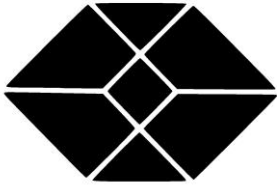


Annual Budget Report (Required Civil Code Sec. 4525)
The Village at Glenoaks Inc.



**ROSS MORGAN
& COMPANY, INC., AAMC®**

"An Accredited Association Management Company"

Sherman Oaks Calabasas Valencia Palmdale Simi Valley Ventura Santa Barbara

15315 Magnolia Boulevard, Suite 212
Sherman Oaks, CA 91403
(818) 907-6622
(323) 654-7978
(310) 271-5811
Fax (818) 907-0749

Memorandum

To: All Homeowners
From: Board of Directors
Subject: *The Village at Glenoaks Homeowners Association
2026 - 2027 Operating Budget*

Enclosed please find the Operating Budget for the fiscal year ending June 30, 2027 for your review. ***We are pleased to inform you that there will be no dues increase; however, the Board of Directors reserves the right to revise the budget any time during the fiscal year with 30 days' notice.***

In addition, please find the following items enclosed, for your review:

- Summary of Association's Reserves prepared pursuant to Civil Code Section 5550(B)(5) (***Please contact the Board directly***)
- Statement as to whether the association has any outstanding loans with an original term of more than one year.
- Insurance Disclosure
- Notice of Authorized Person to Receive Communications (policy statement)
- Notice Regarding Secondary Address (policy statement)
- Location for Posting General Notices (policy statement)
- Notice of Member's Option to Receive General Notices by Individual Delivery (policy statement)
- Notice of Member's Right to Receive Copies of Meeting Minutes (policy statement)
- Notice regarding Assessments and Foreclosure (Policy Statement)
- Lien and Collection Policy for Delinquent Assessments (Policy Statement)
- Association Fine Policy (Policy Statement) (***Please contact the Board directly***)
- Summary of Internal Dispute Resolution Process and Alternative Dispute Resolution (Policy Statement)
- Physical Changes to Property Disclosure (policy statement)
- Association Mailing Address for Overnight Deliveries (policy statement)
- Notice to Owners Regarding Opt Out (policy statement)
- Federal Housing Administration (FHA) and Veterans Affairs (VA) Disclosure
- Annual 4041 Request For Information

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The Village at Glenoaks
Fiscal Year End - June 30
2026 / 2027 Operating Budget

G/L #	DESCRIPTION	2026 / 2027 MONTHLY	2026 / 2027 ANNUAL
Income			
41010	ASSOCIATION DUES	2,700.00	32,400.00
41015	GATE MAINTENANCE & POWER	1,200.00	14,400.00
42030	SPECIAL ASSESSMENT - WATER	2,507.00	30,084.00
43100	LATE CHARGES	10.00	120.00
43130	COLLECTION COSTS RECOVERED	40.00	480.00
44020	WATER INCOME - METER NET	6,500.00	78,000.00
Total Income		12,957.00	155,484.00
General & Administrative			
61010	ACCOUNTING & AUDIT	55.00	660.00
61063	COLLECTION COSTS	40.00	480.00
61130	INSURANCE - GENERAL	320.00	3,840.00
61150	LEGAL FEES	25.00	300.00
61170	LICENSES & TAXES	40.00	480.00
61180	MANAGEMENT FEES	440.00	5,280.00
61200	OFFICE EXPENSE	15.00	180.00
61250	POSTAGE	15.00	180.00
61270	RESERVE STUDY	50.00	600.00
61370	WORKERS COMPENSATION	35.00	420.00
Total Gen. & Admin .		1,035.00	12,420.00
Repairs & Maintenance			
62190	GARDENING	100.00	1,200.00
62210	GENERAL REPAIRS	535.00	6,420.00
62320	MISCELLANEOUS SUPPLIES	25.00	300.00
62350	PLUMBING REPAIRS	365.00	4,380.00
62400	SECURITY GATE MAINTENANCE/REPAIRS	1,100.00	13,200.00
Total Rep. & Maint.		2,125.00	25,500.00
Utilities			
63010	ELECTRICITY - GATE	450.00	5,400.00
63040	WATER & SEWER	9,007.00	108,084.00
Total Utilities		9,457.00	113,484.00
TOTAL EXPENSES		12,617.00	151,404.00
NET OPERATING INCOME		340.00	4,080.00
90010	RESERVE ALLOCATION	340.00	4,080.00
NET INCOME		0.00	0.00

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**2026 - 2027 BUDGET PACKET INFORMATION
LOAN DISCLOSURE STATEMENT**

The Association does not have any outstanding loans with an original term of more than one year.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

6/28/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LaBarre/Oksnee Insurance 30 Enterprise, Suite 180 Aliso Viejo CA 92656	CONTACT NAME: PHONE (A/C, No, Ext): 800-698-0711 E-MAIL ADDRESS: proof@hoa-insurance.com FAX (A/C, No): 949-588-1275
INSURED The Village at Glenoaks c/o Ross Morgan & Company 15315 Magnolia Blvd. #212 Sherman Oaks CA 91403	INSURER(S) AFFORDING COVERAGE INSURER A: American Alternative Ins Co. INSURER B: PMA Insurance Group INSURER C: Great American Insurance Co. INSURER D: INSURER E: INSURER F:

COVERAGES**CERTIFICATE NUMBER:** 77335551**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:	Y		CAU401697-6	7/1/2025	7/1/2026	EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	☐ AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS ONLY			CAU401697-6	7/1/2025	7/1/2026	COMBINED SINGLE LIMIT (Ea accident) \$2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	☐ UMBRELLA LIAB ☐ EXCESS LIAB DED ☐ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N ☐	N / A	2025010597294Y	7/1/2025	7/1/2026	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A A C	Property Crime/Fidelity Bond Directors & Officers	Y Y		CAU401697-6 CAU401697-6 QDO0008324-00	7/1/2025 7/1/2025 7/1/2025	7/1/2026 7/1/2026 7/1/2026	\$2,500 Deductible \$55,825 \$0 Deductible \$50,000 \$1,000 Deductible \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

HOA consists of 30 units.

Management Company is Additionally Insured on the General Liability, D&O Liability, and Fidelity Bond.

See 2nd page of certificate of insurance for further coverage information.

See Attached...

CERTIFICATE HOLDER**CANCELLATION**Ross Morgan & Company
15315 Magnolia Blvd #212
Sherman Oaks CA 91403
USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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ADDITIONAL REMARKS SCHEDULE

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AGENCY LaBarre/Oksnee Insurance		NAMED INSURED The Village at Glenoaks c/o Ross Morgan & Company 15315 Magnolia Blvd. #212 Sherman Oaks CA 91403
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

Coverage is for COMMON AREAS ONLY

Coverage Includes:
 Guaranteed Replacement Cost
 Property Limit of \$20,000 for Trees/Shrubs
 Wind/Hail (excludes Trees/Shrubs)
 Building Ordinance or Law
 Severability of Interest / Separation of Insureds
 Computer Fraud & Funds Transfer Fraud
 No Co-Insurance
 D&O is a Claims-Made Policy
 Hired and Non-Owned Auto Liability

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The Village at Glenoaks

INSURANCE SUMMARY DISCLOSURE

Pursuant to Section 5300 (b)(9) of the California Civil Code, the Association is providing you with the following information regarding its insurance policies. Pursuant to Civil Code Section 5300 (a), this summary is being distributed not less than 30 days nor more than 90 days preceding the beginning of the Association's fiscal year.

I. GENERAL LIABILITY INSURANCE

A.	Name of insurer:	American Alternative Ins Co.
B.	Policy limits:	\$2,000,000 per occurrence; Unlimited aggregate
C.	Amount of deductible (if any):	\$0
D.	Umbrella coverage, if applicable:	None
E.	Umbrella carrier:	N/A
F.	Policy dates:	7/1/2025 - 7/1/2026

II. PROPERTY INSURANCE

A.	Name of insurer:	American Alternative Ins Co.
B.	Policy limits:	\$55,825 (Guaranteed Replacement Cost)
C.	Amount of deductible:	\$2,500
D.	Policy dates:	7/1/2025 - 7/1/2026

III. EARTHQUAKE INSURANCE

A.	Name of insurer:	None
B.	Policy limits:	
C.	Amount of deductible:	
D.	Policy dates:	

IV. FLOOD INSURANCE

A.	Name of insurer:	None
B.	Policy limits:	
C.	Amount of deductible:	
D.	Policy dates:	

V. FIDELITY BOND INSURANCE

A.	Name of insurer:	American Alternative Ins Co.
B.	Policy limits:	\$50,000
C.	Amount of deductible:	\$0
D.	Policy dates:	7/1/2025 - 7/1/2026

This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, 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.

Pursuant to Section 5810 of the California Civil Code, if the association receives any notice of nonrenewal of a policy described in the annual budget report, the association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse.

INSURANCE DISCLOSURE SUMMARY

The Association is providing you the following information concerning the Association's insurance coverage in compliance with the Civil Code 5300(b)(9):

This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, 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 with in 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.

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**THE VILLAGE AT GLENOAKS HOMEOWNERS ASSOCIATION
POLICY STATEMENT**

• **PERSON DESIGNATED TO RECEIVE OFFICIAL COMMUNICATIONS TO ASSOCIATION**

The name and address of the person designated to receive official communications to the Association is:

Warren Davidoff
c/o Ross Morgan & Company, Inc.
15315 Magnolia Blvd. Suite 212
Sherman Oaks, CA 91403

• **NOTICE REGARDING SECONDARY ADDRESSES**

Members have the right to submit to the Association a secondary address for purposes of delivering annual reports, annual policy notices and collection notices. A member's request must be in writing and delivered to the person designated by the Association to receive official communications by first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service center, or (if checked):

(1) By email, 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.

Upon the Association's receipt of such notice, the Association will mail any annual reports, annual policy notices and collection notices to both the member's primary and secondary addresses.

• **LOCATION FOR POSTING OF GENERAL NOTICES**

The Association will post printed notices at the mailboxes and/or where notices are normally posted within the required time frames set by the California State Civil Code.

**THE VILLAGE AT GLENOAKS HOMEOWNERS ASSOCIATION
POLICY STATEMENT**

• **NOTICE OF MEMBER'S OPTION TO RECEIVE GENERAL NOTICES BY INDIVIDUAL DELIVERY**

Pursuant to Civil Code Section 4045(b), a member has the right to request to receive general notices by individual delivery. The term "individual delivery" means delivery by one of the following methods:

(a) 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.

(b) 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.

• **NOTICE OF MEMBER'S RIGHT TO RECEIVE COPIES OF MEETING MINUTES**

Please be advised that California Civil Code Section 4950(b) requires that the Association notify all members of their right to have copies of the minutes of meetings of the Association's board of directors. The minutes, minutes proposed for adoption that are marked to indicate draft status or a summary of the minutes, of any meeting of the board of directors of the Association, other than executive session, shall be available to members within 30 days of the meeting. The minutes, proposed minutes, or summary of minutes shall be distributed to any member of the Association upon request and upon reimbursement of the Association's costs for making that distribution. To obtain a copy of the minutes, proposed minutes or summary of minutes, please contact your property manager.

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, an 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, an 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.

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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, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of 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)"

LIEN AND COLLECTION POLICY **FOR DELINQUENT ASSESSMENTS**

This policy is written to provide you with a statement in accordance with California Civil Code Section 5310(a)(6) & (7). The policies and practices of the Association with regard to the collection of delinquent assessments are as follows:

1. Assessments are due on the *first day* of the month. All other assessments, including Special Assessments, are due and payable on the date specified by the Board at the time they are adopted.
2. In the event an assessment is not received within fifteen (15) days after it is due, the management company will send a statement to the unit owner reflecting a delinquent balance.
3. If payment has not been received within forty-five (45) days of the original due date, a notice will be sent to the owner by certified mail, demanding full and immediate payment. The fee for this service is \$200
4. If payment has not been received within forty-five (45) days in accordance with the notice referenced in item 3, above, a lien will be recorded against the unit. The Lien will be mailed (by certified mail) to the unit owner within ten (10) days after it is recorded. The fee for this service is \$400.
5. In the event full payment is not received within thirty (30) days after the lien is recorded, judicial or non-judicial foreclosure proceedings may be commenced at the discretion of the Board of Directors. The foreclosure will continue until the owner pays all delinquent maintenance assessments, special assessments, late charges and/or interest in the maximum amount permitted by law, lien fees, attorney's fees, attorneys' costs, and any other charges and reasonable costs of collection against the property.
6. Notwithstanding the above, the Board of Directors, in its sole discretion, may decide to proceed to collect delinquent assessment with the assistance of a collection company in lieu of, or in addition to, proceeding by way of judicial or non-judicial foreclosure.
7. All returned payments will be subject to a \$30 returned check fee to be added to the account.

SUMMARY OF ASSOCIATION'S DISPUTE RESOLUTION PROCEDURES

INTERNAL DISPUTE RESOLUTION

In accordance with Civil Code Section 5900 et seq., the Association has adopted the following internal dispute resolution process to be followed by the Association and owners in connection with disputes relating to the enforcement of the Association's governing documents, the Davis-Sterling Common Interest Development Act (Civil Code Section 4000 et seq.) and Section 7110 et seq. of the Nonprofit Mutual Benefit Corporation Code (collectively, the "Disputes").

Either party to a Dispute 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) An owner may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
- (3) The Association's board of directors shall designate a member of the board to meet and confer.
- (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The member and association may be assisted by an attorney or another person in explaining their positions at their own cost.
- (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.
- (6) The agreement reached binds the parties and is judicially enforceable if both of the following conditions are satisfied: (a) The agreement is not in conflict with law or the governing documents of the common interest development or association; and (b) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

Please note that a member of the Association may not be charged a fee to participate in the process.

ALTERNATIVE DISPUTE RESOLUTION ("ADR")

Civil Code Section 5925 et seq. requires that the Association and owners endeavor to submit certain types of disputes to ADR prior to initiating a lawsuit. This notice merely provides a summary of the statute. If there is a dispute which may require ADR pursuant to Civil Code Section 5925 et seq., please review all of the provisions of the statute or seek your own independent legal counsel.

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Parties Bound By The Statute. The parties required to comply with the statute are the Association (through the board of directors) and any owners of record.

Disputes Subject To The Statute (Qualifying Disputes. Civil Code Section 5939 provides that the Association or owners may not file an enforcement action in the Superior Court unless the parties have endeavored to submit their dispute to ADR. An "enforcement action" is defined as a civil action or other proceeding for any of the following purposes: (1) enforcement of the Davis-Sterling Common Interest Development Act (Civil Code Section 4000 et seq.); (2) enforcement of the California Nonprofit Mutual Benefit Corporation law, commencing with Corporations Code Section 7110 or (3) enforcement of the Association's governing documents. Where, however, an owner has a private dispute with another owner or a tenant, or the Board has a dispute with a third party such as a landscaper, such a dispute is not within the confines of the statute.

Disputes Specifically Excluded From The Statute. The ADR statute 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 of Small Claims Court. The following types of disputes are specifically excluded from being required to resort to ADR: (1) a Small Claims action; (2) assessment collection, except as otherwise provided by law; (3) claims by the Association for money damages in excess of the jurisdictional limits of Small Claims Court in conjunction with a claim for declaratory, injunctive or writ relief; (4) claims by an owner for money damages in excess of the jurisdictional limits of Small Claims Court in conjunction with a claim for declaratory, injunctive or writ relief; (5) actions for preliminary or temporary injunctive relief; and (6) the filing of a cross-complaint in response to a complaint already filed.

Compliance Procedures.

A. INITIATING PARTY. The party pursuing the dispute, prior to filing any lawsuit, must serve on the other party a "Request for Resolution" including the following information and language: (1) a brief description of the dispute; (2) a request that the matter be submitted to ADR; (3) a notice that the party receiving the Request for Resolution (the "Responding Party") is required to respond thereto within 30 days of receipt or it will be deemed rejected; (4) if the party on whom the Request is served is an owner, a copy of Civil Code Section 5925 et seq.

B. SERVICE. A Request for Resolution may be served by personal delivery, first-class mail, express mail, facsimile transmission or other means reasonably calculated to provide the Responding Party actual notice of the Request.

C. RESPONDING PARTY'S OBLIGATION. Upon receipt of a Request for Resolution the Responding Party, whether the Association or an owner, has 30 days in which to either accept or reject the Request. In the event no such response is received, the Request is deemed "rejected."

D. TIME FOR COMPLETION OF ADR. Where the Request is accepted, the parties must complete the ADR within 90 days of receipt of the acceptance. However, the parties can stipulate in writing to extend this period.

E. COST OF ADR. The cost of ADR shall be borne by the parties.

F. TOLLING OF STATUTE OF LIMITATIONS. If a Request for Resolution is served before the end of the applicable statute of limitations, the time limitation is tolled for certain periods specified in Civil Code Section 5945.

G. CERTIFICATE. In the event that a lawsuit is eventually commenced, the party filing must file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) alternative dispute resolution has been completed in compliance with Section 5925 et seq.; (2) one of the parties to the dispute did not accept the terms offered for alternative dispute resolution; or, (3) preliminary or injunctive relief is necessary.

Consequences For Failure To Comply With The Adr Law. The failure to file the aforementioned certificate with the Court is grounds for a demurrer or motion to strike unless the Court finds that dismissal of the action for failure to comply would result in substantial prejudice to one of the parties. Additionally, in awarding attorneys' fees and costs, a court may consider whether a party's refusal to participate in ADR before commencement of the enforcement action was reasonable. As a result, it is important to seek independent counsel in the event that you, as an owner have further questions.

Failure of a member of the association to comply with the alternative dispute resolution requirements of Civil Code 5925 et seq. may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

**DISCLOSURE REGARDING APPROVAL NEEDED
TO MAKE PHYSICAL CHANGES TO PROPERTY**

According to the Association's governing documents, all changes to the common area and/or to the exterior of any unit/lot by an owner require the prior written approval of the Association's Board of Directors (and in some cases a certain percentage of the owners must approve such a change).

Owners must submit a written application identifying the proposed change(s) to the Board. The Board in its sole discretion will approve or disapprove of the owner's application, in writing, within 30 days subject to appropriate conditions required by the Board, pursuant to the Association's governing documents.

MAILING ADDRESS FOR OVERNIGHT PAYMENT OF ASSESSMENTS

The mailing address for overnight payment of assessments is:

THE VILLAGE AT GLENOAKS HOMEOWNERS ASSOCIATION
c/o Ross Morgan & Company, Inc.
15315 Magnolia Blvd., Suite 212
Sherman Oaks, CA 91403

- **NOTICE TO MEMBERS REGARDING ABILITY TO OPT-OUT OF HAVING NAME ON MEMBERSHIP LIST**

A member may request that the Association provide him or her with a copy of the membership list, including the names, property address, mailing address and email address of each member. The member's request must be in writing and must set forth the purpose for which the list is requested, which purpose must be reasonably related to the requester's interests as a member of the Association. The Association will be obligated to provide the member with a copy of such membership list unless it reasonably believes that the member will use the information for another purpose.

Pursuant to Civil Code Section 5220, a member can "opt out" of having his or her name and address(es) included on a membership list which must be distributed to members upon request. If you would like to "opt out" of having your name and addresses included on a membership list which may be distributed to another member upon request, please complete the following form and return it to the Association. Please note that your "opt-out" will remain in effect until further notice from you.

Notice to Association

To Whom It May Concern,

Please remove my name and address(es) from the membership list in accordance with Civil Code Section 5220 until further written notice from me.

Date: _____

Print Name: _____

Signature: _____

Unit Address: _____

DISCLOSURE REGARDING FEDERAL HOUSING ADMINISTRATION (FHA) APPROVED CONDOMINIUM PROJECT

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest. This common interest development **IS** a condominium project. The association of this common interest development **IS NOT** certified approved by the Federal Housing Administration.

As verified at <https://entp.hud.gov/idapp/html/condlook.cfm>

DISCLOSURE REGARDING AND VETERANS AFFAIRS (VA) APPROVED CONDOMINIUM PROJECT

Certification by the federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest. This common interest development **IS** a condominium project. The association of this common interest development **IS NOT** certified approved by the federal Department of Veterans Affairs.

As verified at <https://lgy.va.gov/lgyhub/condo-report>

THE VILLAGE AT GLENOAKS HOMEOWNERS ASSOCIATION
MAY 28, 2026

Dear Owner:

Pursuant to Civil Code Section 4041, as an owner, you must annually provide the Association written notice of all of the following:

(1) Your preferred delivery method for receiving notices from the Association, which shall include the option of receiving notices at one or both of the following:

- (A) A mailing address.
- (B) A valid email address.

(2) An alternate or secondary delivery method for receiving notices from the Association, which shall include the option to receive notices at one or both of the following:

- (A) A mailing address.
- (B) A valid email address.

(3) The name, mailing address, and, if available, valid email address of your legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of your extended absence from the separate interest.

(4) Whether the separate interest is owner-occupied, is rented out, if the parcel is developed but vacant, or if the parcel is undeveloped land.

We ask that you complete the attached sheet and return it to the Association as soon as possible, but no later than 30 days from the date of this letter.

In connection with the foregoing, please be advised of the following:

A. You do not have to provide an email address to the Association.

B. If you wish to change your preferred delivery method for receiving notices from the Association, please email Warren Davidoff at wdavidoff@rossmorganco.com or send written notice to 15315 Manolia Blvd., Suite 212 Sherman Oaks, CA 91403.

C. If you fail to provide the notices set forth in paragraphs (1) and (2), above, within 30 days, the last address provided in writing by you, or, if none, the property address shall be deemed to be the address to which notices are to be delivered.

Thank you for your timely cooperation.

Board of Directors

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs

THE VILLAGE AT GLENOAKS HOMEOWNERS ASSOCIATION
Notice to Association Pursuant to Civil Code Section 4041

Date: _____

Print Name: _____

Lot/Unit Address: _____

(1) Your preferred delivery method for receiving notices from the Association, which shall include the option of receiving notices at one or both of the following:

(A) A mailing address: _____.

(B) A valid email address: _____

(2) An alternate or secondary delivery method for receiving notices from the Association, which shall include the option to receive notices at one or both of the following:

(A) A mailing address: _____.

(B) A valid email address: _____

(3) The name, mailing address, and, if available, valid email address of your legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of your extended absence from the Lot/Unit:

_____.

(4) Is your Lot/Unit currently owner-occupied, rented out, vacant/not rented or undeveloped land?:

_____.

Articles of Incorporation (Required Civil Code Sec. 4525)
The Village at Glenoaks Inc.

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs

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ARTICLES
OF
INCORPORATION

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FILED
Secretary of State
State of California

JAN 09 2013

icc

This Space For Secretary of State Use Only

ARTICLES OF INCORPORATION OF
THE VILLAGE AT GLENOAKS, INC.

ARTICLE I: NAME

The name of this corporation shall be The Village at Glenoaks, Inc.

ARTICLE II: PURPOSE

This corporation is a Nonprofit Mutual Benefit Corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

This corporation is an association formed to manage a common interest development under the Davis - Stirling Common Interest Development act.

This corporation is formed for the following specific and primary purposes:

- (a) To manage, maintain and preserve the residential condominium development known as The Village at Glenoaks, located within that certain real property in the City of Los Angeles, County of Los Angeles, described as Lots 2 and 3 of Tract No. 61190, and any additional property annexed into the development in the future
- (b) To promote the health, safety and welfare of the residents of the development
- (c) To exercise the powers granted to a non-profit mutual benefit corporation enumerated in Corporation Code Section 7140.
- (d) To operate a homeowners association within the meaning of Section 23701t of the California Revenue and Taxation Code

ARTICLE III: AGENT FOR SERVICE OF PROCESS

The name and address in the State of California of the initial agent of this corporation for service of process are as follows:

Shawn Evenhaim
21510 Roscoe Boulevard
Canoga Park CA 91304-4144

ARTICLE IV: BUSINESS OR CORPORATE OFFICE

The business or corporate office of the association is 21510 Roscoe Boulevard, Canoga Park, CA 91304-4144. This office is not on site. The common interest development is located at 11330 Glenoaks Boulevard, near the cross street of Fillmore Street, California 91331-1622.

The Mailing and Street Address of the Entity is 21510 Roscoe Boulevard
Canoga Park, CA 91304-4144

ARTICLE V: MANAGING AGENT

The Association has no managing agent.

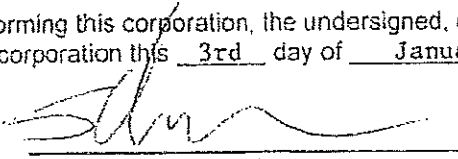
ARTICLE VI: AMENDMENT OF ARTICLES

Amendment of these Articles shall require the following vote: If two (2) classes of Membership exist: (i) a majority of Directors of the Board of Directors; and (ii) a majority of each class of Membership. If there is only one (1) class of Membership: (i) a majority of Directors of the Board of Directors; (ii) a majority of the total voting power of the corporation; and (iii) a majority of the total voting power of the corporation, other than Declarant, as defined in the Declaration of Covenants, Conditions, Restrictions, and Reservation of Easements of the corporation

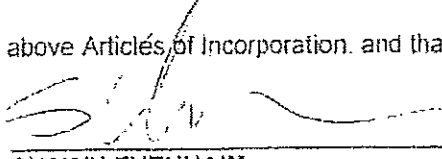
ARTICLE VII: LIMITATIONS ON POWERS

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of the corporation.

IN WITNESS WHEREOF, for the purpose of forming this corporation, the undersigned, constituting the incorporator, has executed these Articles of Incorporation this 3rd day of January, 2013.


SHAWN EVENHAIM

I declare that I am the person who executed the above Articles of Incorporation, and that this instrument is my act and deed.


SHAWN EVENHAIM



I hereby certify that the foregoing
transcript of 2 page(s)
is a full, true and correct copy of the
original record in the custody of the
California Secretary of State's office.

MAR 02 2013

Order: 5NW2P3QMV

Address: 11379 Villa del Sol

Order Date: 09-11-2026

Document not for resale

HomeWiseDocs

DEBRA BOWEN, Secretary of State

Bylaws (Required Civil Code Sec. 4525)
The Village at Glenoaks Inc.

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs

BYLAWS
OF
THE VILLAGE AT GLENOAKS, INC.
A California Nonprofit Mutual Benefit Corporation

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
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[DRE Byl: 12/05/05]
[This Set: 10/18/12]

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SECRETARY'S SIGNATURE

**BYLAWS
OF
THE VILLAGE AT GLENOAKS, INC.**

A California Nonprofit Mutual Benefit Corporation

ARTICLE I

Name of the Association

The name of the Association is **The Village at Glenoaks, Inc.** ("Association").

ARTICLE II

Introduction

2.01 Incorporation of Definitions.

The definitions contained in the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements and any amendments thereto ("Declaration") recorded in this Project are applicable to the same terms used in these Bylaws.

ARTICLE III

Meetings of Members

3.01 Annual and Special Meetings of Members.

- (a) At least once a year, a regular annual meeting of Members shall be held at approximately the same time each year ("Annual Meeting"). The Board shall decide the exact time.
- (b) The first Annual Meeting must be held within six (6) months after the closing of the First Close of Escrow of a Condominium authorized for sale in the DRE final subdivision public report.
- (c) Every year, the Board must schedule subsequent Annual Meetings within thirty (30) days of the same date as the first meeting (not on a legal holiday).
- (d) At the Annual Meetings, Members shall elect a Board of Directors in accordance with these Bylaws and transact other Association business.
- (e) Special meetings of the Members ("Special Meetings") may be scheduled at any time upon a majority vote of the Board of Directors or upon written request by the Members representing five percent (5%) of the Total Voting Power of the Association. Special Meetings shall be held pursuant to Corporations Code Sections 7510 and 7511.
- (f) Member meetings shall be held in compliance with Civil Code Section 1363.05.

3.02 **Notice of Meetings.**

- (a) Notice of meetings (Annual or Special) shall be given in compliance with Corporations Code Section 7511.
- (b) Meeting notices may be given via email only to Members who have consented in writing to receive such notices electronically.

3.03 **Conduct of Meetings.**

Member meetings must be conducted in accordance with a recognized system of parliamentary procedures or any parliamentary procedures the Association may adopt.

3.04 **Action Without a Meeting.**

- (a) Any action, except the election of Directors, amendments to the Governing Documents, or the grant of exclusive use of Common Area, that may be taken at any Members' meeting may be taken without a meeting in compliance with Corporations Code Section 7513.
- (b) Within three (3) days an explanation of the action shall be posted at a prominent place within the Common Area or any common posting area if not unsuitable for such posting, otherwise the explanation shall be communicated by other appropriate means.

3.05 **Quorum.**

- (a) The presence, in person, by attorney in fact, by proxy, or by the casting of a ballot received by the inspector(s) of election, of Members entitled to cast a majority of the Total Voting Power of the Association constitutes a quorum for all Member meetings (except as otherwise specifically provided in these Bylaws or the Declaration).
- (b) Once a quorum has been established at a meeting, Members may do business until adjournment, even if attendance becomes less than the quorum amount during the course of the meeting, and as long as any action taken is approved by at least a majority of the Members required to constitute a quorum.
- (c) Whether or not a quorum is present, a majority of Members present (in person or by proxy) may adjourn the meeting until a date not less than five (5) or more than thirty (30) days from the original meeting date. Notice of the adjourned meeting shall be given in the same manner as for a Special Meeting.

ARTICLE IV

Elections

4.01 **Record Date.**

The "record date" for determining the Members entitled to notice and to vote shall be determined in compliance with Corporations Code Section 7611.

4.02 **Membership and Voting Rights.**

- (a) The qualifications for voting and the voting power of each Membership set forth in the Declaration are incorporated herein by reference.

- (b) The Board shall establish a means and date by which ballots may be returned to an inspector of election prior to the counting of the ballots.

4.03 **Candidates and Campaigning for Board of Directors**

- (a) Procedures for nominations for election to the Board shall comply with Corporations Code Section 7520. Any Member of the Association may nominate him or herself for election to the Board of Directors, or may be nominated by another Member.
- (b) Any candidate for the Board of Directors shall be a member of the Association. Any other qualification for elected office shall be as set forth in the Declaration.
- (c) If any candidate or Member advocating a point of view is provided access to Association media, newsletters, or Internet Web sites during a campaign, for purposes that are reasonably related to that election, equal access shall be provided to all candidates and Members advocating a point of view, including those not endorsed by the Board, for purposes that are reasonably related to the election. The Association shall not edit or redact any content from these communications, but may include a statement specifying that the candidate or Member, and not the Association, is responsible for that content.
- (d) All candidates, including those who are not incumbents, and all Members advocating a point of view, including those not endorsed by the Board, shall have access to the Common Area meeting space, if any, during a campaign, at no cost, for purposes reasonably related to the election.
- (e) Association funds shall not be used for campaign purposes in connection with any Association Board election. Funds of the Association shall not be used for campaign purposes in connection with any other Association election except to the extent necessary to comply with duties of the Association imposed by law. "Campaign purposes" include, but are not limited to, the following:
 - (1) Expressly advocating the election or defeat or any candidate that is on the Association election ballot.
 - (2) Including the photograph or prominently featuring the name of any candidate on a communication from the Association or its Board, excepting the ballot and ballot materials, within 30 days of an election, provided that this is not a campaign purpose if the communication is one for which subdivision (a) of Section 1363.03 requires that equal access be provided to another candidate or advocate.
- (f) The provisions of this section are subject to the provisions of Civil Code section 1363.04 or any successor statute.

4.04 **Voting and Election of Directors.**

- (a) Cumulative voting in the election of Board Members is required for all elections in which two or more positions are to be filled and is subject only to the procedural prerequisites to cumulative voting prescribed in Section 7615(b) of the Corporations Code, which currently provides for cumulative voting only if (1) at least one Member has announced an intention to cumulate votes, and (2) if candidates have been placed in nomination prior to voting. Under such voting, a Member may give one candidate a number of votes equal to the number of Directors to be elected, or distribute the votes among the candidates in any manner.
- (b) The first election of Directors to the Board of Directors of the Association shall be conducted at the first meeting of the Association.
- (c) Not less than twenty percent (20%) of the total number of Board Directors ("specially elected" Directors) shall be elected by a majority vote of the Members (other than Declarant) as long as:

- (1) A majority of Association voting power resides in the Declarant; or
- (2) There are two outstanding classes of Membership.
- (d) If twenty percent (20%) of the total number of Board Directors is a fractional number, the number of Directors to be elected by Members other than Declarant will be rounded to the next higher whole number.

4.05 **Voting Affecting Exclusive Use Common Areas.**

After the Association acquires fee title to or an easement right over Common Area, the affirmative vote of Members owning at least sixty-seven percent (67%) of Condominiums in the Project shall be required before the Board may grant exclusive use of any portion of the Common Area to any Member, except for any of the following:

- (a) A reconveyance of all or any portion of that Common Area to Declarant to enable the continuation of development that is in substantial conformance with a detailed plan of phased development.
- (b) Any grant of exclusive use that is in substantial conformance with the Governing Documents.
- (c) Any grant of exclusive use to eliminate or correct engineering errors in documents recorded with the county recorder or on file with a public agency or utility company.
- (d) Any grant of exclusive use to eliminate or correct encroachments due to errors in construction of any Improvements.
- (e) Any grant of exclusive use to permit changes in the Condominium Plan in circumstances where the changes are the result of topography, obstruction, hardship, aesthetic considerations, or environmental conditions.
- (f) Any grant of exclusive use to fulfill the requirement of a public agency.
- (g) Any grant of exclusive use to transfer the burden of management and maintenance of any Common Area that is generally inaccessible and is not of general use to the Membership at large of the Association.
- (h) Any grant in connection with an expressly zoned industrial or commercial development, or any grant within a subdivision of the type defined in Civil Code Section 1373 or successor statute.

Any measure placed before the Members requesting that the Board grant exclusive use of any portion of the Common Area shall specify whether the Association will receive any monetary consideration for the grant and whether the Association or the transferee will be responsible for providing any insurance coverage for exclusive use of the Common Area.

4.06 **Ballots.**

- (a) Selection of Members of the Association board of Directors, amendments to the Governing Documents, or the grant of exclusive use of Common Area pursuant to California Civil Code Section 1363.07 shall be held by secret ballot in accordance with the procedures set forth in this section. Voting on other issues may be held by secret ballot in the discretion of the Board.
- (b) Any instruction given in a proxy issued for an election that directs the manner in which the proxy holder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. The proxy holder shall cast the Member's vote by secret ballot. The inspector(s) of election shall determine the authenticity, validity, and effect of proxies. A Member may not revoke a proxy once the inspector(s) or inspectors of election have received the ballot.

- (c) An election may be conducted entirely by mail, in which case the ballots must be counted at an open Board or Membership meeting, as if cast in person.
- (d) Ballots and two pre-addressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Association to every Member not less than 30 days prior to the deadline for voting. In order to preserve confidentiality, a voter may not be identified by name, address, or lot, parcel, or unit number on the ballot. The Association shall use as a model those procedures used by California counties for ensuring confidentiality of voter absentee ballots, including all of the following:
 - (1) The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into an outer envelope that is sealed. In the upper left hand corner of the outer envelope, the voter prints and signs his or her name. The address, and lot, or parcel, or unit number that entitles the Member to vote may be written by the Member or on a preprinted mailing label supplied by the Association.
 - (2) The second envelope is addressed to the inspector(s), who will be tallying the votes. The envelope may be mailed or delivered by hand to a location specified by the inspector(s). The Member may request a receipt for delivery.
 - (3) Once a secret ballot is received by the inspector(s), it is irrevocable.
- (e) All votes shall be counted and tabulated by the inspector(s) in public at a properly noticed open meeting of the Board of Directors or Members. A quorum need not be present at such meeting. Any candidate or other Member of the Association may witness the counting and tabulation of the votes. No person, including a Member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.
- (f) The results of the election shall be promptly reported to the Board of Directors of the Association and shall be recorded in the minutes of the next meeting of the Board of Directors and shall be available for review by Members of the Association. Within 15 days of the election, the Board shall publicize the results of the election in a communication directed to all Members. A report of the election results shall include the total votes for and against each issue or candidate.
- (g) The sealed ballots at all times shall be in the custody of the inspector(s) or at a location designated by them until after the tabulation of the vote, at which time custody shall be transferred to the Association.
- (h) After tabulation, election ballots shall be stored by the Association in a secure place for no less than one year after the date of the election. In the event of a recount or other challenge to the election process, the Association shall, upon written request, make the ballots available for inspection and review by Members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.
- (i) Any measure placed before the Members requesting that the Board of Directors grant exclusive use of any portion of the Common Area shall specify whether the Association will receive any monetary consideration for the grant and whether the Association or the transferee will be responsible for providing any insurance coverage for exclusive use of the Common Area.

4.07 **Inspectors of Election.**

- (a) The Board shall select one or three independent third parties as inspector(s) of election. The Board shall have discretion to select the larger number of inspectors. The inspectors may appoint assistants to verify signatures and count votes, and any such assistants shall meet the same qualifications as the inspectors.

- (b) An independent third party includes, but is not limited to, a volunteer poll worker with the county registrar of voters, a licensee of the California Board of Accountancy, or a notary public. An independent third party may be a Member of the Association, but may neither be, nor be related to, a Member of the Board of Directors or a candidate for the Board of Directors. An independent third party may not be a person who is currently employed or under contract to the Association for any compensable services unless expressly authorized by rules of the Association.
- (c) The inspector(s) of election shall do all of the following:
- (1) Determine the number of Members entitled to vote and the voting power of each.
 - (2) Determine the authenticity, validity, and effect of proxies, if any.
 - (3) Receive ballots.
 - (4) Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
 - (5) Count and tabulate all votes.
 - (6) Determine when the polls shall close.
 - (7) Determine the result of the election.
 - (8) Perform any acts as may be proper to conduct the election with fairness to all Members in accordance with this section and all applicable rules of the Association regarding the conduct of the election that are not in conflict with this section.
- (d) An inspector of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. If there are three inspectors of election, the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the inspector or inspectors of election is prima facie evidence of the facts stated in the report.

