuant to Civil Code Section 4765.

(11) The mailing address for overnight payment of assessments, pursuant to Civil Code Section 5655.

(12) Any other information that is required by law or the governing documents or that the Board determines to be appropriate for inclusion.

(b) The annual policy statement shall be made available to the members pursuant to Civil Code Section 5320.

When a report is prepared pursuant to the sections above as required by either Civil Code Section 5300 or 5310, the Association shall deliver one of the following documents to all members, by individual delivery pursuant to Civil Code Sections 4040 and 5320.

(1) The full report.

(2) A summary of the report. The summary shall include a general description of the content of the report. Instructions on how to request a complete copy of the report at no cost to the member shall be printed in at least 10-point boldface type on the first page of the summary.

(b) Notwithstanding subdivision (a), if a member has requested to receive all reports in full, the Association shall deliver the full report to that member, rather than a summary of the report.

Section 7.03. Association's Books & Records.

Members of the Association shall have an absolute right and be allowed inspection and have access to Association records in accordance with Article 3 (commencing with section 8330) of Chapter 13 of Part 3 of Division 2 of Title 1 of the Corporations Code and otherwise in accordance or complying with Sections Civil Code §5200-5260, inclusive regarding Inspection Rights regarding the records or documents of the Association or requests regarding or affecting their membership rights.

In the case of the minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the governing body, other than an executive session, shall be available to members within 30 days of the meeting and shall be distributed to only members upon request and payment of the fee prescribed below.

At the time the pro forma operating budget is distributed or at the time of any general mailing, members of the Association shall be notified in writing of their right to have copies of the minutes of meetings of the governing body and as to how and where those minutes may be obtained and the cost of obtaining such copies.

The governing body shall establish reasonable rules with respect to:

(1) Notice to be given to the custodian of the records by the member of the Association desiring to make the inspection.

(2) Hours and days of the week when such an inspection may be made.

(3) Payment of the cost of reproducing copies of documents requested by a member of the Association.

Every member of the governing body shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association.

Members of the Association shall have access to Association records in accordance with Article 3 (commencing with section 8330) of Chapter 13 of Part 3 of Division 2 of Title 1 of the Corporations Code. The right of inspection by a member of the governing body includes the right to make extracts and copies of documents.

Section 7.04. Review by Board of Directors of Accounting Matters. (Civil Code Section 5500).

Notwithstanding anything herein in the Declaration, the Board shall do all of the following:

(a) Review a current reconciliation of the Association's operating accounts on at least a quarterly basis.

(b) Review a current reconciliation of the Association's reserve accounts on at least a quarterly basis.

(c) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget.

(d) Review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts.

(e) Review an income and expense statement for the Association's operating and reserve accounts on at least a quarterly basis.

Section 7.05. Use or Withdrawal of Reserve Funds Must Be by 2 Authorized Signatures (Civil Code Sections 5510–5520, inclusive).
The use of any reserve funds of the Association shall be in accordance with the procedures set forth in Civil Code Sections 5510–5520, inclusive.

THE SIGNATURES OF AT LEAST TWO PERSONS, WHO SHALL BE MEMBERS OF THE ASSOCIATION'S BOARD OF DIRECTORS, OR ONE OFFICER WHO IS NOT A MEMBER OF THE BOARD OF DIRECTORS AND A MEMBER OF THE BOARD OF DIRECTORS, SHALL BE REQUIRED FOR THE WITHDRAWAL OF MONEYS FROM THE ASSOCIATION'S RESERVE ACCOUNTS. (CIV. CODE §5510(a).

Section 7.06. Reserve Study. (Civil Code Sections 5550 and 5560).

(a) At least once every three years, the Board shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components that the Association is obligated to repair, replace, restore, or maintain as part of a study of the reserve account requirements of the common interest development, if the current replacement value of the major components is equal to or greater than one-half of the gross budget of the Association, excluding the Association's reserve account for that period. The Board shall review this study, or cause it to be reviewed, annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review.

(b) The study required by this section shall at a minimum include:

(1) Identification of the major components that the Association is obligated to repair, replace, restore, or maintain that, as of the date of the study, have a remaining useful life of less than 30 years.

(2) Identification of the probable remaining useful life of the components identified in paragraph (1) as of the date of the study.

(3) An estimate of the cost of repair, replacement, restoration, or maintenance of the components identified in paragraph (1).

(4) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain the components identified in paragraph (1) during and at the end of their useful life, after subtracting total reserve funds as of the date of the study.

(5) A reserve funding plan that indicates how the Association plans to fund the contribution identified in paragraph (4) to meet the Association's obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less, not including those components that the Board has determined will not be replaced or repaired.

The reserve funding plan required by Civil Code Section 5550 shall include a schedule of the date and amount of any change in regular or special assessments that would be needed to sufficiently fund the reserve funding plan. The plan shall be adopted by the Board at an open meeting before the membership of the Association as described in Article 2 (commencing with Civil Code Section 4900). If the Board determines that an assessment increase is necessary to fund the reserve funding plan, any increase shall be approved in a separate action of the Board that is consistent with the procedure described in Civil Code Section 5605.

Section 7.07. Reserve Study summary. (Civil Code Section 5565.).

The summary of the Association's reserves required by paragraph (2) of subdivision (b) of Civil Code Section 5300 shall be based on the most recent review or study conducted pursuant to Civil Code Section 5550, shall be based only on assets held in cash or cash equivalents, shall be printed in boldface type, and shall include all of the following:

(a) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component.

(b) As of the end of the fiscal year for which the study is prepared:

(1) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components.

(2) The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components.

(3) If applicable, the amount of funds received from either a compensatory damage award or settlement to the Association from any person for injuries to property, real or personal, arising out of any construction or design defects, and the expenditure or disposition of funds, including the amounts expended for the direct and indirect costs of repair of construction or design defects. These amounts shall be reported at the end of the fiscal year for which the study is prepared as separate line items under cash reserves pursuant to paragraph (2).

Instead of complying with the requirements set forth in this paragraph, the Association that is obligated to issue a review of its financial statement pursuant to Civil Code Section 5305 may include in the review a statement containing all of the information required by this paragraph.

(c) The percentage that the amount determined for purposes of paragraph (2) of subdivision (b) equals the amount determined for purposes of paragraph (1) of subdivision (b).

(d) The current deficiency in reserve funding expressed on a per dwelling structure basis. The figure shall be calculated by subtracting the amount determined for purposes of paragraph (2) of subdivision (b) from the amount determined for purposes of paragraph (1) of subdivision (b) and then dividing the result by the number of separate interests within the Association, except that if assessments vary by the size or type of Ownership interest, then the Association shall calculate the current deficiency in a manner that reflects the variation.

Section 7.08. Assessment and Reserve Funding Disclosure Summary. (Civil Code Section 5570.)