ARTICLE V

Board of Directors

5.01 Provisional Board.

As soon as practical after the incorporation of the Association, Declarant shall appoint a provisional Board of Directors to govern the Project. The Directors of the provisional Board need not be Owners and shall serve until such time as the first election of the Association is held. At the first election, Directors shall be replaced or elected according to the procedure set forth below in accordance with the DRE Regulation Section 2792.19(c)(1).

5.02 Number, Election, and Term of Office.

- (a) The authorized number of Directors shall be three (3) unless otherwise determined and approved by a majority of the Board Members representing a quorum. The authorized number of Directors shall remain an odd number at all times.

- (b) The terms of office of the Directors shall be as follows: At the first meeting of the Association, except as provided in subparagraph (c) below, the Members shall elect one (1) Director for a term of three (3) years, one (1) Director for a term of two (2) years, and one (1) Director for a term of one (1) year. If more than one (1) Director is to be elected, the candidate(s) receiving the highest number of votes shall fill the Director position(s) having the longest term, and each remaining position shall be filled in the same manner. If two or more candidates receive the same number of votes and the positions to be filled have different terms, the inspectors of election shall determine the manner of breaking the tie.
- (c) At the first Annual Meeting of Members, but not at any other Annual Meeting of Members, the Declarant shall choose one of the following two procedures for election of Directors to replace those initially appointed by Declarant:
 - (1) Declarant shall specify one (1) Director to be elected by the Members (other than Declarant) to serve for one of the initial terms noted in subparagraph (b) above, as solely determined by Declarant. The other Directors shall continue to fulfill their remaining initial terms of office and shall continue to serve until the next Annual Meeting immediately following the expiration of the official term; or
 - (2) A new election shall be held in which all Members shall vote to replace all Directors in accordance with subparagraph (b) above.
- (d) The term of Directors may be amended at any time after Declarant's membership in the Association ceases or upon expiration of the terms of all initial Directors, whichever first occurs.
- (e) Notwithstanding any other provision in this section, all Directors must either be an Owner or, for so long as Declarant owns a Unit in the Project, an officer, Director, employee or agent of Declarant who may be appointed by Declarant without the vote of the Members.

5.03 **Vacancies.**

- (a) A vacancy exists if:
 - (1) A Director resigns, dies, is removed from office, or terminates his or her Membership in the Association during the Director's term of office;
 - (2) The Members increase the number of authorized Directors but do not elect the additional Directors at the meeting; or
 - (3) The Members do not elect the full number of Directors.
- (b) Board vacancies (except as a result of removal) or a vacancy for a specially elected Director may be filled by a simple majority of Directors for the remainder of the term of the position that became vacant until a successor is elected at an Annual or Special Meeting of Members.
- (c) The Board may declare vacant the office of a Director who is convicted of a felony or declared of unsound mind by a final court order.
- (d) Members may elect:
 - (1) Directors to fill any vacancy not filled by the Directors, at any time; and
 - (2) Additional Directors, at the meeting in which an increase in the number of Directors is authorized.
- (e) Members other than Declarant shall elect a successor to the position specially elected Director made vacant by death, resignation or removal.

5.04 **Removal of Directors.**

- (a) Directors may be removed pursuant to the provisions of Corporations Code Sections 7222 and 7223.
- (b) Specially elected Director(s) may be removed from office prior to expiration of the Director's term of office only by the vote, by secret ballot, of at least a simple majority of the voting power residing in Members other than Declarant.
- (c) Unless the entire Board is removed, no individual Director may be removed if the votes cast against such removal would be sufficient to elect the Director if voted cumulatively at an election at which the same total number of votes were cast and the entire number of Directors authorized at the time of the most recent election of the Directors were then being elected. Failure to vote constitutes a vote against removal.
- (d) Any Director elected by the Members, who (i) has three (3) consecutive, unexcused absences from Board meetings, (ii) is more than thirty (30) days delinquent (or is the representative of a Member who is so delinquent) in the payment of any Assessment or other charge due the Association, or (iii) fails to cure a Governing Document violation pertaining to his or her Unit after being given notice from the Board or its designee and a reasonable opportunity to cure such violation, may be removed by a majority of the Directors present at an Annual or Special Meeting at which a quorum is present, and the Board may appoint a successor to fill the vacancy for the remainder of the term.
- (e) In the event of the death, disability, felony conviction or resignation of a Director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next Annual Meeting, at which time the Members entitled to fill such Directorship may elect a successor for the remainder of the term.
- (f) This section shall not apply to the initial Directors or Directors appointed by Declarant. Any successor needed to fill any vacancy on the Board resulting from the death, disability, or resignation of an initial Director or a Class B appointed Director shall be appointed pursuant to the Class B rights.

5.05 **Regular Board Meetings.**

- (a) The Board must hold no less than one (1) meeting per quarter on dates established by Board resolution ("Regular Board Meeting").
- (b) Notice of Regular Board Meetings must be given to each Director at least four (4) days before the meeting date.
- (c) The notice of meeting shall be posted at a prominent place in the Common Area, unless it is unsuitable for such posting, in which case the Board shall communicate the notice by appropriate means.
- (d) Regular Board Meetings shall be held in compliance with Civil Code Section 1363.05.

5.06 **Special Board Meetings and Notices.**

- (a) Special meetings of the Board of Directors ("Special Board Meeting") may be called at any time for any purpose by the President, Vice President, or any two (2) Directors.
- (b) Written notice specifying the time, place and the nature of business to be conducted at the Special Board Meeting must be delivered to each Director at least seventy-two (72) hours before the meeting.
- (c) The notice shall be communicated to Members as specified in subparagraph (c) of the section entitled "*Regular Board Meetings*" herein.
- (d) Special Board Meetings shall be held in compliance with Civil Code Section 1363.05.

5.07 **Place of Meetings.**

The meetings shall be held within the Property itself unless, in the judgment of the Board, a larger meeting room is required than exists within the Property, in which case the meeting room selected shall be as close as possible to the Property.

5.08 **Waiver of Notice.**

- (a) A Director may sign a waiver of notice, written consent, or approval of minutes of any meeting.
- (b) Waivers and consents must be filed with Association records or made a part of the minutes of the meeting.
- (c) Director attendance at a Board meeting waives the Director's notice of meeting.

5.90 **Adjournment.**

- (a) A majority of the Directors present (whether or not they constitute a quorum) may adjourn to another time and place.
- (b) Notice shall be given to any Directors not present.

5.10 **Quorum.**

- (a) A quorum for the transaction of business is a majority of the number of Directors.
- (b) A meeting at which a quorum is initially present may continue to transact business after Directors withdraw, provided that any action is approved by a majority of the required quorum.

5.11 **Action Without Meeting.**

- (a) The Board may take action without a meeting if all Board Members file their written consent to the action with the minutes of the Board proceedings.
- (b) Within three (3) days an explanation of the action shall be posted at a prominent place within the Common Area, unless it is unsuitable for such posting, in which case the explanation shall be communicated by other appropriate means.

5.12 **Conduct of Meeting**

- (a) All Board meetings (except executive sessions) are open to all Members and mortgage holders (although non-Board Members may not participate in deliberations or decisions unless expressly authorized to do so by a majority of a quorum of the Board).
- (b) Pursuant to Civil Code Section 1363.05(j)(2), the Board shall not conduct a meeting via email, except in an emergency meeting and as specified in the Section entitled "*Emergency Meetings*" below.
- (c) The Board shall not discuss any item of business, whether by meeting personally or via teleconference, email, or otherwise, unless the Membership has been provided notice, with an agenda, for that discussion at least two (2) days in advance.

- (d) The Board shall not take action on any item of business at a meeting, if not specified on the agenda, except in the following situations: (1) upon a determination made by Board majority that an emergency situation exists. An emergency situation exists if there are circumstances that could not have been reasonably foreseen by the Board, that require immediate attention and possible Board action, and that, of necessity, make it impracticable to provide notice; (2) upon Board determination by a vote of two-thirds of Directors, or, if less than two-thirds of Directors is present at the meeting, by a unanimous vote of the Directors present, that there is a need to take immediate action and that the need for action came to the Board's attention after the agenda was posted and distributed; or (3) the item appeared on an agenda that was posted and distributed for a prior Board meeting that occurred not more than 30 calendar days before the date that action is taken on the item and, at the prior meeting, action on the item was continued to the meeting at which the action is taken. Before discussing any item pursuant to this paragraph, the Board shall openly identify the item to the Members in attendance at the meeting.
- (e) The Board shall not take action on any item of business outside of a meeting.

5.13 **Executive Sessions.**

- (a) Any Member may attend a Board meeting except when the Board adjourns to, or meets solely in, executive session to consider litigation affecting the Association, matters that relate to the formation of contracts with third parties, personnel matters, or other matters where executive sessions are authorized by law.
- (b) The Board must provide notice, along with an agenda, for all meetings in executive session, at least two (2) days in advance.
- (c) Any matter discussed in executive session shall be generally noted in the meeting minutes of the Board.
- (d) In any matter relating to the discipline of a Member, the Board shall meet in executive session if requested by that Member, and the Member in question shall be entitled to attend the executive session.

5.14 **Emergency Meetings.**

- (a) An emergency meeting of the Board may be called by the President, or by any two Directors other than the President, if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board, and which of necessity make it impracticable to provide notice as required by statute.
- (b) The Board may only conduct a meeting via email if: (1) it is an emergency meeting; (2) all Board Members consent in writing to that action; and (3) the written consent(s) are filed with the meeting minutes. Written consent to conduct an emergency meeting may be transmitted via email.

5.15 **Committees.**

The Board may create committees to serve at the pleasure of the Board. Such committees shall be created only by resolution adopted by a majority of the Directors then in office, provided that a Quorum is present.

ARTICLE VI

Officers

6.01 Enumeration of Officers.

- (a) The Association will have the following officers:
 - (1) A President;
 - (2) A Vice President;
 - (3) A Secretary; and
 - (4) A Treasurer.
- (b) Except for the Secretary and/or Treasurer, officers must be Directors.

6.02 Election of Officers.

At the initial meeting of the Board, officers shall be elected to serve until the next Regular Board Meeting to take place after the next election of Directors by Members.

6.03 Removal and Resignation.

- (a) An officer may be removed from office (but not from the Board, if the officer is a Board Member) by the Board with or without cause.
- (b) Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.04 Vacancies.

An officer vacancy may be filled for the remainder of the term as prescribed in these Bylaws by regular election or appointment to office.

6.05 President.

The President is the principal executive officer of the Association, with the following duties and powers:

- (a) Generally supervise all of the Association's business and affairs;
- (b) Preside at all meetings of the Members and of the Board; and
- (c) Perform all general duties incident to the office of President prescribed by the Board.

6.06 **Vice President.**

The Vice President will perform the following duties:

- (a) The duties of the President, if the President is absent, unable or unwilling to act; and
- (b) Other duties assigned by the President or the Board.

6.07 **Treasurer.**

The Treasurer is the chief financial officer of the Association, with the following duties and powers:

- (a) Ensure that adequate and correct accounts of Association properties and business transactions are kept and maintained;

- (b) Send financial statements and reports to Members as required;
- (c) Have custody and responsibility for all Association funds and securities;
- (d) Receive all monies payable to the Association and give appropriate receipts;
- (e) Deposit all monies in the name of the Association in banks or depositories selected in accordance with these Bylaws; and
- (f) Perform all general duties incident to the office of Treasurer assigned by the President or the Board.

6.08 **Secretary.**

The Secretary will perform the following duties:

- (a) Ensure that the minutes of Member, Board and Committee meetings are kept in books for that purpose;
- (b) Ensure that all notices are given as required;
- (c) Have custody of the Association's records; and
- (d) Perform all duties assigned by the President or by the Board.

6.09 **Manager or Management Company.**

The Board may, from time to time, employ the services of a manager or management company to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of California, and upon such conditions as are otherwise deemed advisable by the Board, the Board may delegate to the manager or management company any of its day-to-day management and maintenance duties and powers, provided that the manager or management company shall at all times remain subject to the general control of the Board.

ARTICLE VII

Duties and Powers of the Association

7.01 Board Powers and Limitations.

The powers and duties of the Board shall normally include, but shall not be limited to, the following:

- (a) Enforcement of applicable provisions of the Declaration, Articles, Bylaws and other instruments for the ownership, management and control of the Project.
- (b) Contracting for casualty, liability and other insurance on behalf of the Association.
- (c) Delegating its powers to committees, officers or employees of the Association or outside companies or persons hired by the Association as expressly authorized by the Governing Documents.
- (d) Preparation of budgets and financial statements for the Association as prescribed in the Governing Documents.
- (e) Formulation of rules of operation of Common Areas and facilities owned or controlled by the Association.
- (f) Election of officers of the Board of Directors.
- (g) Filling of vacancies on the Board of Directors, except for vacancies created by removal of a Director.
- (h) The Board is authorized to:
 - (1) Adopt and enforce reasonable Rules and Regulations not inconsistent with the Governing Documents concerning the Property and that comply with Civil Code Sections 1357.100 et seq. or any successor statutes;
 - (2) Pay taxes and Assessments which are, or could become, a lien on the Common Areas or a portion thereof;
 - (3) Contract for goods and/or services for Common Areas and facilities for the Association subject to the limitations set forth in section 7.02 below;
 - (4) Commence disciplinary proceedings against Members of the Association for violations of provisions of the Governing Documents in accordance with procedures set forth in the Governing Documents;
 - (5) Enter upon any privately owned Unit as necessary in connection with construction, maintenance or emergency repair for the benefit of Common Areas or the Owners in common;
 - (6) Amend the Governing Documents for the purpose of correcting technical errors, clerical mistakes or for clarification without presenting such changes to the Members for approval; and
 - (7) Institute, defend, settle or intervene on behalf of the Association in litigation, mediation, or administrative proceedings in matters pertaining to:
 - (A) Enforcement of the Governing Documents;
 - (B) Damage to the Common Areas;

- (C) Damage to the Unit which the Association is obligated to maintain or repair; or
- (D) Damage to the Units which arises out of, or is integrally related to, damage to Common Areas or Units that the Association is obligated to maintain or repair.

7.02 Contracts.

- (a) The Board may not ordinarily take any of the following actions unless approved by a majority of Members (other than Declarant) constituting a quorum, at a meeting or by written ballot without a meeting, pursuant to Corporations Code Section 7513:
 - (1) Enter into a contract for a term longer than one (1) year with a third person who furnishes goods or services for the Association, with the exception of the types of contract specified in Sections 7.01(h)(7) and 7.02(b).
 - (2) Incur aggregate expenditures for capital improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.
 - (3) Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.
 - (4) Pay compensation to Members of the Board or to officers of the Association for services performed in the conduct of the Association's business provided, however, that the Board may cause a Member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.
- (b) Notwithstanding the provisions of paragraph (a)(1) above, the Board is authorized to enter into the following types of contract for a term longer than one (1) year with a third person who furnishes goods or services for the Association:
 - (1) A management contract with terms approved by the FHA or VA;
 - (2) A contract with a public utility company if the Public Utilities Commission regulates rates charged for materials or services, provided that the contract term does not exceed the shortest term for which the supplier will contract at the regulated rate;
 - (3) Prepaid casualty and/or liability insurance policies not to exceed three (3) years' duration, provided that the policy permits short-rate cancellation by the insured;
 - (4) Agreements for satellite dishes or cable television services and equipment, not to exceed five (5) years duration, provided that the Declarant's ownership interest in the entity does not exceed ten percent (10%);
 - (5) Agreements for sale, lease, installation or services of burglar and fire alarm equipment, not to exceed five (5) years duration, provided that Declarant's ownership interest in any entity involved does not exceed ten percent (10%);
 - (6) A management contract for a term not to exceed three (3) years that is terminable by the Association without cause, penalty or other obligation upon no more than ninety (90) days written notice of termination to the other party;
 - (7) Lease agreements for laundry room fixtures and equipment, if any, not to exceed five years duration, provided that Declarant's ownership interest in the lessor under the agreement does not exceed ten percent (10%).

7.03 **Adoption/Amendment of New Rules and Regulations.**

(a) This section shall apply to any operating rule that relates to one or more of the following subjects:

- (1) Use of the Common Area or of an Exclusive Use Common Area.
- (2) Use of a Unit, including any aesthetic or architectural standards that govern alteration of a Unit.
- (3) Member discipline, including any schedule of monetary penalties for violation of the Governing Documents and any procedure for the imposition of penalties.
- (4) Any standards for Delinquent Assessment payment plans.
- (5) Any procedures adopted by the Association for resolution of Disputes.
- (6) Any procedures for reviewing and approving or disapproving a proposed physical change to a Member's Unit or to the Common Area.
- (7) Procedures for elections.

(b) This section shall not apply to the following actions by the Board:

- (1) A decision regarding maintenance of the Common Area.
- (2) A decision on a specific matter that is not intended to apply generally.
- (3) A decision setting the amount of a Regular or Special Assessment.
- (4) A rule change that is required by law, if the Board of Directors has no discretion as to the substantive effect of the rule change.
- (5) Issuance of a document that merely repeats existing law or the Governing Documents.

(c) Except for actions specified in paragraph (b) of this section, notice of any intended rule change shall be given pursuant to Civil Code Section 1357.100-1357.150, in which the Board shall adopt or amend new rules and regulations according to the following procedure:

- (1) At least thirty (30) days before a vote on adopting or amending an operating rule, the Board must mail a copy of the proposed change to the Members, along with an explanation of its purpose and effect. When voting on the rule, the Board must take into consideration any Member comments received. Within fifteen (15) days of voting on an operating rule, the Board must notify the Membership of the results of the vote.
- (2) Within thirty (30) days of this notification, either Member can request a Special Meeting to reverse the Board vote. The Board must give ten (10) to ninety (90) days' notice of a Special Meeting at which a quorum is present, at which a majority of the votes represented and voting can reverse the Board's decision. The Board must notify the Members of the results of this vote within fifteen (15) days. If an operating rule is reversed, it cannot be re-adopted by the Board for at least one year. However, the Board may vote on other operating rules covering the same subject.
- (3) If the Board determines that an immediate rule change is required to address an imminent threat to public health or safety, or an imminent risk of substantial economic loss to the Association, it may make an emergency rule change; and no notice is required. An emergency rule change is effective for one hundred twenty (120) days.

- (d) Any rule change made by the Board pursuant to paragraph (c) of this section may be reversed at a Special Meeting of the Members called and conducted in the manner set forth in Civil Code Section 1357.140 or any successor statute.
- (e) If Civil Code Section 1357 is amended, this provision automatically shall be amended in the same manner. If this Section is repealed and no successor section is enacted, this provision shall remain in full force and effect. This Civil Code Section may have been amended by the State Legislature since these Bylaws were created, and the Board should confirm the current statutory requirements.
- (f) An operating rule shall be enforceable only if it is: (1) in writing, (2) within the Board's authority, (3) consistent with governing law and the Governing Documents, (4) adopted in good faith, and (5) reasonable.

7.04 **Required Notices and Disclosures.**

The notices and disclosures to be given or made by the Board shall include but not necessarily be limited to the following:

- (a) Sixty (60) days before the beginning of the Association's fiscal year, the notice required by Civil Code Section 1365.1 regarding Assessments and Foreclosure shall be provided to every Member and shall be printed in at least 12-point type. The notice shall be in the language set forth in Section 1365.1 or any successor statute.
- (b) Sixty (60) days before the beginning of the Association's fiscal year, the disclosure summary required by Civil Code Section 1365.2.5 regarding Assessments and reserve funding shall be provided to every Member, in the language set forth in Section 1365.2.5 or any successor statute.
- (c) No less than thirty (30) days nor more than ninety (90) days before the beginning of the Association's fiscal year, the disclosure summary required by Civil Code Section 1365(e) regarding the Association's insurance policies shall be provided to every Member, in the language set forth in Section 1365(e) or any successor statute.
- (d) No less than thirty (30) days nor more than ninety (90) days before the beginning of the Association's fiscal year, the pro forma operating budget required by Civil Code Section 1365(a) shall be provided to every Member, in the language set forth in Section 1365(a) or any successor statute.
- (e) At the time the pro forma operating budget is distributed, the Association shall also distribute to the Members a summary of the Alternative Dispute Resolution procedures set forth in Civil Code Sections 1369.510 through 1369.580, and Sections 1363.810 through 1363.840. Said summary shall include the following language: "Failure of a Member of the Association to comply with the Alternative Dispute Resolution requirements of Section 1360.520 of the Civil Code may result in the loss of Owner's right to sue the Association or another Member of the Association regarding enforcement of the Governing Documents or the applicable law."

7.05 **Penalties for Noncompliance.**

- (a) In recognition of the need for a reasonable means of encouraging and insisting upon compliance with the provisions of the Governing Documents without resorting to suits for injunctive relief, the Board is authorized to do the following:
 - (1) Establish a reasonable policy of reasonable penalties, including monetary penalties (which specifies the amounts of potential monetary penalties);
 - (2) Assess such penalties against any Owner found to be in violation of any provision of the Governing Documents; and

- (3) Temporarily suspend an Owner's voting rights as a Member of the Association and/or Common Area privileges for as long as the violation continues.
- (b) However subject to any amendments thereto, Notice and Hearing relating to the imposition of any penalties in this section must be made in the following manner pursuant to Civil Code 1363(h):
- (1) Notice must be given in writing, by either personal delivery or first-class mail to the relevant Owner's most recent address in the Association's records at least ten (10) days before the Hearing in which the penalty is to be decided by the Board;
 - (2) Notice must set forth details of the alleged violation itself, the proposed penalty, the date, time and place of the Hearing, and a statement that the Owner has a right to attend and may address the Board;
 - (3) Hearing will be held by the Board of Directors, and their decision is final and binding upon the Owner;
 - (4) The Board shall meet in executive session if requested by the Owner being disciplined, and the Owner shall be entitled to attend the executive session;
 - (5) Following the Hearing, the Board must decide whether or not the Owner should in fact be penalized, and the nature of the penalty; and
 - (6) If the Board imposes discipline on the Owner, a written notice must be given to the Owner by either personal delivery or first-class mail, within fifteen (15) days following the action, and at least five (5) days prior to the effective date of the penalty.
- (c) If the Board establishes a policy imposing any monetary penalty, including any fee on any Member for a violation of the Governing Documents or rules of the Association, including any monetary penalty relating to the activities of a guest or invitee of a Member, the Board shall adopt and distribute to each Member by personal delivery or first-class mail, 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. (The Board shall not be required to distribute any additional schedules of monetary penalties unless there are changes from the schedule that was adopted and distributed to the Members.)
- (d) If an Owner fails to comply with a penalty imposed pursuant to the provisions of this section, the Board may seek judicial enforcement of the penalty in any court of competent jurisdiction, with the Owner liable for all costs (collection costs, court costs, attorney's fees, etc.). However, such penalties and costs shall not be treated as an Assessment that may become a prejudgment lien enforceable by Civil Code Section 2924.
- (e) All procedures relating to the imposition of any penalties or discipline for violation of any provision in the Governing Documents shall, at minimum, comply with Civil Code Section 1363 and Corporations Code Section 7341.

7.06 **Notice of Delinquent Assessments.**

At least thirty (30) days before a lien is recorded upon an Owner's Condominium to collect a debt for Delinquent Assessments, the Association shall notify the Owner and the First Mortgagee in writing by certified mail of the following, as required by Civil Code Section 1367.1 or successor statute:

- (a) A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount;
- (b) A statement that the Owner has the right to inspect the Association records, pursuant to Corporations Code Section 8333;

- (c) The following statement, in capital letters or in 14-point boldface type: "IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION."
 - (d) An itemized statement of the charges owed, showing the amount of any Delinquent Assessments, the fees and reasonable costs of collection, reasonable attorney's fees, late charges and interest, if any.
 - (e) A statement that the Owner shall not be liable to pay the charges, interest and costs of collection if it is determined that the Assessment was paid on time to the Association.
 - (f) A statement that the Owner has the right to request, and upon request the Association shall participate in, a meeting to discuss establishing a payment plan to satisfy Delinquent Assessments.
 - (g) A statement that the Owner has the right to request, and upon request the Association shall participate in, Alternative Dispute Resolution as set forth in Civil Code Sections 1363.810 through 1363.840 or Sections 1369.510 through 1369.580. The form of Alternative Dispute Resolution, if any, used to resolve a Dispute arising from Delinquent Assessments shall be the choice of the Owner, except that binding arbitration shall not be used if the Association intends to commence a judicial Foreclosure.
- Should the Owner make such a request, the Association shall not record a lien or initiate Foreclosure action without participating in Alternative Dispute Resolution. If it is determined through Dispute resolution or Alternative Dispute Resolution that the Association has filed a lien for a Delinquent Assessment in error, the Association shall be required to reverse specified charges and take other corrective actions.
- (h) If a lien is recorded against an Owner's Unit in error, the Association or other person who recorded the lien must record a lien release within twenty one (21) days, and must provide the Owner documents in this regard as required by law.

7.07 **Payments and Payment Plans.**

- (a) The Association must provide a receipt for payment of Assessments, indicating the date of payment and the person who received it, if requested by an Owner.
- (b) The Association must inform all Owners of a mailing address for overnight payments.
- (c) An Owner may dispute an Assessment debt by submitting to the Association a request for Dispute resolution under Civil Code Section 1368.810 through 1368.840, The Association may not commence Foreclosure without participating in Dispute resolution under Civil Code Section 1369.510 through 1369.580 if requested by the Owner.
- (d) An Owner may submit a written request to meet with the Board to discuss a payment plan for the debt pursuant to Section 7.04 above. The Board shall meet with the Owner in executive session or by a designated committee of one or more Members within forty-five (45) days of the postmark of the request, if the request is mailed within fifteen (15) days of the date of the postmark of the Notice of Delinquent Assessment.
 - (1) Payment plans may incorporate any Assessments that accrue during the payment plan period.
 - (2) Payment plans shall not impede the Association's ability to record a lien on the Owner's Unit to secure payment of Delinquent Assessments.
 - (3) Additional late fees shall not accrue during the payment plan period if the Owner is in compliance with the terms of the payment plan.
- (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.

ARTICLE VIII

Association's Books and Records: Rights to Inspection

8.01 Books and Records of the Association.

- (a) The Board of Directors of the Association shall comply with all current requirements of California Civil Code Sections 1365, 1365.2, 1365.5 and 1368, or successor statutes pertaining to financial records and Governing Documents. Any amendment to those sections shall automatically amend this section to conform to those Legislative amendments.
- (b) **"Association Records"** means all of the following, as provided in section 1365.2(a) of the California Civil Code or any successor statute:
- (1) Any financial document required to be provided to a Member by Civil Code Section 1365 or any successor statute, including the pro forma operating budget, a review of the financial statement of the Association, a statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of its Assessments, and a summary of the Association's insurance policies, as set forth in that section.
 - (2) Any financial document or statement specified in Civil Code Section 1368 or any successor statute, including the following as set forth in that section:
 - (A) Copy of the Governing Documents.
 - (B) If there is a restriction in the Governing Documents limiting the occupancy, residency, or use of a Unit 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.
 - (C) Statement as to the amount of the Association's current Regular and Special Assessments and fees, including future changes there.
 - (D) Statement of fees, Assessments and notices applicable to a particular Owner.
 - (E) Disclosure of construction defects as set forth in Civil Code section 1375, and of any settlement agreement as set forth in Civil Code section 1375.1, or any successor statutes.
 - (3) Interim unaudited financial statements.
 - (4) Executed contracts not otherwise privileged under law.
 - (5) Written Board approval of vendor or contractor proposals or invoices.
 - (6) State and federal tax returns.
 - (7) Reserve account balances and records of payments made from reserve accounts.
 - (8) Agendas and minutes of meetings of the Members, the Board of Directors and any committees appointed by the Board of Directors; excluding, however, agendas, minutes, and other information from executive sessions of the Board of Directors as described in Section 1363.05.
 - (9) Membership lists, as described in section 1365.2(1)(I).
 - (10) Check registers.

- (c) **"Enhanced Association records"** means invoices, receipts and canceled checks for payments made by the Association, purchase orders approved by the Association, credit card statements for credit cards issued in the name of the Association, statements for services rendered, and reimbursement requests submitted to the Association, provided that the person submitting the reimbursement request shall be solely responsible for removing all personal identification information from the request.
- (d) The Association shall make available at the Association's business office within the Project or other agreed location, for inspection and copying by a Member or the Member's representative, Association records and enhanced Association records for the current year and two prior fiscal years. Current records shall be made available within 10 business days after request, earlier records within 30 calendar days after request. Minutes or draft minutes of Member or Board meetings shall be made available within 30 days after the meeting and shall be permanently available. Minutes or draft minutes of meetings of any committee having decision-making authority shall be made available within 15 calendar days after approval and shall be permanently available. Membership lists shall be made available within 10 days of request or 10 days, or as specified by Corporations Code section 8330.
- (e) The Association may bill the requesting Member for the direct and actual cost of copying requested documents, including an amount not more than ten dollars (\$10) an hour or two hundred dollars (\$200) total for the time actually and reasonably involved in redacting the enhanced Association records. Before the requested documents are copied and retrieved, the Association shall inform the Member of the amount of the copying costs and the Member shall agree to pay those costs. The requesting party may elect to receive specified documents in electronic or machine-readable storage media as long as the form of storage or transmission does not permit alteration of the record.
- (f) The Association may redact personal information from the records provided, according to Civil Code Section 1365.2(d) or any successor statute.
- (g) The Association shall not be liable for failure to retain records created prior to January 1, 2006.
- (h) Owners shall annually be provided a summary of the provisions of Section 1354, as set forth therein, which must include the following language: "Failure by any Member of the Association to comply with the prefilling requirements of Section 1354 of the Civil Code may result in the loss of your rights to sue the Association or another Member of the Association regarding enforcement of the Governing Documents". This summary shall be provided either at the time of distribution of the pro forma budget required by Section 1365, or in the manner specified in Section 5016 of the Corporations Code.
- (i) Every Director 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. The right of inspection by a Director includes the right to make copies of documents.
- (j) In addition to the foregoing, for a period of ten (10) years after the close of escrow for the sale of the last Condominium in the Project covered by a DRE final subdivision public report, Declarant shall have the same rights as Members under this Section to inspect, examine and audit the books of the Association.
- (k) No officer, Director, employee, agent or volunteer of the Association, nor the Association itself, shall be liable for damages to a Member or to any third party as the result of identity theft or other breach of privacy because of the failure to withhold or to redact that Member's information under this section or under Civil Code Section 1365.2, unless such failure was intentional, willful or negligent.

ARTICLE IX

Indemnification and Liability

9.01 Liability of the Board and Officers.

Pursuant to Corporations Code Sections 7231 and 7231.5, and Civil Code Section 1365.7, however subject to any amendments thereto, to the fullest extent permitted by law, no Member of the Board or any officer of the Association shall be personally liable to any person who suffers injury, including, but not limited to, bodily injury, emotional distress, wrongful death, or property damage or loss as a result of any act, omission, error or negligence or the like of the Board Member or officer, provided that such person has, upon the basis of such information as may be possessed by him, acted in good faith, and without willful, wanton or grossly negligent misconduct, and within which such person reasonably believed to be the scope of his/her duties.

9.02 Indemnification of Agents.

The Association shall indemnify, defend and hold harmless any present or former Director, officer, employee or other agent of the Association to the fullest extent authorized under California Corporations Code Section 7237, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was entitled to indemnification under this provision.

ARTICLE X

Miscellaneous

10.01 Checks, Drafts, etc.

Only person(s) authorized by the Board may sign all checks, drafts and other orders for payment, or evidence of indebtedness regarding the Association. Notwithstanding the foregoing, any withdrawal of funds from the reserve accounts shall require the signature of two (2) Directors.

10.02 Conflicts.

- (a) In case of conflict between the Declaration and these Bylaws, the Declaration will control.
- (b) In case of conflict between these Bylaws and any applicable State of California law or statute, the law or statute will control.

10.03 Notices.

Unless otherwise specified, giving of all notices shall conform to the provision specified for notices in the Declaration.

ARTICLE XI

Amendments

11.01 Amendments.

- (a) The Association may amend these Bylaws as follows:
 - (1) Before the First Close of Escrow, Declarant may unilaterally amend these Bylaws.
 - (2) After the First Close of Escrow.
 - (A) If there is only one Membership class, approval by a majority of the Total Voting Power of the Association and a majority of votes other than the Declarant; or
 - (B) If Class B Membership exists, approval by a majority of the Total Voting Power of each class of Membership.
 - (b) The Amendment shall require the signature of two Association Officers certifying that the amendment has been approved by the required vote of Members.
 - (c) The specified percentage of Members necessary to amend a specific section or provision of these Bylaws shall not be less than the percentage of affirmative votes prescribed for action to be taken under that section or provision.
 - (d) No amendments to these Bylaws or other Governing Documents that specifically benefit the Declarant as Developer shall be made without the written consent of the Declarant.
 - (e) If a First Mortgagee who receives a written request from the Board to approve a proposed amendment(s) does not return a negative response within sixty (60) days, the First Mortgagee will be deemed to have approved the amendment(s).
 - (f) Prior written approval of Beneficiaries of at least fifty-one (51%) of all First Mortgages on Condominiums must be secured before any amendment to the provisions of these Bylaws affecting the Section in the Declaration entitled "Restrictions on Certain Changes" may take effect, and this sentence may not be amended without such prior written approval.
 - (g) Notwithstanding any other portion of this section, for so long as Declarant owns any portion of the Property, Declarant may unilaterally amend these Bylaws by recording an instrument in writing, signed by Declarant, without the consent of the Association or any other Owner, provided that such amendment is made in order to conform these Bylaws to the requirements of the DRE, VA, FHA, FNMA, FHLMC, or any other governmental entity.
 - (h) An amendment for the purpose of correcting technical errors, clerical mistakes or for clarification shall not be construed as a material change to the Governing Documents, and may be made upon a majority vote of the Board of Directors without vote of the Membership.
-

I, THE UNDERSIGNED SECRETARY, certify that the foregoing Bylaws have been approved by the incorporator of the Association.

X 
By: _____
ASSOCIATION SECRETARY

Date: _____, 201__

END

The Village at Glenoaks Inc.

4528. The form for billing disclosures required by Section 4530 shall be in at least 10-point type and substantially the following form:

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Property Address: 11379 Villa del Sol, Pacoima, CA 91331-1856

Owner of Property: Warren Duplessis

Owner's Mailing Address: _____

(if known or different from property address)

Provider of the **Section 4525** Items:

Esmeralda Quiroz Closings Coordinator Ross Morgan & Company, Inc.

Print Name Position or Title Association or Agent

09-16-2026

Date Form Completed

Check or Complete Applicable Column or Columns Below:

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	\$25.00	
CC&Rs	Section 4525(a)(1)	\$50.00	
Bylaws	Section 4525(a)(1)	\$50.00	
Operating Rules	Section 4525(a)(1)	\$35.00	
Age Restrictions, if any	Section 4525(a)(2)		
Rental Restrictions, if any	Section 4525(a)(9)	\$0.00	
Annual Budget Report or summary, including Reserve Study	Sections 5300 and 4525 (a)(3)	\$35.00	
Assessment and Reserve Funding Disclosure Summary	Sections 5300 and 4525 (a)(4)		
Financial Statement Review	Sections 5305 and 4525(a)(3)	\$50.00	
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)	\$0.00	
Emergency Assessment	Section 4525(a)(4)		
Other Unpaid Obligations of Seller	Sections 5675 and 4525(a)(4)		

The Village at Glenoaks Inc.

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App)
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 Violations	Sections 5855 and 4525(a)(5)		
Required Statement of Fees	Section 4525	\$250.00	
Minutes of Regular Board Meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$50.00	
Copy of the report issued pursuant to the most recent Inspection of Exterior Elevated Elements	Sections 4525(a)(11) and 5551	\$60.00	
Total fees for these documents:		\$605.00	

*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 shall be charged separately.

Buyer and Seller may negotiate who pays document and disclosure fees. The management company was not paid a referral fee by HomeWiseDocs as part of this transaction. This is the minimum document offering required to meet CA statute 4525. You may opt to acquire additional documents including, but not limited to, Meeting Minutes, Reserve Studies, Insurance Declaration Pages, and/or property inspections not mandated by law but helpful to the prospective buyer(s) and/or their agent to make a more informed decision regarding the subject property. Please note: The fees listed are an estimate and the actual fees charged for the documents may be different than this amount. Other fees including, but not limited to, Transfer Fees, Capital Contributions, Collection fees, etc. may be assessed to each property and will be disclosed on the Statement of Fees (Demand), and are not included within estimated charges outlined within this form.

CC&Rs (Required Civil Code Sec. 4525)
The Village at Glenoaks Inc.

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs

NOTICE:

If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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0066

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Recorder's Office, Los Angeles County,
California

04/09/13 AT 08:00AM

FEES:	210.00
TAXES:	0.00
OTHER:	0.00
PAID:	210.00

APR 18 2013



LEADSHEET



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SEQ:
05

DAR - Title Company (Hard Copy)



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RECORDING REQUESTED BY:

CHICAGO TITLE-SUBDIVISION



AND WHEN RECORDED MAIL TO:

San Fernando Homes Corp.
21510 Roscoe Blvd.
Canoga Park CA 91304

91151251-X19

**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS
FOR**

**THE VILLAGE AT GLENOAKS - TRACT NO. 61190
(A Condominium Project)**

**THIS DECLARATION CONTAINS AN ALTERNATIVE DISPUTE RESOLUTION PROVISION WITH A
WAIVER OF THE CONSTITUTIONAL RIGHT TO A JURY.
YOU MUST READ THE PROVISION CAREFULLY (PAGE XV-1, ARTICLE XV,
SECTION 15.02, AND SHOULD CONSULT LEGAL COUNSEL WITH ANY QUESTIONS.**

[C-Single Detached: 12/04/05]
[This Set: 03/25/213]

Document Prepared By:
Murakami Law Office
371 Van Ness Way, Suite 130
Torrance, California 90501
Tel: (310) 961-5260

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs

SB

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**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS FOR
THE VILLAGE AT GLENOAKS**

This Declaration is dated this 12th day of December 2012 (for reference purposes), by **SAN FERNANDO HOMES CORP., a California Corporation** ("Declarant").

RECITALS

- A. Declarant is the owner in fee of that certain real property ("Property") in the City of Los Angeles, County of Los Angeles, State of California, legally described in attached Exhibit "A".
- B. Declarant intends to develop the Property into a Condominium project ("Project") under the provisions of California Civil Code Section 1351(f).
- C. Declarant desires to impose a general plan for the development, maintenance, improvement, protection use, occupancy and enjoyment of the Project, and to establish, adopt and impose covenants, conditions, restrictions, easements, equitable servitudes, liens and charges upon the Project for the purpose of enforcing, protecting and preserving the value, desirability and attractiveness of the Project.
- D. This Declaration, and all Governing Documents for this Property, shall be deemed in full force and effect upon recordation of the first Grant Deed conveying fee title of a Condominium to an Owner in the Property.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following Declarations, limitations, covenants, conditions, restrictions, liens, charges and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and every part thereof, in accordance with the plan for the improvement of the Property and division thereof into Condominiums. All of the limitations, covenants, conditions, restrictions, and easements shall constitute equitable servitudes in accordance with Civil Code Section 1354 and shall be binding upon Declarant and its successors and assignees, and all parties having or acquiring any right, title or interest in or to any part of the Property.

ARTICLE I DEFINITIONS

Article I provides definitions of the terms commonly used in this Declaration. Defined terms are capitalized throughout the Declaration.

The following definitions apply unless otherwise required by the context:

"Alternative Dispute Resolution" - Resolution of disputes arising out of claims of construction defects or violations of Governing Documents in which Declarant and/or the Association and/or one or more Owners are parties, as set forth below in the Article entitled *"Dispute Notification and Resolution Procedures"*.

"Approval" - Prior written approval.

"Architectural Committee" - The committee created pursuant to the Article herein entitled *"Architectural Control"*.

"Architectural Guidelines" - The rules and standards adopted by the Board pursuant to the Section hereof entitled *"Architectural Guidelines"* in the Article hereof entitled *"Architectural Control"*.

"Articles" - The Articles of Incorporation of the Association, including any amendments.

"Assessments" - All types of Association charges and Assessments levied against the Owners. The three (3) types of Assessments are Regular, Special, and Compliance Assessments.

"Association" - The Village at Glenoaks, Inc., a California nonprofit mutual benefit corporation formed (or to be formed) to govern the Project. The term includes its agents, the Board or any committee as applicable.

"Authorized Antenna" - (a) An antenna designed to receive direct broadcast satellite service, including direct-to-home satellite service, that is one (1) meter or less in diameter, or (b) an antenna designed to receive video programming service, including multichannel multipoint distribution service, instructional television fixed service, and local multipoint distribution service, and is one (1) meter or less in diameter or diagonal measurement, or (c) an antenna designed to receive television broadcast signals, and includes (d) an antenna used to receive and transmit fixed wireless signals, or (e) as otherwise permitted by law, that is of a size and type consistent with the provisions of California Civil Code Section 1376 and with the provisions of Section 207 of the Telecommunications Act of 1996 (47 U.S.C. Section 303) or the regulations promulgated thereunder.

"Beneficiary" - The lender on the security of a Promissory Note and Deed of Trust.

"Board" or **"Board of Directors"** - The governing body of the Association.

"Bylaws" - The Bylaws of the Association, including any amendments.

"Code Section" - Refers to Codes of the State of California (e.g. "Civil Code", "Vehicle Code"). Reference to any specific Code Section includes any future successor Code Sections. Any applicable new legislation or future amendment of any Code Section referenced in this Declaration shall automatically amend this Declaration in the same way, without necessity for execution and recording of any amendment to this Declaration.

"Common Area(s)" - The entire Property (including land and improvements) other than the Units described in this Declaration and the Condominium Plan.

"Common Expenses" - The actual and estimated expenses of the Association in performing its duties as set forth in the Governing Documents.

"Compliance Assessment" - An Assessment imposed against a particular Owner in order to reimburse the Association for any costs incurred in connection with that Owner's violation of the Governing Documents, or a monetary penalty imposed by the Association as a disciplinary measure for failure to comply with the Governing Documents. Compliance Assessments fall under the category of Special Assessments.

"Condominium" - An estate in real property (defined in Sections 783 and 1351(f) of the California Civil Code) consisting of both:

- (a) A separate interest in space called a "Unit"; and
- (b) An undivided interest in the Common Area.

"Condominium Plan" - The recorded diagrammatic drawings of the Units built or to be built on the Property which identifies each Unit and shows its dimensions pursuant to California Civil Code Section 1351(e).

"Construction Defect" - Any deficiency with respect to water, structural, soil, fire protection, plumbing and sewer, electrical or other areas of construction, as defined in Sections 896 and 897 of the California Civil Code.

"Declarant" - The person(s) or entity identified in the introductory paragraph of this Declaration; also, Declarant's successors to and assignees of special rights, preferences, or privileges designated herein, including any Mortgagees acquiring Declarant's interest in the Project by Foreclosure or deed in lieu of Foreclosure.

"Declaration" - This instrument and any amendments.

"Deed of Trust" - A three party security instrument conveying title to land as security for the repayment of a loan. Also called "Trust Deed". Reference to Deed of Trust includes a mortgage.

"Declarant Party(ies)" - Declarant, developer, builder, general contractor, subcontractor and/or design professional who have participated in the development of the Project, or any insurer of any such party.

"Dispute" - Any unresolved claim, dispute or disagreement concerning the Property or the Governing Documents for the Project, arising among Owners, Association, and/or Declarant Parties.

"DRE" - The California Department of Real Estate and any successors thereto.

"Eligible First Mortgagees" - Holders of First Mortgages who have requested the Association to notify them of specified proposals and changes to the Governing Documents and other Association matters.

"Exclusive Use Common Area" - Those portions of the Common Area designated by the Declaration, and/or Condominium Plan or by law for the exclusive or restricted use of the Owners of particular designated Units.

"Family" - (a) one or more natural individuals related to each other by blood, marriage or adoption, or (b) a group of natural individuals not all so related, but who live as a common household in a Unit.

"FHA" - The Federal Housing Administration of the United States Department of Housing and Urban Development and any department or agency of the United States government which succeeds to the FHA's function of insuring notes secured by Mortgages on residential real estate.

"FHLMC" - The Federal Home Loan Mortgage Corporation (also known as The Mortgage Corporation) created by Title II of the Emergency Home Finance Act of 1970, and any successors to such corporation.

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"**First Close of Escrow**" - The date on which the first Grant Deed is recorded conveying fee title to a Condominium to the first Owner pursuant to a transaction requiring the issuance of a final subdivision public report by the Department of Real Estate.

"**First Mortgage**" or "**First Mortgagee**" - A Mortgage or Mortgagee that has priority over all other Mortgages or Mortgagees encumbering the same Condominium or any other portion of the Project, including a First Mortgagee's blanket Mortgage recorded prior to the recording of this Declaration.

"**FNMA**" - The Federal National Mortgage Association, a government-sponsored private corporation established pursuant to Title VIII of the Housing and Urban Development Act of 1968, and any successors to such corporation.

"**Foreclosure**" - The legal process by which the mortgaged property of a borrower in default under a Mortgage is sold, and the borrower's interest in that property is sold, pursuant to California Civil Code section 2924 et seq., or sale by the court pursuant to California Code of Civil Procedure section 725a et seq., and any other applicable law.

"**Governing Documents**" - All documents governing the Property, including this Declaration, the Articles, Bylaws, Condominium Plan, any maintenance manuals, and any Rules and Regulations, as may be amended from time to time.

"**Grant Deed**" - A written instrument transferring title to a Condominium.

"**Improvements**" - Any structure or anything attached to a structure or to the land within the Project, consistent with the provisions of Civil Code Section 3106.

"**Institutional Mortgagee**" - Any bank, savings and loan association, insurance company, real estate investment trust, retirement fund trust, or other financial institution holding a recorded First Mortgage on any Condominium.

"**Manager**" or "**Managing Agent**" - The party contractually engaged by the Association or Declarant to manage the Common Area(s) and perform other duties of the Association.

"**Member**" - Any person who is an Owner based upon the provisions of the Governing Documents.

"**Mortgage**" - A two party security instrument pledging land as security for the performance of an obligation. Reference to Mortgage includes the Deed of Trust.

"**Mortgagee**" - The party entitled to performance by a Mortgagor. Reference to Mortgagee includes any beneficiary under a Deed of Trust including a Deed of Trust on any portion of the Property, recorded prior to the recording of this Declaration.

"**Notice and Hearing**" - A notice of time and an opportunity for a hearing as provided for in the Governing Documents.

"**Occupant**" - An Owner, resident, guest, invitee, tenant, lessee, sublessee, or other person residing in a Unit, including, without limitation, any family member(s) or children of any of the foregoing.

"**Owner**" or "**Owners**" - The person(s) or legal entity holding a recorded fee simple interest in a Condominium (including the Declarant), or the purchaser(s) of a Condominium under an installment land sales contract. "Owner" does not include any person or entity having an interest in a Condominium merely as security for the performance of an obligation.

"**Party(ies)**" - The claimants and respondents in a proceeding to resolve a Dispute.

"**Person**" - A person, partnership, limited liability company, limited partnership, corporation, Trustee or other legal entity.

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"Project" or "Property" - The real property described in Exhibit "A" to this Declaration. The Project is a "Condominium Project" as defined in Section 1351(f) of the California Civil Code. The Property is a "Common Interest Development" as defined in Section 1351(c) of the California Civil Code.

"Quorum" - Members entitled to vote (in person or by proxy) holding a majority of the Total Voting Power of the Association constitute specifically, a quorum for business transactions at all Member meetings (except as otherwise specifically provided in this Declaration or the Bylaws of the Association).

"Regular Assessments" - Assessments used to meet the Association's normal operating expenses and to establish necessary reserves.

"Rules and Regulations" - The rules as established and adopted from time to time by the Board as provided for in this Declaration.

"Service Lines and Facilities" - Electric, telephone, cable television, community antenna television system, satellite television lines, water, gas, security system lines, sanitary sewer lines and drainage facilities, irrigation lines, meters and related facilities, lines, cables, wires or other conduits or devices for utilities and other service lines and facilities.

"Special Assessments" - Assessments levied on an as-needed basis to meet expenses of any extraordinary or capital nature and may include but are not limited to Compliance Assessments.

"Total Voting Power" - One hundred percent (100%) of the votes by Owners which may potentially be cast. (Even if any Owner's voting rights have been suspended, the number of votes constituting the Total Voting Power would include any suspended vote(s).)

"Trustee" - A party (such as a title company) to whom legal title to real property is entrusted for the benefit of the Beneficiary, as security for a loan.

"Unit" - The elements of a Condominium not owned in common with other Owners as defined in California Civil Code Section 1351(f). Each Unit is designated as a Unit in the Condominium Plan for the Property and is separately identified.

"VA" - The Department of Veterans Affairs of the United States and any department or agency of the federal government which succeeds to the VA's function of issuing guarantees of notes secured by Mortgages on residential real estate.

ARTICLE II

DIVISION, MAINTENANCE AND INSURANCE OF PROPERTY

Article II defines the extent of a Condominium and of Common Areas, and assigns maintenance and insurance obligations to the Owners and the Association respectively.

Ownership of each Condominium shall include a Unit, an undivided interest in the Common Area, and membership in the Association.

2.01 Units.

Each Unit consists of all elements and areas identified as such on the Condominium Plan.

2.02 Common Area(s).

- (a) The Property not constituting the Units is the Common Area.
- (b) Each Owner of a Condominium in the Property will receive the following undivided interest in the Common Area in the Property: one/thirtieth (1/30).

2.03 Repair and Maintenance of the Property by Owner.

- (a) In accordance with the Governing Documents, each Owner must maintain, repair, replace, and keep in good orderly condition all of the following in the manner stated herein:
 - (1) All of the Owner's Unit, which includes all of the dwelling structure and landscaped areas (see the Condominium Plan for a detailed description) in a clean, sanitary and attractive condition.
 - (2) The landscaped portions of the Owner's Property in good condition, including utilities and the sprinkler system in connection with the maintenance of the landscaped areas.
- (b) Any damage to any real or personal property in the Project caused by an Owner or an Owner's Occupants or invitees, even if the damage is to an area otherwise maintained by the Association or another Owner. All the repairs shall be subject to prior approval of the Board.
- (c) Any change to the exterior appearance of a Unit must be approved by the Architectural Committee in accordance with the Governing Documents and applicable laws.
- (d) Subject to this Declaration and California Civil Code Section 1360, an Owner may do the following:
 - (1) Make any improvement or alteration within the Unit that does not impair the structural integrity or mechanical systems, or lessen the support of any portion of the Property.
 - (2) Modify a Unit to eliminate hazards and facilitate access for disabled persons (including the route from the public way to the Unit door) subject to the following conditions:
 - (A) The modifications must be consistent with applicable building code requirements.
 - (B) The modifications must be consistent with applicable provisions of the Governing Documents regarding safety and aesthetics.

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- (C) External modifications to the Unit may not prevent reasonable passage by other Owners, and must be removed by the Owner when the Unit is no longer occupied by the person(s) requiring the modifications.
 - (D) Plans and specifications must be submitted to the Architectural Committee for review to determine compliance with the provisions of this paragraph.
 - (E) The Architectural Committee may not deny approval of the proposed modifications without good cause.

2.04 **Repair and Maintenance of the Property by Association.**

- (a) Except as otherwise specifically stated, the Association (not individual Owners) is responsible for maintaining, repairing, replacing, modifying, and altering Common Areas.
- (b) Graffiti Removal. The Association shall remove within forty-eight (48) hours all graffiti that is placed anywhere on the Common Areas of the Project and the Association, and its agents and contractors, shall have access upon and over all of the Units in the Project in order to accomplish the same.
- (c) SWPPP. If applicable, the Association shall comply with the storm water pollution prevention plan ("SWPPP") that was prepared by the Declarant and filed with the State of California, including, without limitation, any "best management practices" contained therein, and any other SWPPP or drainage area management plan prepared by the City. A copy of the SWPPP applicable to the Property shall be on file with the Association or its property manager.

2.05 **Association Insurance.**

- (a) The Board shall obtain and maintain the following specified (or equivalent) insurance coverages, provided it is financially reasonably prudent to do so:
 - (1) A master or blanket policy of fire insurance for the full insurable value of all of the improvements within the Common Areas.
 - (A) The form, content, and term of the policy and its endorsements and the issuing company shall satisfy the minimum requirements for this type of Project by FNMA and FHLMC.
 - (B) The policy shall contain an agreed amount endorsement or its equivalent, an increased cost of construction endorsement or a contingent liability from operation of building laws endorsement or its equivalent, an extended coverage endorsement, vandalism, malicious mischief coverage, a special form endorsement and a determinable cash adjustment clause or a similar clause to permit cash settlement covering full value of the improvements in case of partial destruction and a decision not to rebuild.
 - (C) The policy shall name as insured the Association, the Owners and all Mortgagees as their respective interests may appear, and may contain a loss payable endorsement in favor of the trustee described hereinafter.
 - (D) Notwithstanding subparagraph (a)(1) above, the Board may, after consultation with its insurance professional and if it deems it prudent to do so, purchase coverage with deduction for depreciation and/or coinsurance.

- (2) Comprehensive public liability insurance in a reasonably prudent amount that covers the Association, Board, Managing Agent, Owners, Occupants and any other agents or employees incident to the Ownership or use of Common Area(s) against physical injury, death and property damage arising out of a single occurrence. The Board should consider maintaining insurance in the amount specified by Civil Code Sections 1365.7 and 1365.9.
- (3) If available, an extended coverage endorsement clause known as "Special Form", and a clause that permits a cash settlement to cover the full value of Improvements in case of destruction and a subsequent decision not to rebuild.
- (4) A fidelity bond that insures the Association for the estimated maximum amount (or at least three (3) months' aggregate Assessments on all Condominiums and reserve funds) that could be affected by the dishonest act of any Member of the Association or Board, managing agent, employee, or Occupant, who handles funds for the Owners' benefit. Fidelity bonds must provide for a ten (10) day written notice of modification or termination to any insurance trustee, and to each FNMA servicer who has filed a written request with the carrier for such notice.
- (5) Director and officer liability insurance ("D&O") in an amount that satisfies Civil Code section 1365.7(a)(4). In the absence of gross negligence, intentional misconduct, or fraud, the Association shall indemnify directors and officers from personal liability for claims made as a result of the performance of their duties.
- (6) Any other insurance policy the Association deems appropriate.
- (b) Association insurance policies shall contain the following provisions, if available:
 - (1) Statements that the policies are primary and non-contributing;
 - (2) Statements that an Owner's conduct will not constitute grounds for avoiding liability;
 - (3) Inflation Guard Endorsement (if obtainable at a reasonable cost);
 - (4) Standard Mortgagee clause, and name as Mortgagee FNMA or servicer (if applicable).
- (c) Each Owner appoints the Association or any insurance trustee designated by the Association to act on behalf of the Owners in connection with all insurance matters arising from any insurance policy maintained by the Association, including without limitation, representing the Owners in any proceeding, negotiation, settlement, or agreement.
- (d) Any insurance maintained by the Association shall contain "waiver of subrogation" as to the Association and its officers, directors, and the Owners and occupants of the Condominiums and Mortgagees, and all Owners are deemed to have waived subrogation rights as to the Association and/or other Owners, whether or not their policies so provide.
- (e) All insurance policies must require a written thirty (30) day notice of modification or termination of coverage from the insurer to the Association, Declarant, Owners and their Mortgagees, and any interested party who requests such a notice.
- (f) The Association is not obligated to provide intra-Unit public liability insurance or any protection against risks customarily covered under "homeowners" or "broad form homeowners" policies. Owners may individually insure against such risks.
- (g) The Board shall adopt policies and procedures regarding the filing and processing of claims for damage and destruction of Common Area Improvements or any other matters covered by insurance maintained by the Association.
- (h) At least annually, the Board must review the Association's insurance policies.

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2.06 **Board's Authority to Alter Insurance Coverage.**

Subject to the provisions of Section 2.05(a)(2) above, the Board shall have the power and right to deviate from the insurance requirements contained in this Article in any manner that the Board, in its reasonable business discretion, considers to be in the best interests of the Association. If the Board elects to materially reduce the coverage from the coverage required in this Article, the Board shall make all reasonable efforts to notify the Members of the reduction in coverage and the reasons therefor at least thirty (30) days prior to the effective date of the reduction. The Association, and its directors and officers, shall have no liability to any Owner or Mortgagee if, after a good faith effort, the Association is unable to obtain any insurance required hereunder because the insurance is no longer available, or, if available, the insurance can be obtained only at a cost that the Board, in its sole discretion, determines is unreasonable under the circumstances, or the Members fail to approve any assessment increase needed to fund the insurance premiums.

2.07 **Owner Insurance.**

- (a) It is each Owner's responsibility to obtain insurance for the dwelling and garage.
- (b) It is each Owner's responsibility to obtain insurance for the following:
 - (1) Insurance for the personal property or potential liability occurring within a Unit; however, an Owner shall not obtain any insurance that potentially may cause a reduction in the Association's insurance proceeds. If an Owner violates this provision, the Owner shall be liable to the Association for any reduction in the Association's insurance proceeds;
 - (2) Loss assessment coverage for certain future special assessments; and
 - (3) Any other available insurance.
- (c) An Owner shall consider including in the policy coverage for earthquake insurance.

ARTICLE III

OWNERS GENERAL USE RESTRICTIONS

Article III defines the manner in which residential condominiums may be used.

3.01 **Unit Use.**

- (a) A Unit may only be used for a single Family dwelling.
- (b) An Owner may lease a Unit for residential purposes provided:
 - (1) There is a written agreement;
 - (2) The lease states it is subject to all the provisions of the Governing Documents and that any failure to comply with any provision of this Declaration or the other Governing Documents shall constitute a default under the terms of said agreement;
 - (3) A copy of this Declaration is made available to each tenant or lessee by the Owner so leasing;
 - (4) Owners must give the Board the names and telephone numbers of all Occupants;
 - (5) No Owner may lease a Unit for hotel, motel or transient purposes or any other purpose inconsistent with the provisions of this Declaration;
 - (6) Owners, at all times, are responsible for their Occupants' compliance with all of the provisions of the Governing Documents in the occupancy and use of the Units; and
 - (7) The Association and each Owner shall have a right of action directly against any Occupant for any breach of any provision of the Governing Documents.
- (c) Subject to Declarant's rights pursuant to the Article entitled "*Easements*" herein, occupations and businesses that do not interfere with the residential nature or character of the Property or quiet enjoyment by other Owners may be carried on within a Unit, provided that all applicable laws, ordinances, zoning regulations and rules are satisfied and that there is no external evidence of any such occupation, such as an unreasonable increase in visitors, or an increase in the sound or smell emanating from the Unit.

3.02 **Common Area Use.**

- (a) Common Area(s) may only be used for purposes which are compatible with usages customarily associated with common areas located within residential developments in California, and subject to the limitations described in this Declaration and other Governing Documents.
- (b) Any Owner may, subject to the Governing Documents, delegate his/her rights of use and enjoyment of any Common Area facilities to any Occupants of his/her Unit. If an Owner has rented or leased his/her Condominium, such rights shall be automatically delegated to the tenants or lessees for the duration of their tenancy, and the Owner shall forfeit any rights to use and enjoy any such facilities for the duration of such tenancy. With respect to an installment land sales contract, the seller under the contract shall be deemed to have delegated his/her rights to use and enjoy any such facilities to the purchaser under the contract.

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3.03 **Utility Meters.**

Each Owner, by acceptance of a deed, acknowledges that water services are not separately metered by the public utility company, but instead are submetered to each Unit. Owners will be billed as described in 3.03(a) below. Other utility services are separately metered to the Units and paid by the owner directly to the utility provider.

- (a) **Allocation of Bills.** To calculate the share attributable to each Unit for water charges imposed by the utility provider, the Association entered into a contract with a metering service company (the "Metering Company"). The Metering Company will be responsible for reading the submeters, allocating the charges imposed by the utility provider for each Unit and preparing the individual bills for delivery to each Owner. Additionally, the Metering Company will impose a service charge for its services. Each Owner will be responsible for paying directly to the Metering Company such Owner's share of water charges imposed by the utility provider and of the Metering Company's service charge. The Metering Company will provide to the Association a statement of all amounts received from the Owners on a regular basis. Submeters shall be maintained by the Association.

If, in the future, there are no companies which can provide the submetering service, the Association will be responsible to allocate the water usage costs for each Unit.

- (b) **Delinquency.** If an Owner fails to pay any amounts when due, such Owner will be responsible for any penalties or delinquent amounts levied by the utility provider and the Metering Company as a result of the nonpayment. The Association shall have the right to cure any failure by an Owner (a "Defaulting Owner") to pay the amounts due to the utility provider. If the Association elects to cure such default, then the Defaulting Owner will be responsible for reimbursing the Association. If the Defaulting Owner fails to reimburse the Association, the Association will be entitled to impose a Special Assessment as provided under this Declaration, if needed, may enter a Unit to shut off utility service to the Defaulting Owner's Unit or may pursue any other remedies as provided under this Declaration.
- (c) **Deposits.** Upon the initial sale of a Unit to an Owner by Declarant under authority of a Public report and any subsequent sale of a Unit, the Owner shall be obligated to pay to the Association a deposit in an amount equal to one (1) month's average water bill for a Unit (as determined by the Association) as security for such Owner's obligation to pay such Owner's water bill when due. The Association may apply such deposit in payment of a Defaulting Owner's utility bill and such Defaulting Owner shall replenish the full amount of such deposit promptly upon written notice from the Association. Upon transfer of a Unit and provided that the transferee Owner has paid a replacement security deposit in the amount determined appropriate by the Association, the Association shall return to the transferor Owner any amounts not expended by the Association from the transferor's deposit. The Association may increase the amount of such security deposits and require the deposit of additional amounts by the Owners, based on increases in utility bills or rates.

3.04 **Nuisances.**

- (a) Illegal, offensive, obnoxious actions, or noxious odors that interfere with any Occupant's quiet enjoyment are not permitted anywhere on the Property.
- (b) An Occupant may not cause the level of noise or sound from the Unit to interfere with the quiet enjoyment of an Occupant of a Unit within the Project (i.e., loud music or television, shouting, slamming of doors, and other such actions.)
- (c) The Board shall have the right to determine if any unreasonable action, odor, noise or other conduct constitutes a nuisance, and to appropriately deal with the situation.

- (d) Each Owner shall be accountable to the Association and other Occupants for the conduct and behavior of Occupant(s) of his/her Unit. Any damage to the Common Area(s), personal property of the Association, or property of another Owner, caused by such Occupant(s) shall be repaired at the sole expense of the Owner of that Unit.

3.05 **Debris, Trash, Refuse, and Hazardous Materials.**

- (a) Weeds, rubbish, debris, objects or materials of any kind that are unsanitary, unsightly, or offensive may not be placed or permitted to accumulate in any Unit or the Common Area(s).
- (b) No person shall discharge into the Project's sewer system or storm drain any toxic or noxious liquids or materials in such concentrations as to be detrimental to or endanger the public health, safety, welfare, violate any law, subject any Owner to liability under state and/or federal law for any clean-up, or cause injury or damage to neighboring property or business elsewhere on the Project.

3.06 **Signs.**

- (a) Subject to Civil Code Sections 712 and 713, and any local ordinance, an Owner may advertise a Condominium for sale or lease with sign(s) with a size, format, and location approved by the Board.
- (b) All Owners are subject to Civil Code Sections 1353.5 and 1353.6 in regard to the display of non-commercial flags, banners, signs and posters. Notwithstanding the foregoing, nothing contained in this Section shall be construed in such manner as to permit the maintenance of any sign which is not in conformance with any ordinance of the City.
- (c) No other sign, poster, display, or advertising device may be displayed anywhere on the Property visible outside a Unit without the prior written consent of the Board.
- (d) If Civil Code Sections 712, 713, 1353.5 and 1353.6 are amended, this provision automatically shall be amended in the same manner. If these sections are repealed and no successor sections are enacted, this provision shall remain in full force and effect. The Civil Codes may have been amended by the State Legislature since this Declaration was recorded, and the Board should confirm the current statutory requirements.
- (e) Notwithstanding anything to the contrary herein, for as long as Declarant owns a Unit, Declarant may erect and maintain any signs, advertising devices or structures to conduct development, improvement, subdivision, sale or leasing operations on the Property without Board or Architectural Committee approval, as long as the activities do not unreasonably interfere with any Owner's use of the Property.

3.07 **California Vehicle Code and Parking Regulations.**

- (a) **Authorized Vehicles.** The following vehicles are authorized within the Property: motorized land vehicles designed and used primarily for noncommercial passenger transport, such as automobiles, passenger vans designed to accommodate ten (10) or fewer people, two-wheel motorcycles, and pickup trucks having a manufacturer's rating or payload capacity of one (1) ton or less (collectively, "Authorized Vehicles"). Authorized Vehicles may be parked in any portion of the Property intended for parking of motorized vehicles.
- (b) **Prohibited Vehicles.** The following vehicles are prohibited within the Property: recreational vehicles (e.g. motorhomes, travel trailers, camper vans, boats, etc.), commercial-type vehicles (e.g. stakebed trucks, tank trucks, dump trucks, step vans, concrete trucks, etc.), buses or vans designed to accommodate more than ten (10) people, vehicles having more than two (2) axles, trailers, inoperable vehicles or parts of vehicles, aircraft, other similar vehicles or any vehicle or vehicular equipment deemed a nuisance by the Board (collectively, "Prohibited Vehicles").

Prohibited Vehicles shall not be parked, stored or kept on any private street within, adjacent to or visible from the Property or any other Common Area parking area, except for brief periods for loading, unloading, making deliveries, emergency repairs, or unless specifically authorized by the Board.

- (c) All applicable provisions of the California Vehicle Code will be enforced on any private streets on the Property in accordance with California Vehicle Code Section 22658.2 (or any successor statute regarding removal of parked cars and required warning signs). The Association may establish "Parking" and "No Parking" areas within the Common Area(s), in accordance with California Vehicle Code Section 22658.2 (or successor statute).
- (d) The Association (through the Board) may establish parking Rules and Regulations.
- (e) The Association has the right and obligation to enforce all parking restrictions and to remove any violating vehicles in accordance with the California Vehicle Code, or other applicable laws.
- (f) Under no circumstances may explosives, fireworks, or highly flammable material such as gasoline, kerosene, oil, oil-based paints, solvents, etc. be stored in any garage.
- (g) Garage doors, if any, may not be left open, except as temporarily necessary or while used for entering or exiting.
- (h) All vehicles owned or operated by or within the control of an Owner or an Occupant who is a resident of the Unit and kept within the Property shall be parked in the garage or parking space assigned to the Unit, and each Owner shall maintain his garage or assigned parking space in a manner which ensures that it is capable of accommodating no less than the number of Authorized Vehicles the space was originally designed for by Declarant. Vehicles shall not be restored or repaired on the Property, unless parked wholly within a garage with the doors closed.
- (i) Garage space shall not be converted into any use (such as a recreational room or storage room) that would prevent its use as parking for the number of vehicles the space was designed to contain. Owners are to use their assigned parking spaces for parking of their vehicles so that unassigned Common Area parking will be available for guest parking. The Association may establish rules for the parking of vehicles in the Common Area.
- (j) Neither the Association, Declarant, nor any of their officers, directors, agents or employees shall be liable to any Owner or Occupant, or to any member of his Family, his guests, servants, employees or invitees, for any theft or, or injury to, any vehicle on the Project, except as provided by Sections 22658(d) and 22658.2(c) of the Vehicle Code. Each Owner shall indemnify, defend, and hold harmless the Association, Declarant and their officers, directors, agents, employees, and representatives from any injury, damages, claims, liabilities, costs or expenses caused by, arising out of, or related to the provisions of this Section, or any offending vehicle.
- (k) The guest parking areas in the Project may not be used on a long-term or routine basis by Owners or Occupants in the Project. Guest parking spaces are to be utilized by guests ONLY. No Owners, Occupants or permanent residents are allowed to park in the guest parking spaces. Guest's cars cannot be parked in a guest parking space in excess of 24 hours. All cars parked in guest parking in excess of 24 hours will be subject to towing. Please note that guests are considered occasional visitors to the property. As an example, someone that stays over 3 nights a week is NOT considered a guest. No parking is allowed on the main driveway at ANY time. The main driveway is a fire lane and must be kept clear for emergency vehicles to access all homes in the complex. Maintenance vehicles (gardeners, carpenters, etc.) should be encouraged to use parking on the main street out of the project. If you have more than two (2) vehicles or they do not fit in your garage, these additional vehicles must be parked outside of the project. Any violations of the above will result in towing the vehicle at the vehicle owner's expense.

- (l) Vehicles may not be washed on the Property except as provided for by the Board.
- (m) The provisions of this Section are intended to comply with California Vehicle Code Section 22658 (regarding illegally parked cars) in effect on the date this Declaration was recorded. If this Vehicle Code section is amended, this provision automatically shall be amended in the same manner. If this section is repealed and no successor section is enacted, this provision shall remain in full force and effect. Vehicle Code §22658 may have been amended by the State Legislature since this Declaration was recorded, and the Board should confirm the current statutory requirements.

3.08 **Pet Regulations.**

- (a) A maximum of three (3) domesticated pets, as defined in Civil Code section 1360.5 may be kept in a Unit provided they are not kept, bred or raised for commercial purposes and they are kept under reasonable control at all times. The Board may establish rules and regulations governing size and weight restrictions of pets that may be allowed in the Project.
- (b) In addition, small domesticated pets (e.g., birds, hamsters, fish, turtles) may be kept in a contained environment (cage or aquarium), provided they are not kept, bred or raised for commercial purposes, and subject to the following sub-paragraphs of this Section.
- (c) Animals that bother or annoy other Owners or residents (e.g., excessively barking dogs, chirping birds, or noisy aquarium filters) may not be kept on the Property or in a Unit.
- (d) A pet may only enter the Common Area(s) while on a leash not to exceed six (6) feet in length that is held by a person capable of controlling it. No pet may be tied or left unattended in any Common Area.
- (e) Owners and Occupants must prevent their pets from soiling the Common Area(s), and shall promptly clean up any waste left by their pets. No pets of any kind may be taken into recreational areas containing swimming pools or spas.
- (f) The Owner of the Unit where the pet is kept shall be responsible for any damage to the Common Area caused by the pet. Any damage caused by cleaning materials or any attempt to remedy such damage shall be the full financial responsibility of said Owner. Each Owner of a pet shall have sole liability for all damages claimed by any person harmed by such pet, and shall defend, indemnify and hold harmless all other Owners, the management company, the Association and the Board of Directors from any and all losses, costs, and liability arising from having any pet on the Property.
- (g) Occupants must obtain approval from the Unit Owner before keeping pets in the Unit. The Owner shall be responsible for an Occupant's compliance with any Rules and Regulations regarding pets within the Project. Both the Occupant(s) and Owner of the Unit shall have joint and several liability for any damage, including personal injury and property damage, claimed by any person harmed by such pet.
- (h) Notwithstanding the foregoing, no domestic dogs shall be within the Common Area that are deemed by the Board to be vicious or potentially dangerous dogs. All vicious and potentially dangerous dogs must be kept indoors or in a securely fenced area within the Owner's Unit from which it cannot escape, and into which children or other individuals cannot trespass. A dog shall be deemed "vicious" for purposes of this Section if, when unprovoked:
 - (1) It has bitten a person (however, a dog may be vicious even though it is not proven to have bitten any person);

- (2) In an aggressive manner, it inflicts injury on or kills a human being; or
 - (3) It has previously been determined to be and is currently listed as a potentially dangerous dog (as determined by the Board of Directors or local governmental authority) and, after its Owner or keeper has been notified of this determination, it continues to engage in behavior deemed potentially dangerous.
- (i) A dog shall be deemed "potentially dangerous" for purposes of this Section if, when unprovoked:
 - (1) On two separate occasions within the prior 36-month period, it engages in any behavior that requires a defensive action by any person to prevent bodily injury when the person and the dog are off the property of the Owner or keeper of the dog; (2) It has killed, seriously bitten, inflicted injury, or otherwise caused injury attacking a domestic animal off the property of the Owner or keeper of the dog; or (3) The dog has run loose or, if leashed, was not under the control of a responsible adult on two occasions per sub-paragraph (d) above.
 - (j) The Association shall have the right to cause a dog found to be in violation of any provision of this Section to be removed from the Property.

3.09 **Antennas and Satellite Dishes.**

- (a) Except for Authorized Antenna, no television or radio poles, antennas, satellite dishes, or technological evolutions of the foregoing, flag poles, clotheslines, or other external fixtures other than those originally installed by the Declarant or approved in accordance with this Declaration shall be constructed, erected or maintained on or within the Project, unless authorized by the Architectural Committee.
- (b) Any Owner who desires to install an Authorized Antenna shall agree to install such device wholly within his Unit so that it does not encroach upon another Unit or Common Area(s), and maintain, repair or replace any Improvements affected by the installation, maintenance or use of such antenna, if required by the Architectural Committee. When possible, an Authorized Antenna(s) shall be installed in an area that is not visible from the main driveway. Under no circumstances shall any Owner drill through, or install any Improvements upon any Common Area(s) with respect to the installation or maintenance of any antenna or wiring, unless approved by the Architectural Committee. Nothing shall be done in any Unit or Common Area(s) which will or may tend to impair the structural integrity of any building in the Project. There shall be no alteration, repair or replacement of wall coverings within Units which may diminish the effectiveness of the sound control engineering within the buildings in the Project.
- (c) Architectural Committee Restrictions. The Architectural Committee may adopt reasonable restrictions on installation and use of an Authorized Antenna in order to minimize visibility of the Authorized Antenna from other Units. Such restrictions may designate one (1) or more preferred installation locations, or require camouflage such as paint (subject to the antenna manufacturer's recommendations), screening or other Improvements. However, no restriction imposed by the Architectural Committee may (a) unreasonably delay or prevent the installation, maintenance or use of an Authorized Antenna, (b) unreasonably increase the cost of the installation, maintenance or use of an Authorized Antenna, or (c) preclude acceptable quality reception.

The Architectural Committee may prohibit the installation of an Authorized Antenna in a particular location if, in the Architectural Committee's opinion, the installation, location or maintenance of such Authorized Antenna unreasonably affects the safety of the Owners or any other Person, or for any other safety-related reason established by the Architectural Committee. The Architectural Committee may also prohibit an Owner from installing an Authorized Antenna on any real property which such Owner does not own. Further, the Architectural Committee has the power to prohibit or restrict the installation of any antenna or other over-the-air receiving device that does not meet the definition of an Authorized Antenna.

The Architectural Committee may review the location and installation of an Authorized Antenna after it is installed. After its review, the Architectural Committee may require that the Authorized Antenna be moved to a preferred location (if one has been designated) for safety reasons or to comply with reasonable restrictions subject to this Section and applicable law.

- (d) Notwithstanding the foregoing, all restrictions on video or television antennas (including satellite dishes) shall be subject to all applicable federal state and local laws, including, but not limited to, the Federal Telecommunications Act of 1996 and California Civil Code Section 1376, as same may be amended from time to time. Furthermore, all amendments, modifications, restatements and interpretations of the laws applicable to the installation, use or maintenance of an antenna or over-the-air receiving device shall be interpreted to amend, modify, restate and/or interpret this Section 3.09.