(a) The disclosures required with regard to the Assessment and Reserve Funding Summary of the Association or a property shall be summarized on the following form:

Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending _____

(1) The regular assessment per Ownership interest is \$_____ per _____. Note: If assessments vary by the size or type of Ownership interest, the assessment applicable to this Ownership interest may be found on page _____ of the attached summary.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the Board and/or members

Date assessment will be due:	Amount per Ownership interest per month or year (If assessments are variable, see note immediately below):	Purpose of the assessment:
_____	_____	_____
_____	Total:	_____

Note: If assessments vary by the size or type of Ownership interest, the assessment applicable to this Ownership interest may be found on page _____ of the attached report.

(3) Based upon the most recent reserve study and other information available to the Board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the Association’s obligation for repair and/or replacement of major components during the next 30 years?

Yes _____ No _____

(4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the Board or the members?

Approximate date assessment will be due:

Amount per Ownership interest per month or year:

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Civil Code Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$____, based in whole or in part on the last reserve study or update prepared by ____ as of ____ (month), ____ (year). The projected reserve fund cash balance at the end of the current fiscal year is \$____, resulting in reserves being ____ percent funded at this date.

If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$____. (See attached explanation)

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Civil Code Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$____, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$____, leaving the reserve at ____ percent funding. If the reserve funding plan approved by the Association is implemented, the projected reserve fund cash balance in each of those years will be \$____, leaving the reserve at ____ percent funding.

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was ____ percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was ____ percent per year.

(b) For the purposes of preparing a summary pursuant to this section:

(1) “Estimated remaining useful life” means the time reasonably calculated to remain before a major component will require replacement.

(2) “Major component” has the meaning used in Civil Code Section 5530. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Civil Code Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the Board to fund reserves in accordance with this calculation.

Section 7.09. Transfers and Documents to Be Provided to Prospective Purchaser.
(Civil Code Sections 4525 – 4545, inclusive.)

Documents to Be Provided to Prospective Purchaser.

(a) The Owner of a separate interest shall provide the following documents to a prospective purchaser of the separate interest, as soon as practicable before the transfer of title or the execution of a real property sales contract, as defined in Civil Code Section 2985:

(1) A copy of all governing documents. If the Association is not incorporated, this shall include a statement in writing from an authorized representative of the Association that the Association is not incorporated.

(2) If there is a restriction in the governing documents limiting the occupancy, residency, or use of a separate interest on the basis of age in a manner different from that provided in Civil Code Section 51.3, a statement that the restriction is only enforceable to the extent permitted by Civil Code Section 51.3 and a statement specifying the applicable provisions of Civil Code Section 51.3.

(3) A copy of the most recent documents distributed pursuant to Article 7 (commencing with Civil Code Section 5300) of Chapter 6.

(4) A true statement in writing obtained from an authorized representative of the Association as to the amount of the Association's current regular and special assessments and fees, any assessments levied upon the Owner's interest in the common interest development that are unpaid on the date of the statement, and any monetary fines or penalties levied upon the Owner's interest and unpaid on the date of the statement. The statement obtained from an authorized representative shall also include true information on late charges, interest, and costs of collection, which, as of the date of the statement, are or may be made a lien upon the Owner's interest in a common interest development pursuant to Article 2 (commencing with Civil Code Section 5650) of Chapter 8.

(5) A copy or a summary of any notice previously sent to the Owner pursuant to Civil Code Section 5855 that sets forth any alleged violation of the governing documents that remains unresolved at the time of the request. The notice shall not be deemed a waiver of the Association's right to enforce the governing documents against the Owner or the prospective purchaser of the separate interest with respect to any violation. This paragraph shall not be construed to require the Association to inspect an Owner's separate interest.

(6) A copy of the initial list of defects provided to each member pursuant to Civil Code Section 6000, unless the Association and the builder subsequently enter into a settlement agreement or otherwise resolve the matter and the Association complies with Civil Code Section 6100. Disclosure of the initial list of defects pursuant to this paragraph does not waive any privilege attached to the document. The initial list of defects shall also include a statement that a final determination as to whether the list of defects is accurate and complete has not been made.

(7) A copy of the latest information provided for in Civil Code Section 6100.

(8) Any change in the Association’s current regular and special assessments and fees, which have been approved by the Board, but have not become due and payable as of the date disclosure is provided pursuant to this subdivision.

(9) If there is a provision in the governing documents that prohibits the rental or leasing of any of the separate interests in the common interest development to a renter, lessee, or tenant, a statement describing the prohibition and its applicability.

(10) If requested by the prospective purchaser, a copy of the minutes of Board meetings, excluding meetings held in executive session, conducted over the previous 12 months, that were approved by the Board.

(b) This section does not apply to an Owner that is subject to the requirements of Section 11018.6 of the Business and Professions Code. 4528.

The form for billing disclosures required by Civil Code Section 4530 shall be in substantially the following form:

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY CIVIL CODE SECTION 4525*

Property Address

Owner of Property

Owner’s Mailing Address (If known or different from property address.)

Provider of the Civil Code Section 4525 Items:

Print Name _____ Position or Title _____ Association or Agent

Date Form Completed

Check or Complete Applicable Column or Columns Below			
Document	Civil Code Included	Section	Not Available (N/A) Or Not Applicable (N/App)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)		
CC& R's	Section 4525(a)(1)		
Bylaws	Section 4525(a)(1)		

Operating Rules	Section 4525(a)(1)		
Age restrictions, if any	Section 4525(a)(2)		
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)		
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)		
Financial statement review	Sections 5305 and 4525(a)(3)		
Assessment enforcement policy	Sections 5310 and 4525(a)(4)		
Insurance summary	Sections 5300 and 4525(a)(3)		
Regular assessment	Section 4525(a)(4)		

Special assessment	Section 4525(a)(4)		
Emergency assessment	Section 4525(a)(4)		
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)		
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)		
Settlement notice regarding Common Area defects	Sections 4525(a)(6), (7), and 6100		
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100		
Notice(s) of violation	Sections 5855 and 4525(a)(5)		
Required statement of fees	Section 4525		

Minutes of regular Board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)		
Total fees for these documents:			
<p>* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately.</p>			

An Owner may request copy of requested documents pursuant to Civil Code Section 4530 as follow.

(a) Upon written request, the Association shall, within 10 days of the mailing or delivery of the request, provide the Owner of a separate interest, or any other recipient authorized by the Owner, with a copy of the requested documents specified in Civil Code Section 4525.

(b) (1) Upon receipt of a written request, the Association shall provide, on the form described in Civil Code Section 4528, a written or electronic estimate of the fees that will be assessed for providing the requested documents. The documents required to be made available pursuant to this section may be maintained in electronic form, and may be posted on the Association’s Internet Web site. Requesting parties shall have the option of receiving the documents by electronic transmission if the Association maintains the documents in electronic form. The Association may collect a reasonable fee based upon the Association’s actual cost for the procurement, preparation, reproduction, and delivery of the documents requested pursuant to the provisions of this section.