3.10 **Basketball Standards.**

No basketball standards or fixed sports apparatus shall be attached to any Residence except as approved by the Board. The Rules and Regulations may further limit the use or placement of portable basketball apparatus.

3.11 **Exterior Lighting.**

Any exterior electrical, gas or other artificial lighting installed on any Unit shall be positioned, screened, or otherwise directed or situated and of such controlled focus and intensity so as not to unreasonably disturb the Occupants of any other Unit. Further rules regarding exterior lighting may be promulgated by the Architectural Committee.

3.12 **Exterior Clotheslines.**

No exterior clothesline shall be erected or maintained or hung on balconies or railings within the Project and there shall be no exterior drying or laundering of clothes or any other items on any Common Area.

3.13 **Window Covers.**

Newspaper, aluminum foil or similar materials may not be used as window coverings.

3.14 **Common Fences.**

- (a) An easement exists appurtenant to any Unit for any "Common Fences" (fences on boundary lines between the Units and/or Common Area(s)) originally installed by the Declarant, whether or not the fences are located precisely on the Unit boundary line.
- (b) Each Owner is responsible for the maintenance of the fence surrounding his/her Unit.
- (c) Owners with a Common Fence have an equal right to use the fence, with the following provisions:
- (1) Each Owner has exclusive right to use the interior surface of the fence facing the Residence;
 - (2) Owners may not drive nails, screws, bolts or other objects more than half way through any Common Fence;
 - (3) Owners may not interfere with the adjacent Owner's use and enjoyment of the Common Fence;

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- (4) Owners may not threaten or impair the structural integrity of the Common Fence; and
- (5) If any portion of the fence (other than the interior surface of one (1) side) is damaged by any cause other than the act or negligence of either party, it must be repaired or rebuilt at the relevant Owners' joint expense.

3.15 **Drainage Systems.**

- (a) The drainage system for the project runs between the yards of each Unit. Any modification or damage to the system will affect the operation of the system for the whole Project.
- (b) An Owner may not modify, alter, or change in any way the drainage system with pipes on their Unit, without the prior consent of the Association.
- (c) Each Owner is to maintain the drainage system within his Unit including, but not limited to, the cleaning of the drainage system.
- (d) The Association will be responsible for the maintenance and repair of the drainage system for the Project, which is not located within a Unit. If a repair to the system is required due to damage by an Owner, the Owner will be responsible for all expenses for the repair of such system.

3.16 **Indemnity of the Association by Owner.**

Each Owner shall defend and indemnify and hold the Declarant, Association, Managing Agent, and other Owners harmless without limitation on any claims arising from the Owner's negligence or willful misconduct (or the Owner's family members, relatives, guests or invitees) for damages sustained on the Common Area(s), including any costs incurred.

3.17 **Use/Alteration Affecting Insurance Rates.**

- (a) Acts that threaten cancellation or an increase of insurance rates for the Property may not be committed without Board approval.
- (b) If a particular Owner's use or activity is the cause of increased insurance rates, the responsible Owner is personally liable for the additional insurance premiums.

3.18 **Owner's Failure to Comply.**

Each Owner acknowledges by acceptance of the deed or other conveyance for a Unit, whether or not it shall be expressed in any such deed or other instrument, that the covenants, conditions and restrictions set forth in this Article benefit the Association, and that the Association has a substantial interest in assuring compliance with, and enforcement of, this Section. Each Owner acknowledges by acceptance of the deed or other conveyance for a Unit, whether or not it shall be expressed in any such deed or other instrument, that the covenants, conditions and restrictions set forth in this Article benefit the Association, and that the Association has a substantial interest in assuring compliance with, and enforcement of, this Section. In the event that an Owner fails to comply with the conditions, obligations, regulations, and maintenance set forth within the Governing Documents, the Board may deliver written notice to such Owner demanding compliance and informing said Owner of the particular condition, obligation, regulation or maintenance requirement that has been violated. Upon receipt, Owner shall have thirty (30) days, unless an alternate reasonable time is established by the Board, to correct the violation. In the event that said Owner continues the violation beyond the designated period, the Board shall have the right to enter onto the property to remedy the violation, and the Owner shall be charged a Special Assessment equal to the Board's cost of repair for which the Board may obtain a court order and judgment for the Special Assessment which shall continue to accrue until judgment is entered.

3.19 **Declarant's Exemption from Use Restrictions.**

- (a) Conveyance of a substantial number of the Units is essential to the establishment and welfare of the Project. In order that all work necessary to complete the Project and to establish a substantially occupied Project may proceed as rapidly as possible, nothing in this Declaration shall be understood or construed to:
- (1) Prevent Declarant, its contractor or subcontractors, from doing work on said Project or any part thereof whenever it determines it to be reasonably necessary or advisable in connection with the completion of said work;
 - (2) Prevent Declarant, or its representatives from erecting, constructing and maintaining on any part of parts of said real property owned or controlled by Declarant, its contractors, or subcontractors, such structures as may be reasonably necessary to complete said work, establish said property as a residential Project and dispose of the same by sale, lease or otherwise;
 - (3) Prevent Declarant from maintaining or displaying such sign(s), pennants and flag(s) on the Project (except upon Units owned by others) as may be necessary for the sale, lease or disposition thereof; or
 - (4) Subject Declarant to the architectural control provisions of Article VII for construction of any Unit or other improvements on the Project.
- (b) The foregoing rights of Declarant shall terminate upon sale of Declarant's entire interest in the Project. So long as Declarant, its successors and assigns, owns one (1) or more of the Units established and described in this Declaration, Declarant, and its successors and assigns, shall be subject to the provisions of this Declaration. Declarant shall make reasonable efforts to avoid disturbing the use and enjoyment of Units and the Common Area(s) by Owners, while completing any work necessary to those Units or Common Area(s).

3.20 **Documents to Subsequent Owners.**

Owner acknowledges being obligated to provide to subsequent purchasers of Owner's Unit all documents received in conjunction with the initial sale of the Unit, including, but not limited to, copies of (a) this recorded Declaration (and any amendments), (b) the recorded Condominium Plan (and any amendments), (c) the recorded Notice of Builder's Election of Alternative Pre-litigation Procedures for Construction Claims, (d) filed Articles of Incorporation, (e) Bylaws of the Association, (f) any maintenance manual and warranty information, and (g) any other related disclosures.

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ARTICLE IV

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Article IV defines owners' membership and voting rights.

4.01 **Organization.**

The Association is a California nonprofit mutual benefit corporation charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents.

4.02 **Membership.**

Every Owner is automatically an Association Member. Each Member shall be obligated promptly, fully and faithfully to comply with the provisions of this Declaration, and the Bylaws of the Association, and any Rules and Regulations from time to time which may be prescribed by its officers or directors.

4.03 **Membership Classes.**

(a) The Association has two (2) classes of voting membership:

- (1) Class A Members - All Owners (other than Declarant), entitled to one (1) vote for each Unit owned.
- (2) Class B Member - Declarant, entitled to three (3) votes for each Unit owned by Declarant.

(b) Class B Membership irreversibly ceases and converts to Class A Membership on the first to occur of the following:

- (1) The total votes held by Class A Membership is equal to or is greater than the total votes held by Class B Membership (tripled); or
- (2) Two (2) years after the First Close of Escrow of a Condominium in the Project.

4.04 **Voting Rights and Requirements.**

(a) Voting rights shall commence for each Condominium within the Project when Assessments against the Condominium have been levied by the Association.

(b) Co-Owners shall have the following voting rights:

- (1) Each Co-Owner has an indivisible interest in a single Membership.
- (2) Each Unit's vote is cast as a single unit, without fraction. If Co-Owners cannot unanimously agree how to cast their vote, they forfeit their right to vote on the matter in question.
- (3) If a Co-Owner casts a vote representing a certain Condominium, it will be presumed for all purposes to be a vote with the authority and consent of all other Co-Owners of the Condominium.

(c) After Notice and Hearing as provided herein, the Board has the right to suspend the voting rights of any Owner delinquent more than forty-five (45) days in the payment of Assessments.

- (d) Unless otherwise specifically required, Membership approval requires the affirmative vote of a majority of a quorum of each class of Membership (and after conversion, approval of Class A only).
- (e) If Membership approval of a specified prescribed majority (e.g. 67%) of the voting power (other than Declarant) is required, the following rules apply:
 - (1) If both Class A and Class B Members exist, the required vote is a bare majority of Class B voting power, and the prescribed majority of Class A voting power; or
 - (2) After conversion to all Class A memberships, the required vote is the prescribed majority of the Total Voting Power of Members other than Declarant.
- (f) No provision which requires the approval of a prescribed majority of the voting power of Members of the Association other than the Declarant for action to be taken by the Association is intended to preclude the Declarant from casting votes attributable to Condominiums which Declarant owns.

4.05 **Transfer of Membership.**

- (a) Membership of each Owner shall be appurtenant to the Unit owned, and may only be (and is automatically) transferred upon conveyance of title to a Unit to the new Owner.
- (b) In connection with any transfer or change of ownership of any Unit, the Association and each Owner must comply with Civil Code Section 1368.

4.06 **Transfer of Control to the Association.**

Transfer of control of the Association (i.e. when non-developer owners have greater voting power than the developer) shall pass to the Unit Owners within the Project no later than the latest of the following:

- (a) One hundred twenty (120) days after the date by which 75% of the Units have been conveyed to the Unit purchasers;
- (b) Three (3) years after completion of the project evidenced by the first conveyance to a Unit purchaser; or
- (c) The time frame established under state or local condominium laws if specific provisions regarding transfer of control exist.

ARTICLE V

DUTIES AND POWERS OF THE ASSOCIATION

Article V describes in detail the duties and powers of the Association to govern its members and maintain the common areas.

5.01 Commencement of Duties.

- (a) The Association's responsibility to maintain Common Areas shall commence upon the First Close of Escrow of a Condominium. Notwithstanding the foregoing, if the contractors or subcontractors of Declarant are contractually obligated to maintain or warrant the landscaping or other improvements on Common Areas for a specified period in which said contractors or subcontractors shall perform such maintenance, the Association shall not interfere with the performance of such warranty or other contractual maintenance obligations.
- (b) In the event that a dispute arises between Declarant and the Association with respect to the nature, design, quality or quantity of the improvements in Common Areas, or the acceptance of maintenance responsibilities therefor, the Association shall be obligated to assume and undertake maintenance responsibilities pending resolution of the dispute, in accordance with the provisions set forth in the Article herein entitled "*Dispute Resolution and Notification Procedures*".

5.02 Specific Association Duties and Powers.

The duties and powers of the Association are those set forth in the Governing Documents, together with its general and implied powers as a nonprofit mutual benefit corporation, generally to do all things which are necessary or proper for the peace, health, comfort, safety and general welfare of its Owners, including without limitation, the following:

- (a) Enforce the applicable provisions of the Governing Documents and other instruments for the ownership, management and control of the Project.
- (b) Contract for goods and/or services for Common Areas, facilities, and interests, or for the Association subject to the limitations set forth in the Bylaws.
- (c) Borrow money with the assent of sixty-seven percent (67%) of the Total Voting Power and/or to mortgage, pledge, or otherwise hypothecate any of its real or personal property as security for money borrowed or debts incurred.
- (d) Exercise any powers normally exercised by residential homeowner associations under the laws of the State of California.
- (e) Have the authority, through the Board, to enter into a maintenance agreement, as reviewed by DRE, with Declarant for temporary suspension of a portion of Regular Assessments.

5.03 **Right of Entry.**

- (a) The Association has the right to enter any Unit to determine compliance with the Governing Documents and to perform its duties, including the duties to enforce the Governing Documents.
- (b) In case of emergency, or by Court order, a Unit may be entered immediately.
- (c) Absent an emergency or Court order, a Unit may only be entered at reasonable hours after the Owner has received three (3) days' written notice. The written notice of entry must state explicitly the Association's reason(s) for the necessity to enter any Unit.
- (d) Entry must be made with as little inconvenience as possible to the Owner/Occupant and without a breach of the peace. If the Association has reason to expect a breach of the peace upon entry, it may take such preventive steps as it deems necessary, including obtaining a court order.

ARTICLE VI

COVENANTS FOR ASSESSMENT

Article VI describes Assessments which Owners pay in order to fund Association functions, including maintenance, insurance, etc.

6.01 **Assessments.**

- (a) Assessments may be levied by the Association for improvement and maintenance of the Common Area(s), administration of the Property, and to promote the recreation, safety, and welfare for the common good of all the Owners.
- (b) Each Owner, by acceptance of a Grant Deed to a Condominium, whether or not it shall be so expressed in any deed, covenants and agrees to pay all Assessments to the Association.
- (c) Assessments and related interest, collection costs, and reasonable attorneys' fees are the personal obligations of the Owner, but are not the personal obligation of successors in title unless expressly assumed by them. The Condominium remains subject to any Assessment liens of record, except upon Foreclosure of a First Mortgage, as stated in the Article entitled "*Mortgagee Protection*".
- (d) Pursuant to Civil Code Section 1366.1, the Association may not collect an Assessment or fee that exceeds the amount necessary to defray the costs for which it is levied.

6.02 **Commencement; Due Dates of Assessments.**

- (a) Regular Assessments against all Condominiums in the Project commence on the first day of the month following the First Close of Escrow within the Project. However, the closing of escrow for any Condominium which is leased by a Buyer back to Declarant for use as a model for sales purposes shall not be deemed a First Close of Escrow for purposes of commencing Assessments.
- (b) Regular Assessments shall be due and payable in any reasonable manner established by the Board.

6.03 **Equal Assessment Rate.**

- (a) Regular Assessments and Special Assessments must be fixed at a uniform rate for all subject Condominiums, except as otherwise provided.
- (b) Each subject Condominium is liable for a pro rata share (the fractional number one (1) over the total number of Condominiums subject to Assessment by the Association at that time).

6.04 **Assessment Duties of the Board of Directors.**

- (a) The Board must levy Regular and Special Assessments in compliance with Civil Code Section 1366.
- (b) The Board must establish separate bank accounts for operating monies and reserve monies. In the event of transfer or conveyance of an Owner's fee simple title to a Unit, said Owner shall have no further right or interest in any Assessments collected prior to such transfer. Assessments collected in accordance with the provisions of the Governing Documents shall be appurtenant to a Unit and shall automatically transfer to a new Owner in the event of sale.

- (c) The Board may not impose Special Assessments in a fiscal year aggregating more than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year unless approved by a majority of the votes cast at a meeting in which the need for a Special Assessment is determined. Special Assessments levied by the Board in order to restore funds to the reserve account are included in this limitation.

6.05 Effect of Nonpayment of Assessments: Delinquency and Remedies of the Association.

- (a) An Assessment is delinquent ("Delinquent Assessment") if not paid within fifteen (15) days after the due date. A Delinquent Assessment includes:
- (1) A late charge imposed by the Board to the maximum amount in accordance with California Civil Code Section 1366 (or any successor statutes);
 - (2) Reasonable collection costs and attorney's fees; and
 - (3) Interest on all costs and charges at the maximum permissible rate, commencing thirty (30) days after the Assessment is due.
- (b) Delinquent Assessments and related costs will be a continuing lien on the relevant Condominium when a "Notice of Delinquent Assessment" is recorded against an Owner's fee interest in a Condominium.
- (c) Notwithstanding the foregoing, a Compliance Assessment imposed by the Board as a disciplinary measure for failure of an Owner to comply with the Governing Documents may not become a lien against the Owner's Unit enforceable by a sale of the Unit in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) of the Civil Code. However, this does not apply to charges imposed against an Owner consisting of reasonable late payment penalties for Delinquent Assessments and/or charges to reimburse the Association for the loss of interest or for costs reasonably incurred including attorney's fees in its efforts to collect other Delinquent Assessments.
- (d) In addition to all other legal rights and remedies, the Association may:
- (1) Bring legal action against an Owner who is personally obligated to pay the Assessment and charges (without foreclosing or waiving any lien security);
 - (2) Judicially foreclose the lien against the Condominium, including the Assessment, interest, collection costs and late charges;
 - (3) Foreclose the lien by power of sale in accordance with California Civil Code Sections 2924-2924h, or any other lawful manner;
 - (4) Bid on the Condominium through authorized agents at the foreclosure sale, to acquire and thereafter to hold, lease, mortgage or convey; or
 - (5) Temporarily suspend the voting rights of the Owner in accordance with the provisions of this Declaration.
- (e) The Association may not foreclose a lien unless the amount of Delinquent Assessments exceeds one thousand eight hundred dollars (\$1,800) exclusive of late charges, interest and fees and costs of collection, or unless the assessments have been delinquent for longer than twelve (12) months.

- (f) The decision either to record a lien for Delinquent Assessments or to initiate Foreclosure upon such a lien shall be made only by the Board and may not be delegated to an agent of the Association. The Board's decision shall be by majority vote of Directors present in an open meeting and shall be recorded in the minutes of that meeting. The confidentiality of the affected Owner shall be maintained by identifying the matter in the minutes by the Unit number rather than the name of the Owner.
- (g) Upon an Owner's timely payment of a default and all related fees, Association officers may prepare and record (at the Owner's cost) a release of the Notice of Delinquent Assessment.

6.06 **Assessment of Units Owned by Declarant; Uncompleted Unit Exemption**

- (a) Declarant is an Owner subject to the payment of Assessments for Unit(s) owned by Declarant.
- (b) Any Owner (including Declarant) is exempt from 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 Assessment commences. This exemption shall be in effect only until the earliest of the following:
 - (1) A notice of completion of the common facility has been recorded; or
 - (2) The common facility has been completed and placed into use.

6.07 **Collection of Assessment Debts Not Collectible Through Foreclosure.**

Delinquent Regular or Special Assessments of less than one thousand eight hundred dollars (\$1,800), exclusive of interest, charges and fees, may be collected in any of the following ways, as provided by Civil Code Section 1367.1(b) or successor statute:

- (a) By a civil action in small claims court;
- (b) By recording a lien on the Owner's Unit upon which the Association may not foreclose until the amount of Delinquent Assessments exceeds one thousand eight hundred dollars (\$1,800) or the delinquency is for longer than twelve (12) months; or
- (c) Any other manner provided by law except judicial or non-judicial Foreclosure.

6.08 **Reserves.**

A portion of Regular Assessments shall go towards an adequate reserve fund for maintenance, repairs and replacement of those Improvements that the Association is obligated to maintain and/or that must be replaced on a periodic basis.

6.09 **Right of Redemption.**

A nonjudicial Foreclosure by the Association shall be subject to a right of redemption from a Foreclosure sale within ninety (90) days after the Foreclosure sale.

6.10 **Nonuse and Abandonment.**

An Owner does not waive or otherwise avoid liability for Assessments by nonuse of the Common Area(s) or abandonment of a Unit.

6.11 **Emergency Assessments.**

- (a) Notwithstanding any other provision of this Article, the Board may increase assessments in order to fund any of the following:
- (1) An extraordinary expense required by an order of the court;
 - (2) An extraordinary expense necessary to repair or maintain the property or any part of it for which the association is responsible if a threat to personal safety on the property is discovered;
 - (3) An extraordinary expense necessary to repair or maintain the property 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 pro forma operating budget.
- (b) Prior to imposition or collection of an assessment for emergency purposes, the Board must pass a resolution containing written findings as to the necessity for the extraordinary expense and why it was not or could not have been reasonably foreseen while preparing the budget. The resolution must be distributed to the Members together with the notice of assessment.

6.12 **Waiver of Exemptions.**

With respect to Assessment liens, each Owner waives (to the extent permitted by law) the benefit of any California homestead or exemption laws in effect when any Assessment or installment becomes delinquent or a lien is imposed.

ARTICLE VII

ARCHITECTURAL CONTROL

Article VII addresses alterations which Owners may wish to make to their Units. The Architectural Committee's approval must be obtained for most such changes.

7.01 The Architectural Committee.

- (a) The Architectural Committee shall consist of not fewer than three (3) persons nor more than five (5) persons as fixed from time to time by resolution of the Board.
- (b) Declarant shall initially appoint the Architectural Committee. Declarant shall retain the right to appoint, augment or replace all members of the Architectural Committee until one (1) year after issuance of the original DRE final subdivision public report for the Property, at which time the Board may appoint members, as further described herein.
- (c) Declarant shall retain the right to appoint, augment or replace a majority of the members of the Architectural Committee until (i) five (5) years after the First Close of Escrow, or (ii) close of escrow has occurred on ninety percent (90%) of the Units within the Property, whichever shall first occur, at which time the right to appoint, augment or replace all members of the Architectural Committee shall automatically be transferred to the Board.
- (d) As long as Declarant has the right to appoint some but not all of the members of the Architectural Committee, the Board shall have the right but not the obligation to fill the remaining vacancies on the Architectural Committee.
- (e) Persons appointed by the Board to the Architectural Committee must be Members; however, persons appointed by Declarant to the Architectural Committee need not be Members, in Declarant's sole discretion.
- (f) The address of the Architectural Committee shall be the address established for giving notice to the Association unless another address is specified for such purpose in the Architectural Guidelines. Such address shall be the place for the submittal of plans and specifications and the place where the current Architectural Guidelines shall be kept.
- (g) Meetings of the Architectural Committee shall be held from time to time as necessary. Notice, hearing and conduct of the meetings must be in accordance with the Bylaws of the Association and general corporation laws regarding committee meetings.
- (h) In addition to the powers set forth in this Article, the Architectural Committee may perform other duties delegated to it by the Board.

7.02 Architectural Guidelines.

- (a) The Board may, from time to time and in its reasonable discretion, adopt and promulgate Architectural Guidelines to be administered through the Architectural Committee. The Architectural Guidelines may deal with such matters, including without limitation, as the construction, installation, modification, alteration, or appearance of any Improvement on or within the Project, including Units.
- (b) Any change in the Architectural Guidelines shall require a 30-day written notice to the Membership for their review and comment before the Board can approve the changes.

- (c) The Board is required to annually disclose to the Members items that require architectural approval. The disclosure shall also describe the Improvements which, if completed in conformity with the Architectural Guidelines, do not require approval by the Architectural Committee. The annual membership notice shall contain the procedures used for reviewing architectural applications.

7.03 **Plan Review Functions of the Architectural Committee.**

- (a) The Architectural Committee shall consider and act upon proposals or plans submitted pursuant to the terms of this Declaration or the Architectural Guidelines. Unless all of the rules of the Architectural Committee have been complied with, such plans and specifications shall be deemed not submitted.
- (b) The Architectural Committee has the power, but not the duty, to retain Persons (including, but not limited to, architects and other professionals) to advise its members in connection with decisions; however, the Architectural Committee does not have the power to delegate its decision-making power.
- (c) The Architectural Committee may, from time to time, adopt, amend and repeal its rules, subject to approval by the Board. Among other things, said rules may require the prepayment of a reasonable deposit to be applied toward the payment of any Special Assessment levied by the Board if an Owner fails to restore any portion of the Property to a clean and attractive condition; may assess a reasonable fee as appropriate for the type and nature of the Improvement, to cover the cost of inspections that may be necessary to insure compliance and in connection with the review of plans and specifications for proposed Improvements, including, without limitation, a procedure for approval of preliminary plans and drawings as well as final approval; may specify the number of sets of plans to be submitted; and may require such detail as it deems proper, including without limitation, floor plans, site plans, elevation drawings, and descriptions or samples of exterior material and colors, landscape planting plans, drainage plans, lighting plans, electrical plans, mechanical plans, and the like.

7.04 **Approval.**

- (a) Declarant is not subject to the provisions of the Governing Documents pertaining to architectural control. Any Improvements constructed by Declarant shall automatically be in compliance with the Governing Documents and shall not be subject to further architectural control until and unless there has been a change or alteration made by a successor in title to Declarant as to any Unit in the material, texture, color or appearance of any such Improvement upon such Unit.
- (b) Other than such Improvements by Declarant, no Improvements shall be made upon the Property except in compliance with plans and specifications therefor which have been submitted to and approved by the Architectural Committee except as may otherwise be provided for in the Architectural Guidelines. Normal maintenance, repair or reconstruction by any successor in title to Declarant in the event of a destruction, in substantial conformance with the Improvements constructed by Declarant, shall not be deemed to be an Improvement that requires approval pursuant to the provisions of this Article.
- (c) The Architectural Committee shall review plans and specifications submitted for its approval as to style, exterior design, appearance and location and shall approve such plans and specifications only if it deems that the proposed Improvement will not be detrimental to the appearance of the Property as a whole; that the Improvement complies with the Architectural Guidelines; that the appearance of any Improvements will be in harmony with the surrounding structures; that the construction of any Improvement will not detract from the beauty and attractiveness of the Property or the enjoyment thereof by the Owners; and that the upkeep and maintenance of any Improvement will not become a burden on the Association.

- (d) Plans and specifications shall be approved by the Architectural Committee as to style, design, appearance and location only, and are not approved for (i) engineering design, (ii) compliance with zoning and building ordinances, and other applicable statutes, ordinances or governmental rules or regulations, (iii) compliance with the requirements of any public utility, (iv) any easements or other agreement, or (v) preservation of any view.
- (e) The Architectural Committee may (i) determine that the proposed Improvement cannot be approved because of its effect on existing drainage, utility or other easements, (ii) require submission of additional plans and specifications or other information or materials prior to approving or disapproving plans and specifications submitted, or (iii) condition its approval of plans and specifications for any Improvement on such changes therein as it deems appropriate.
- (f) The Architectural Committee may also condition its approval of a proposed Improvement on approval by a holder of an easement which may be impaired thereby or upon approval of any such Improvement by the appropriate governmental agency. Any Architectural Committee approval conditioned upon the approval by a governmental agency or an easement holder shall not imply that the Association is enforcing any government codes or regulations or provisions of any easement agreement, nor shall the failure to make such approval conditional imply that approval by any such governmental agency or easement holder is not required.
- (g) The Architectural Committee shall issue its decisions in writing. If an Owner's application is disapproved, the Architectural Committee shall include an explanation for the disapproval.
- (h) In the event the Architectural Committee fails to approve or disapprove plans and specifications within sixty (60) days after the same have been duly submitted in accordance with the Architectural Guidelines, such plans and specifications will be deemed approved.

7.05 **Variances.**

- (a) The Board may authorize a variance from compliance with the Architectural Guidelines or with provisions of this Article when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations may require. Such variance shall be evidenced in writing, signed by a majority of the members of the Board and delivered to such Owner, and shall become effective upon execution. A copy of the resolution of the Board authorizing such variance must be retained in the permanent records of the Association.
- (b) No violation of the Governing Documents shall be deemed to have occurred with respect to the matter for which any such variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of the Governing Documents for any purpose except as to the particular Unit and particular provision of this Article covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all government laws and regulations affecting use of the Unit including, but not limited to, zoning ordinances and lot setback lines or requirements imposed by any governmental or municipal authority.

7.06 **Non-Liability for Approval.**

- (a) Each Owner shall be solely responsible for any violation of this Declaration, the Architectural Guidelines, or any applicable instrument, law or regulation, caused by an Improvement made by such Owner even though same is approved by the Architectural Committee.
- (b) By approving such plans and specifications neither the Architectural Committee, the members thereof, the Association, the Owners, the Board nor the Declarant, nor agents, employees, attorneys or consultants of any of the foregoing, assume liability or responsibility therefor, or for any defect in any Improvement constructed from such plans and specifications or for any obstruction or impairment of view caused or created as the result of any Improvements approved by the Architectural Committee. The Architectural Committee shall have a right to require, as a condition of approval, that an Owner provide indemnification on terms and conditions satisfactory to the Architectural Committee.

7.07 **Appeal.**

- (a) All decisions of the Architectural Committee are subject to review by the Board, except with regard to Improvements made by Declarant.
- (b) If an application is disapproved, the notice to the Owner shall include a description of the procedure for appealing the decision to the Board. The hearing for reconsideration must be at an opening meeting of the Board. If the disapproval was by the Board, then there shall be no requirement for reconsideration by the Board.
- (c) Written request for an appeal to the Board of a decision rendered by the Architectural Committee must be received by the Board via certified mail with return receipt not more than fifteen (15) days following the final decision of the Architectural Committee.
- (d) Unless the composition of the Architectural Committee is identical to that of the Board (in which case there are no appeals), the Board must review and decide upon the proposal within forty-five (45) days after receipt of the appeal, otherwise the proposal will be deemed approved.

7.08 **Commencement of Construction.**

Upon approval by the Architectural Committee, an Owner must commence construction pursuant to such approval within six (6) months of the date of such approval, or such approval shall no longer be valid and such Owner shall be obligated to resubmit its request for approval pursuant to the requirements of this Article. One (1) set of plans as finally approved shall be stamped approved and shall be retained by the Architectural Committee as a permanent record. The construction shall be performed by a qualified contractor licensed and bonded by the State of California who maintains such insurance as is reasonably required by the Association.

7.09 **Proceeding with Work.**

- (a) Upon receipt of approval from the Architectural Committee pursuant to this Article, the Owner shall satisfy, as soon as practicable, all conditions thereof and shall commence construction and shall thereafter work diligently to perform and complete all construction, reconstruction, additions, grading, refinishing, alterations and excavations pursuant to said approval and in accordance with the following provisions:
- (b) Except in the case of a bona fide emergency, all work shall be performed during reasonable daylight hours. All persons performing such work shall use their best efforts to minimize (i) the duration of the work, (ii) the inconvenience to other Owners in the Project and (iii) the accumulation of debris and construction materials on and around the Unit. All work shall be performed in a neat and orderly manner, and all reasonable safety precautions shall be taken during the performance of such work. Before commencement of any alteration or Improvement approved by the Architectural Committee, the Owner shall comply with all appropriate governmental laws and regulations and shall obtain all required governmental permits and approvals therefor. Approval by the Architectural Committee does not satisfy necessary and appropriate approvals and permits that may be required from any governmental entity with appropriate jurisdiction.
- (c) The Owner of any Unit upon which any work of Improvement is being performed shall indemnify, defend and hold harmless Declarant, the Architectural Committee, the Board, the Association and every other Owner in the Project from and against any and all liability arising out of or otherwise resulting from any negligent or intentional act or omission relating to the performance of such work by such Owner, its contractors, subcontractors, agents and employees.

7.10 **Failure to Complete Work.**

The Owner must complete the construction and landscaping, reconstruction, refinishing, or alteration of all Improvements on, in, under and/or about his Unit within a reasonable period of time as established by the Architectural Committee for that Improvement, unless an extension of time has been granted in writing by the Architectural Committee. If Owner fails to comply with this Section, the Architectural Committee may proceed in accordance with the other provisions of this Article as though the failure to complete the Improvement were a noncompliance with approved plans.

7.11 **Inspection; Compliance and Noncompliance Statements.**

- (a) Owner shall notify the Architectural Committee upon completion of Improvements, whereupon the Architectural Committee shall inspect the Improvements in order to determine whether the completed Improvements conform to plans and specifications approved by the Architectural Committee.
- (b) The Architectural Committee shall inspect the Improvements either within sixty (60) days after notification by the Owner of the completion of an Improvement or within ninety (90) days after the cessation of work on the Improvements if the Owner fails to notify the Architectural Committee of completion. The Architectural Committee's inspection rights shall include the right to require an Owner to take such action as may be necessary to remedy any non-compliance with the Architectural Committee-approved plans for the Improvements or with the requirements of this Declaration.
- (c) If for any reason an inspection has not been made within sixty (60) days of notification by the Owner of the completion of an Improvement or if the Owner has not been notified of any noncompliance within thirty (30) days after such inspection, the Improvement shall be deemed to be completed in substantial conformance with approved plans and specifications.
- (d) If the Improvements upon such Unit comply or by virtue of the passage of time are deemed to comply with the plans and specifications approved by the Architectural Committee, the Architectural Committee shall, upon request, issue a statement (hereinafter a "Compliance Statement") which will evidence such compliance.
- (e) If any of the Improvements upon such Unit do not comply with the provisions of the Governing Documents, the Architectural Committee shall issue a statement (hereinafter a "Noncompliance Statement") delineating the corrective action that is required to bring such Improvements into compliance with the Governing Documents. If an Owner fails to remedy any such noncompliance noticed by the Architectural Committee, then the Architectural Committee shall notify the Board in writing of the same.
- (f) Any Compliance or Noncompliance Statement issued by the Architectural Committee shall be executed by any person or persons authorized by resolution of the Board or by the president and secretary of the Association, and a copy thereof shall be retained in the records of the Association.
- (g) In the event the Architectural Committee has issued a Noncompliance Statement as to any such Unit, the Architectural Committee shall provide a Compliance Statement, upon request, after the corrective work has been satisfactorily completed. Such Compliance Statement shall then evidence that the Improvements upon such Unit comply with the provisions of the Governing Documents.
- (h) A Compliance Statement shall be conclusive evidence of compliance with the provisions of the Governing Documents as to the Improvements described in the Compliance Statement and further approval of any such Improvements shall not be required unless there is a change or alteration in material, exterior appearance, color or texture in such Improvements.

- (i) In the event an Improvement was commenced without the required approval of the Architectural Committee, or, if such Improvement was not completed within the time limitation established for such Improvement in the Architectural Guidelines or in substantial conformance with the approved plans and specifications, the Board shall notify the Owner in writing of such noncompliance, specifying the particulars of noncompliance, and shall require the Owner to remedy the same within thirty (30) days from the date of notification of such noncompliance. If the noncompliance is not cured within such thirty (30) day period, the Board, after notice and hearing as provided herein, may levy a Compliance Assessment against such Owner for the costs of removing or remedying such noncompliance and the Architectural Committee shall correct the violation or take other appropriate action.

7.12 Remedy for Noncompliance.

- (a) In the event of issuance of a Noncompliance Statement, then the Owner shall remedy or remove the same within thirty (30) days from the date that the written Noncompliance Statement is delivered to the Owner.
- (b) If the Owner does not correct the noncompliance within that period, then the Association shall have the right (i) to enter the Owner's Unit and to cause the noncompliance to be corrected and the cost of the same shall be reimbursed to the Association by the Owner and if not timely reimbursed, then the Association shall be entitled to pursue any and all legal rights and remedies against the Owner including the levying of a special assessment for the same against the Owner's Unit as herein permitted and/or (ii) to bring an action for damages or injunctive relief to remedy the same.
- (c) After the lapse of one (1) year after notice of completion of the Improvement or after correction of nonconforming work pursuant to a Noncompliance Statement, whichever occurs later, the Architectural Committee shall have no further right to exercise its remedies under this section. However, the Architectural Committee's remedies shall expire upon transfer of the Unit if such transfer occurs within the one-year period specified in this paragraph.

7.13 No Guarantee of Views.

- (a) Depending upon location, some Units in the Property may enjoy some unique view potential. The view, if any, from a Unit in the Property is subject to the limitations and disclaimers set forth in this section.
- (b) There are no express or implied easements for views or for the passage of light and air to any Unit in the Property. Although the provisions of this Article may have some effect on preserving views from and providing for the passage of light and air to an individual Unit, nevertheless Declarant, the Association, the Board, the Architectural Committee, and the directors, officers, employees, consultants, agents and contractors of the foregoing, do not make any representations or warranties, express or implied, concerning the view, if any, that a particular Unit will enjoy. Furthermore, the payment by any Owner of any "premium" does not constitute a representation or warranty, express or implied, concerning the view, if any, the Unit will enjoy.
- (c) Each Owner, by accepting a Grant Deed to his respective Unit, expressly acknowledges and agrees that any view which his Unit may enjoy as of the date of purchase may be impaired or obstructed by the installation of trees, other landscaping or other types of barriers, the growth or relocation of landscaping, the construction or other installation of Improvements in the Property and/or on any property adjoining the Property in accordance with applicable laws, codes, ordinances and regulations, and each Owner expressly consents to any such obstructions.
- (d) Each Owner further understands that the provisions of this Declaration establish certain architectural and landscaping controls applicable to the Property, and that each Owner has the right to enforce such controls. Except as expressly set forth in this Declaration, there are no rights concerning the preservation of any view.

ARTICLE VIII

MORTGAGEE PROTECTION

Article VIII provides certain protections to holders of the First Mortgage on any Unit, in order to make it easier for Owners to obtain purchase money loans or refinancing.

8.01 Subordination of Lien and Foreclosure.

- (a) Any lien for Regular or Special Assessments created or claimed in this Declaration:
 - (1) Is subject and subordinate to the rights of any First Deed of Trust that encumbers any part of the Property made for value in good faith; and
 - (2) May not in any way impair or invalidate the obligation or priority of a First Mortgage unless expressly subordinated in writing by the Mortgagee. The signing of any Mortgage to any subordination by lienholder included in this Declaration shall not constitute said lienholder's subordination to any future Assessment lien.
 - (3) The provisions of this paragraph (a) do not preclude other mortgagee protections provided by California law.
- (b) No breach of any provision of Declaration, nor the enforcement of any of its lien provisions, nor the Foreclosure of any lien created by or claimed under this Declaration, shall invalidate, affect or impair the lien of any Mortgage made in good faith and for value; but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through Foreclosure sale, Trustee's sale, or otherwise.
- (c) Upon Foreclosure of a First Mortgage, the purchaser:
 - (1) Will take the Condominium title free of any Assessment lien accrued up to the time of the Foreclosure sale, except that in the event the net sale proceeds exceed what is owed on all encumbrances prior to the Assessment lien, the Association shall be entitled to receive payment on any Assessment lien; and
 - (2) Is only obligated to pay Assessments or other Association charges accruing after the title to the Condominium is acquired.
- (d) Any First Mortgagee who obtains title to a Unit pursuant to the remedies in the Mortgage or by deed in lieu of Foreclosure shall not be liable for more than six (6) months of the Unit's unpaid Regular Assessments or charges accrued before acquisition of the title to said Unit by the Mortgagee.

8.02 Mortgagees Are Not Required to Cure Certain Breaches.

A First Mortgagee who acquires title by Foreclosure or by a deed in lieu of foreclosure or assignment in lieu of Foreclosure shall not be obligated to cure an existing breach of this Declaration that is non-curable or of a type that is not practical or feasible to cure.

8.03 **Effect of Breach of Declaration.**

- (a) Breach of this Declaration may not:
 - (1) Cause any forfeiture or reversion of title; or
 - (2) Create any right of re-entry other than as provided for in this Declaration.
- (b) Breach of this Declaration may be enjoined or abated by court action by the Association, Declarant, or any Owner, and damages may also be awarded provided that:
 - (1) The violation does not impair or invalidate the Mortgage lien or Deed of Trust made for value in good faith; and
 - (2) This Declaration binds any Owner whose title is derived through Foreclosure, Trustee's sale or otherwise.

8.04 **Exemption From Right of First Refusal.**

- (a) Any right of first refusal or option to purchase a Condominium that may be granted to the Association or other party may not impair the rights of a First Mortgagee to do any of the following:
 - (1) Foreclose or take title to a Condominium, pursuant to the remedies provided in the Mortgage;
 - (2) Accept a deed (or assignment) in lieu of Foreclosure in the event of default under the Mortgage; or
 - (3) Sell or lease a Condominium acquired by the Mortgagee.
- (b) No right of first refusal or similar restriction may be placed on an Owner's right to sell, transfer, or otherwise convey a Condominium, unless the Mortgagee, if any, grants written consent for the restriction.

8.05 **Restrictions on Certain Changes.**

- (a) Except as provided by statute in case of condemnation or substantial loss to the Property, at least sixty-seven percent (67%) of Owners and at least fifty-one percent (51%) of the votes of Eligible First Mortgagees (based on one vote per Unit for each Eligible First Mortgage held) must give written approval before the Association may do any of the following:
 - (1) Alter the method of determining Assessments or other charges levied against an Owner.
 - (2) Change, waive or abandon any regulations or enforcement pertaining to the architectural design, the exterior appearance or the maintenance of the Units or the Common Area(s).
 - (3) Fail to maintain Fire and Extended Coverage on insurable Common Area(s) as specified in this Declaration.

- (4) Amend the Governing Documents concerning any material provision, including but not limited to the following:
- (A) Voting rights;
 - (B) Reductions in reserves for maintenance, repair, or replacement of the Common Area improvements;
 - (C) Responsibility for maintenance and repairs;
 - (D) Reallocation of interests in the Common Area or Exclusive Use Common Area or rights to their use;
 - (E) Redefinition of any Unit boundary;
 - (F) Convertibility of Units into Common Area or Common Area into Units;
 - (G) Expansion or contraction of the Project or the addition, annexation, or withdrawal of property to or from the Project;
 - (H) Hazard or fidelity insurance requirements;
 - (I) Imposition of any restrictions on the leasing of Units except as provided herein;
 - (J) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
 - (K) Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in this Declaration;
 - (L) Any provisions that expressly benefit mortgagees, insurers, or guarantors; or
 - (M) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs.
- (b) Except as provided by statute in case of condemnation or substantial loss to the Property, at least sixty-seven percent (67%) of the votes of the First Mortgagees (based on one vote per Unit for each Eligible First Mortgage held), and at least sixty-seven percent (67%) of Owners in addition to the vote required from Owners, must give written approval before the Association may, by act or omission, do any of the following:
- (1) Abandon, partition, subdivide, encumber, sell or transfer any portion of a Unit or Common Area (other than granting easements as specified in this Declaration);
 - (2) Partition or subdivide any Unit;
 - (3) Seek to abandon or terminate the legal status of the Property;
 - (4) Use hazard insurance proceeds for losses to the Property (Unit or Common Area) for other than repair, replacement or reconstruction of the Property;
 - (5) Change the pro rata interest or obligation of any Unit for the purpose of: (i) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of each Owner in the Common Area, provided that no Owner's undivided interest in the Common Area may be changed without the consent of that Owner;

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- (6) Change or alter the priority of any liens created by or claimed under this Declaration;
 - (7) Modify or amend any provisions that are for the express benefit of First Mortgagees, insurers or governmental guarantors of First Mortgages;
 - (8) Modify or amend any provisions of this Declaration regarding insurance;
 - (9) Modify or amend any provisions of this Declaration which is a requirement of the FHA, VA, GNMA, FHLMC or FNMA.
- (c) An Eligible First Mortgagee's approval will be considered granted if a negative response is not delivered to the Board within sixty (60) days after the Eligible First Mortgagee receives notice of the proposed action, provided notice was delivered personally or by certified or registered mail, return receipt requested.
- (d) Any addition or amendment to the Declaration or Bylaws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only.

8.06 Inspection of Association Books and Records.

Any First Mortgagee has the right to examine the books and records of the Association during business hours and after notice to the Association. Any First Mortgagee shall be entitled, upon written request, to have an audited financial statement for the immediately preceding year, free of charge to the party so requesting.

8.07 Condemnation Awards and Insurance Proceeds.

Condemnation awards or insurance proceeds for losses to or taking of Units or Common Areas shall be distributed to the Owner(s) in proportion to the fair market value of their Unit, provided that if at the time of distribution there is a Mortgage on any individual Unit, the balance of such Mortgage (in order of priority) shall first be paid before the distribution of any awards or proceeds to the Owner whose Unit is mortgaged. Any provision to the contrary in this Declaration, the Bylaws, or other Governing Documents is to such extent void.

8.08 Loss Payable Endorsement.

All applicable fire, physical loss or extended coverage insurance policies must contain loss payable clauses naming the Mortgagees who encumber the Condominiums.

8.09 Mortgagee's Right to Attend Meetings.

Any Mortgagee may appear at Association and Board meetings, but is not eligible to vote except as provided in Section 8.05.

8.10 Payments by Mortgagees.

- (a) First Mortgagees may pay the following jointly or severally:
- (1) Taxes or other charges in default which may be a charge against any part of the Common Area(s); and
 - (2) Overdue premiums on hazard insurance policies, or to secure new hazard insurance coverage on the lapse of a policy for the Common Area(s).

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(b) Upon such payments, the Association:

- (1) Owes immediate reimbursement to First Mortgagees making such payments; and
- (2) Must, upon Mortgagee's request, execute an agreement that reflects the First Mortgagees' entitlement to such reimbursement.

8.11 **Notices to Mortgagees.**

(a) Each Eligible First Mortgagee is entitled to timely written notice of:

- (1) Any condemnation or casualty loss that affects a material portion of the Project or the Unit securing its Mortgage;
- (2) Any sixty-day delinquency in the payment of Assessments or charges owed by the Owner of any Unit on which it holds the Mortgage or any other breach or default under the Governing Documents by the Owner of any Unit on which it holds the Mortgage;
- (3) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (4) Any proposed action that requires the consent of a specified percentage of Eligible First Mortgagees.

(b) To obtain the information above, the Mortgagee, insurer or guarantor must send a written request to the Association, stating both its name and address and the Unit number or address of the Unit for which it has the Mortgage.

8.12 **Loan to Facilitate Resale.**

Any First Mortgage given to secure a loan to facilitate the resale of a Unit after acquisition by Foreclosure, or by a deed in lieu of Foreclosure or by an assignment in lieu in Foreclosure, shall be deemed to be a loan made for value in good faith and entitled to all of the rights and protections of First Mortgages under this Declaration.

8.13 **Control if Mortgagee Protections Conflict With Other Provisions.**

In the event of any conflict between any of the provisions of this Article and any other provisions of this Declaration or the Governing Documents, whether now or as hereafter amended, the provisions of this Article shall control.

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ARTICLE IX

DAMAGE AND DESTRUCTION TO IMPROVEMENTS

Article IX concerns restoration or other disposition in the case of damage or destruction of common areas.

9.01 Restoration of the Property.

In case of casualty damage to Common Area Improvements, the Association will repair and substantially restore the Common Area Improvements in accordance with the original as-built plans and specifications, modified as may be required by applicable building codes and regulations in force at the time of such repair or reconstruction:

- (a) If insurance proceeds cover at least eighty-five percent (85%) of repair costs, the Association will repair the damage and levy a reconstruction Assessment equally against the Owners to make up the balance of repair costs not covered by the insurance (according to the Article "Covenants for Assessments").
- (b) If insurance proceeds cover less than eighty-five percent (85%) of repair costs, the Association will repair the damage and levy a reconstruction Assessment equally against the Owners, for the balance of the repair costs not covered by the insurance, unless at least sixty-seven percent (67%) of the Owners (other than Declarant) determine either:
 - (1) To rebuild in a less expensive manner than substantial replacement, utilizing all available insurance proceeds. The Association will levy a reconstruction Assessment equally against the Owners to raise any rebuilding cost in excess of insurance proceeds; or
 - (2) Not to rebuild. All net insurance proceeds for the damage (after expenses of clearing debris and making the damaged area aesthetically pleasing) are at the Association's discretion to perform its functions according to the Governing Documents or to distribute equally to the Owners (subject to the rights of Mortgagees of record).
- (c) If the estimated cost of repair does not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, the Board shall cause the repair to occur without the consent of Members irrespective of the available amount of insurance proceeds. The Board is empowered to levy a Special Assessment if necessary as described herein.
- (d) If the Owners and Mortgagees determine that restoration costs would be substantial and reconstruction would not be in their best interests, the Owners may proceed as provided in Section 9.03 below.

9.02 Notice to Owners and Listed Mortgagees.

Immediately upon learning of any material damage or destruction to the Common Area or any Unit, the Board must notify all Owners, and First Mortgagees, insurers or guarantors of any relevant Mortgagees who have filed a written request for Board notice (see "Mortgagee Protection" Article).

9.03 Sale of Property and Right to Partition.

If the Owners elect not to rebuild, a qualified independent appraiser licensed by the State of California Office of Real Estate Appraisers selected by the Board shall determine the relative fair market values of all Condominiums as of a date immediately prior to any damage or destruction and the proceeds of insurance shall be apportioned among all Owners, and their respective Mortgagees, in proportion to such values.

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9.04 **Damage to Dwellings.**

- (a) The repair or reconstruction of any damaged Units shall commence as soon as reasonably practicable after the occurrence of such damage or destruction and shall be completed as quickly as is reasonably practicable after commencement of reconstruction, subject to delays that are beyond the control of the party responsible for making the repairs.
- (b) If an Owner is required to make any repair, or if an Owner desires to rebuild any Improvement or install any fixture or equipment, which will affect or involve any interior bearing wall or other portion of the Common Area, the prior written approval of the Architectural Committee must be obtained.
- (c) Notwithstanding the foregoing, the Owner must immediately take reasonable steps as required to secure any hazardous conditions resulting from the damage or destruction and to screen any unsightly views resulting from the damage or destruction.

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ARTICLE X

CONDEMNATION

Article X concerns condemnation of Common Areas by a governmental entity.

10.01 Representation by the Board in Condemnation Proceedings.

- (a) If any portion of a Common Area is to be condemned or sold by eminent domain, the Board (or its delegation) will:
 - (1) Represent Owners in the proceedings;
 - (2) Immediately give notice of the condemnation threat to all Mortgagees, insurers and guarantors of First Mortgages who have filed written requests for notices; and
 - (3) Be entitled to make a voluntary sale to the condemner in lieu of engaging in a condemnation action.
- (b) Any award(s) received shall be paid to the Association.
- (c) If only part of a Common Area is affected, the rules regarding restoration and replacement of the Common Area and Improvements apply as if in the case of destruction.
- (d) If any of the net condemnation award is not used to restore the remaining Common Area, the Association will handle the award in accordance with the Article entitled, "*Damage and Destruction to Improvements*".

10.02 Distribution of Award.

- (a) In case of condemnation or sale by eminent domain, the Board must distribute any award according to these provisions (after deducting fees and expenses related to the condemnation proceedings).
- (b) Any award must first be distributed to the Owner(s) in proportion to the fair market value of their Condominium, provided that if at the time of distribution there is a Mortgage on any individual Condominium, the balance of such Mortgage (in order of priority) shall first be paid before the distribution of any awards or proceeds to the Owner whose Condominium is mortgaged.
- (c) If a condemnation judgment apportions the award among the Owners and Mortgagees, the Board will distribute the remaining amount (after deductions above) according to the terms of the judgment allocation.
- (d) If by sale under threat of condemnation (or if the judgment of condemnation fails to apportion the award), the Board will distribute the award based upon relative values of the affected Condominiums as determined by a qualified independent appraiser licensed by the State of California Office of Real Estate Appraisers that is selected by the Board.

ARTICLE XI

COVENANT AGAINST PARTITION AND RESTRICTION ON SEVERABILITY OF CONDOMINIUM COMPONENT INTEREST

Article XI governs partition of the Property.

11.01 No Partition; Exceptions; Power of Attorney.

- (a) An Owner may not bring an action for partition of the Common Area by sale except as provided in California Civil Code Section 1359 (or any similar statute in effect at the time).
- (b) These provisions do not prevent a judicial partition between co-tenants of a Condominium.
- (c) Subject to obtaining the prior approval by vote or written consent of seventy-five percent (75%) of the Owners and seventy-five percent (75%) of all First Mortgagees, the Association (through its Board) has irrevocable power of attorney to sell the Property for the benefit of Owners and Mortgagees when partition takes place under California Civil Code Section 1359.

11.02 Proceeds of Partition Sale.

- (a) Whenever an action is brought for partition by sale, the Owners will share the proceeds in the same proportion as the relative values of each Condominium, determined by comparing its fair market value on partition date (established by an Licensed appraiser selected by the Association) to the fair market value of all Condominiums in the Property on that date.
- (b) If applicable, distribution of partition sale proceeds must be adjusted to reflect prior condemnation awards or insurance proceeds paid to Owners and Mortgagees.

11.03 No Separate Conveyance of Condominium Components.

- (a) An Owner may not sever, sell, convey or encumber a Condominium's component interests, such as the undivided interest in the Common Area from the Unit.
- (b) The provisions of this Section terminate when a partition is decreed, either judicial or in accordance with this Article.

ARTICLE XII

EASEMENTS

Article XII addresses easements within the property.

12.01 Creation of Easements.

- (a) Easements referred to herein are established upon the First Close of Escrow in the Project, and the provisions hereof with respect to such easements shall be covenants for the use and benefit of Condominiums and Property superior to all other encumbrances.
- (b) Individual Grant Deeds to Condominiums shall state that the grant is made subject to the provisions of this Declaration, and may set forth reference to these easements, but are not required to do so.

12.02 Reservation of Easements for Declarant's Construction and Marketing Activities.

- (a) So long as Declarant, its successors or assigns, owns any of the real property described in this Declaration, it shall have a right and easement over, through, in and to all of the Common Area for ingress, egress, parking and enjoyment for itself, its agents, employees and prospective purchasers of the Units, which rights and easements shall include, without limitation:
 - (1) Improvements. Easements over i) the Common Area for the purpose of constructing, erecting, completing, operating and maintaining thereon, therein or thereunder, roads, streets, walks, and driveways, as long as any Unit remains unsold; and ii) the Property for the installation and maintenance of electric, telephone, cable television, water, gas, irrigation lines, sanitary sewer lines and drainage facilities, provided that access for such purpose is not otherwise reasonably available;
 - (2) Construction and Sales. Easements for construction, display, maintenance, sales and exhibit purposes over the Common Area, other than Exclusive Use Common Area if any, in connection with the erection and sale or lease of Residences within the Property provided, however, that such use shall not be for a period beyond the sale by Declarant of all Units within the Property; and
 - (3) Utilities. Easements, whether or not shown on the Tract Map/Condominium Plan, over the Property for the installation and maintenance of electric, telephone, cable television, community antenna television system, water, gas, sanitary sewer lines and drainage facilities. Declarant further reserves the right to grant and transfer easements over the Units and Common Area(s) for installation, maintenance and repair of the Service Lines and Facilities.
- (b) The easements reserved to Declarant, or granted and conveyed by Declarant pursuant to this Section shall not unreasonably interfere with the use and enjoyment by the Owners of the Property, and any repair or restoration necessitated by any such installation, construction or maintenance shall be completed by the holder of the easement that has entered upon the Property for any such purpose within a reasonable time after the occurrence of such damage or need for restoration.
- (c) This reservation of easements by Declarant shall in no way be construed as an admission of any duties or responsibilities above and beyond those set forth elsewhere in this Declaration.

12.03 **Certain Easements for Association.**

- (a) The Association has, and may grant, nonexclusive easements and rights of way for ingress, egress and access to all portions of the Property as reasonably required to perform its maintenance obligations and other duties established in this Declaration, and further has utility and drainage easements as hereinafter provided to maintain the health, safety, convenience and enjoyment of the Units and Common Area(s).
- (b) Declarant hereby reserves for the benefit of the Association the right to grant additional easements and rights-of-way over the Property to utility companies and public agencies, as necessary, for the proper development and sale of the Property. Such right of Declarant shall expire upon the close of escrow for the sale of all Units in the Project.
- (c) The Association shall have the right and power to grant and convey to any third party, easements and rights of way in, on, over or under the Units and the Common Area for the purpose of construction, erection, maintenance, repair, replacement, removal and inspection of present and future utilities, including but not limited to pipelines, sewer, water and gas lines, drain pipes, utility and telephone lines, meters and related facilities, lines, cables, wires or other conduits or devices for water, gas or cable television, electricity, power, telephone and other purposes and any other similar public or quasi-public improvements or facilities, and each purchaser, by acceptance of a deed to his Unit, expressly consents to such easements. However, no such easement shall be granted if it would interfere with the use, occupancy or enjoyment by any Owner of his Unit.

12.04 **Certain Easements for Owners.**

- (a) Declarant grants nonexclusive easements for enjoyment, ingress, egress, pedestrian walkway and general recreation purposes over and upon all portions of the Common Area to all Owners, subject to other provisions of the Governing Documents.
- (b) Owner rights and duties with respect to drainage facilities, sanitary sewer, water, electricity, gas, telephone, cable television, security system lines, meters, wires, ducts, flues, pumps, boilers, pipes and other Service Lines and Facilities are as follows:

Easements for Service Lines and Facilities in Units or Common Area(s) is granted in favor of the Owner of a Unit or Association served by said Service Lines and Facilities to the full extent necessary for the maintenance and repair by the Owner, Association, or servicing company;

Whenever Service Lines and Facilities are installed within the Project, which Service Lines and Facilities or any portion of those facilities lies in or upon Condominiums owned by other than the Owner of a Condominium served by those Service Lines and Facilities, the Owners of any Unit served by those Service Lines and Facilities shall have the right of reasonable access for themselves or for utility companies to repair, replace and generally maintain those Service Lines and Facilities as and when necessary, due to failure or inability of the Board to take timely action to make such repairs or perform such maintenance.

If Service Lines and Facilities serve more than one Unit, each Owner served is entitled to reasonable use and enjoyment and access for repair, replacement and maintenance of all necessary portions of the Service Lines and Facilities. In the event of a Dispute between Owners respecting the repair, replacement or maintenance of the Service Lines and Facilities, or the sharing of the cost thereof, said Owners shall first contact the appropriate utility company in an effort to resolve the Dispute; provided however, if said Dispute remains unsolved, the matter shall be submitted to the Board who shall decide the Dispute and the decision of the Board shall be final and conclusive on the Owners.

- (c) Notwithstanding that an Owner may install Improvements within said easement area with the approval of the Architectural Committee, each Owner acknowledges that such Improvements may be removed by the respective utility or public agency to maintain, repair or replace any of the foregoing facilities without any liability to the Owner to repair or restore such Improvements.

- (d) Declarant hereby reserves, for its benefit and the benefit of the Association and each Owner, nonexclusive easements on, over, across and through all Units for the construction, installation, inspection, maintenance, repair and replacement of drainage lines and improvements, electrical plumbing, and subdrain lines, access ports, and the like, wherever same may be located, in accordance with the provisions of this Declaration. Such easements over such portions of each Unit shall be appurtenant to, binding upon, and shall pass with the title to, every Unit conveyed.

12.05 Drainage Easements.

- (a) The Association and each Owner accept the drainage facilities and pattern for the Units and Common Area(s) as referenced in that certain Covenant and Agreement Regarding Drainage Easement, recorded on February 8, 2013 as Instrument No. 20130204645, Official Records of Los Angeles County and depicted on the Condominium Plan as a 3 foot, 5 foot and 10 foot wide drainage easement, and established by the final grading of the Property originally undertaken by Declarant (including "cross-unit" drainage from adjacent Units and Common Areas).
- (b) The established drainage pattern may not be altered without prior written approval by the Association and/or Architectural Committee.
- (c) If the drainage pattern must be altered, the party requesting the alteration must make reasonable and adequate provisions for proper drainage and pay for its costs.
- (d) Each Owner is to maintain the drainage system for his/her Unit including, but not limited to, the cleaning of the drainage system. The Association will be responsible for the maintenance and repair of the main drainage lines and/or system for the Project, which is located within a Unit or which is located in the Common Area. If a repair to the main drainage lines and/or system is required due to damage by an Owner, the Owner will be responsible for all expenses for the repair of such main lines and/or system.
- (e) Declarant hereby grants to the Association nonexclusive easements over the Common Areas and Units as reasonably necessary to discharge its obligations as described in the Covenant and Agreement referred to in 12.05 (a) above, depicted on the Condominium Plan and as provided in this Declaration, including maintenance and repair of the drainage systems.

12.06 Utility Easements.

The Association shall grant easements and rights of way through the Common Area and separate interests for the maintenance or betterment of water, sewer, telephone and cable lines, satellite television, gas and other utilities, storm drains, underground conduits, sprinkler systems, and other purposes intended to maintain the health, safety, convenience and enjoyment of the Units and Common Area, and for the reading of utility meters and sub-meters.

12.07 Encroachment.

- (a) Each Owner is hereby granted an easement over all adjoining Units and the Common Area for the purpose of accommodating any minor encroachments due to engineering errors, errors in original construction, settling or shifting of any building, or any other cause. There shall be easements for the maintenance of said encroachments so long as they shall exist and the rights and obligations of Owners shall not be altered in any way because of the encroachment, settlement or shifting; provided that, in no event shall an easement for encroachment be created in favor of any Owner if the encroachment occurred due to the Owner's willful misconduct. In the event any portion of any building is partially or totally destroyed and then rebuilt, each Owner agrees that easements for minor encroachments (and for the maintenance of same) over all adjoining Units and the Common Area shall exist so long as the encroachment exists.

- (b) If a portion of a Unit encroaches on, over and across any portion of a contiguous Unit or Common Area, the encroaching Unit Owner's easement rights shall be exclusive.
- (c) If a portion of the Common Area encroaches on, over and across any portion of a contiguous Unit, the Association's easement rights shall be non-exclusive.
- (d) Declarant, the Association and Owners of the encroaching improvements shall have the right to maintain, repair or replace the encroaching improvements.
- (e) In the event any portion of the Project is partially or totally destroyed, the encroachment easement shall exist for any replacement structure that is rebuilt pursuant to the original construction design.
- (f) In interpreting this Declaration, the Condominium Plan and all instruments of conveyance, the existing physical boundaries of Unit(s), including any encroachment as defined in (a) above, shall be the actual boundaries, rather than any description and/or depiction set forth in this Declaration, the Condominium Plan, or instrument of conveyance.
- (g) Easements and reciprocal negative easements for utility services and repairs, replacement and maintenance of same over the Common Area(s) are specifically reserved for the benefit of the Owners. The foregoing easements shall not unreasonably interfere with an Owner's use and enjoyment of such Owner's Unit.
- (h) The easements for the maintenance of the encroaching improvement shall exist for as long as the encroachments exist; provided, however, that no valid easement of encroachment shall be created due to the willful misconduct of the Association or any Owner. Any easement of encroachment may, but need not be, cured by repair and restoration of the structure.

ARTICLE XIII

ZERO UNIT LINE WALLS AND EASEMENTS

Article XIII covers the style of Units and easements with adjacent Units.

13.01 Unit Type.

The Condominium Units within the Project are designed in a "detached" style wherein each residential structure contains only one Unit. Furthermore, these separate and detached residential structures are situated within the boundaries of the Unit with "Zero Unit Line Walls", wherein one side wall of the residential structure comprises a portion of one of the Unit's boundary lines between certain contiguous and adjacent Units, creating a front yard, a back yard and one (1) side yard.

13.02 Easement.

- (a) Declarant does hereby create, establish and reserve permanent and perpetual non-exclusive easements appurtenant to Units with Zero Unit Line Walls ("Dominant Tenement") on, over and across those certain portions of the adjacent Units abutting the Zero Unit Line Walls of the Dominant Tenements ("Servient Tenement") for maintenance purposes and for encroaching roof overhangs, window boxes and/or fireplaces and chimneys, if any.
- (b) The "Easement Area" shall consist of a strip of land, as reasonably necessary, within the Servient Tenement abutting the Zero Unit Line Wall of the Dominant Tenement. The non-exclusive easement rights created, established and reserved herein are for ingress, egress and access in, on, over and across the Easement Area as may be reasonably necessary to allow the Owner of the Dominant Tenement to paint, maintain and repair the Zero Unit Line Wall, the exterior surfaces of the Residential Structure within any Dominant Tenement, and any utilities installed, including underground utilities.
- (c) The easement rights reserved herein are non-exclusive. The Dominant Tenement Owner has the right to use the Easement Area, so long as The Dominant Tenement Owner's use of the Easement Area does not materially interfere with the use of the Easement Area by the Servient Tenement Owner, subject to the conditions and provisions set forth in this Article. Likewise, the Servient Tenement Owner has the right to use the Easement Area, so long as the Servient Tenement Owner's use of the Easement Area does not materially interfere with the use of the Easement Area by the Dominant Tenement Owner, subject to the conditions and provisions set forth in this Article.

13.03 Maintenance.

- (a) The Owner of the Dominant Tenement shall paint, maintain, and repair the Zero Unit Line Wall in a neat, clean, safe, sanitary and attractive condition at all times, and shall bear all costs thereof.
- (b) In the event any painting, maintenance or repair is required due to the fault of the Owner of the Servient Tenement, the Owner of the Servient Tenement shall promptly cause said work to be performed and shall bear all costs thereof.
- (c) Except in the case of a bona fide emergency, the Owner of the Dominant Tenement shall give the Owner of the Servient Tenement at least twenty-four (24) hours prior written notice of his intention to enter upon the Servient Tenement Owner's Unit and Easement Area and shall perform all necessary work during reasonable daylight hours. In the event of an emergency, such entry may be made at any time and without notice. Under all circumstances, the Owner of the Dominant Tenement shall use his best efforts to minimize the duration of the work and the inconvenience to the Owner of the Servient Tenement.

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- (d) In the event that the Dominant Tenement Owner shall fail to maintain the Zero Unit Line Wall, the Association, after Notice and Hearing, shall have the right, but not the obligation, to enter on any Unit and Easement Area for the purpose of remedying the condition. The Dominant Tenement Owner shall promptly reimburse the Association for the cost thereof. Such cost may be levied by the Board as a Special Assessment.
- (e) The Servient Tenement Owner shall not plant any tree, shrub or other landscaping upon the Easement Area which would: (a) impair or otherwise threaten the structural integrity of the adjacent residential structure of any Dominant Tenement; or (b) interfere or impede necessary access for maintenance and repair to the Zero Unit Line Wall. Neither the Dominant Tenement Owner nor the Servient Tenement Owner shall construct, install or erect any Improvement upon any Easement Area, except as expressly permitted by the Architectural Committee. The Owner of the Dominant Tenement shall not drive any nails, screws, bolts or other objects into the Zero Unit Line Wall, or permit anything to damage the appearance or structural integrity of the Zero Unit Line Wall.

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ARTICLE XIV

AMENDMENT

Article XIV concerns amendments to the Declaration.

14.01 Amendment.

- (a) Before the First Close of Escrow of a Condominium, and subject to the consent of the First Mortgagee, if any, Declarant may unilaterally amend this Declaration (subject to the Article entitled "*Mortgagee Protection*") by recording an instrument of amendment in the relevant County Recorder's Office.
- (b) After the First Close of Escrow of a Condominium, this Declaration may only be amended in the following ways (and subject to the Article entitled "*Mortgagee Protection*"):
 - (1) If there is only one Membership Class, approval by at least sixty-seven percent (67%) of Members other than Declarant, and by at least sixty-seven percent (67%) of the Total Voting Power, including Declarant; and either i) an instrument signed by two (2) Association officers certifying that the amendment was approved by at least sixty-seven percent (67%) of Members other than Declarant, and also approved by at least sixty-seven percent (67%) of the total voting power, including Declarant; or ii) an instrument signed by all Owners representing the required approval, including the Members other than Declarant and the Total Voting Power, including Declarant.
 - (2) If Class B Membership exists, approval by at least sixty-seven percent (67%) of the Members of each Class, and either i) an instrument signed by two (2) Association officers certifying that the amendment was approved by sixty-seven percent (67%) of the Members of each Class; or ii) an instrument signed by all Owners representing the required vote of each Class.
- (c) Any amendment must be properly recorded in the County Recorder's Office.
- (d) The percentage of Owners needed to amend this Declaration may not be less than the percentage of affirmative votes prescribed for action to be taken under the relevant provision.
- (e) An Owner or the Association may petition the Superior Court for an order reducing the percentage of affirmative votes needed to amend this Declaration (pursuant to Civil Code Section 1356, or any successor statutes).
- (f) While the Declarant holds or directly controls at least twenty-five percent (25%) of the votes, any proposed amendment to any Governing Documents must comply with Business and Professions Code Section 11018.7.
- (g) No amendments to any provisions in this Declaration including, but not limited to, the Article entitled "*Dispute Notification and Resolution Procedures*" or other Governing Documents which specifically benefit or otherwise relate to the Declarant as developer, shall be made without the written consent of the Declarant.
- (h) Notwithstanding any other portion of this Section, for so long as Declarant owns any portion of the Property, Declarant may unilaterally amend this Declaration by recording an instrument in writing, signed by Declarant, without the consent of the Association or any other Owner, provided that such amendment is made in order to: (1) conform this Declaration to the requirements of the DRE, VA, FHA, FNMA, FHLMC, or any other governmental entity; (2) amend, replace or substitute any Exhibit for any purpose to the extent that the Exhibit affects portions of the Project that have not yet been conveyed to the Association or for which there has been no Close of Escrow, as applicable, (3) amend, replace or substitute any Exhibit to correct typographical or

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engineering errors; (4) include any Exhibit that was inadvertently omitted from the Declaration at the time of recording; and (5) supplement or amend this Declaration with provisions which pertain to rights and obligations of Declarant, the Association or Owners arising under the Right to Repair Act at Division 2, Part 2, Title 7 (commencing with Section 895) of the California Civil Code.

- (i) An amendment for the purpose of correcting technical errors, clerical mistakes or for clarification shall not be construed as a material change to the Governing Documents and may be made upon a majority vote of the Board of Directors without vote of the Membership.

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ARTICLE XV

DISPUTE NOTIFICATION AND RESOLUTION PROCEDURES

Article XV provides an expedited means of resolving any claims, disputes and disagreements relating to either the Governing Documents or construction defects, which may arise between or among i) Owner, and/or ii) the Association, and/or iii) Declarant. To the extent permitted by law, all such disputes shall be resolved under the "Alternative Dispute Resolution" procedures provided by this Article.

15.01 Enforcement and Nonwaiver.

- (a) Rights of Enforcement of Governing Documents. The Association or any Owner shall have a right of action against any Owner, and any Owner shall have a right of action against the Association, to enforce by proceedings at law or in equity, all restrictions, conditions, covenants and reservations, now or hereafter imposed by the provisions of the Governing Documents or any amendment thereto, including the right to prevent the violation of such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation except that Owners shall not have any right of enforcement concerning assessment liens. The Association shall have the exclusive right to the enforcement of provisions relating to architectural control and the Rules and Regulations, unless the Association refuses or is unable to effectuate such enforcement, in which case any Owner who otherwise has standing shall have the right to undertake such enforcement. Failure of the Association, Declarant or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.
- (b) Procedure for Enforcement. Notwithstanding anything to the contrary set forth in subparagraph (a) above, in enforcing any action under the Governing Documents for monetary damages, the parties shall comply with the provisions of California Civil Code Section 1354 and any successor statutes or laws. The Board shall annually provide to the Owners a summary of the provisions of California Civil Code Section 1354 and any successor statutes or laws, which shall include the language required and shall be delivered in the manner provided in Civil Code Section 1365. The exception for disputes related to Association assessments set forth in Section 1354 shall not apply to disputes between an Owner and the Association regarding assessments imposed by the Association, if the Owner chooses to pay in full the Association all of the assessments as specified in California Civil Code Section 1366.3 and any successor statutes or laws.

15.02 Notice of Actions Against Declarant.

To the extent applicable, the Association shall comply with the provisions of California Civil Code Sections 1368.4, 1375, and any successor statutes or laws.

15.03 Alternative Dispute Resolution.

The purpose of this section is to provide an expedited means of resolving any claims, disputes and disagreements which may arise between i) Owner or the Association, and ii) Declarant concerning the Property that are not resolved pursuant to any applicable statutory dispute resolution procedures (individually referenced to herein as "**Dispute**" and collectively as "**Disputes**").

- (a) Election to Use Contractual Non-Adversarial Procedures. The Declarant has elected to use the contractual pre-litigation procedures ("**Contractual Pre-Litigation Procedures**") contained herein in lieu of the statutory pre-litigation procedures contained in California Civil Code Sections 910 through 938 ("**Statutory Pre-Litigation Procedures**").

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- (1) If at any time during the ten (10) year period following the recording of this Declaration, as such period may be extended by any applicable tolling statute or provision, or any shorter period as provided by applicable law, the Owner or the Association discovers a material, structural design or other defect in the Property covered by Civil Code Section 895 *et seq.* ("**Claimed Defect**") that the Owner and/or the Association feel(s) may be the responsibility of Declarant, the Owner/Association shall notify the Declarant, in writing, at the Declarant's address for service of process registered with the California Secretary of State, which is currently c/o California Home Builders, 21510 Roscoe Blvd., Canoga Park, California 91304.
 - (2) Prior to the Close of Escrow, the Owner received Exhibit A to the Real Estate Purchase Contract and Receipt for Deposit and Escrow Instruction ("**Dispute Notification and Resolution Procedure and Waivers**"). The Dispute Notification and Resolution Procedure and Waivers specifically describes the Contractual Non-Adversarial Procedures and binds the Declarant and the Owner of any part of the Property to resolve any claim or dispute that arises after the Close of Escrow or any such claim or dispute that arises prior to the Close of Escrow, but is not resolved fully and finally prior to the Close of Escrow. In this connection, if a claim or dispute arises prior to the Close of Escrow (including a claim or dispute that, with the exercise of reasonable diligence would have been apparent prior to the Close of Escrow, but was not discovered until after the Close of Escrow and irrespective of whether or not notice of such claim or dispute is provided to the other party or such claim or dispute is filed or initiated prior to the Close of Escrow), but is not fully and finally resolved prior to the Close of Escrow, such claim or dispute shall be resolved solely by the Contractual Pre-Litigation Procedures set forth in the Dispute Notification and Resolution Procedure and Waivers and contained herein.

NOTICE: THE OWNERS AGREEING TO HAVE ANY DISPUTE DECIDED BY A NEUTRAL ARBITRATION, AS PROVIDED BY THE FEDERAL ARBITRATION ACT, ARE GIVING UP ANY RIGHTS THEY MIGHT POSSESS TO HAVE THE DISPUTE DECIDED BY A JUDGE OR JURY, INCLUSIVE OF THE RIGHT TO DISCOVERY AND APPEAL.

- (3) This Declaration evidences a transaction involving interstate commerce. The Federal Arbitration Act (9 U.S.C. Sections 1-6) now in effect and as it may be amended will govern the interpretation and enforcement of this Declaration to the exclusion of any different or inconsistent state or local law, ordinance, regulation or judicial rule.
- (4) The Right to Repair Act (California Civil Code) governs standards and procedures for the resolution of construction defect matters and became effective as of January 1, 2003. Declarant has elected **NOT** to engage in, follow, or be bound by the portions of the Right to Repair Act set forth in California Civil Code Sections 910-938. Rather, Declarant and the Owner the Association agree to follow the Contractual Non-Adversarial Procedures set forth below.
- (5) Declarant, the Owners and the Association recognize that the construction process is complicated and that from time to time certain improvements to the Property ("**Improvements**") may require repair. The Owners and the Association therefore recognize that the Declarant requires the opportunity to inspect and/or repair the Improvements. Accordingly, if the Owners and/or the Association contend(s) or allege(s) that any Improvement requires repair or that the Declarant, any of its agents, consultants, subcontractors or material suppliers (collectively, "**Declarant's Agents**") was responsible for the need to make such repair because of any action or inaction by the Declarant or the Declarant's Agents in the planning, surveying, design, engineering, grading, specifications, construction, supervision, testing or other development of the Property (collectively, "**Repair Issue**"), the Declarant is hereby granted the irrevocable right to inspect, repair, and/or replace any such Improvement pursuant to the procedures set forth herein, **provided however**, nothing herein is intended nor shall be applied to create any obligation on the part of the Declarant to inspect, repair or replace any Improvement, except as otherwise provided in "Your New Home Warranty", (provided to original Owner). In the event that the Owners and/or the Association allege(s) that a repair completed pursuant to the procedures set forth herein is not properly completed, or if the Declarant fails to follow such procedures, the Owners and/or the Association shall

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have the right to institute arbitration proceedings pursuant to the Federal Arbitration Act (9 U.S.C. Section 1-6) now in effect and as it may be amended, which will govern the interpretation and enforcement of this Declaration to the exclusion of any different or inconsistent state or local law, ordinance, regulation or judicial rule.