(2) No additional fees may be charged by the Association for the electronic delivery of the documents requested.

(3) Fees for any documents required by this section shall be distinguished from other fees, fines, or assessments billed as part of the transfer or sales transaction. Delivery of the documents required by this section shall not be withheld for any reason nor subject to any condition except the payment of the fee allowed pursuant to paragraph (1).

(4) The Association may contract with any person or entity to facilitate compliance with the requirements of this subdivision on behalf of the Association.

(5) The Association shall also provide a recipient authorized by the Owner of a separate interest with a copy of the completed form specified in Civil Code Section 4528 at the time the required documents are delivered.

In addition to the requirements herein, an Owner transferring title to a separate interest shall comply with applicable requirements of Civil Code Sections 1133 and 1134, and as specified in Civil Code Section 4535.

Any person who willfully violates this article is liable to the purchaser of a separate interest that is subject to this section for actual damages occasioned thereby and, in addition, shall pay a civil penalty in an amount not to exceed five hundred dollars (\$500).

In an action to enforce this liability, the prevailing party shall be awarded reasonable attorney's fees as specified in Civil Code Section 4540.

Limitations on Transfer Fee. (Civil Code Sections 4575 – 4580, inclusive.)

Pursuant to Civil Code Sections 4575 and as except as provided in Civil Code Sections 4580, neither the Association nor a community service organization or similar entity may impose or collect any assessment, penalty, or fee in connection with a transfer of title or any other interest except for the following:

- (a) An amount not to exceed the Association's actual costs to change its records.
- (b) An amount authorized by Civil Code Section 4530.

Pursuant to Civil Code Sections 4580, the prohibition in Civil Code Section 4575 does not apply to a community service organization or similar entity, or to a nonprofit entity that provides services to a common interest development under a Declaration of trust, of either of the following types:

- (a) An organization or entity that satisfies both of the following conditions:
 - (1) It was established before February 20, 2003.
 - (2) It exists and operates, in whole or in part, to fund or perform environmental mitigation or to restore or maintain wetlands or native habitat, as required by the state or local government as an express written condition of development.
- (b) An organization or entity that satisfies all of the following conditions:
 - (1) It is not an organization or entity described by subdivision (a).
 - (2) It was established and received a transfer fee before January 1, 2004.
 - (3) On and after January 1, 2006, it offers a purchaser the following payment options for the fee or charge it collects at time of transfer:
 - (A) Paying the fee or charge at the time of transfer.
 - (B) Paying the fee or charge pursuant to an installment payment plan for a period of not less than seven years. If the purchaser elects to pay the fee or charge in installment payments, the organization or entity may also collect additional amounts that do not exceed the actual costs for billing and financing on the amount owed. If the purchaser sells the separate interest before the end of the installment payment plan period, the purchaser shall pay the remaining balance before the transfer.

ARTICLE VIII.
GENERAL PROVISIONS

Section 8.01 Miscellaneous Definitions:

The following terms as contained in the Declaration and other governing documents shall have the following meaning as defined in this Section 8.01.

In the event of ambiguity or inconsistency with the definition as stated in this Declaration, the term shall be governed or as defined in Civil Code Section 4075, et seq. or as otherwise provided for in the Davis-Stirling Common Interest Development Act, at the time that these Declarations were executed.

“Annual budget report” means the report described in Civil Code Section 5300.

“Annual policy statement” means the statement described in Civil Code Section 5310.

“Association” means a nonprofit corporation or unincorporated Association created for the purpose of managing a common interest development.

“Board” means the Board of directors of the Association.

“Board meeting” means either of the following:

(a) A congregation, at the same time and place, of a sufficient number of directors to establish a quorum of the Board, to hear, discuss, or deliberate upon any item of business that is within the authority of the Board.

(b) A teleconference, where a sufficient number of directors to establish a quorum of the Board, in different locations, are connected by electronic means, through audio or video, or both. A teleconference meeting shall be conducted in a manner that protects the rights of members of the Association and otherwise complies with the requirements of this act. Except for a meeting that will be held solely in executive session, the notice of the teleconference meeting shall identify at least one physical location so that members of the Association may attend, and at least one director shall be present at that location. Participation by directors in a teleconference meeting constitutes presence at that meeting as long as all directors participating are able to hear one another, as well as members of the Association speaking on matters before the Board.

“Common Area” means the entire common interest development except the separate interests therein.

“Declarant” means the person or group of persons designated in the Declaration as Declarant, or if no Declarant is designated, the person or group of persons who sign the original Declaration or who succeed to special rights, preferences, or privileges designated in the Declaration as belonging to the signatory of the original Declaration.

“Declaration” means the document, however denominated, that contains the information required by Civil Code Sections 4250 and 4255.

“Director” means a natural person who serves on the Board.

“General notice” means the delivery of a document pursuant to Civil Code Section 4045.

“Governing documents” means the Declaration and any other documents, such as bylaws, operating rules, articles of incorporation, or articles of Association, which govern the operation of the common interest development or Association.

“Individual notice” means the delivery of a document pursuant to Civil Code Section 4040.

“Item of business” means any action within the authority of the Board, except those actions that the Board has validly delegated to any other person or persons, managing agent, officer of the Association, or committee of the Board comprising less than a quorum of the Board.

“Managing Agent” is a person who, for compensation or in expectation of compensation, exercises control over the assets of a common interest development. A “managing agent” does not include any of the following:

(a) A regulated financial institution operating within the normal course of its regulated business practice.

(b) An attorney at law acting within the scope of the attorney’s license.

“Member” means an Owner of a separate interest.

“Person” means a natural person, corporation, government or governmental subdivision or agency, business trust, estate, trust, partnership, limited liability company, Association, or other entity.

“Reserve accounts” means both of the following:

(a) Monies that the Board has identified for use to defray the future repair or replacement of, or additions to, those major components that the Association is obligated to maintain.

(b) The funds received, and not yet expended or disposed of, from either a compensatory damage award or settlement to the Association from any person for injuries to property, real or personal, arising from any construction or design defects. These funds shall be separately itemized from funds described in subdivision (a).

“Reserve account requirements” means the estimated funds that the Board has determined are required to be available at a specified point in time to repair, replace, or restore those major components that the Association is obligated to maintain.

“Separate interest” has the following meanings: “Separate interest” means a separately owned unit in a condominium project, as specified in Civil Code Section 4125. The estate in a separate interest shall be a fee interest.

Section 8.02. Invalidity of any Provision. Should any provision or portion hereof be declared invalid with any law of the jurisdiction where this Project is situated, the validity of all other provisions and portions herein shall remain unaffected and in full force and effect.

Section 8.03. Term. The covenants and restrictions in this Declaration shall run with and bind the property, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any separate interest subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be extended automatically for successive period of twenty (20) years each, unless an amendment to the term is recorded pursuant to this Article and Civil Code Section 4265.

Section 8.04. Governing Documents Amendment.

Amendment(s) of the governing documents of the Association shall be in accordance with the following:

(a) Amendments of the CC& R’s may be enacted by requiring at least the vote or written assent of members representing:

(1) At least two-thirds (2/3) of the voting power of the Association; and

(2) At least a simple majority of the voting power of the Association other than the subdivider.

The percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for actions to be taken under that clause.

Except as provided in Civil Code Section 4265 et seq., an amendment to this Declaration, the CC& R’s, is effective after

(1) the approval of the percentage of Owners required by the governing documents has been given,

(2) that fact has been certified in a writing executed and acknowledged by the officer designated in the declaration or by the Association for that purpose, or if no one is designated, by the president of the Association, and

(3) that writing has been recorded in each county in which a portion of the Project development is located.

Any amendment of this Declaration must be in accordance with the procedures specified in Civil Code Section 4265 et seq. Or other applicable provisions of the Davis-Stirling Common Interest Act, as then in effect.

No amendment shall adversely affect the rights of the holder of any mortgage of record prior to the recordation of such amendment.

(b) Amendments of the Articles shall require the vote or written assent of the members as follows:

- (1) At least a simple majority of the Board of Directors of the Association and
- (2) At least a simple majority of the voting power of the Association and
- (3) At least a simple majority of the voting power of the Association other than the subdivider.

(c) Amendment of the Bylaws shall require the written assent of the members as follows:

- (1) At least a simple majority of a quorum, but not more than a simple majority of the voting power of the Association; and
- (2) At least a simple majority of the voting power of the Association other than the subdivider.

(d) Notwithstanding the provisions above, the percentage of a quorum or of the voting power of the Association or of members other than the subdivider necessary to amend a specific clause or provision in the Articles or Bylaws shall not be less than the prescribed percentage of affirmative required for action to be taken under that clause.

The percentage of the voting power necessary to amend a specific clause or provision shall not be less than the percentage of affirmative votes prescribed for actions to be taken under that clause.

Section 8.05. Insurance Liability Coverage, Damage or Destruction:

In the event of damage or destruction to a separate interest dwelling structure, the Owner shall reconstruct the same as reasonably practicable, and substantially in accordance with the original plans and specifications therefore.

The insurance policy is deemed to and must require the insurer to give written notice to the Association (or insurance trustee) and each first mortgage holder named in the mortgage clause at least ten days before it cancels or substantially changes the project's coverage.

(a) The Association shall obtain and continue in effect a comprehensive general liability (CGL) master policy of insurance issued in the name of the Association for the use and benefit of the separate interest Owners covering the separate interest dwelling structures and all dwelling structure components, utility lines and hookups, the Common Area and all of the commonly insured real property, facilities, structures, equipment, and improvements located within or for use of the project, which the Association is required to maintain or collect assessment for in protecting the interests of the Association and its members, including, without limitation, fire and hazards covered by the standard extended coverage

endorsements and all other perils customarily covered for similar types of projects, including those covered by the standard "all risk" endorsement, and insuring 100% or the full replacement value of all improvements in the project which the Association is required to maintain or collect assessments for comprehensive general liability insurance insuring the Association and each Owner for any liability for the Common Area, and public liability insurance insuring the Association and each Owner for the liability for the Common Area with "severability of interest endorsement or provision" precluding the insurer's denial of a claim because of negligent acts by the Association or other Owners), and other liability insurance shall be carried by the Association as may be required or referred to as provided for in subsection 3.02(b) of these CC& R's and the minimum insurance coverage as may be required pursuant to Civil Code Section 5800 et seq. , which currently offers civil liability protection to the Owners in that a cause of action in tort against any Owner of a separate interest arising solely by reason of an Ownership interest as a tenant in common in the Common Area of a common interest development shall be brought only against the Association and not against the individual Owners of the separate interests, if both of the insurance requirements in paragraphs (1) and (2) are met:

(1) The Association maintained and has in effect for this cause of action, one or more policies of insurance which include coverage for general liability of the Association.

(2) The coverage described in paragraph (1) is in the following minimum amounts:

(A) At least two million dollars (\$2,000,000) if the common interest development consists of 100 or fewer separate interests.

The Board of Directors shall review the insurance requirement in light of the requirements of applicable provisions of the Davis-Stirling Common Interest Act, in effect at that time or at least once a year or after notice of any changes in requirements, liability, exclusions, limitations or coverage.

Insurance premiums for the master policy shall be included in the assessments levied by the Association and the portion of such payment necessary for the insurance premiums shall be held in a separate account of the Association and shall be used sole for the payment of the master insurance policy premiums become due and shall be reviewed by the Board of Directors at least annually to ascertain whether the coverage is sufficient for repairs and replacements. If any of the Project improvements are damaged by fire or other casualty, insurance proceeds payable to the Association shall be used to rebuild or repair such damage substantially in accordance with the original plans and specifications. Any excess insurance proceeds shall be deposited to the general funds of the Association. In the event the proceeds of the Association's insurance policy are insufficient to rebuild or repair the Common Area and any other commonly insured facilities structures or improvements for which assessments have been made then the Association may use funds from its account or if necessary from levying a special assessment on all separate interest Owners to restore or rebuild said Common Area, and the commonly insured facilities or structures or improvements.

Each buyer of a separate interest shall pay the portion on the premium(s) attributable to his separate interest for the policy or policies purchased by Declarant for the Association It

is the responsibility of each Owner to insure his or her own personal property and the improvements and betterments located within or added to his separate interest since the time of the original sale, together with additional living expense coverage and public liability insurance for the personal property and interior of his or her separate interest and any additional fire coverage which that particular Owner may want to have for additional or higher coverage.

All property and liability insurance carried by the Association or the Owners shall contain a cross liability endorsement, waiver of subrogation against Owners or as to the Association, officers and directors, and any members, their guests, agents and employees, and a provision that the insurance will not be prejudiced by any acts or omissions of individual Owners that are not under the control of the Association.

(b) Subject to the requirements of Article V of rights of First Mortgage Holders herein, in the event of substantial or severe destruction, disaster or fire to the entire project, the Common Area or a substantial portion thereof, a majority of the Owners of the separate interests and also a majority of the mortgages holder may vote to elect not to rebuild or reconstruct the project and/or the Common Area. In the event of such an election, the insurance proceeds will be allocated to the separate interest Owners in proportion to the fair market value of each separate interest as compared to the total fair market value of all separate interests, as determined as of a date immediately prior to the destruction, by an independent appraiser. Each Owner appoints the Association, or any insurance trustee to be designated by the Association, as attorney in fact for the purpose of purchasing and maintaining the Association's insurance, including: The collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association or any insurance trustee shall be required to receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for separate interest Owners and their first mortgage holders, as their interests may appear.