- (6) The Declarant shall not be liable for any general, special or consequential damage, cost, diminution in value or other loss that the Owner and/or the Association may suffer as a result to any Claimed Defect in the Property, which reasonably might have been avoided had the Owner and/or the Association given the Declarant timely notice and opportunity to cure said Claimed Defect. Except as otherwise provided in the written Limited Warranty provided to Owners, nothing contained herein shall establish any contractual duty or obligation on the part of the Declarant to repair, replace or cure any Claimed Defect.
 - (7) If an Owner sells or otherwise transfers ownership to any other person, Owner covenants and agrees to give such other person written notice of or a copy of this Declaration by personal delivery. The Owner's obligation per this covenant shall be binding upon all Owners of the Property.
- (b) **Mediation - Disputes Subject to Mediation.** If the parties to the dispute cannot resolve the claim pursuant to the procedures described above (including, if applicable, Civil Code Section 1375 procedures), the matter shall be submitted to mediation pursuant to the mediation procedures adopted by the American Arbitration Association (except as such procedures are modified by the provisions herein) or any successor thereto or to any other entity offering mediation services that is acceptable to such parties. No person shall serve as a mediator in any dispute in which that person has any financial or personal interest in the result of the mediation, except by written consent of all parties to dispute participating in the mediation. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or to prevent a prompt commencement of the mediation process. Except as provided below, the Owner and the Association covenants that the Owner and/or the Association shall not commence any litigation against Declarant or any agent of the Declarant without complying with the procedures described herein.
- (1) **Position Memoranda/Pre-Mediation Conference.** Within ten (10) days of the selection of the mediator, each party to the dispute participating in the mediation shall submit a brief memorandum setting forth its position with regard to the issues that need to be resolved. The mediator shall have the right to schedule a pre-mediation conference and all parties to dispute participating in the mediation shall attend unless otherwise agreed. The mediation shall be commenced within ten (10) days following the submittal of the memoranda and shall be concluded within two (2) days from the commencement of the mediation unless the parties participating in the mediation mutually agree to extend the mediation. The mediation shall be held in the county in which the Property is located or such other place as is mutually acceptable to the parties to the dispute participating in the mediation.
 - (2) **Conduct of Mediation.** The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the dispute. The mediator is authorized to conduct joint and separate meetings with the parties to the dispute participating in the mediation and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspect of the dispute, provided the parties to the dispute participating in the mediation agree and assume the expenses of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties to the dispute participating in the mediation.

- (2) Exclusion Agreement. Prior to the commencement of the mediation session, the mediator and all parties to the dispute participating in the mediation shall execute an agreement pursuant to California Evidence Code Section 1115 *et seq.* and any other successor statutes or laws, in order to exclude the use of any testimony or evidence produced at the mediation in any subsequent dispute resolution forum, including, but not limited to, court proceedings, reference proceedings or arbitration hearings. Pursuant to California Evidence Code Section 1115 *et seq.*, the agreement shall specifically state that evidence of anything said, or of any admission made, in the course of the mediation is not admissible evidence, and disclosure of any such evidence shall not be compelled in any civil action or proceeding in which, pursuant to law, testimony can be compelled. Unless said document provides otherwise, no document prepared for the purpose of, or in the course of, or pursuant to the mediation or copy thereof, is admissible in evidence, and disclosure of any such document shall not be compelled in any civil action or any other proceeding in which, pursuant to law, testimony can be compelled. The provisions of California Evidence Code Section 1115 through 1128 shall also be applicable to such mediation process.
- (4) Parties Permitted at Sessions. Persons other than the parties to the dispute participating in the mediation, their representatives and the mediator may attend mediation sessions only with the permission of the parties to the dispute participating in the mediation and the consent of the mediator. Confidential information disclosed to a mediator by the parties to the dispute participating in the mediation or by witnesses in the course of the mediation while serving in such capacity shall be confidential. There shall be no stenographic record of the mediation process.
- (5) Expenses. All expenses of the mediation, including, but not limited to, the fees to initiate mediation, fees and costs charged by the mediator, and the expenses of any witnesses or the cost of any proof of expert advice produced at the direct request of the mediator, shall be borne equally by the parties to the dispute participating in the mediation unless they agree otherwise. Except as provided herein, the expenses of witnesses for either side shall be paid by the party producing such witnesses.
- (c) Arbitration. Should mediation, pursuant to the procedures above, not be successful in resolving the dispute, such dispute, claim, controversy, default or breach of this Declaration that arises between the Owner and/or the Association and the Declarant, including without limitation, a dispute about a Repair Issue or the marketing, sale, design, construction, warranty, condition or conveyance of the Property or physical or bodily injury in connection with the Property (collectively, "**Dispute(s)**") shall be resolved at the request of either party, by final and binding arbitration. The agreement evidences a transaction involving interstate commerce. The Federal Arbitration Act (9 U.S.C. Sections 1-6) now in effect, and as it may be amended will govern the interpretation and enforcement of the arbitration provisions set forth herein to the exclusion of any different or inconsistent state or local law, ordinances, regulation or judicial rule. Said arbitration shall be administered in accordance with the Arbitration Rules of the American Arbitration Association ("AAA"), and judgment upon any award rendered by the arbitrator(s) may be entered by any State or Federal Court having jurisdiction thereof. The arbitrator in any such proceeding shall apply California substantive law. The arbitrator shall have the power to grant all legal and equitable remedies and award damages provided by California law. The parties hereby submit to the jurisdiction of the courts of the State of California and the United States District Court, Central District of California, for the purpose of enforcing this Declaration to arbitrate and any and all awards or orders rendered pursuant thereto.
- (1) Agreement to Arbitrate. The arbitration will be conducted by a retired judge from the Los Angeles Superior Court, the Appellate Court of the State of California, or the District Court of California, not affiliated with Judicial Arbitration and Mediation Services ("JAMS"). If the parties cannot agree on one such judge, the party demanding arbitration shall provide the other party with a list of seven such retired judges ("**List**"). If the parties have not succeeded in mutually agreeing upon a retired judge to serve as arbitrator within fifteen (15) days after receipt of List, either party may submit by *ex parte* or other application to the Presiding Judge of the Los Angeles Superior Court, a request for the appointment of a retired judge to act as arbitrator. The proceedings shall be heard in the county in which Property is located.

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- (2) Commencement and Timing of Proceeding. The arbitrator shall promptly commence the proceeding at the earliest convenient date in light of all of the facts and circumstances and shall conduct the proceeding without undue delay. The arbitrator may require one or more pre-hearing conferences.
 - (3) Discovery. The parties to the arbitration proceeding shall be entitled only to limited discovery consisting of the exchange between such parties of only the following matters: i) Witness Lists; ii) Expert Witness Designations; iii) Exhibits; iv) Reports of testing or inspections of the Property subject to the dispute, including, but not limited to, destructive or invasive testing; and v) Trial Briefs. Such parties shall also be entitled to conduct further tests and inspections as provided above. Any other discovery provided for in the California Code of Civil Procedure shall be permitted by the arbitrator, in the arbitrator's discretion, upon a showing of good cause or based on the mutual agreement of the parties to the proceeding. The arbitrator shall oversee discovery and may enforce all discovery orders in the same manner as a trial court judge.
 - (4) Limitation on Remedies. The arbitrator shall not have the power to award punitive or consequential damages. In addition, as further provided below, the right to punitive or consequential damages is waived. The arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages in the arbitration proceeding.
 - (5) Motions. The arbitrator shall have the power to hear and dispose of motions, including motions relating to provisional remedies, demurrers, motions to dismiss, motions for judgment on the pleadings and summary adjudication motions, in the same manner as a trial court judge, except the arbitrator shall also have the power to adjudicate summarily issues of fact or law including the availability of remedies, whether or not the issue adjudicated could dispose of an entire cause of action or defense. Notwithstanding the foregoing, if prior to the selection of the arbitrator, as provided herein, the parties seek any provisional remedies to the dispute, such relief may be sought in the superior court of the county in which the Property is located, or in the United States District Court, Central District of California.
 - (6) Rule of Law. The arbitrator shall apply the laws of the State of California, except as expressly provided herein, including the rules of evidence, unless expressly waived by all parties to the arbitration.
 - (7) Record. No stenographic record of the hearing shall be made, unless agreed to by the parties and provided that such record shall remain confidential, except as may be necessary for post-hearing motions and any appeals.
 - (8) Expenses. All fees and costs of any arbitration proceeding hereunder shall be equally shared by the parties to the arbitration. The prevailing party in such proceeding shall be entitled to cover his or its costs and expenses (including reasonable attorneys' fees) incurred in preparation for and prosecution of such proceeding and enforcement of or securing recovery under any order or judgment rendered therein. All fees and cost payable to the arbitration prior to determination of the dispute shall be paid one-half by each party to the arbitration with reimbursement to be made to the prevailing party.
 - (d) Agreement to Alternative Dispute Resolution, Waiver of Jury Trial, and Award of Punitive or Consequential Damages. The Owner and the Association and the Declarant each agree to have any Dispute resolved according to the provisions contained herein and waive their respective rights to pursue any Dispute or claim in any manner other than provided herein. Such parties acknowledge that by agreeing to resolve all Disputes and claims as provided herein they are giving up their respective rights to have such Disputes or claims tried before a jury and further waive their respective rights to an award of punitive or consequential damages relating to such Disputes, thereby giving up any rights such parties may possess to such damages. The provisions herein contained shall not be amended or modified without Declarant's prior written consent.
 - (e) Application of Award. The net proceeds of any judgment against, or settlement entered into with Builder, after payment of costs of arbitration, including attorney's fees, may be used only for the purposes of repairing, replacing, or mitigating the defects with respect to which judgment was entered or the settlement made.

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- (f) Exceptions to Mediation and Reference; Statutes of Limitations. Nothing contained herein shall be considered to toll, stay, reduce or extend any applicable statutes of limitation; provided, however, that the Builder's Parties and the Owner/Association shall be entitled to commence a legal action, which in the good faith determination of any of Builder's Parties or Owner/Association, is necessary to preserve the Builder's Parties or Owner's/Association's rights, under any applicable statute of limitations, provided that the Builder's Parties and Owner/Association shall take no further steps in prosecuting such action until said party has complied with the procedures described herein.

15.04 **Special Provisions Applicable to Resolution of Disputes Between the Association and Any Owner.**

- (a) Rights of Enforcement of Governing Documents. The Association or any Owner shall have a right of action against any Owner, and any Owner shall have a right of action against the Association, to enforce all provisions of the Governing Documents or any amendment thereto, including the right to prevent the violation of such provisions and the right to recover damages or other dues for such violation except that Owners shall not have any right of enforcement concerning assessment liens.

Failure of any party to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

- (b) Compliance with Law. To the extent permitted by law, the parties shall abide by the procedures for mediation and judicial reference set forth above in Section 15.03. However, in enforcing any action under the Governing Documents for monetary damages, the parties shall comply with the provisions of California Civil Code Section 1363.810 through 1363.850 and 1369.510 through 1369.590 and any successor statutes or laws, which as a matter of law shall supersede the provisions of this Article to the extent of any inconsistency. The Board shall annually provide to the Owners the summary required by Civil Code Section 1369.590 and any successor statutes or laws.
- (c) Contractual Procedure for Enforcement; Exception. To the extent permitted by law, the Parties shall abide by the procedures for mediation and judicial reference set forth above. However, the right of the Association to enforce payment of member dues and assessments shall not be subject to mediation or judicial reference except as set forth in the article entitled "Assessments".

15.05 **Special Provisions Applicable to Resolution of Construction Defect Disputes Between the Association and Declarant.**

Any construction defect Dispute between the Association and Declarant shall be resolved through the procedures described in this Article XV.

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ARTICLE XVI

MISCELLANEOUS PROVISIONS

Article XVI covers miscellaneous issues not addressed elsewhere in the Declaration.

16.01 Term of Declaration.

- (a) This Declaration is binding upon all parties for sixty (60) years after the recording date.
- (b) After sixty (60) years, the Declaration will automatically be extended for successive ten (10) year periods, unless the Owners (heirs, successors, representatives) of a majority of subject Condominiums record a signed, written instrument:
 - (1) At least one (1) year before the beginning of any ten (10) year period; and
 - (2) Agreeing to change or terminate this Declaration.

16.02 Notices.

Any approval, disapproval, demand, document or other notice which Declarant, the Association, or any Owner may desire to give to another party must be in writing and may be given either by i) personal delivery; ii) by United States mail which shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the mail, first class or registered, postage prepaid, addressed to the person to be notified; or iii) by any other method provided by Civil Code Section 1350.7.

16.03 Partial Invalidity.

If any term, condition, provision or other portion of this Declaration is declared invalid or in conflict with any relevant law, the validity of the remainder of this Declaration will remain in full force and effect.

16.04 Number.

As required by the context of this Declaration, a singular grammatical reference includes the plural application.

16.05 Attorneys' Fees.

In the event of any controversy or claim respecting this Declaration, or in connection with the enforcement of this Declaration, the prevailing parties shall be entitled to reasonable attorneys' fees and costs.

16.06 Disclosures.

- (a) Declarant does not in any manner guarantee or warrant that the Property will be soundproof or insulated to any particular degree from noise or sound emanating from within or without the Property, including noise or sound emanating from Lots, heating, ventilation air conditioning systems, plumbing, Common Area(s), garages, etc.

- (b) The concrete slab for each dwelling structure in the Project was reinforced with a grid of steel cable which was installed in the concrete slab and then tightened to create extremely high tension. This type of slab is commonly known as a "post tension slab". Occupants are to be aware that cutting into a post tension slab for any reason (e.g., to install a floor safe, to remodel plumbing, etc.) is hazardous and may result in serious damage to the dwelling structure and/or personal injury.
- (1) Occupants shall not i) cut into or otherwise tamper with the post tension slab; or ii) knowingly permit or allow any other person to cut into or tamper with the post tension slab.
 - (2) Owners shall disclose the existence of the post tension slab to any person who rents, leases, or purchases the Unit.
 - (3) Owners shall indemnify and hold Declarant, and its officers, employees, contractors and agents, free and harmless from and against any and all claims, damages, losses or other liability (including attorneys' fees) arising from any breach of this subparagraph 16.06(b) by Owner.
- (c) The Property may be located in a Methane Zone, as designated by the City of Los Angeles in Map No. A-20960, dated September 21, 2003. Large portions of the City are designated as Methane Zones.

16.07 Declarant's Rights After Sale of All Units in the Project.

For a period of ten (10) years after the close of escrow for the sale of the last Unit in the Project covered by a Final Subdivision Public Report, in addition to Declarant's rights as an Owner and a Member, Declarant shall have the following rights:

- (a) Access to and the right to inspect the Association books and financial records;
- (b) Access to and the right to inspect the Association's maintenance records;
- (c) Right to receive notice of, attend and speak at all regular and special meetings of the Board of Directors and meetings of the Members;
- (d) Right to receive copies of the minutes of the meetings of the Board of Directors and meetings of the Members, upon request and payment of the actual costs to copy and distribute such records; and
- (e) Right to inspect all Common Areas of the Property upon three (3) days' notice to the Association and, within its sole discretion, be entitled to cure any defect, whether or not the Association or any Owner has complained of such defect. During said period, the Board shall use its best efforts to obtain the consent of all Owners, upon three (3) days' notice, to inspection of Units by Declarant for the sole purpose of discovering and repairing structural defects. Refusal by an Owner to allow inspection, or failure of the Board to attempt in good faith to obtain owner consent for inspection of Units, may be deemed a failure to mitigate damage in the event of a defect as defined in Section 896 of the California Civil Code which could have been avoided through preventive maintenance. The purpose of this right of inspection is to allow Declarant to repair defects at an early stage before substantial damage has occurred. Nothing set forth herein shall obligate Declarant to perform any inspection or repair, nor shall this Section be deemed to increase Declarant's legal obligations to Owner/Association.

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16.08 **Supremacy of Legislation.**

The provisions of this Declaration are automatically supplemented and superseded by any state or federal enactment, and judicial interpretations of laws, affecting common interest developments. Any reference to a specific Code section in this Declaration is also a reference to future amendments thereof and to any successor statutes. The terms of this Declaration shall be deemed automatically amended to conform to such future changes in Code sections without necessity for recording any such amendment.

16.09 **No Enhanced Protection Agreement.**

In no event shall any of the provisions contained within the Governing Documents, other documentation, representations or warranties provided by Declarant or its agent to Owner be construed, interpreted or understood to be an "enhanced protection agreement" ("EPA") under California Civil Code Section 901 unless Declarant otherwise expressly states that such document, representation, or warranty constitutes an EPA under said section of the Civil Code.

16.10 **Changing the Project Marketing Name.**

The Project shall be marketed under the name **The Village at Glenoaks**. Declarant may at Declarant's sole discretion, change the marketing name of the Project upon notification to the DRE.

16.11 **Conflict Between Declaration and Condominium Plan.**

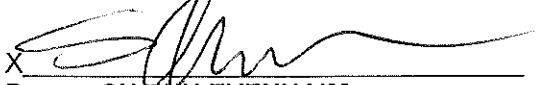
In the event of any conflict between this Declaration and the Condominium Plan, this Declaration shall be controlling. Any defined term used in the Condominium Plan and not expressly defined therein shall have the meaning prescribed for such term in this Declaration.

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IN WITNESS WHEREOF, the undersigned, being the Declarant, has executed this Declaration for Tract No. 61190 on the day and year first written above.

"Declarant"

SAN FERNANDO HOMES CORP.,
a California Corporation

X 
By: SHAWN EVENHAIM
its: President/Secretary

X _____
By: _____
its: _____

STATE OF CALIFORNIA)
COUNTY OF Los Angeles) ss.

On December 12, 2012, before me, Natalie Bledsoe,
Notary Public, personally appeared:

Shawn Evenhaim

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.

Natalie Bledsoe
Notary Public

(SEAL)



EXHIBIT "A"

PROPERTY

Lots 2 and 3 of Tract No. 61190, in the City of Los Angeles, as per Map recorded in Book 1348, Pages 71 through 75, inclusive, of Maps, and amended by a Certificate of Correction recorded November 07, 2011 as Instrument No. 2011-1503810 of Official Records, in the Office of the County Recorder of Los Angeles County.

Village at Glen Oaks

This page is part of your document - DO NOT DISCARD



20130204644



Recorded/Filed in Official Records
Recorder's Office, Los Angeles County,
California

02/08/13 AT 08:00AM

Pages:
0005

FEES:	27.00
TAXES:	0.00
OTHER:	0.00
PAID:	27.00



LEADSHEET



201302080210001

00007216255



004635787

SEQ:
01

DAR - Title Company (Hard Copy)



THIS FORM IS NOT TO BE DUPLICATED

E:001009

172

Order: SNWZP3QWV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs

①

RECORDING REQUESTED BY:

CHICAGO TITLE-SUBDIVISION

WHEN RECORDED MAIL TO:

SAN FERNANDO HOMES CORP.
21510 Roscoe Blvd.
Canoga Park, Ca. 91304

91151251-X19



SPACE ABOVE THIS LINE FOR RECORDER'S USE

**COVENANT AND AGREEMENT
IN REGARDS TO LANDSCAPE MAINTENANCE**

The undersigned is the owner of that certain real property located in the City of Los Angeles, State of California more particularly described as follows:

Lots 2 - 3 of Tract 61190,
In the City of Los Angeles, County of Los Angeles
as recorded in Book 1348, Pages 71 through 75, inclusive of
Maps In the office of said County.

This Covenant and Agreement shall run with the land and shall be binding upon any future owners, encumbrancers, their successors, heirs or assigns and all parties having or acquiring any right, title or interest in or to any part of the property.

The owners that are listed below are obligated, promise, covenant and agree to the following:

- 1) Each owner of units of tract 61190 Lots 2 & 3 will maintain and will not remove the landscaped area as shown on the attached Exhibits "A" & "B", this includes but not limited to irrigation system, landscape maintenance and landscape planting when needed. Each units owner must maintain the landscape in the specific area shown in the attached Exhibits "A" & "B" adjoining their property, in good condition at all times.
- 2) This Covenant and Agreement does not intend to show or reflect the ownership of any area or to restrict any easements. The purpose of this Covenant and Agreement is to show which area each unit is responsible for landscape maintenance within the community.

RECORDED CONCURRENTLY HEREMITH

- 1 -

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs

1A

IN WITNESS WHEREOF, Builder has executed this Notice as of the date first written above.

"Builder"

SAN FERNANDO HOMES CORP.

X *Shawn Evenhaim*

By: SHAWN EVENHAIM
its: President

CERTIFICATE OF ACKNOWLEDGEMENT OF NOTARY PUBLIC

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) S.S.

On January 16, 2013 before me, Natalie Bledsoe, notary public personally appeared Shawn Evenhaim

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.

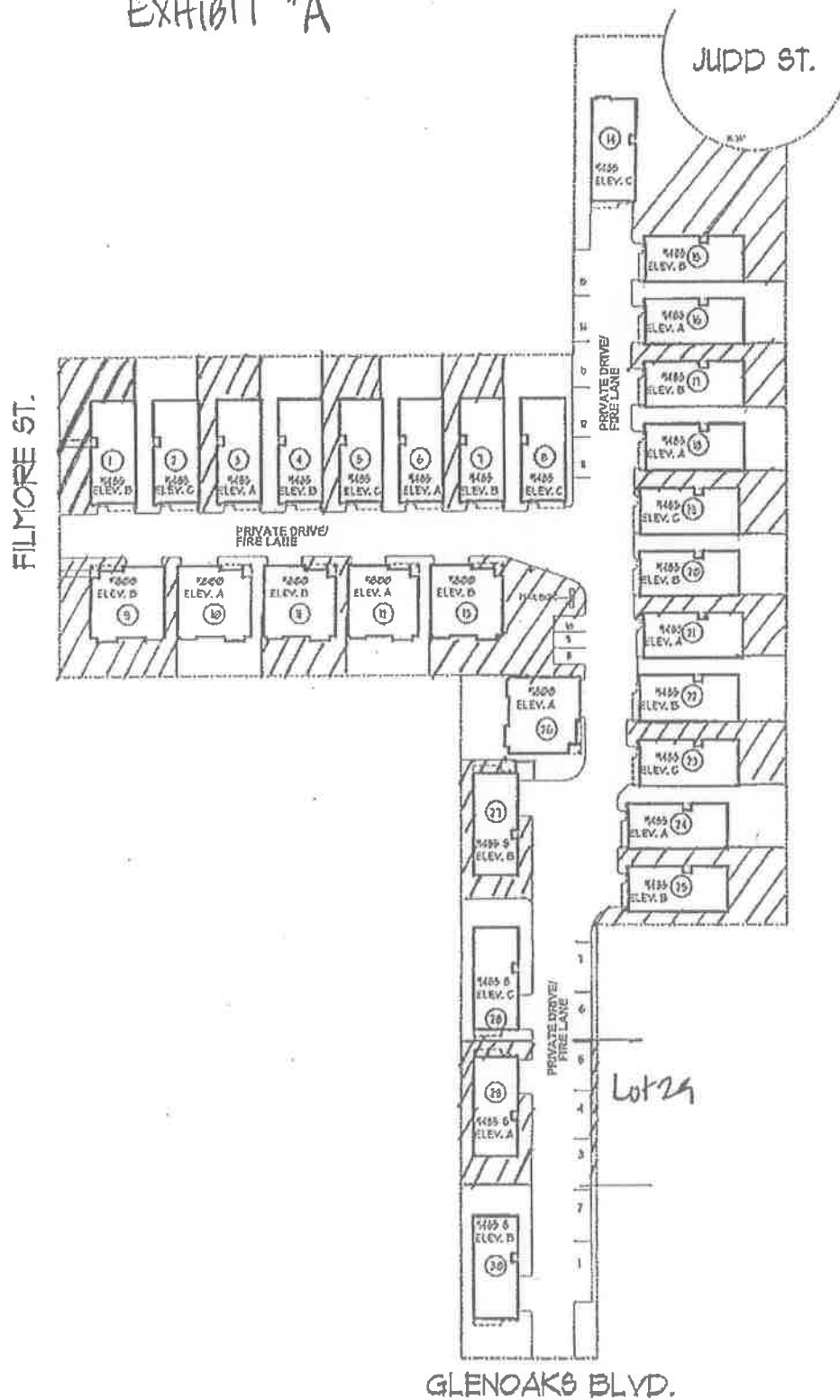
(SEAL.)



Natalie Bledsoe

Notary Public

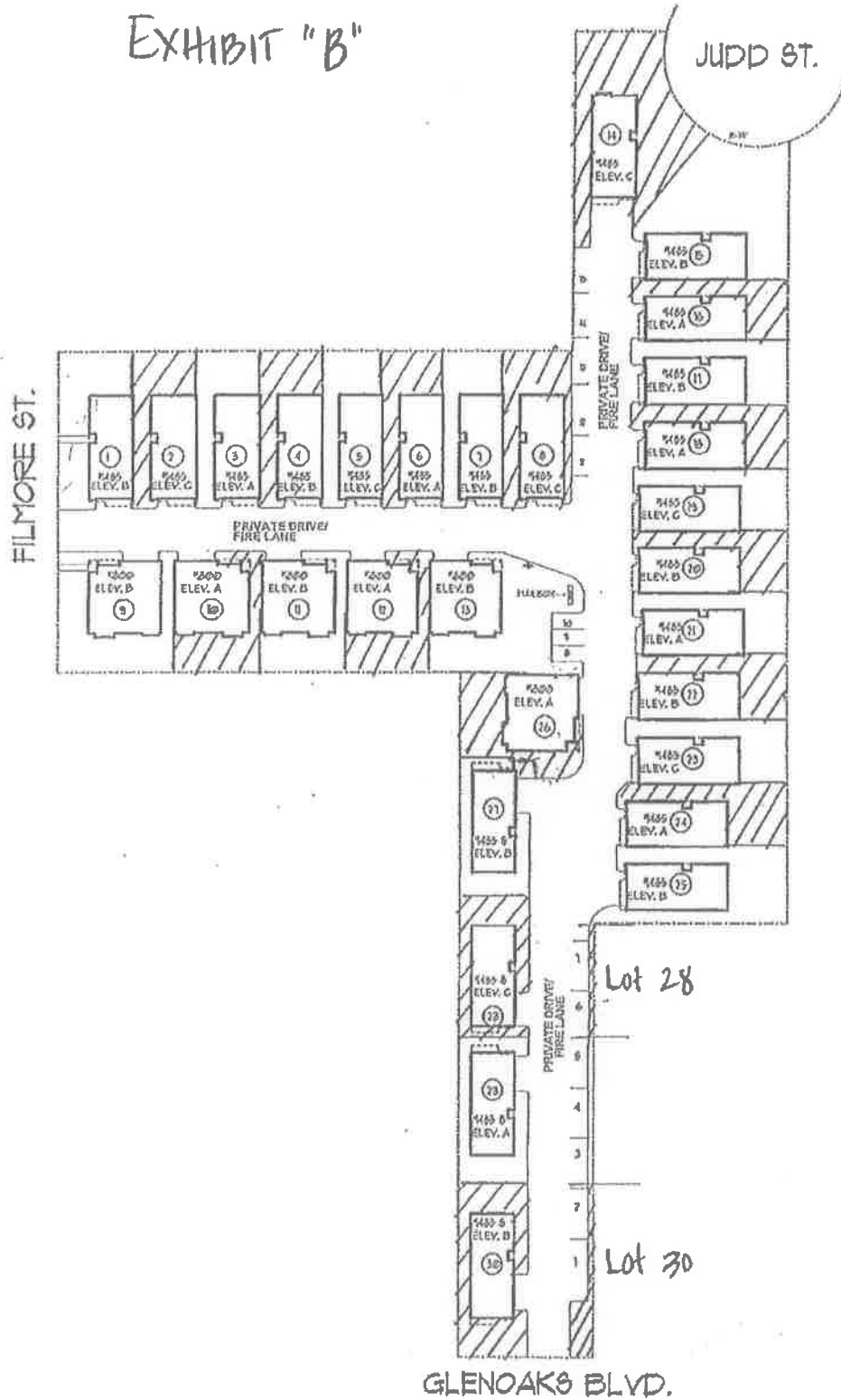
EXHIBIT "A"



SITE PLAN

Order: 5NW2P3QMV
 Address: 11379 Villa del Sol
 Order Date: 09-11-2026
 Document not for resale
 HomeWiseDocs

EXHIBIT "B"



SITE PLAN

Order: 5NW2P3QMV
 Address: 11379 Villa del Sol
 Order Date: 09-11-2026
 Document not for resale
 HomeWiseDocs

**Current Unaudited Financial Documents (Non Required Civil Code
Sec. 4525)
The Village at Glenoaks Inc.**

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs

Balance Sheet Report

The Village at Glenoaks, Inc.

As of August 31, 2026

	<u>Balance Aug 31, 2026</u>	<u>Balance Jul 31, 2026</u>	<u>Change</u>
<u>Assets</u>			
Cash Operating			
11010 - C.N.B. # 555-161719	10,298.24	13,029.26	(2,731.02)
Total Cash Operating	<u>10,298.24</u>	<u>13,029.26</u>	<u>(2,731.02)</u>
Cash Reserves			
12000 - C.N.B. # 555-173199	4,495.58	17,650.58	(13,155.00)
Total Cash Reserves	<u>4,495.58</u>	<u>17,650.58</u>	<u>(13,155.00)</u>
Accts Receivable			
14000 - Delinquent Assessments	2,102.07	2,613.57	(511.50)
Total Accts Receivable	<u>2,102.07</u>	<u>2,613.57</u>	<u>(511.50)</u>
Total Assets	<u><u>16,895.89</u></u>	<u><u>33,293.41</u></u>	<u><u>(16,397.52)</u></u>
<u>Liabilities</u>			
Current Liabilities			
21000 - Accounts Payable	0.00	410.00	(410.00)
21030 - Prepaid Assessments	1,952.13	2,428.63	(476.50)
21050 - Homeowner Refundable Dues	(937.21)	(937.21)	0.00
Total Current Liabilities	<u>1,014.92</u>	<u>1,901.42</u>	<u>(886.50)</u>
Total Liabilities	<u>1,014.92</u>	<u>1,901.42</u>	<u>(886.50)</u>
<u>Owners' Equity</u>			
Equity			
30010 - Prior Year Equity	62,005.16	62,005.16	0.00
Total Equity	<u>62,005.16</u>	<u>62,005.16</u>	<u>0.00</u>

Balance Sheet Report
The Village at Glenoaks, Inc.
As of August 31, 2026

	<u>Balance</u> <u>Aug 31, 2026</u>	<u>Balance</u> <u>Jul 31, 2026</u>	<u>Change</u>
<u>Owners' Equity</u>			
Reserves			
31000 - Net Reserve Activity - Current Year	(37,570.67)	(37,570.67)	0.00
Total Reserves	(37,570.67)	(37,570.67)	0.00
Total Owners' Equity	24,434.49	24,434.49	0.00
Net Income / (Loss)	(8,553.52)	6,957.50	(15,511.02)
Total Liabilities and Equity	16,895.89	33,293.41	(16,397.52)

Balance Sheet Report

The Village at Glenoaks, Inc.

As of July 31, 2026

	<u>Balance Jul 31, 2026</u>	<u>Balance Jun 30, 2026</u>	<u>Change</u>
<u>Assets</u>			
Cash Operating			
11010 - C.N.B. # 555-161719	15,579.26	3,134.61	12,444.65
Total Cash Operating	<u>15,579.26</u>	<u>3,134.61</u>	<u>12,444.65</u>
Cash Reserves			
12000 - C.N.B. # 555-173199	14,840.58	14,840.58	0.00
Total Cash Reserves	<u>14,840.58</u>	<u>14,840.58</u>	<u>0.00</u>
Accts Receivable			
14000 - Delinquent Assessments	2,613.57	6,965.72	(4,352.15)
Total Accts Receivable	<u>2,613.57</u>	<u>6,965.72</u>	<u>(4,352.15)</u>
Total Assets	<u><u>33,033.41</u></u>	<u><u>24,940.91</u></u>	<u><u>8,092.50</u></u>
<u>Liabilities</u>			
Current Liabilities			
21030 - Prepaid Assessments	2,428.63	1,443.63	985.00
21050 - Homeowner Refundable Dues	(937.21)	(937.21)	0.00
Total Current Liabilities	<u>1,491.42</u>	<u>506.42</u>	<u>985.00</u>
Total Liabilities	<u><u>1,491.42</u></u>	<u><u>506.42</u></u>	<u><u>985.00</u></u>
<u>Owners' Equity</u>			
Equity			
30010 - Prior Year Equity	62,005.16	62,005.16	0.00
Total Equity	<u>62,005.16</u>	<u>62,005.16</u>	<u>0.00</u>

Balance Sheet Report The Village at Glenoaks, Inc.

As of July 31, 2026

	Balance Jul 31, 2026	Balance Jun 30, 2026	Change
<u>Owners' Equity</u>			
Reserves			
31000 - Net Reserve Activity - Current Year	(76,958.00)	(76,958.00)	0.00
Total Reserves	(76,958.00)	(76,958.00)	0.00
Total Owners' Equity	(14,952.84)	(14,952.84)	0.00
Net Income / (Loss)	46,494.83	39,387.33	7,107.50
Total Liabilities and Equity	33,033.41	24,940.91	8,092.50

Financial Statement Review (Required Civil Code Sec. 4525)
The Village at Glenoaks Inc.

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs

Income Statement Report

The Village at Glenoaks, Inc.

June 01, 2025 thru June 30, 2025

	Actual	Current Period Budget	Variance	Actual	Year to Date (12 months) Budget	Variance	Annual Budget	Budget Remaining
<u>Income</u>								
Assessment Income								
41010 - Association Dues	4,650.00	4,650.00	0.00	55,800.00	55,800.00	0.00	55,800.00	0.00
Total Assessment Income	4,650.00	4,650.00	0.00	55,800.00	55,800.00	0.00	55,800.00	0.00
Special Assessment Income								
42030 - Special Assessment - Gate Installati	5,208.25	0.00	5,208.25	43,749.50	0.00	43,749.50	0.00	(43,749.50)
Total Special Assessment Income	5,208.25	0.00	5,208.25	43,749.50	0.00	43,749.50	0.00	(43,749.50)
Other Income								
43100 - Late Charges	36.33	10.00	26.33	657.80	120.00	537.80	120.00	(537.80)
43130 - Collection Costs Recovered	0.00	40.00	(40.00)	0.00	480.00	(480.00)	480.00	480.00
Total Other Income	36.33	50.00	(13.67)	657.80	600.00	57.80	600.00	(57.80)
Total The Village at Glenoaks, Inc. Income	9,894.58	4,700.00	5,194.58	100,207.30	56,400.00	43,807.30	56,400.00	(43,807.30)
<u>Expense</u>								
General & Administrative								
61010 - Accounting & Audit	0.00	45.00	(45.00)	645.00	540.00	105.00	540.00	(105.00)
61063 - Collection Costs	0.00	40.00	(40.00)	0.00	480.00	(480.00)	480.00	480.00
61130 - Insurance - General	0.00	200.00	(200.00)	2,240.00	2,400.00	(160.00)	2,400.00	160.00
61150 - Legal Fees	0.00	25.00	(25.00)	0.00	300.00	(300.00)	300.00	300.00
61170 - Licenses & Taxes	0.00	40.00	(40.00)	790.00	480.00	310.00	480.00	(310.00)
61180 - Management Fees	415.00	415.00	0.00	4,980.00	4,980.00	0.00	4,980.00	0.00
61200 - Office Expense	120.00	15.00	105.00	556.20	180.00	376.20	180.00	(376.20)
61250 - Postage	80.52	15.00	65.52	336.95	180.00	156.95	180.00	(156.95)
61270 - Reserve Study	0.00	50.00	(50.00)	0.00	600.00	(600.00)	600.00	600.00
61370 - Workers Compensation	0.00	40.00	(40.00)	378.00	480.00	(102.00)	480.00	102.00
Total General & Administrative	615.52	885.00	(269.48)	9,926.15	10,620.00	(693.85)	10,620.00	693.85
Repairs & Maintenance								
62190 - Gardening	0.00	250.00	(250.00)	0.00	3,000.00	(3,000.00)	3,000.00	3,000.00

Income Statement Report

The Village at Glenoaks, Inc.

June 01, 2025 thru June 30, 2025

	Actual	Current Period Budget	Variance	Actual	Year to Date (12 months) Budget	Variance	Annual Budget	Budget Remaining
<u>Expense</u>								
Repairs & Maintenance								
62210 - General Repairs	0.00	100.00	(100.00)	0.00	1,200.00	(1,200.00)	1,200.00	1,200.00
62320 - Miscellaneous Supplies	0.00	25.00	(25.00)	0.00	300.00	(300.00)	300.00	300.00
62350 - Plumbing Repairs	0.00	80.00	(80.00)	0.00	960.00	(960.00)	960.00	960.00
62420 - Storage	0.00	0.00	0.00	180.00	0.00	180.00	0.00	(180.00)
Total Repairs & Maintenance	0.00	455.00	(455.00)	180.00	5,460.00	(5,280.00)	5,460.00	5,280.00
Utilities								
63040 - Water & Sewer	6,000.00	3,100.00	2,900.00	51,186.45	37,200.00	13,986.45	37,200.00	(13,986.45)
Total Utilities	6,000.00	3,100.00	2,900.00	51,186.45	37,200.00	13,986.45	37,200.00	(13,986.45)
Reserve Expenditures								
90010 - Allocated To Reserves	260.00	260.00	0.00	3,120.00	3,120.00	0.00	3,120.00	0.00
Total Reserve Expenditures	260.00	260.00	0.00	3,120.00	3,120.00	0.00	3,120.00	0.00
Total The Village at Glenoaks, Inc. Expense	6,875.52	4,700.00	2,175.52	64,412.60	56,400.00	8,012.60	56,400.00	(8,012.60)
Total The Village at Glenoaks, Inc. Income	3,019.06	0.00	3,019.06	35,794.70	0.00	35,794.70	0.00	(35,794.70)
Total Association Net Income / (Loss)	3,019.06	0.00	3,019.06	35,794.70	0.00	35,794.70	0.00	(35,794.70)

Income Statement Report

The Village at Glenoaks, Inc.