Section 8.06. Condemnation. In the event of an award for the taking of any separate interest in the Project by eminent domain, the Owner of such separate interest shall be entitled to receive the award for such taking and after acceptance there of he and his mortgagees shall be divested of all interest in the Project if such Owner shall vacate his separate interest as a result of such taking. The remaining Owner shall decide whether to rebuild or repair the Project, or take other action. The remaining portion of the Project shall be resurveyed, if necessary, and the Declaration shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interest of the remaining Owners in the Project. In the event of a taking by eminent domain of any part of the Common Area, the Association shall participate in the negotiations, receive any proceeds or awards for the use and benefit of the separate interest Owners and their mortgagees as their interest may appear and shall propose the method of division of the proceeds of condemnation, where separate interest are not valued separately by the condemning authority or by the court.

A condemnation award affecting all or a part of the structural Common Area which is not apportioned among the Owners by court judgment or by agreement between the

condemning authority and each of the affected Owners in the Project, shall be distributed among the affected Owners and their respective holders of mortgage according to the relative values of the separate interest affected by the condemnation as determined by independent appraisal selected by the Board of Directors. In the event any Owner disagrees with the proposed allocation, he may have the matter submitted to arbitration under the rules of the American Arbitration Association. In the event of eminent domain proceedings against the Project or any portion thereof, holders of mortgage shall be given timely written notice thereof.

Section 8.07. Party Walls. Each wall which is built as part of the original construction of the dwellings upon the properties and placed on the dividing line between separate interests shall constitute a party wall and in the event that such a wall not be placed exactly on the dividing line between separate interests, the same may encroach on one of such separate interests and shall be maintained in the location originally constructed, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

The Owner of each residential separate interest upon which there is located a party wall shall have reciprocal non-exclusive easement to each contiguous separate interest for the purpose of maintaining said party wall.

The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Provided, however, if any such party wall is damaged or destroyed through the negligent or willful act of one adjoining Owner or any of his or her agents or guests or members of family so as to deprive the other adjoining Owner of the full use and enjoyment of such wall, then the first of such Owners shall forthwith proceed to rebuild and repair the same to as good condition as formerly, without cost to the adjoining Owner.

If a party wall is destroyed or damaged by casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the other under any rule of law regarding liability for negligent or willful acts or omissions.

In the event of any dispute arising concerning a party wall, or under the provisions of this Article each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators.

Any such arbitration shall be governed according to the existing rules of the American Arbitration Association.

The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

ARTICLE IX.
DISPUTE RESOLUTION AND ENFORCEMENT

Section 9.01. Enforcement:

The Association, shall have the right to enforce, by any proceeding at law or in equity, applicable provisions of the Davis-Stirling Common Interest Development Act, all restrictions, conditions, covenants, reservations, by-laws, operating rules, written regulations, actions, proceedings or other documents deemed necessary or appropriate to carry out the duties of the Association, including but not limited to liens and charges now or hereafter imposed by the provisions of this Declaration, and in such action shall be entitled to recover reasonable attorneys' fees as may be allowed in accordance with Civil Code Sections 5975 and 5980 and subject to Article IV regarding the disputes described therein.

Failure to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The restrictions on the use or enjoyment of this common interest development as set forth in this Declaration are intended to be enforceable equitable servitudes, inuring to the benefit of and binding on all Owners of a separate interest or by the Association, or both.

The Association has standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with it the members, in matters pertaining to the following pursuant to Civil Code Section 5980:

- (a) Enforcement of the governing documents.
- (b) Damage to the Common Area.
- (c) Damage to a separate interest that the Association is obligated to maintain or repair.
- (d) Damage to a separate interest that arises out of, or is integrally related to, damage to the Common Area or a separate interest that the Association is obligated to maintain or repair.

The Association shall have the authority to enforce the governing documents, rules and regulations of this common interest development.

The Board of Directors of the Association shall annually review and promulgate and enforce written regulations and operating rules regarding the common interest development including, but not limited to such matters as nuisances, noises, parking restrictions, signs, animals and garbage disposal, which are consistent with this Declaration and existing laws or relating to the use of the Common Area and all facilities thereon, and the conduct of Owners and their tenants and guests with respect to the property and other Owners.

Section 9.02. Discipline and Cost Reimbursement (Civil Code Sections 5850 – 5865, inclusive.)

(a) If the Association adopts or has adopted a policy imposing any monetary penalty, including any fee, on any Association member for a violation of the governing documents, including any monetary penalty relating to the activities of a guest or tenant of the member, the Board shall adopt and distribute to each member, in the annual policy statement prepared pursuant to Civil Code Section 5310, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents.

(b) Any new or revised monetary penalty that is adopted after complying with subdivision (a) may be included in a supplement that is delivered to the members individually, pursuant to Civil Code Section 4040. A monetary penalty for a violation of the governing documents shall not exceed the monetary penalty stated in the schedule of monetary penalties or supplement that is in effect at the time of the violation. The Association shall provide a copy of the most recently distributed schedule of monetary penalties, along with any applicable supplements to that schedule, to any member upon request.

Notice to members of Board Meeting to impose discipline or monetary charge. (Civil Code Sections 5855.)

When the Board is to meet to consider or impose discipline upon a member, or to impose a monetary charge as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to Common Area and facilities caused by a member or the member's guest or tenant, the Board shall notify the member in writing, by either personal delivery or individual delivery pursuant to Civil Code Section 4040, at least 10 days prior to the meeting.

The notification shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined or the nature of the damage to the Common Area and facilities for which a monetary charge may be imposed, and a statement that the member has a right to attend and may address the Board at the meeting.

The Board shall meet in executive session if requested by the member.

If the Board imposes discipline on a member or imposes a monetary charge on the member for damage to the Common Area and facilities, the Board shall provide the member a written notification of the decision, by either personal delivery or individual delivery pursuant to Civil Code Section 4040, within 15 days following the action.

A disciplinary action or the imposition of a monetary charge for damage to the Common Area shall not be effective against a member unless the Board fulfills the requirements of this section.

Section 9.03. Internal Dispute Resolution. (Civil Code Sections 5900 – 5920.)

This provision applies to a dispute between the Association and a member involving their rights, duties, or liabilities under the Davis-Stirling Common Interest Act, under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the governing documents of the common interest development or Association. This provision supplements, and does not replace, Article 3 (commencing with Civil Code Section 5925), relating to alternative dispute resolution as a prerequisite to an enforcement action.

The Association shall provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article. In developing a procedure pursuant to this article, the Association shall make maximum, reasonable use of available local dispute resolution programs involving a neutral third party, including low-cost mediation programs 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 the Association does not provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article, the procedure provided in Civil Code Section 5915 applies and satisfies the requirement of subdivision (a).

A fair, reasonable, and expeditious dispute resolution procedure shall at a minimum satisfy all of the following requirements:

(a) The procedure may be invoked by either party to the dispute. A request invoking the procedure shall be in writing.

(b) The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for the Association to act on a request invoking the procedure.

(c) If the procedure is invoked by a member, the Association shall participate in the procedure.

(d) If the procedure is invoked by the Association, the member may elect not to participate in the procedure. If the member participates but the dispute is resolved other than by agreement of the member, the member shall have a right of appeal to the Board.

(e) A resolution of a dispute pursuant to the procedure, which is not in conflict with the law or the governing documents, binds the Association and is judicially enforceable. An agreement reached pursuant to the procedure, which is not in conflict with the law or the governing documents, binds the parties and is judicially enforceable.

(f) The procedure shall provide a means by which the member and the Association may explain their positions.

(g) A member of the Association shall not be charged a fee to participate in the process.

If the Association does not otherwise provide for its own fair, reasonable, and expeditious dispute resolution procedure, the procedure provided in Civil Code Section 5915 may be utilized as the fair, reasonable, and expeditious procedure within the meaning of this article.

(a) Either party to a dispute within the scope of this article may invoke the following procedure:

(1) The 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 Board shall designate a director 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.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.

(b) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:

(1) The agreement is not in conflict with law or the governing documents of the common interest development or Association.

(2) The agreement is either consistent with the authority granted by the Board to its designee or the agreement is ratified by the Board.

(c) A member may not be charged a fee to participate in the process.

The annual policy statement prepared pursuant to Civil Code Section 5310 shall include a description of the internal dispute resolution process as provided for pursuant to this article and Civil Code Section 5920.

Section 9.04. Alternative Dispute Resolution Prerequisite to Civil Action. (Civil Code Sections 5925 – 5965)

As used in this article:

(a) “Alternative dispute resolution” means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or non-binding, with the voluntary consent of the parties.

(b) “Enforcement action” means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

(1) Enforcement of this act.

(2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).

(3) Enforcement of the governing documents.

(c) The Association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section pursuant to Civil Code Sections 5930 applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.

This section does not apply to a small claims action. Except as otherwise provided by law, this section does not apply to an assessment dispute.

(c) Any party to a dispute may initiate the process required by Civil Code Sections 5930 and 5935 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

(1) A brief description of the dispute between the parties.

(2) A request for alternative dispute resolution.

(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.

(4) If the party on whom the request is served is the member, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

(d) If the party on whom a Request for Resolution is served accepts the request pursuant to Civil Code Section 5940, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(e) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(f) The costs of the alternative dispute resolution shall be borne by the parties.

(g) If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods pursuant to Civil Code Section 5945:

(1) The period provided in Civil Code Section 5935 for response to a Request for Resolution.

(2) If the Request for Resolution is accepted, the period provided by Civil Code Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Civil Code Section 5940.

(h) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate pursuant to Civil Code Section 5950, stating that one or more of the following conditions are satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3) Preliminary or temporary injunctive relief is necessary.

Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

(i) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed pursuant to Civil Code Section 5955. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

The costs of the alternative dispute resolution shall be borne by the parties. In an enforcement action in which attorney's fees and costs may be awarded, the court, in determining the amount of the award, may consider pursuant to Civil Code Section 5960 whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

(j) The Association shall annually provide its members a summary of the provisions of this article that specifically references this article and Civil Code Section 5965. The summary shall include the following language:

“Failure of a member of the Association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the Association or another member of the Association regarding enforcement of the governing documents or the applicable law.”

The summary shall be included in the annual policy statement prepared pursuant to Civil Code Section 5310.

Section 9.05. Construction Defect Litigation. (Civil Code Sections 6000 – 6150, inclusive.) The provisions of Civil Code Sections 890 to 894, inclusive to the extent applicable, shall govern to the extent applicable, with regards to disputes regarding construction defect(s). The provisions of Civil Code Sections 890 to 894, inclusive, are incorporated herein by reference as though set in full herein.

(a) To the extent that the provisions of Civil Code Sections 6000 – 6150, inclusive, governs with respect to a claimed construction defect by the Association, before the Association files a complaint for damages against a builder, developer, or general contractor (respondent) of a common interest development based upon a claim for defects in the design or construction of the common interest development, all of the requirements of and the procedures as stated in Civil Code Sections 6000 to 6150, inclusive, shall be satisfied as applicable with respect to the builder, developer, or general contractor.

(b) The Association shall serve upon the respondent a “Notice of Commencement of Legal Proceedings.” The notice shall be served by certified mail to the registered agent of the respondent, or if there is no registered agent, then to any officer of the respondent. If there are no current officers of the respondent, service shall be upon the person or entity otherwise authorized by law to receive service of process. Service upon the general contractor shall be sufficient to initiate the process set forth in this section with regard to any builder or developer, if the builder or developer is not amenable to service of process by the foregoing methods. This notice shall toll all applicable statutes of limitation and repose, whether contractual or statutory, by and against all potentially responsible parties, regardless of whether they were named in the notice, including claims for indemnity applicable to the claim for the period set forth in subdivision (c). The notice shall include all of the following:

- (1) The name and location of the project.
- (2) An initial list of defects sufficient to apprise the respondent of the general

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nature of the defects at issue.

- (3) A description of the results of the defects, if known.

(4) A summary of the results of a survey or questionnaire distributed to homeowners to determine the nature and extent of defects, if a survey has been conducted or a questionnaire has been distributed.

(5) Either a summary of the results of testing conducted to determine the nature and extent of defects or the actual test results, if that testing has been conducted.

(p) As used in this section:

(1) Association” shall have the same meaning as defined in Civil Code Section 4080.

(2) Builder” means the Declarant, as defined in Civil Code Section 4130.

(3) Common interest development” shall have the same meaning as in Civil Code Section 4100, except that it shall not include developments or projects with less than 20 dwelling structures.

ARTICLE X.
LOCAL JURISDICTION AND SPECIAL COVENANTS.

Section 10.01 Covenants to City of Pasadena.

(a) Local Jurisdiction. The government entity with the primary jurisdiction over this project is the City of Pasadena. The Association and each owner of a separate interest or unit shall abide by the codes, ordinances and municipal code of the City of Pasadena, the State of California and any applicable federal laws.

(b) Amendments-Approval of Governmental Authority.