June 01, 2025 thru June 30, 2025

	Actual	Current Period Budget	Variance	Actual	Year to Date (12 months) Budget	Variance	Annual Budget	Budget Remaining
<u>Income</u>								
Assessment Income								
41010 - Association Dues	4,650.00	4,650.00	0.00	55,800.00	55,800.00	0.00	55,800.00	0.00
Total Assessment Income	4,650.00	4,650.00	0.00	55,800.00	55,800.00	0.00	55,800.00	0.00
Special Assessment Income								
42030 - Special Assessment - Gate Installati	5,208.25	0.00	5,208.25	43,749.50	0.00	43,749.50	0.00	(43,749.50)
Total Special Assessment Income	5,208.25	0.00	5,208.25	43,749.50	0.00	43,749.50	0.00	(43,749.50)
Other Income								
43100 - Late Charges	36.33	10.00	26.33	657.80	120.00	537.80	120.00	(537.80)
43130 - Collection Costs Recovered	0.00	40.00	(40.00)	0.00	480.00	(480.00)	480.00	480.00
Total Other Income	36.33	50.00	(13.67)	657.80	600.00	57.80	600.00	(57.80)
Total The Village at Glenoaks, Inc. Income	9,894.58	4,700.00	5,194.58	100,207.30	56,400.00	43,807.30	56,400.00	(43,807.30)
<u>Expense</u>								
General & Administrative								
61010 - Accounting & Audit	0.00	45.00	(45.00)	645.00	540.00	105.00	540.00	(105.00)
61063 - Collection Costs	0.00	40.00	(40.00)	0.00	480.00	(480.00)	480.00	480.00
61130 - Insurance - General	0.00	200.00	(200.00)	2,240.00	2,400.00	(160.00)	2,400.00	160.00
61150 - Legal Fees	0.00	25.00	(25.00)	0.00	300.00	(300.00)	300.00	300.00
61170 - Licenses & Taxes	0.00	40.00	(40.00)	790.00	480.00	310.00	480.00	(310.00)
61180 - Management Fees	415.00	415.00	0.00	4,980.00	4,980.00	0.00	4,980.00	0.00
61200 - Office Expense	120.00	15.00	105.00	556.20	180.00	376.20	180.00	(376.20)
61250 - Postage	80.52	15.00	65.52	336.95	180.00	156.95	180.00	(156.95)
61270 - Reserve Study	0.00	50.00	(50.00)	0.00	600.00	(600.00)	600.00	600.00
61370 - Workers Compensation	0.00	40.00	(40.00)	378.00	480.00	(102.00)	480.00	102.00
Total General & Administrative	615.52	885.00	(269.48)	9,926.15	10,620.00	(693.85)	10,620.00	693.85
Repairs & Maintenance								
62190 - Gardening	0.00	250.00	(250.00)	0.00	3,000.00	(3,000.00)	3,000.00	3,000.00

Income Statement Report

The Village at Glenoaks, Inc.

June 01, 2025 thru June 30, 2025

	Actual	Current Period Budget	Variance	Actual	Year to Date (12 months) Budget		Variance	Annual Budget	Budget Remaining
<u>Expense</u>									
Repairs & Maintenance									
62210 - General Repairs	0.00	100.00	(100.00)	0.00	1,200.00	(1,200.00)		1,200.00	1,200.00
62320 - Miscellaneous Supplies	0.00	25.00	(25.00)	0.00	300.00	(300.00)		300.00	300.00
62350 - Plumbing Repairs	0.00	80.00	(80.00)	0.00	960.00	(960.00)		960.00	960.00
62420 - Storage	0.00	0.00	0.00	180.00	0.00	180.00		0.00	(180.00)
Total Repairs & Maintenance	0.00	455.00	(455.00)	180.00	5,460.00	(5,280.00)		5,460.00	5,280.00
Utilities									
63040 - Water & Sewer	6,000.00	3,100.00	2,900.00	51,186.45	37,200.00	13,986.45		37,200.00	(13,986.45)
Total Utilities	6,000.00	3,100.00	2,900.00	51,186.45	37,200.00	13,986.45		37,200.00	(13,986.45)
Reserve Expenditures									
90010 - Allocated To Reserves	260.00	260.00	0.00	3,120.00	3,120.00	0.00		3,120.00	0.00
Total Reserve Expenditures	260.00	260.00	0.00	3,120.00	3,120.00	0.00		3,120.00	0.00
Total The Village at Glenoaks, Inc. Expense	6,875.52	4,700.00	2,175.52	64,412.60	56,400.00	8,012.60		56,400.00	(8,012.60)
Total The Village at Glenoaks, Inc. Income	3,019.06	0.00	3,019.06	35,794.70	0.00	35,794.70		0.00	(35,794.70)
Total Association Net Income / (Loss)	3,019.06	0.00	3,019.06	35,794.70	0.00	35,794.70		0.00	(35,794.70)

**Inspection of Exterior Elevated Elements (Required Civil Code Sec.
4525)**

The Village at Glenoaks Inc.

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Insurance Dec Page (Non Required Civil Code Sec. 4525)
The Village at Glenoaks Inc.

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/17/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LaBarre/Oksnee Insurance 30 Enterprise, Suite 180 Aliso Viejo CA 92656	CONTACT NAME: PHONE (A/C, No, Ext): 800-698-0711 E-MAIL ADDRESS: proof@hoa-insurance.com FAX (A/C, No): 949-588-1275
INSURED The Village at Glenoaks c/o Ross Morgan & Company 15315 Magnolia Blvd. #212 Sherman Oaks CA 91403	INSURER(S) AFFORDING COVERAGE INSURER A: American Alternative Ins Co. INSURER B: PMA Insurance Group INSURER C: Great American Insurance Co. INSURER D: INSURER E: INSURER F:

COVERAGES**CERTIFICATE NUMBER:** 800925559**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:	Y		CAU401697-6	7/1/2026	7/1/2027	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	☐ AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS ONLY			CAU401697-6	7/1/2026	7/1/2027	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	☐ UMBRELLA LIAB ☐ EXCESS LIAB DED ☐ RETENTION \$						OCCUR CLAIMS-MADE \$ \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y / N ☐	N / A	2026010597294Y	7/1/2026	7/1/2027	☒ PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Property			CAU401697-6	7/1/2026	7/1/2027	\$2,500 Deductible \$86,275
A	Crime/Fidelity Bond			CAU401697-6	7/1/2026	7/1/2027	\$0 Deductible \$150,000
C	Directors & Officers Liability			QDO0008324-01	7/1/2026	7/1/2027	\$1,000 Deductible \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
HOA consists of 30 units.

Management Company is Additionally Insured on the General Liability, D&O Liability, and Fidelity Bond.

See 2nd page of certificate of insurance for further coverage information.

See Attached...

CERTIFICATE HOLDER**CANCELLATION**

Ross Morgan & Company
15315 Magnolia Blvd #212
Sherman Oaks CA 91403
USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Order: 5N...
Address: 11379...
Order Date: 09-11-2025

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ADDITIONAL REMARKS SCHEDULE

AGENCY LaBarre/Oksnee Insurance		NAMED INSURED The Village at Glenoaks c/o Ross Morgan & Company 15315 Magnolia Blvd. #212 Sherman Oaks CA 91403	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 **FORM TITLE:** CERTIFICATE OF LIABILITY INSURANCE

Coverage is for COMMON AREAS ONLY

Coverage Includes:
 Guaranteed Replacement Cost
 Additional Property Limit of \$20,000 for Trees/Shrubs
 Wind/Hail (excludes direct loss to Trees/Shrubs)
 Equipment Breakdown
 Building Ordinance or Law (if applicable)
 Severability of Interest / Separation of Insureds
 Computer Fraud & Transfer Fraud
 No Co-Insurance
 Hired & Non-Owned Auto
 D&O is a claims-made policy

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Minutes of Regular Board Meetings (Required Civil Code Sec. 4525)
The Village at Glenoaks Inc.

The Village At Glenoaks

Homeowners Association

Meeting Minutes for February 22nd, 2026

Attending: Shade Mokuolu, Ramiro Reyes, Ravi Kiran, Felix De Castro, Ingrida Sulnius, Jorge Curiel, Manny Benitez, Yvette Guardado, Francisco Silva, Sara Ticas, Douglas, Jason, Case John, Roberto Arradaza, Sunnie Lee, Bob Khalil, Warren Duplessis, Elizabeth Duplessis, Ruth Baltazar, Edith Gonzales, Oscar Martinez, Francisco Silva, Arcelia Lopez

The meeting commenced at 4:00 pm.

Matters discussed:

1) Gate Updates

Board President Shade Mokuolu provided below summary of expenses for gates.

- a) OT Gates and Fences - \$78,458
- b) Alejandro Landscaping - \$1800
- c) Pedestrian keylocks - \$114.38
- d) Delinquent payments from residents - \$5512.03 (Board discussed with individual owners and they requested for grace period to pay overtime)
- e) Hardcopies of the above expenses were available during the meeting for resident's review. The same were also shared in the WhatsApp group.
- f) Installation of gates will be completed by end of Feb 2026. Each resident will get 2 remotes to open the gates. Gate keypad codes and pedestrian gate codes will be shared with residents.
- g) Residents got a demo of how the gates work by OT gates vendor.
- h) Discussed the gate electricity bill process with two residents Jason and Sandie. The two homeowners requested a revocable agreement so that they can have the flexibility to cut the power to the gates in case they aren't compensated accurately for gate electricity consumption.
- i) Board members will follow up with LADWP, USPS, LA Sanitation and LAFD to notify them about the gates.

2) Board President Shade Mokuolu provided updates regarding Water Hydrant leaks repairs, Water pressure regulator replacement, Asphalt repair of sunken street hole and adding an extra parking spot.

3) Ballot Measure Voting.

- a) Ingrida Salvinus volunteered to preside over ballot counting process. Received 22 ballots out of 30 from residents. Option 1 got 3 votes and Option 2 got 19 votes. Option 2 to install individual water meters resolution was approved.
- b) Board Secretary Ravi Kiran is going to take next steps with Meternet and share installation timelines with residents.

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Meeting adjourned at 5:30 pm.

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Operating Rules (Required Civil Code Sec. 4525)
The Village at Glenoaks Inc.

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Rental Restrictions (Required Civil Code Sec. 4525)
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**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS
FOR
THE VILLAGE AT GLENOAKS - TRACT NO. 61190
(A Condominium Project)**

**THIS DECLARATION CONTAINS AN ALTERNATIVE DISPUTE RESOLUTION PROVISION WITH A
WAIVER OF THE CONSTITUTIONAL RIGHT TO A JURY.
YOU MUST READ THE PROVISION CAREFULLY (PAGE XV-1, ARTICLE XV,
SECTION 15.02, AND SHOULD CONSULT LEGAL COUNSEL WITH ANY QUESTIONS.**

[C-Single Detached: 12/04/05]
[This Set: 03/25/213]

Document Prepared By:
Murakami Law Office
371 Van Ness Way, Suite 130
Torrance, California 90501
Tel: (310) 961-5260

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EXECUTION PAGE

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**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS FOR
THE VILLAGE AT GLENOAKS**

This Declaration is dated this 12th day of December 2012 (for reference purposes), by **SAN FERNANDO HOMES CORP., a California Corporation** ("Declarant").

RECITALS

- A. Declarant is the owner in fee of that certain real property ("Property") in the City of Los Angeles, County of Los Angeles, State of California, legally described in attached Exhibit "A".
- B. Declarant intends to develop the Property into a Condominium project ("Project") under the provisions of California Civil Code Section 1351(f).
- C. Declarant desires to impose a general plan for the development, maintenance, improvement, protection use, occupancy and enjoyment of the Project, and to establish, adopt and impose covenants, conditions, restrictions, easements, equitable servitudes, liens and charges upon the Project for the purpose of enforcing, protecting and preserving the value, desirability and attractiveness of the Project.
- D. This Declaration, and all Governing Documents for this Property, shall be deemed in full force and effect upon recordation of the first Grant Deed conveying fee title of a Condominium to an Owner in the Property.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following Declarations, limitations, covenants, conditions, restrictions, liens, charges and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and every part thereof, in accordance with the plan for the improvement of the Property and division thereof into Condominiums. All of the limitations, covenants, conditions, restrictions, and easements shall constitute equitable servitudes in accordance with Civil Code Section 1354 and shall be binding upon Declarant and its successors and assignees, and all parties having or acquiring any right, title or interest in or to any part of the Property.

ARTICLE I DEFINITIONS

Article I provides definitions of the terms commonly used in this Declaration. Defined terms are capitalized throughout the Declaration.

The following definitions apply unless otherwise required by the context:

"Alternative Dispute Resolution" - Resolution of disputes arising out of claims of construction defects or violations of Governing Documents in which Declarant and/or the Association and/or one or more Owners are parties, as set forth below in the Article entitled "*Dispute Notification and Resolution Procedures*".

"Approval" - Prior written approval.

"Architectural Committee" - The committee created pursuant to the Article herein entitled "*Architectural Control*".

"Architectural Guidelines" - The rules and standards adopted by the Board pursuant to the Section hereof entitled "Architectural Guidelines" in the Article hereof entitled "*Architectural Control*".

"Articles" - The Articles of Incorporation of the Association, including any amendments.

"Assessments" - All types of Association charges and Assessments levied against the Owners. The three (3) types of Assessments are Regular, Special, and Compliance Assessments.

"Association" - The Village at Glenoaks, Inc., a California nonprofit mutual benefit corporation formed (or to be formed) to govern the Project. The term includes its agents, the Board or any committee as applicable.

"Authorized Antenna" - (a) An antenna designed to receive direct broadcast satellite service, including direct-to-home satellite service, that is one (1) meter or less in diameter, or (b) an antenna designed to receive video programming service, including multichannel multipoint distribution service, instructional television fixed service, and local multipoint distribution service, and is one (1) meter or less in diameter or diagonal measurement, or (c) an antenna designed to receive television broadcast signals, and includes (d) an antenna used to receive and transmit fixed wireless signals, or (e) as otherwise permitted by law, that is of a size and type consistent with the provisions of California Civil Code Section 1376 and with the provisions of Section 207 of the Telecommunications Act of 1996 (47 U.S.C. Section 303) or the regulations promulgated thereunder.

"Beneficiary" - The lender on the security of a Promissory Note and Deed of Trust.

"Board" or **"Board of Directors"** - The governing body of the Association.

"Bylaws" - The Bylaws of the Association, including any amendments.

"Code Section" - Refers to Codes of the State of California (e.g. "Civil Code", "Vehicle Code"). Reference to any specific Code Section includes any future successor Code Sections. Any applicable new legislation or future amendment of any Code Section referenced in this Declaration shall automatically amend this Declaration in the same way, without necessity for execution and recording of any amendment to this Declaration.

"Common Area(s)" - The entire Property (including land and improvements) other than the Units described in this Declaration and the Condominium Plan.

"Common Expenses" - The actual and estimated expenses of the Association in performing its duties as set forth in the Governing Documents.

"Compliance Assessment" - An Assessment imposed against a particular Owner in order to reimburse the Association for any costs incurred in connection with that Owner's violation of the Governing Documents, or a monetary penalty imposed by the Association as a disciplinary measure for failure to comply with the Governing Documents. Compliance Assessments fall under the category of Special Assessments.

"Condominium" - An estate in real property (defined in Sections 783 and 1351(f) of the California Civil Code) consisting of both:

- (a) A separate interest in space called a "Unit"; and
- (b) An undivided interest in the Common Area.

"Condominium Plan" - The recorded diagrammatic drawings of the Units built or to be built on the Property which identifies each Unit and shows its dimensions pursuant to California Civil Code Section 1351(e).

"Construction Defect" - Any deficiency with respect to water, structural, soil, fire protection, plumbing and sewer, electrical or other areas of construction, as defined in Sections 896 and 897 of the California Civil Code.

"Declarant" - The person(s) or entity identified in the introductory paragraph of this Declaration; also, Declarant's successors to and assignees of special rights, preferences, or privileges designated herein, including any Mortgagees acquiring Declarant's interest in the Project by Foreclosure or deed in lieu of Foreclosure.

"Declaration" - This instrument and any amendments.

"Deed of Trust" - A three party security instrument conveying title to land as security for the repayment of a loan. Also called "Trust Deed". Reference to Deed of Trust includes a mortgage.

"Declarant Party(ies)" - Declarant, developer, builder, general contractor, subcontractor and/or design professional who have participated in the development of the Project, or any insurer of any such party.

"Dispute" - Any unresolved claim, dispute or disagreement concerning the Property or the Governing Documents for the Project, arising among Owners, Association, and/or Declarant Parties.

"DRE" - The California Department of Real Estate and any successors thereto.

"Eligible First Mortgagees" - Holders of First Mortgages who have requested the Association to notify them of specified proposals and changes to the Governing Documents and other Association matters.

"Exclusive Use Common Area" - Those portions of the Common Area designated by the Declaration, and/or Condominium Plan or by law for the exclusive or restricted use of the Owners of particular designated Units.

"Family" - (a) one or more natural individuals related to each other by blood, marriage or adoption, or (b) a group of natural individuals not all so related, but who live as a common household in a Unit.

"FHA" - The Federal Housing Administration of the United States Department of Housing and Urban Development and any department or agency of the United States government which succeeds to the FHA's function of insuring notes secured by Mortgages on residential real estate.

"FHLMC" - The Federal Home Loan Mortgage Corporation (also known as The Mortgage Corporation) created by Title II of the Emergency Home Finance Act of 1970, and any successors to such corporation.

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"**First Close of Escrow**" - The date on which the first Grant Deed is recorded conveying fee title to a Condominium to the first Owner pursuant to a transaction requiring the issuance of a final subdivision public report by the Department of Real Estate.

"**First Mortgage**" or "**First Mortgagee**" - A Mortgage or Mortgagee that has priority over all other Mortgages or Mortgagees encumbering the same Condominium or any other portion of the Project, including a First Mortgagee's blanket Mortgage recorded prior to the recording of this Declaration.

"**FNMA**" - The Federal National Mortgage Association, a government-sponsored private corporation established pursuant to Title VIII of the Housing and Urban Development Act of 1968, and any successors to such corporation.

"**Foreclosure**" - The legal process by which the mortgaged property of a borrower in default under a Mortgage is sold, and the borrower's interest in that property is sold, pursuant to California Civil Code section 2924 et seq., or sale by the court pursuant to California Code of Civil Procedure section 725a et seq., and any other applicable law.

"**Governing Documents**" - All documents governing the Property, including this Declaration, the Articles, Bylaws, Condominium Plan, any maintenance manuals, and any Rules and Regulations, as may be amended from time to time.

"**Grant Deed**" - A written instrument transferring title to a Condominium.

"**Improvements**" - Any structure or anything attached to a structure or to the land within the Project, consistent with the provisions of Civil Code Section 3106.

"**Institutional Mortgagee**" - Any bank, savings and loan association, insurance company, real estate investment trust, retirement fund trust, or other financial institution holding a recorded First Mortgage on any Condominium.

"**Manager**" or "**Managing Agent**" - The party contractually engaged by the Association or Declarant to manage the Common Area(s) and perform other duties of the Association.

"**Member**" - Any person who is an Owner based upon the provisions of the Governing Documents.

"**Mortgage**" - A two party security instrument pledging land as security for the performance of an obligation. Reference to Mortgage includes the Deed of Trust.

"**Mortgagee**" - The party entitled to performance by a Mortgagor. Reference to Mortgagee includes any beneficiary under a Deed of Trust including a Deed of Trust on any portion of the Property, recorded prior to the recording of this Declaration.

"**Notice and Hearing**" - A notice of time and an opportunity for a hearing as provided for in the Governing Documents.

"**Occupant**" - An Owner, resident, guest, invitee, tenant, lessee, sublessee, or other person residing in a Unit, including, without limitation, any family member(s) or children of any of the foregoing.

"**Owner**" or "**Owners**" - The person(s) or legal entity holding a recorded fee simple interest in a Condominium (including the Declarant), or the purchaser(s) of a Condominium under an installment land sales contract. "Owner" does not include any person or entity having an interest in a Condominium merely as security for the performance of an obligation.

"**Party(ies)**" - The claimants and respondents in a proceeding to resolve a Dispute.

"**Person**" - A person, partnership, limited liability company, limited partnership, corporation, Trustee or other legal entity.

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"Project" or "Property" - The real property described in Exhibit "A" to this Declaration. The Project is a "Condominium Project" as defined in Section 1351(f) of the California Civil Code. The Property is a "Common Interest Development" as defined in Section 1351(c) of the California Civil Code.

"Quorum" - Members entitled to vote (in person or by proxy) holding a majority of the Total Voting Power of the Association constitute specifically, a quorum for business transactions at all Member meetings (except as otherwise specifically provided in this Declaration or the Bylaws of the Association).

"Regular Assessments" - Assessments used to meet the Association's normal operating expenses and to establish necessary reserves.

"Rules and Regulations" - The rules as established and adopted from time to time by the Board as provided for in this Declaration.

"Service Lines and Facilities" - Electric, telephone, cable television, community antenna television system, satellite television lines, water, gas, security system lines, sanitary sewer lines and drainage facilities, irrigation lines, meters and related facilities, lines, cables, wires or other conduits or devices for utilities and other service lines and facilities.

"Special Assessments" - Assessments levied on an as-needed basis to meet expenses of any extraordinary or capital nature and may include but are not limited to Compliance Assessments.

"Total Voting Power" - One hundred percent (100%) of the votes by Owners which may potentially be cast. (Even if any Owner's voting rights have been suspended, the number of votes constituting the Total Voting Power would include any suspended vote(s).)

"Trustee" - A party (such as a title company) to whom legal title to real property is entrusted for the benefit of the Beneficiary, as security for a loan.

"Unit" - The elements of a Condominium not owned in common with other Owners as defined in California Civil Code Section 1351(f). Each Unit is designated as a Unit in the Condominium Plan for the Property and is separately identified.

"VA" - The Department of Veterans Affairs of the United States and any department or agency of the federal government which succeeds to the VA's function of issuing guarantees of notes secured by Mortgages on residential real estate.

ARTICLE II

DIVISION, MAINTENANCE AND INSURANCE OF PROPERTY

Article II defines the extent of a Condominium and of Common Areas, and assigns maintenance and insurance obligations to the Owners and the Association respectively.

Ownership of each Condominium shall include a Unit, an undivided interest in the Common Area, and membership in the Association.

2.01 Units.

Each Unit consists of all elements and areas identified as such on the Condominium Plan.

2.02 Common Area(s).

- (a) The Property not constituting the Units is the Common Area.
- (b) Each Owner of a Condominium in the Property will receive the following undivided interest in the Common Area in the Property: one/thirtieth (1/30).

2.03 Repair and Maintenance of the Property by Owner.

- (a) In accordance with the Governing Documents, each Owner must maintain, repair, replace, and keep in good orderly condition all of the following in the manner stated herein:
 - (1) All of the Owner's Unit, which includes all of the dwelling structure and landscaped areas (see the Condominium Plan for a detailed description) in a clean, sanitary and attractive condition.
 - (2) The landscaped portions of the Owner's Property in good condition, including utilities and the sprinkler system in connection with the maintenance of the landscaped areas.
- (b) Any damage to any real or personal property in the Project caused by an Owner or an Owner's Occupants or invitees, even if the damage is to an area otherwise maintained by the Association or another Owner. All the repairs shall be subject to prior approval of the Board.
- (c) Any change to the exterior appearance of a Unit must be approved by the Architectural Committee in accordance with the Governing Documents and applicable laws.
- (d) Subject to this Declaration and California Civil Code Section 1360, an Owner may do the following:
 - (1) Make any improvement or alteration within the Unit that does not impair the structural integrity or mechanical systems, or lessen the support of any portion of the Property.
 - (2) Modify a Unit to eliminate hazards and facilitate access for disabled persons (including the route from the public way to the Unit door) subject to the following conditions:
 - (A) The modifications must be consistent with applicable building code requirements.
 - (B) The modifications must be consistent with applicable provisions of the Governing Documents regarding safety and aesthetics.

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- (C) External modifications to the Unit may not prevent reasonable passage by other Owners, and must be removed by the Owner when the Unit is no longer occupied by the person(s) requiring the modifications.
 - (D) Plans and specifications must be submitted to the Architectural Committee for review to determine compliance with the provisions of this paragraph.
 - (E) The Architectural Committee may not deny approval of the proposed modifications without good cause.

2.04 **Repair and Maintenance of the Property by Association.**

- (a) Except as otherwise specifically stated, the Association (not individual Owners) is responsible for maintaining, repairing, replacing, modifying, and altering Common Areas.
- (b) Graffiti Removal. The Association shall remove within forty-eight (48) hours all graffiti that is placed anywhere on the Common Areas of the Project and the Association, and its agents and contractors, shall have access upon and over all of the Units in the Project in order to accomplish the same.
- (c) SWPPP. If applicable, the Association shall comply with the storm water pollution prevention plan ("SWPPP") that was prepared by the Declarant and filed with the State of California, including, without limitation, any "best management practices" contained therein, and any other SWPPP or drainage area management plan prepared by the City. A copy of the SWPPP applicable to the Property shall be on file with the Association or its property manager.

2.05 **Association Insurance.**

- (a) The Board shall obtain and maintain the following specified (or equivalent) insurance coverages, provided it is financially reasonably prudent to do so:
 - (1) A master or blanket policy of fire insurance for the full insurable value of all of the improvements within the Common Areas.
 - (A) The form, content, and term of the policy and its endorsements and the issuing company shall satisfy the minimum requirements for this type of Project by FNMA and FHLMC.
 - (B) The policy shall contain an agreed amount endorsement or its equivalent, an increased cost of construction endorsement or a contingent liability from operation of building laws endorsement or its equivalent, an extended coverage endorsement, vandalism, malicious mischief coverage, a special form endorsement and a determinable cash adjustment clause or a similar clause to permit cash settlement covering full value of the improvements in case of partial destruction and a decision not to rebuild.
 - (C) The policy shall name as insured the Association, the Owners and all Mortgagees as their respective interests may appear, and may contain a loss payable endorsement in favor of the trustee described hereinafter.
 - (D) Notwithstanding subparagraph (a)(1) above, the Board may, after consultation with its insurance professional and if it deems it prudent to do so, purchase coverage with deduction for depreciation and/or coinsurance.

- (2) Comprehensive public liability insurance in a reasonably prudent amount that covers the Association, Board, Managing Agent, Owners, Occupants and any other agents or employees incident to the Ownership or use of Common Area(s) against physical injury, death and property damage arising out of a single occurrence. The Board should consider maintaining insurance in the amount specified by Civil Code Sections 1365.7 and 1365.9.
- (3) If available, an extended coverage endorsement clause known as "Special Form", and a clause that permits a cash settlement to cover the full value of Improvements in case of destruction and a subsequent decision not to rebuild.
- (4) A fidelity bond that insures the Association for the estimated maximum amount (or at least three (3) months' aggregate Assessments on all Condominiums and reserve funds) that could be affected by the dishonest act of any Member of the Association or Board, managing agent, employee, or Occupant, who handles funds for the Owners' benefit. Fidelity bonds must provide for a ten (10) day written notice of modification or termination to any insurance trustee, and to each FNMA servicer who has filed a written request with the carrier for such notice.
- (5) Director and officer liability insurance ("D&O") in an amount that satisfies Civil Code section 1365.7(a)(4). In the absence of gross negligence, intentional misconduct, or fraud, the Association shall indemnify directors and officers from personal liability for claims made as a result of the performance of their duties.
- (6) Any other insurance policy the Association deems appropriate.
- (b) Association insurance policies shall contain the following provisions, if available:
 - (1) Statements that the policies are primary and non-contributing;
 - (2) Statements that an Owner's conduct will not constitute grounds for avoiding liability;
 - (3) Inflation Guard Endorsement (if obtainable at a reasonable cost);
 - (4) Standard Mortgagee clause, and name as Mortgagee FNMA or servicer (if applicable).
- (c) Each Owner appoints the Association or any insurance trustee designated by the Association to act on behalf of the Owners in connection with all insurance matters arising from any insurance policy maintained by the Association, including without limitation, representing the Owners in any proceeding, negotiation, settlement, or agreement.
- (d) Any insurance maintained by the Association shall contain "waiver of subrogation" as to the Association and its officers, directors, and the Owners and occupants of the Condominiums and Mortgagees, and all Owners are deemed to have waived subrogation rights as to the Association and/or other Owners, whether or not their policies so provide.
- (e) All insurance policies must require a written thirty (30) day notice of modification or termination of coverage from the insurer to the Association, Declarant, Owners and their Mortgagees, and any interested party who requests such a notice.
- (f) The Association is not obligated to provide intra-Unit public liability insurance or any protection against risks customarily covered under "homeowners" or "broad form homeowners" policies. Owners may individually insure against such risks.
- (g) The Board shall adopt policies and procedures regarding the filing and processing of claims for damage and destruction of Common Area Improvements or any other matters covered by insurance maintained by the Association.
- (h) At least annually, the Board must review the Association's insurance policies.

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2.06 **Board's Authority to Alter Insurance Coverage.**

Subject to the provisions of Section 2.05(a)(2) above, the Board shall have the power and right to deviate from the insurance requirements contained in this Article in any manner that the Board, in its reasonable business discretion, considers to be in the best interests of the Association. If the Board elects to materially reduce the coverage from the coverage required in this Article, the Board shall make all reasonable efforts to notify the Members of the reduction in coverage and the reasons therefor at least thirty (30) days prior to the effective date of the reduction. The Association, and its directors and officers, shall have no liability to any Owner or Mortgagee if, after a good faith effort, the Association is unable to obtain any insurance required hereunder because the insurance is no longer available, or, if available, the insurance can be obtained only at a cost that the Board, in its sole discretion, determines is unreasonable under the circumstances, or the Members fail to approve any assessment increase needed to fund the insurance premiums.

2.07 **Owner Insurance.**

- (a) It is each Owner's responsibility to obtain insurance for the dwelling and garage.
- (b) It is each Owner's responsibility to obtain insurance for the following:
 - (1) Insurance for the personal property or potential liability occurring within a Unit; however, an Owner shall not obtain any insurance that potentially may cause a reduction in the Association's insurance proceeds. If an Owner violates this provision, the Owner shall be liable to the Association for any reduction in the Association's insurance proceeds;
 - (2) Loss assessment coverage for certain future special assessments; and
 - (3) Any other available insurance.
- (c) An Owner shall consider including in the policy coverage for earthquake insurance.

ARTICLE III

OWNERS GENERAL USE RESTRICTIONS

Article III defines the manner in which residential condominiums may be used.

3.01 Unit Use.

- (a) A Unit may only be used for a single Family dwelling.
- (b) An Owner may lease a Unit for residential purposes provided:
 - (1) There is a written agreement;
 - (2) The lease states it is subject to all the provisions of the Governing Documents and that any failure to comply with any provision of this Declaration or the other Governing Documents shall constitute a default under the terms of said agreement;
 - (3) A copy of this Declaration is made available to each tenant or lessee by the Owner so leasing;
 - (4) Owners must give the Board the names and telephone numbers of all Occupants;
 - (5) No Owner may lease a Unit for hotel, motel or transient purposes or any other purpose inconsistent with the provisions of this Declaration;
 - (6) Owners, at all times, are responsible for their Occupants' compliance with all of the provisions of the Governing Documents in the occupancy and use of the Units; and
 - (7) The Association and each Owner shall have a right of action directly against any Occupant for any breach of any provision of the Governing Documents.
- (c) Subject to Declarant's rights pursuant to the Article entitled "*Easements*" herein, occupations and businesses that do not interfere with the residential nature or character of the Property or quiet enjoyment by other Owners may be carried on within a Unit, provided that all applicable laws, ordinances, zoning regulations and rules are satisfied and that there is no external evidence of any such occupation, such as an unreasonable increase in visitors, or an increase in the sound or smell emanating from the Unit.

3.02 Common Area Use.

- (a) Common Area(s) may only be used for purposes which are compatible with usages customarily associated with common areas located within residential developments in California, and subject to the limitations described in this Declaration and other Governing Documents.
- (b) Any Owner may, subject to the Governing Documents, delegate his/her rights of use and enjoyment of any Common Area facilities to any Occupants of his/her Unit. If an Owner has rented or leased his/her Condominium, such rights shall be automatically delegated to the tenants or lessees for the duration of their tenancy, and the Owner shall forfeit any rights to use and enjoy any such facilities for the duration of such tenancy. With respect to an installment land sales contract, the seller under the contract shall be deemed to have delegated his/her rights to use and enjoy any such facilities to the purchaser under the contract.

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3.03 **Utility Meters.**

Each Owner, by acceptance of a deed, acknowledges that water services are not separately metered by the public utility company, but instead are submetered to each Unit. Owners will be billed as described in 3.03(a) below. Other utility services are separately metered to the Units and paid by the owner directly to the utility provider.

- (a) **Allocation of Bills.** To calculate the share attributable to each Unit for water charges imposed by the utility provider, the Association entered into a contract with a metering service company (the "Metering Company"). The Metering Company will be responsible for reading the submeters, allocating the charges imposed by the utility provider for each Unit and preparing the individual bills for delivery to each Owner. Additionally, the Metering Company will impose a service charge for its services. Each Owner will be responsible for paying directly to the Metering Company such Owner's share of water charges imposed by the utility provider and of the Metering Company's service charge. The Metering Company will provide to the Association a statement of all amounts received from the Owners on a regular basis. Submeters shall be maintained by the Association.

If, in the future, there are no companies which can provide the submetering service, the Association will be responsible to allocate the water usage costs for each Unit.

- (b) **Delinquency.** If an Owner fails to pay any amounts when due, such Owner will be responsible for any penalties or delinquent amounts levied by the utility provider and the Metering Company as a result of the nonpayment. The Association shall have the right to cure any failure by an Owner (a "Defaulting Owner") to pay the amounts due to the utility provider. If the Association elects to cure such default, then the Defaulting Owner will be responsible for reimbursing the Association. If the Defaulting Owner fails to reimburse the Association, the Association will be entitled to impose a Special Assessment as provided under this Declaration, if needed, may enter a Unit to shut off utility service to the Defaulting Owner's Unit or may pursue any other remedies as provided under this Declaration.
- (c) **Deposits.** Upon the initial sale of a Unit to an Owner by Declarant under authority of a Public report and any subsequent sale of a Unit, the Owner shall be obligated to pay to the Association a deposit in an amount equal to one (1) month's average water bill for a Unit (as determined by the Association) as security for such Owner's obligation to pay such Owner's water bill when due. The Association may apply such deposit in payment of a Defaulting Owner's utility bill and such Defaulting Owner shall replenish the full amount of such deposit promptly upon written notice from the Association. Upon transfer of a Unit and provided that the transferee Owner has paid a replacement security deposit in the amount determined appropriate by the Association, the Association shall return to the transferor Owner any amounts not expended by the Association from the transferor's deposit. The Association may increase the amount of such security deposits and require the deposit of additional amounts by the Owners, based on increases in utility bills or rates.

3.04 **Nuisances.**

- (a) Illegal, offensive, obnoxious actions, or noxious odors that interfere with any Occupant's quiet enjoyment are not permitted anywhere on the Property.
- (b) An Occupant may not cause the level of noise or sound from the Unit to interfere with the quiet enjoyment of an Occupant of a Unit within the Project (i.e., loud music or television, shouting, slamming of doors, and other such actions.)
- (c) The Board shall have the right to determine if any unreasonable action, odor, noise or other conduct constitutes a nuisance, and to appropriately deal with the situation.

- (d) Each Owner shall be accountable to the Association and other Occupants for the conduct and behavior of Occupant(s) of his/her Unit. Any damage to the Common Area(s), personal property of the Association, or property of another Owner, caused by such Occupant(s) shall be repaired at the sole expense of the Owner of that Unit.

3.05 **Debris, Trash, Refuse, and Hazardous Materials.**

- (a) Weeds, rubbish, debris, objects or materials of any kind that are unsanitary, unsightly, or offensive may not be placed or permitted to accumulate in any Unit or the Common Area(s).
- (b) No person shall discharge into the Project's sewer system or storm drain any toxic or noxious liquids or materials in such concentrations as to be detrimental to or endanger the public health, safety, welfare, violate any law, subject any Owner to liability under state and/or federal law for any clean-up, or cause injury or damage to neighboring property or business elsewhere on the Project.

3.06 **Signs.**

- (a) Subject to Civil Code Sections 712 and 713, and any local ordinance, an Owner may advertise a Condominium for sale or lease with sign(s) with a size, format, and location approved by the Board.
- (b) All Owners are subject to Civil Code Sections 1353.5 and 1353.6 in regard to the display of non-commercial flags, banners, signs and posters. Notwithstanding the foregoing, nothing contained in this Section shall be construed in such manner as to permit the maintenance of any sign which is not in conformance with any ordinance of the City.
- (c) No other sign, poster, display, or advertising device may be displayed anywhere on the Property visible outside a Unit without the prior written consent of the Board.
- (d) If Civil Code Sections 712, 713, 1353.5 and 1353.6 are amended, this provision automatically shall be amended in the same manner. If these sections are repealed and no successor sections are enacted, this provision shall remain in full force and effect. The Civil Codes may have been amended by the State Legislature since this Declaration was recorded, and the Board should confirm the current statutory requirements.
- (e) Notwithstanding anything to the contrary herein, for as long as Declarant owns a Unit, Declarant may erect and maintain any signs, advertising devices or structures to conduct development, improvement, subdivision, sale or leasing operations on the Property without Board or Architectural Committee approval, as long as the activities do not unreasonably interfere with any Owner's use of the Property.