The Declaration of Conditions, Covenants and Restrictions or these CC&R's herein establishes the homeowners' association to regulate repairs and maintenance to or for the condominium development. The Association shall be responsible to maintain all portions of the Common Area and common facilities or equipment in good operable condition at all times. In addition to any other conditions, covenants and restrictions that are stated herein or pursuant to the Davis Stirling Common Interest Development of the California Civil Code or other State laws or policies in regards to maintenance duties, obligations or responsibilities, these CC&R's, after acceptance in final form by the City of Pasadena, shall not be amended, modified or changed as to maintenance duties, obligations or responsibilities, without first obtaining the consent of the City of Pasadena.

(c) Conditions of Approval of the City of Pasadena for this project.

All Conditions of Approval of the City of Pasadena for this development, identified as Case # ZENT 2024-00016, tentative Parcel Map no.84434, as approved by the Planning & Community Development Department for the City of Pasadena on May 20, 2024, are hereby incorporated by reference, and shall be continuing covenants to the extent that any provision or condition, as approved in said Conditions survives or is applicable after the completion of construction, to be carried out and enforced by the Association. All said conditions as approved by the Planning & Community Development Department for the City of Pasadena, shall also be binding on the Owner of each separate interest or unit in the condominium project or development as to maintenance responsibilities for conditions within the unit's boundaries upon the sale or transfer of such interest to the current owner(s). Said

Conditions of Approval and the provisions for maintenance identified herein in Article III and X of these CC&R's, shall not be modified in any way without prior authorization from the Planning & Community Development Department for the City of Pasadena.

Each Declarant herein for himself, herself or itself and any successor in interest, hereby grants the homeowner's association for this project, a warranty against all defects in all portions or parts of the Common Area, including any facilities and equipment, for at least one year from the sale of the first unit, in compliance with Section 16.46.040 of the Pasadena Municipal Code.

(b) Right of Enforcement by the City of Pasadena for this project. The City of Pasadena has the right, but not the obligation, to enforce the conditions of approval and the maintenance duties provided for in these CC&R's for this development.

ARTICLE XI
SB 326 Provisions

The Davis-Stirling Common Interest Development Act governs the management and operation of common interest developments. Existing law also sets forth the duties and responsibilities of the Association and the owners of the separate interests with regard to maintenance and repair of common and exclusive use areas, as defined. Unless otherwise provided herein in these CC&R's the Association is generally responsible for maintaining, repairing, and replacing the Common Area, and the owner of each separate interest is responsible for maintaining that separate interest and any Exclusive Use Common Area appurtenant to that interest.

ASSOCIATION'S RESPONSIBILITY FOR VISUAL INSPECTION
PURSUANT TO CIVIL CODE SECTION 5551:

Pursuant to Civil Code Section 5551, notwithstanding any provisions herein to the contrary, the Association for this project is responsible to cause a reasonably competent and diligent visual inspection of exterior elevated elements, defined as the load-bearing components and associated waterproofing systems, as specified, to determine whether the exterior elevated elements are in a generally safe condition and performing in compliance with applicable standards. The first inspection shall be completed by January 1, 2025, and then every nine years thereafter in coordination with the reserve study pursuant to Section 5550. The Association shall require the inspector to submit a report to the Board of Directors providing specified information, including the current physical condition and remaining useful life of the load-bearing components and associated waterproofing systems. The inspector shall provide a copy of the inspection report to the association immediately upon completion of the report, and to the local code enforcement agency within 15 days of completion of the report, if, after inspection of any exterior elevated element, the inspector advises that the exterior elevated element poses an immediate threat to the safety of the occupants. The Association shall then take preventive measures immediately upon receiving the report, including preventing occupant access to the exterior elevated element until repairs have been inspected and approved by the local enforcement agency. The Davis Stirling Common Interest Act now authorizes local enforcement agencies to recover enforcement costs associated with these requirements from the Association.

The Association's board is authorized to enact rules or bylaws imposing requirements greater than those imposed by these provisions should the inspection report so require. The Act provides that the Association has standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as the real party in interest and without joining with its members in specified matters, including enforcement of the governing documents.

The Act also now provides that, subject to compliance with other specified provisions described below, and notwithstanding any provision to the contrary in the governing documents, the Board has the authority to commence legal proceedings against a declarant, developer, or builder of a common interest development, except as specified. The Act, with

certain exceptions, prohibit the Association's governing documents from limiting the Board's authority to commence legal proceedings against a declarant, developer, or builder of a common interest development. The Act makes these provisions applicable to governing documents, irrespective of when they were recorded, and claims initiated before the effective date of SB 326, except if those claims have been resolved through an executed settlement, a final arbitration decision, or a final judicial decision on the merits.

The Act requires the Board, prior to the filing of certain civil actions by the Association against the declarant or developer, or within 30 days of filing the civil action if the Association has reason to believe that the applicable statute of limitations will expire before the Association files the civil action, to provide the Association's members a written notice specifying, among other things, that a meeting take place to discuss problems that may lead to filing of a civil action. SB 326 requires that notice to inform members that the potential impacts of filing a civil action, including financial, to the Association and its members will also be discussed.

The following sections of the Davis Stirling Common Interest Act affecting this project, as enacted by the passage of SB 326 are as follow:

Civil Code Section 5551 provides that:

(a) For purposes of this section, the following definitions apply:

(1) "Associated waterproofing systems" include flashings, membranes, coatings, and sealants that protect the load-bearing components of exterior elevated elements from exposure to water.

(2) "Exterior elevated elements" mean the load-bearing components together with their associated waterproofing system.

(3) "Load-bearing components" means those components that extend beyond the exterior walls of the building to deliver structural loads to the building from decks, balconies, stairways, walkways, and their railings, that have a walking surface elevated more than six feet above ground level, that are designed for human occupancy or use, and that are supported in whole or in substantial part by wood or wood-based products.

(4) "Statistically significant sample" means a sufficient number of units inspected to provide 95 percent confidence that the results from the sample are reflective of the whole, with a margin of error of no greater than plus or minus 5 percent.

(5) "Visual inspection" means inspection through the least intrusive method necessary to inspect load-bearing components, including visual observation only or visual observation in conjunction with, for example, the use of moisture meters, borescopes, or infrared technology.

(b) (1) At least once every nine years, the board of an association of a condominium project shall cause a reasonably competent and diligent visual inspection to be conducted by a licensed structural engineer or architect of a random and statistically significant sample of exterior elevated elements for which the association has maintenance or repair responsibility.

(2) The inspection shall determine whether the exterior elevated elements are in a generally safe condition and performing in accordance with applicable standards.

(c) Prior to conducting the first visual inspection, the inspector shall generate a random list of the locations of each type of exterior elevated element. The list shall include all exterior elevated elements for which the association has maintenance or repair responsibility. The list shall be provided to the association for future use.

(d) The inspector shall perform the visual inspections in accordance with the random list generated pursuant to subdivision (c). If during the visual inspection the inspector observes building conditions indicating that unintended water or water vapor has passed into the associated waterproofing system, thereby creating the potential for damage to the load-bearing components, then the inspector may conduct a further inspection. The inspector shall exercise their best professional judgment in determining the necessity, scope, and breadth of any further inspection.

(e) Based upon the inspector's visual inspections, further inspection, and construction and materials expertise, the inspector shall issue a written report containing the following information:

(1) The identification of the building components comprising the load-bearing components and associated waterproofing system.

(2) The current physical condition of the load-bearing components and associated waterproofing system, including whether the condition presents an immediate threat to the health and safety of the residents.

(3) The expected future performance and remaining useful life of the load-bearing components and associated waterproofing system.

(4) Recommendations for any necessary repair or replacement of the load-bearing components and associated waterproofing system.

(f) The report issued pursuant to subdivision (e) shall be stamped or signed by the inspector, presented to the board, and incorporated into the study required by Section 5550.

(g) (1) If, after inspection of any exterior elevated element, the inspector advises that the exterior elevated element poses an immediate threat to the safety of the occupants, the inspector shall provide a copy of the inspection report to the association immediately upon completion of the report, and to the local code enforcement agency within 15 days of completion of the report. Upon receiving the report, the association shall take preventive measures immediately, including preventing occupant access to the exterior elevated element until repairs have been inspected and approved by the local enforcement agency.

(2) Local enforcement agencies shall have the ability to recover enforcement costs associated with the requirements of this section from the association.

(h) Each subsequent visual inspection conducted under this section shall commence with the next exterior elevated element identified on the random list and shall proceed in

order through the list.

(i) The first inspection shall be completed by January 1, 2025, and then every nine years thereafter in coordination with the reserve study inspection pursuant to Section 5550. All written reports shall be maintained for two inspection cycles as records of the association.

(j) (1) The association shall be responsible for complying with the requirements of this section.

(2) The continued and ongoing maintenance and repair of the load-bearing components and associated waterproofing systems in a safe, functional, and sanitary condition shall be the responsibility of the association as required by the association's governing documents.

(k) The inspection of buildings for which a building permit application has been submitted on or after January 1, 2020, shall occur no later than six years following the issuance of a certificate of occupancy. The inspection shall otherwise comply with the provisions of this section.

(l) This section shall only apply to buildings containing three or more multifamily dwelling units.

(m) The association board may enact rules or bylaws imposing requirements greater than those imposed by this section.

(n) A local government or local enforcement agency may enact an ordinance or other rule imposing requirements greater than those imposed by this section.

Civil Code Section 5986 provides for the following:

(a) Subject to compliance with Civil Code Section 6150, which requires the board to provide notice of a meeting with the members to discuss, among other things, problems that may lead to the filing of a civil action, before the board files a civil action against a declarant or other developer, or within 30 days after it files the action, if the association has reason to believe that the applicable statute of limitations will expire, and notwithstanding any provision to the contrary in the governing documents, the board shall have the authority to commence and pursue a claim, civil action, arbitration, prelitigation process pursuant to Section 6000 or Title 7 (commencing with Section 895) of Part 2 of Division 2, or other legal proceeding against a declarant, developer, or builder of a common interest development. If the board includes members appointed by, or affiliated with, the declarant, developer, or builder, the decision and authority to commence and pursue legal proceedings shall be vested solely in the nonaffiliated board members.

(b) The governing documents shall not impose any preconditions or limitations on the board's authority to commence and pursue any claim, civil action, arbitration, prelitigation process pursuant to Section 6000 or Title 7 (commencing with Section 895) of Part 2 of Division 2, or other legal proceeding against a declarant, developer, or builder of a common interest development. Any limitation or precondition, including, but not limited to, requiring

a membership vote as a prerequisite to, or otherwise providing the declarant, developer, or builder with veto authority over, the board's commencement and pursuit of a claim, civil action, arbitration, prelitigation process, or legal proceeding against the declarant, developer, or builder, or any incidental decision of the board, including, but not limited to, retaining legal counsel or incurring costs or expenses, is unenforceable, null, and void. The failure to comply with those limitations or preconditions, if only, shall not be asserted as a defense to any claim or action described in this section.

(c) Notwithstanding subdivision (a) or (b), any provision in the governing documents imposing limitations or preconditions on the board's authority to commence and pursue claims shall be valid and enforceable if the provision is adopted solely by the non-declarant affiliated members of the association and the provision is adopted in accordance with the requirements necessary to amend the governing documents of the association.

(d) This section applies to all governing documents, whether recorded before or after the effective date of this section, and applies retroactively to claims initiated before the effective date of this section, except if those claims have been resolved through an executed settlement, a final arbitration decision, or a final judicial decision on the merits.

(e) Nothing in this section extends any applicable statute of limitation or repose to file or initiate any claim, civil action, arbitration, prelitigation process, or other legal proceeding. Nothing in this section shall affect any other obligations of an association contained in Title 7 (commencing with Section 895) of Part 2 of Division 2, or any other provision in the covenants, conditions, and restrictions of the association related to arbitration or other alternative dispute resolution procedures.

Civil Code Section 6150 reads as follows:

(a) Not later than 30 days before filing of any civil action by the association against the declarant or other developer of a common interest development for alleged damage to the common areas, alleged damage to the separate interests that the association is obligated to maintain or repair, or alleged damage to the separate interests that arises out of, or is integrally related to, damage to the common areas or separate interests that the association is obligated to maintain or repair, the board shall provide a written notice to each member of the association who appears on the records of the association when the notice is provided. This notice shall specify all of the following:

(1) That a meeting will take place to discuss problems that may lead to the filing of a civil action, in addition to the potential impacts thereof to the association and its members, including any financial impacts.

(2) The options, including civil actions, that are available to address the problems.

(3) The time and place of the meeting.

(b) Notwithstanding subdivision (a), if the association has reason to believe that the applicable statute of limitations will expire before the association files the civil action, the association may give the notice, as described above, within 30 days after the filing of the action.

IN WITNESS WHEREOF, the undersigned being the Declarant(s) executed this Declaration, on _____, 2025.

By: _____
MANISH PATEL

By: _____
**MAHNOUD BADHERI, TRISTEE OF
THE BAGHERI FAMILY LIVING TRUST
DATED JANUARY 20, 2021**

By: _____
**ELIA LUJAN- BADHERI, TRISTEE OF
THE BAGHERI FAMILY LIVING TRUST
DATED JANUARY 20, 2021**

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____ ss

On _____, 202____, before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit “A”

**Parcel 1 of Parcel Map Number 84434,
in the City of Pasadena, County of Los Angeles, State of California
As per parcel map filed in Book 426 , Pages 82 and 83 , of Parcel Maps
in the Office of the County Recorder of Said County**