3.07 **California Vehicle Code and Parking Regulations.**

- (a) **Authorized Vehicles.** The following vehicles are authorized within the Property: motorized land vehicles designed and used primarily for noncommercial passenger transport, such as automobiles, passenger vans designed to accommodate ten (10) or fewer people, two-wheel motorcycles, and pickup trucks having a manufacturer's rating or payload capacity of one (1) ton or less (collectively, "Authorized Vehicles"). Authorized Vehicles may be parked in any portion of the Property intended for parking of motorized vehicles.
- (b) **Prohibited Vehicles.** The following vehicles are prohibited within the Property: recreational vehicles (e.g. motorhomes, travel trailers, camper vans, boats, etc.), commercial-type vehicles (e.g. stakebed trucks, tank trucks, dump trucks, step vans, concrete trucks, etc.), buses or vans designed to accommodate more than ten (10) people, vehicles having more than two (2) axles, trailers, inoperable vehicles or parts of vehicles, aircraft, other similar vehicles or any vehicle or vehicular equipment deemed a nuisance by the Board (collectively, "Prohibited Vehicles").

Prohibited Vehicles shall not be parked, stored or kept on any private street within, adjacent to or visible from the Property or any other Common Area parking area, except for brief periods for loading, unloading, making deliveries, emergency repairs, or unless specifically authorized by the Board.

- (c) All applicable provisions of the California Vehicle Code will be enforced on any private streets on the Property in accordance with California Vehicle Code Section 22658.2 (or any successor statute regarding removal of parked cars and required warning signs). The Association may establish "Parking" and "No Parking" areas within the Common Area(s), in accordance with California Vehicle Code Section 22658.2 (or successor statute).
- (d) The Association (through the Board) may establish parking Rules and Regulations.
- (e) The Association has the right and obligation to enforce all parking restrictions and to remove any violating vehicles in accordance with the California Vehicle Code, or other applicable laws.
- (f) Under no circumstances may explosives, fireworks, or highly flammable material such as gasoline, kerosene, oil, oil-based paints, solvents, etc. be stored in any garage.
- (g) Garage doors, if any, may not be left open, except as temporarily necessary or while used for entering or exiting.
- (h) All vehicles owned or operated by or within the control of an Owner or an Occupant who is a resident of the Unit and kept within the Property shall be parked in the garage or parking space assigned to the Unit, and each Owner shall maintain his garage or assigned parking space in a manner which ensures that it is capable of accommodating no less than the number of Authorized Vehicles the space was originally designed for by Declarant. Vehicles shall not be restored or repaired on the Property, unless parked wholly within a garage with the doors closed.
- (i) Garage space shall not be converted into any use (such as a recreational room or storage room) that would prevent its use as parking for the number of vehicles the space was designed to contain. Owners are to use their assigned parking spaces for parking of their vehicles so that unassigned Common Area parking will be available for guest parking. The Association may establish rules for the parking of vehicles in the Common Area.
- (j) Neither the Association, Declarant, nor any of their officers, directors, agents or employees shall be liable to any Owner or Occupant, or to any member of his Family, his guests, servants, employees or invitees, for any theft or, or injury to, any vehicle on the Project, except as provided by Sections 22658(d) and 22658.2(c) of the Vehicle Code. Each Owner shall indemnify, defend, and hold harmless the Association, Declarant and their officers, directors, agents, employees, and representatives from any injury, damages, claims, liabilities, costs or expenses caused by, arising out of, or related to the provisions of this Section, or any offending vehicle.
- (k) The guest parking areas in the Project may not be used on a long-term or routine basis by Owners or Occupants in the Project. Guest parking spaces are to be utilized by guests ONLY. No Owners, Occupants or permanent residents are allowed to park in the guest parking spaces. Guest's cars cannot be parked in a guest parking space in excess of 24 hours. All cars parked in guest parking in excess of 24 hours will be subject to towing. Please note that guests are considered occasional visitors to the property. As an example, someone that stays over 3 nights a week is NOT considered a guest. No parking is allowed on the main driveway at ANY time. The main driveway is a fire lane and must be kept clear for emergency vehicles to access all homes in the complex. Maintenance vehicles (gardeners, carpenters, etc.) should be encouraged to use parking on the main street out of the project. If you have more than two (2) vehicles or they do not fit in your garage, these additional vehicles must be parked outside of the project. Any violations of the above will result in towing the vehicle at the vehicle owner's expense.

- (l) Vehicles may not be washed on the Property except as provided for by the Board.
- (m) The provisions of this Section are intended to comply with California Vehicle Code Section 22658 (regarding illegally parked cars) in effect on the date this Declaration was recorded. If this Vehicle Code section is amended, this provision automatically shall be amended in the same manner. If this section is repealed and no successor section is enacted, this provision shall remain in full force and effect. Vehicle Code §22658 may have been amended by the State Legislature since this Declaration was recorded, and the Board should confirm the current statutory requirements.

3.08 **Pet Regulations.**

- (a) A maximum of three (3) domesticated pets, as defined in Civil Code section 1360.5 may be kept in a Unit provided they are not kept, bred or raised for commercial purposes and they are kept under reasonable control at all times. The Board may establish rules and regulations governing size and weight restrictions of pets that may be allowed in the Project.
- (b) In addition, small domesticated pets (e.g., birds, hamsters, fish, turtles) may be kept in a contained environment (cage or aquarium), provided they are not kept, bred or raised for commercial purposes, and subject to the following sub-paragraphs of this Section.
- (c) Animals that bother or annoy other Owners or residents (e.g., excessively barking dogs, chirping birds, or noisy aquarium filters) may not be kept on the Property or in a Unit.
- (d) A pet may only enter the Common Area(s) while on a leash not to exceed six (6) feet in length that is held by a person capable of controlling it. No pet may be tied or left unattended in any Common Area.
- (e) Owners and Occupants must prevent their pets from soiling the Common Area(s), and shall promptly clean up any waste left by their pets. No pets of any kind may be taken into recreational areas containing swimming pools or spas.
- (f) The Owner of the Unit where the pet is kept shall be responsible for any damage to the Common Area caused by the pet. Any damage caused by cleaning materials or any attempt to remedy such damage shall be the full financial responsibility of said Owner. Each Owner of a pet shall have sole liability for all damages claimed by any person harmed by such pet, and shall defend, indemnify and hold harmless all other Owners, the management company, the Association and the Board of Directors from any and all losses, costs, and liability arising from having any pet on the Property.
- (g) Occupants must obtain approval from the Unit Owner before keeping pets in the Unit. The Owner shall be responsible for an Occupant's compliance with any Rules and Regulations regarding pets within the Project. Both the Occupant(s) and Owner of the Unit shall have joint and several liability for any damage, including personal injury and property damage, claimed by any person harmed by such pet.
- (h) Notwithstanding the foregoing, no domestic dogs shall be within the Common Area that are deemed by the Board to be vicious or potentially dangerous dogs. All vicious and potentially dangerous dogs must be kept indoors or in a securely fenced area within the Owner's Unit from which it cannot escape, and into which children or other individuals cannot trespass. A dog shall be deemed "vicious" for purposes of this Section if, when unprovoked:
 - (1) It has bitten a person (however, a dog may be vicious even though it is not proven to have bitten any person);

- (2) In an aggressive manner, it inflicts injury on or kills a human being; or
 - (3) It has previously been determined to be and is currently listed as a potentially dangerous dog (as determined by the Board of Directors or local governmental authority) and, after its Owner or keeper has been notified of this determination, it continues to engage in behavior deemed potentially dangerous.
- (i) A dog shall be deemed "potentially dangerous" for purposes of this Section if, when unprovoked:
 - (1) On two separate occasions within the prior 36-month period, it engages in any behavior that requires a defensive action by any person to prevent bodily injury when the person and the dog are off the property of the Owner or keeper of the dog; (2) It has killed, seriously bitten, inflicted injury, or otherwise caused injury attacking a domestic animal off the property of the Owner or keeper of the dog; or (3) The dog has run loose or, if leashed, was not under the control of a responsible adult on two occasions per sub-paragraph (d) above.
 - (j) The Association shall have the right to cause a dog found to be in violation of any provision of this Section to be removed from the Property.

3.09 **Antennas and Satellite Dishes.**

- (a) Except for Authorized Antenna, no television or radio poles, antennas, satellite dishes, or technological evolutions of the foregoing, flag poles, clotheslines, or other external fixtures other than those originally installed by the Declarant or approved in accordance with this Declaration shall be constructed, erected or maintained on or within the Project, unless authorized by the Architectural Committee.
- (b) Any Owner who desires to install an Authorized Antenna shall agree to install such device wholly within his Unit so that it does not encroach upon another Unit or Common Area(s), and maintain, repair or replace any Improvements affected by the installation, maintenance or use of such antenna, if required by the Architectural Committee. When possible, an Authorized Antenna(s) shall be installed in an area that is not visible from the main driveway. Under no circumstances shall any Owner drill through, or install any Improvements upon any Common Area(s) with respect to the installation or maintenance of any antenna or wiring, unless approved by the Architectural Committee. Nothing shall be done in any Unit or Common Area(s) which will or may tend to impair the structural integrity of any building in the Project. There shall be no alteration, repair or replacement of wall coverings within Units which may diminish the effectiveness of the sound control engineering within the buildings in the Project.
- (c) Architectural Committee Restrictions. The Architectural Committee may adopt reasonable restrictions on installation and use of an Authorized Antenna in order to minimize visibility of the Authorized Antenna from other Units. Such restrictions may designate one (1) or more preferred installation locations, or require camouflage such as paint (subject to the antenna manufacturer's recommendations), screening or other Improvements. However, no restriction imposed by the Architectural Committee may (a) unreasonably delay or prevent the installation, maintenance or use of an Authorized Antenna, (b) unreasonably increase the cost of the installation, maintenance or use of an Authorized Antenna, or (c) preclude acceptable quality reception.

The Architectural Committee may prohibit the installation of an Authorized Antenna in a particular location if, in the Architectural Committee's opinion, the installation, location or maintenance of such Authorized Antenna unreasonably affects the safety of the Owners or any other Person, or for any other safety-related reason established by the Architectural Committee. The Architectural Committee may also prohibit an Owner from installing an Authorized Antenna on any real property which such Owner does not own. Further, the Architectural Committee has the power to prohibit or restrict the installation of any antenna or other over-the-air receiving device that does not meet the definition of an Authorized Antenna.

The Architectural Committee may review the location and installation of an Authorized Antenna after it is installed. After its review, the Architectural Committee may require that the Authorized Antenna be moved to a preferred location (if one has been designated) for safety reasons or to comply with reasonable restrictions subject to this Section and applicable law.

- (d) Notwithstanding the foregoing, all restrictions on video or television antennas (including satellite dishes) shall be subject to all applicable federal state and local laws, including, but not limited to, the Federal Telecommunications Act of 1996 and California Civil Code Section 1376, as same may be amended from time to time. Furthermore, all amendments, modifications, restatements and interpretations of the laws applicable to the installation, use or maintenance of an antenna or over-the-air receiving device shall be interpreted to amend, modify, restate and/or interpret this Section 3.09.

3.10 **Basketball Standards.**

No basketball standards or fixed sports apparatus shall be attached to any Residence except as approved by the Board. The Rules and Regulations may further limit the use or placement of portable basketball apparatus.

3.11 **Exterior Lighting.**

Any exterior electrical, gas or other artificial lighting installed on any Unit shall be positioned, screened, or otherwise directed or situated and of such controlled focus and intensity so as not to unreasonably disturb the Occupants of any other Unit. Further rules regarding exterior lighting may be promulgated by the Architectural Committee.

3.12 **Exterior Clotheslines.**

No exterior clothesline shall be erected or maintained or hung on balconies or railings within the Project and there shall be no exterior drying or laundering of clothes or any other items on any Common Area.

3.13 **Window Covers.**

Newspaper, aluminum foil or similar materials may not be used as window coverings.

3.14 **Common Fences.**

- (a) An easement exists appurtenant to any Unit for any "Common Fences" (fences on boundary lines between the Units and/or Common Area(s)) originally installed by the Declarant, whether or not the fences are located precisely on the Unit boundary line.
- (b) Each Owner is responsible for the maintenance of the fence surrounding his/her Unit.
- (c) Owners with a Common Fence have an equal right to use the fence, with the following provisions:
- (1) Each Owner has exclusive right to use the interior surface of the fence facing the Residence;
 - (2) Owners may not drive nails, screws, bolts or other objects more than half way through any Common Fence;
 - (3) Owners may not interfere with the adjacent Owner's use and enjoyment of the Common Fence;

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- (4) Owners may not threaten or impair the structural integrity of the Common Fence; and
- (5) If any portion of the fence (other than the interior surface of one (1) side) is damaged by any cause other than the act or negligence of either party, it must be repaired or rebuilt at the relevant Owners' joint expense.

3.15 **Drainage Systems.**

- (a) The drainage system for the project runs between the yards of each Unit. Any modification or damage to the system will affect the operation of the system for the whole Project.
- (b) An Owner may not modify, alter, or change in any way the drainage system with pipes on their Unit, without the prior consent of the Association.
- (c) Each Owner is to maintain the drainage system within his Unit including, but not limited to, the cleaning of the drainage system.
- (d) The Association will be responsible for the maintenance and repair of the drainage system for the Project, which is not located within a Unit. If a repair to the system is required due to damage by an Owner, the Owner will be responsible for all expenses for the repair of such system.

3.16 **Indemnity of the Association by Owner.**

Each Owner shall defend and indemnify and hold the Declarant, Association, Managing Agent, and other Owners harmless without limitation on any claims arising from the Owner's negligence or willful misconduct (or the Owner's family members, relatives, guests or invitees) for damages sustained on the Common Area(s), including any costs incurred.

3.17 **Use/Alteration Affecting Insurance Rates.**

- (a) Acts that threaten cancellation or an increase of insurance rates for the Property may not be committed without Board approval.
- (b) If a particular Owner's use or activity is the cause of increased insurance rates, the responsible Owner is personally liable for the additional insurance premiums.

3.18 **Owner's Failure to Comply.**

Each Owner acknowledges by acceptance of the deed or other conveyance for a Unit, whether or not it shall be expressed in any such deed or other instrument, that the covenants, conditions and restrictions set forth in this Article benefit the Association, and that the Association has a substantial interest in assuring compliance with, and enforcement of, this Section. Each Owner acknowledges by acceptance of the deed or other conveyance for a Unit, whether or not it shall be expressed in any such deed or other instrument, that the covenants, conditions and restrictions set forth in this Article benefit the Association, and that the Association has a substantial interest in assuring compliance with, and enforcement of, this Section. In the event that an Owner fails to comply with the conditions, obligations, regulations, and maintenance set forth within the Governing Documents, the Board may deliver written notice to such Owner demanding compliance and informing said Owner of the particular condition, obligation, regulation or maintenance requirement that has been violated. Upon receipt, Owner shall have thirty (30) days, unless an alternate reasonable time is established by the Board, to correct the violation. In the event that said Owner continues the violation beyond the designated period, the Board shall have the right to enter onto the property to remedy the violation, and the Owner shall be charged a Special Assessment equal to the Board's cost of repair for which the Board may obtain a court order and judgment for the Special Assessment which shall continue to accrue until judgment is entered.

3.19 **Declarant's Exemption from Use Restrictions.**

- (a) Conveyance of a substantial number of the Units is essential to the establishment and welfare of the Project. In order that all work necessary to complete the Project and to establish a substantially occupied Project may proceed as rapidly as possible, nothing in this Declaration shall be understood or construed to:
- (1) Prevent Declarant, its contractor or subcontractors, from doing work on said Project or any part thereof whenever it determines it to be reasonably necessary or advisable in connection with the completion of said work;
 - (2) Prevent Declarant, or its representatives from erecting, constructing and maintaining on any part of parts of said real property owned or controlled by Declarant, its contractors, or subcontractors, such structures as may be reasonably necessary to complete said work, establish said property as a residential Project and dispose of the same by sale, lease or otherwise;
 - (3) Prevent Declarant from maintaining or displaying such sign(s), pennants and flag(s) on the Project (except upon Units owned by others) as may be necessary for the sale, lease or disposition thereof; or
 - (4) Subject Declarant to the architectural control provisions of Article VII for construction of any Unit or other improvements on the Project.
- (b) The foregoing rights of Declarant shall terminate upon sale of Declarant's entire interest in the Project. So long as Declarant, its successors and assigns, owns one (1) or more of the Units established and described in this Declaration, Declarant, and its successors and assigns, shall be subject to the provisions of this Declaration. Declarant shall make reasonable efforts to avoid disturbing the use and enjoyment of Units and the Common Area(s) by Owners, while completing any work necessary to those Units or Common Area(s).

3.20 **Documents to Subsequent Owners.**

Owner acknowledges being obligated to provide to subsequent purchasers of Owner's Unit all documents received in conjunction with the initial sale of the Unit, including, but not limited to, copies of (a) this recorded Declaration (and any amendments), (b) the recorded Condominium Plan (and any amendments), (c) the recorded Notice of Builder's Election of Alternative Pre-litigation Procedures for Construction Claims, (d) filed Articles of Incorporation, (e) Bylaws of the Association, (f) any maintenance manual and warranty information, and (g) any other related disclosures.

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ARTICLE IV

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Article IV defines owners' membership and voting rights.

4.01 **Organization.**

The Association is a California nonprofit mutual benefit corporation charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents.

4.02 **Membership.**

Every Owner is automatically an Association Member. Each Member shall be obligated promptly, fully and faithfully to comply with the provisions of this Declaration, and the Bylaws of the Association, and any Rules and Regulations from time to time which may be prescribed by its officers or directors.

4.03 **Membership Classes.**

(a) The Association has two (2) classes of voting membership:

(1) Class A Members - All Owners (other than Declarant), entitled to one (1) vote for each Unit owned.

(2) Class B Member - Declarant, entitled to three (3) votes for each Unit owned by Declarant.

(b) Class B Membership irreversibly ceases and converts to Class A Membership on the first to occur of the following:

(1) The total votes held by Class A Membership is equal to or is greater than the total votes held by Class B Membership (tripled); or

(2) Two (2) years after the First Close of Escrow of a Condominium in the Project.

4.04 **Voting Rights and Requirements.**

(a) Voting rights shall commence for each Condominium within the Project when Assessments against the Condominium have been levied by the Association.

(b) Co-Owners shall have the following voting rights:

(1) Each Co-Owner has an indivisible interest in a single Membership.

(2) Each Unit's vote is cast as a single unit, without fraction. If Co-Owners cannot unanimously agree how to cast their vote, they forfeit their right to vote on the matter in question.

(3) If a Co-Owner casts a vote representing a certain Condominium, it will be presumed for all purposes to be a vote with the authority and consent of all other Co-Owners of the Condominium.

(c) After Notice and Hearing as provided herein, the Board has the right to suspend the voting rights of any Owner delinquent more than forty-five (45) days in the payment of Assessments.

- (d) Unless otherwise specifically required, Membership approval requires the affirmative vote of a majority of a quorum of each class of Membership (and after conversion, approval of Class A only).
- (e) If Membership approval of a specified prescribed majority (e.g. 67%) of the voting power (other than Declarant) is required, the following rules apply:
 - (1) If both Class A and Class B Members exist, the required vote is a bare majority of Class B voting power, and the prescribed majority of Class A voting power; or
 - (2) After conversion to all Class A memberships, the required vote is the prescribed majority of the Total Voting Power of Members other than Declarant.
- (f) No provision which requires the approval of a prescribed majority of the voting power of Members of the Association other than the Declarant for action to be taken by the Association is intended to preclude the Declarant from casting votes attributable to Condominiums which Declarant owns.

4.05 **Transfer of Membership.**

- (a) Membership of each Owner shall be appurtenant to the Unit owned, and may only be (and is automatically) transferred upon conveyance of title to a Unit to the new Owner.
- (b) In connection with any transfer or change of ownership of any Unit, the Association and each Owner must comply with Civil Code Section 1368.

4.06 **Transfer of Control to the Association.**

Transfer of control of the Association (i.e. when non-developer owners have greater voting power than the developer) shall pass to the Unit Owners within the Project no later than the latest of the following:

- (a) One hundred twenty (120) days after the date by which 75% of the Units have been conveyed to the Unit purchasers;
- (b) Three (3) years after completion of the project evidenced by the first conveyance to a Unit purchaser; or
- (c) The time frame established under state or local condominium laws if specific provisions regarding transfer of control exist.

ARTICLE V

DUTIES AND POWERS OF THE ASSOCIATION

Article V describes in detail the duties and powers of the Association to govern its members and maintain the common areas.

5.01 Commencement of Duties.

- (a) The Association's responsibility to maintain Common Areas shall commence upon the First Close of Escrow of a Condominium. Notwithstanding the foregoing, if the contractors or subcontractors of Declarant are contractually obligated to maintain or warrant the landscaping or other improvements on Common Areas for a specified period in which said contractors or subcontractors shall perform such maintenance, the Association shall not interfere with the performance of such warranty or other contractual maintenance obligations.
- (b) In the event that a dispute arises between Declarant and the Association with respect to the nature, design, quality or quantity of the improvements in Common Areas, or the acceptance of maintenance responsibilities therefor, the Association shall be obligated to assume and undertake maintenance responsibilities pending resolution of the dispute, in accordance with the provisions set forth in the Article herein entitled "*Dispute Resolution and Notification Procedures*".

5.02 Specific Association Duties and Powers.

The duties and powers of the Association are those set forth in the Governing Documents, together with its general and implied powers as a nonprofit mutual benefit corporation, generally to do all things which are necessary or proper for the peace, health, comfort, safety and general welfare of its Owners, including without limitation, the following:

- (a) Enforce the applicable provisions of the Governing Documents and other instruments for the ownership, management and control of the Project.
- (b) Contract for goods and/or services for Common Areas, facilities, and interests, or for the Association subject to the limitations set forth in the Bylaws.
- (c) Borrow money with the assent of sixty-seven percent (67%) of the Total Voting Power and/or to mortgage, pledge, or otherwise hypothecate any of its real or personal property as security for money borrowed or debts incurred.
- (d) Exercise any powers normally exercised by residential homeowner associations under the laws of the State of California.
- (e) Have the authority, through the Board, to enter into a maintenance agreement, as reviewed by DRE, with Declarant for temporary suspension of a portion of Regular Assessments.

5.03 **Right of Entry.**

- (a) The Association has the right to enter any Unit to determine compliance with the Governing Documents and to perform its duties, including the duties to enforce the Governing Documents.
- (b) In case of emergency, or by Court order, a Unit may be entered immediately.
- (c) Absent an emergency or Court order, a Unit may only be entered at reasonable hours after the Owner has received three (3) days' written notice. The written notice of entry must state explicitly the Association's reason(s) for the necessity to enter any Unit.
- (d) Entry must be made with as little inconvenience as possible to the Owner/Occupant and without a breach of the peace. If the Association has reason to expect a breach of the peace upon entry, it may take such preventive steps as it deems necessary, including obtaining a court order.

ARTICLE VI

COVENANTS FOR ASSESSMENT

Article VI describes Assessments which Owners pay in order to fund Association functions, including maintenance, insurance, etc.

6.01 **Assessments.**

- (a) Assessments may be levied by the Association for improvement and maintenance of the Common Area(s), administration of the Property, and to promote the recreation, safety, and welfare for the common good of all the Owners.
- (b) Each Owner, by acceptance of a Grant Deed to a Condominium, whether or not it shall be so expressed in any deed, covenants and agrees to pay all Assessments to the Association.
- (c) Assessments and related interest, collection costs, and reasonable attorneys' fees are the personal obligations of the Owner, but are not the personal obligation of successors in title unless expressly assumed by them. The Condominium remains subject to any Assessment liens of record, except upon Foreclosure of a First Mortgage, as stated in the Article entitled "*Mortgagee Protection*".
- (d) Pursuant to Civil Code Section 1366.1, the Association may not collect an Assessment or fee that exceeds the amount necessary to defray the costs for which it is levied.

6.02 **Commencement; Due Dates of Assessments.**

- (a) Regular Assessments against all Condominiums in the Project commence on the first day of the month following the First Close of Escrow within the Project. However, the closing of escrow for any Condominium which is leased by a Buyer back to Declarant for use as a model for sales purposes shall not be deemed a First Close of Escrow for purposes of commencing Assessments.
- (b) Regular Assessments shall be due and payable in any reasonable manner established by the Board.

6.03 **Equal Assessment Rate.**

- (a) Regular Assessments and Special Assessments must be fixed at a uniform rate for all subject Condominiums, except as otherwise provided.
- (b) Each subject Condominium is liable for a pro rata share (the fractional number one (1) over the total number of Condominiums subject to Assessment by the Association at that time).

6.04 **Assessment Duties of the Board of Directors.**

- (a) The Board must levy Regular and Special Assessments in compliance with Civil Code Section 1366.
- (b) The Board must establish separate bank accounts for operating monies and reserve monies. In the event of transfer or conveyance of an Owner's fee simple title to a Unit, said Owner shall have no further right or interest in any Assessments collected prior to such transfer. Assessments collected in accordance with the provisions of the Governing Documents shall be appurtenant to a Unit and shall automatically transfer to a new Owner in the event of sale.

- (c) The Board may not impose Special Assessments in a fiscal year aggregating more than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year unless approved by a majority of the votes cast at a meeting in which the need for a Special Assessment is determined. Special Assessments levied by the Board in order to restore funds to the reserve account are included in this limitation.

6.05 Effect of Nonpayment of Assessments: Delinquency and Remedies of the Association.

- (a) An Assessment is delinquent ("Delinquent Assessment") if not paid within fifteen (15) days after the due date. A Delinquent Assessment includes:
- (1) A late charge imposed by the Board to the maximum amount in accordance with California Civil Code Section 1366 (or any successor statutes);
 - (2) Reasonable collection costs and attorney's fees; and
 - (3) Interest on all costs and charges at the maximum permissible rate, commencing thirty (30) days after the Assessment is due.
- (b) Delinquent Assessments and related costs will be a continuing lien on the relevant Condominium when a "Notice of Delinquent Assessment" is recorded against an Owner's fee interest in a Condominium.
- (c) Notwithstanding the foregoing, a Compliance Assessment imposed by the Board as a disciplinary measure for failure of an Owner to comply with the Governing Documents may not become a lien against the Owner's Unit enforceable by a sale of the Unit in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) of the Civil Code. However, this does not apply to charges imposed against an Owner consisting of reasonable late payment penalties for Delinquent Assessments and/or charges to reimburse the Association for the loss of interest or for costs reasonably incurred including attorney's fees in its efforts to collect other Delinquent Assessments.
- (d) In addition to all other legal rights and remedies, the Association may:
- (1) Bring legal action against an Owner who is personally obligated to pay the Assessment and charges (without foreclosing or waiving any lien security);
 - (2) Judicially foreclose the lien against the Condominium, including the Assessment, interest, collection costs and late charges;
 - (3) Foreclose the lien by power of sale in accordance with California Civil Code Sections 2924-2924h, or any other lawful manner;
 - (4) Bid on the Condominium through authorized agents at the foreclosure sale, to acquire and thereafter to hold, lease, mortgage or convey; or
 - (5) Temporarily suspend the voting rights of the Owner in accordance with the provisions of this Declaration.
- (e) The Association may not foreclose a lien unless the amount of Delinquent Assessments exceeds one thousand eight hundred dollars (\$1,800) exclusive of late charges, interest and fees and costs of collection, or unless the assessments have been delinquent for longer than twelve (12) months.

- (f) The decision either to record a lien for Delinquent Assessments or to initiate Foreclosure upon such a lien shall be made only by the Board and may not be delegated to an agent of the Association. The Board's decision shall be by majority vote of Directors present in an open meeting and shall be recorded in the minutes of that meeting. The confidentiality of the affected Owner shall be maintained by identifying the matter in the minutes by the Unit number rather than the name of the Owner.
- (g) Upon an Owner's timely payment of a default and all related fees, Association officers may prepare and record (at the Owner's cost) a release of the Notice of Delinquent Assessment.

6.06 **Assessment of Units Owned by Declarant; Uncompleted Unit Exemption**

- (a) Declarant is an Owner subject to the payment of Assessments for Unit(s) owned by Declarant.
- (b) Any Owner (including Declarant) is exempt from 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 Assessment commences. This exemption shall be in effect only until the earliest of the following:
 - (1) A notice of completion of the common facility has been recorded; or
 - (2) The common facility has been completed and placed into use.

6.07 **Collection of Assessment Debts Not Collectible Through Foreclosure.**

Delinquent Regular or Special Assessments of less than one thousand eight hundred dollars (\$1,800), exclusive of interest, charges and fees, may be collected in any of the following ways, as provided by Civil Code Section 1367.1(b) or successor statute:

- (a) By a civil action in small claims court;
- (b) By recording a lien on the Owner's Unit upon which the Association may not foreclose until the amount of Delinquent Assessments exceeds one thousand eight hundred dollars (\$1,800) or the delinquency is for longer than twelve (12) months; or
- (c) Any other manner provided by law except judicial or non-judicial Foreclosure.

6.08 **Reserves.**

A portion of Regular Assessments shall go towards an adequate reserve fund for maintenance, repairs and replacement of those Improvements that the Association is obligated to maintain and/or that must be replaced on a periodic basis.

6.09 **Right of Redemption.**

A nonjudicial Foreclosure by the Association shall be subject to a right of redemption from a Foreclosure sale within ninety (90) days after the Foreclosure sale.

6.10 **Nonuse and Abandonment.**

An Owner does not waive or otherwise avoid liability for Assessments by nonuse of the Common Area(s) or abandonment of a Unit.

6.11 **Emergency Assessments.**

- (a) Notwithstanding any other provision of this Article, the Board may increase assessments in order to fund any of the following:
- (1) An extraordinary expense required by an order of the court;
 - (2) An extraordinary expense necessary to repair or maintain the property or any part of it for which the association is responsible if a threat to personal safety on the property is discovered;
 - (3) An extraordinary expense necessary to repair or maintain the property 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 pro forma operating budget.
- (b) Prior to imposition or collection of an assessment for emergency purposes, the Board must pass a resolution containing written findings as to the necessity for the extraordinary expense and why it was not or could not have been reasonably foreseen while preparing the budget. The resolution must be distributed to the Members together with the notice of assessment.

6.12 **Waiver of Exemptions.**

With respect to Assessment liens, each Owner waives (to the extent permitted by law) the benefit of any California homestead or exemption laws in effect when any Assessment or installment becomes delinquent or a lien is imposed.

ARTICLE VII

ARCHITECTURAL CONTROL

Article VII addresses alterations which Owners may wish to make to their Units. The Architectural Committee's approval must be obtained for most such changes.

7.01 The Architectural Committee.

- (a) The Architectural Committee shall consist of not fewer than three (3) persons nor more than five (5) persons as fixed from time to time by resolution of the Board.
- (b) Declarant shall initially appoint the Architectural Committee. Declarant shall retain the right to appoint, augment or replace all members of the Architectural Committee until one (1) year after issuance of the original DRE final subdivision public report for the Property, at which time the Board may appoint members, as further described herein.
- (c) Declarant shall retain the right to appoint, augment or replace a majority of the members of the Architectural Committee until (i) five (5) years after the First Close of Escrow, or (ii) close of escrow has occurred on ninety percent (90%) of the Units within the Property, whichever shall first occur, at which time the right to appoint, augment or replace all members of the Architectural Committee shall automatically be transferred to the Board.
- (d) As long as Declarant has the right to appoint some but not all of the members of the Architectural Committee, the Board shall have the right but not the obligation to fill the remaining vacancies on the Architectural Committee.
- (e) Persons appointed by the Board to the Architectural Committee must be Members; however, persons appointed by Declarant to the Architectural Committee need not be Members, in Declarant's sole discretion.
- (f) The address of the Architectural Committee shall be the address established for giving notice to the Association unless another address is specified for such purpose in the Architectural Guidelines. Such address shall be the place for the submittal of plans and specifications and the place where the current Architectural Guidelines shall be kept.
- (g) Meetings of the Architectural Committee shall be held from time to time as necessary. Notice, hearing and conduct of the meetings must be in accordance with the Bylaws of the Association and general corporation laws regarding committee meetings.
- (h) In addition to the powers set forth in this Article, the Architectural Committee may perform other duties delegated to it by the Board.

7.02 Architectural Guidelines.

- (a) The Board may, from time to time and in its reasonable discretion, adopt and promulgate Architectural Guidelines to be administered through the Architectural Committee. The Architectural Guidelines may deal with such matters, including without limitation, as the construction, installation, modification, alteration, or appearance of any Improvement on or within the Project, including Units.
- (b) Any change in the Architectural Guidelines shall require a 30-day written notice to the Membership for their review and comment before the Board can approve the changes.

- (c) The Board is required to annually disclose to the Members items that require architectural approval. The disclosure shall also describe the Improvements which, if completed in conformity with the Architectural Guidelines, do not require approval by the Architectural Committee. The annual membership notice shall contain the procedures used for reviewing architectural applications.

7.03 **Plan Review Functions of the Architectural Committee.**

- (a) The Architectural Committee shall consider and act upon proposals or plans submitted pursuant to the terms of this Declaration or the Architectural Guidelines. Unless all of the rules of the Architectural Committee have been complied with, such plans and specifications shall be deemed not submitted.
- (b) The Architectural Committee has the power, but not the duty, to retain Persons (including, but not limited to, architects and other professionals) to advise its members in connection with decisions; however, the Architectural Committee does not have the power to delegate its decision-making power.
- (c) The Architectural Committee may, from time to time, adopt, amend and repeal its rules, subject to approval by the Board. Among other things, said rules may require the prepayment of a reasonable deposit to be applied toward the payment of any Special Assessment levied by the Board if an Owner fails to restore any portion of the Property to a clean and attractive condition; may assess a reasonable fee as appropriate for the type and nature of the Improvement, to cover the cost of inspections that may be necessary to insure compliance and in connection with the review of plans and specifications for proposed Improvements, including, without limitation, a procedure for approval of preliminary plans and drawings as well as final approval; may specify the number of sets of plans to be submitted; and may require such detail as it deems proper, including without limitation, floor plans, site plans, elevation drawings, and descriptions or samples of exterior material and colors, landscape planting plans, drainage plans, lighting plans, electrical plans, mechanical plans, and the like.

7.04 **Approval.**

- (a) Declarant is not subject to the provisions of the Governing Documents pertaining to architectural control. Any Improvements constructed by Declarant shall automatically be in compliance with the Governing Documents and shall not be subject to further architectural control until and unless there has been a change or alteration made by a successor in title to Declarant as to any Unit in the material, texture, color or appearance of any such Improvement upon such Unit.
- (b) Other than such Improvements by Declarant, no Improvements shall be made upon the Property except in compliance with plans and specifications therefor which have been submitted to and approved by the Architectural Committee except as may otherwise be provided for in the Architectural Guidelines. Normal maintenance, repair or reconstruction by any successor in title to Declarant in the event of a destruction, in substantial conformance with the Improvements constructed by Declarant, shall not be deemed to be an Improvement that requires approval pursuant to the provisions of this Article.
- (c) The Architectural Committee shall review plans and specifications submitted for its approval as to style, exterior design, appearance and location and shall approve such plans and specifications only if it deems that the proposed Improvement will not be detrimental to the appearance of the Property as a whole; that the Improvement complies with the Architectural Guidelines; that the appearance of any Improvements will be in harmony with the surrounding structures; that the construction of any Improvement will not detract from the beauty and attractiveness of the Property or the enjoyment thereof by the Owners; and that the upkeep and maintenance of any Improvement will not become a burden on the Association.

- (d) Plans and specifications shall be approved by the Architectural Committee as to style, design, appearance and location only, and are not approved for (i) engineering design, (ii) compliance with zoning and building ordinances, and other applicable statutes, ordinances or governmental rules or regulations, (iii) compliance with the requirements of any public utility, (iv) any easements or other agreement, or (v) preservation of any view.
- (e) The Architectural Committee may (i) determine that the proposed Improvement cannot be approved because of its effect on existing drainage, utility or other easements, (ii) require submission of additional plans and specifications or other information or materials prior to approving or disapproving plans and specifications submitted, or (iii) condition its approval of plans and specifications for any Improvement on such changes therein as it deems appropriate.
- (f) The Architectural Committee may also condition its approval of a proposed Improvement on approval by a holder of an easement which may be impaired thereby or upon approval of any such Improvement by the appropriate governmental agency. Any Architectural Committee approval conditioned upon the approval by a governmental agency or an easement holder shall not imply that the Association is enforcing any government codes or regulations or provisions of any easement agreement, nor shall the failure to make such approval conditional imply that approval by any such governmental agency or easement holder is not required.
- (g) The Architectural Committee shall issue its decisions in writing. If an Owner's application is disapproved, the Architectural Committee shall include an explanation for the disapproval.
- (h) In the event the Architectural Committee fails to approve or disapprove plans and specifications within sixty (60) days after the same have been duly submitted in accordance with the Architectural Guidelines, such plans and specifications will be deemed approved.

7.05 **Variances.**

- (a) The Board may authorize a variance from compliance with the Architectural Guidelines or with provisions of this Article when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental considerations may require. Such variance shall be evidenced in writing, signed by a majority of the members of the Board and delivered to such Owner, and shall become effective upon execution. A copy of the resolution of the Board authorizing such variance must be retained in the permanent records of the Association.
- (b) No violation of the Governing Documents shall be deemed to have occurred with respect to the matter for which any such variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of the Governing Documents for any purpose except as to the particular Unit and particular provision of this Article covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all government laws and regulations affecting use of the Unit including, but not limited to, zoning ordinances and lot setback lines or requirements imposed by any governmental or municipal authority.

7.06 **Non-Liability for Approval.**

- (a) Each Owner shall be solely responsible for any violation of this Declaration, the Architectural Guidelines, or any applicable instrument, law or regulation, caused by an Improvement made by such Owner even though same is approved by the Architectural Committee.
- (b) By approving such plans and specifications neither the Architectural Committee, the members thereof, the Association, the Owners, the Board nor the Declarant, nor agents, employees, attorneys or consultants of any of the foregoing, assume liability or responsibility therefor, or for any defect in any Improvement constructed from such plans and specifications or for any obstruction or impairment of view caused or created as the result of any Improvements approved by the Architectural Committee. The Architectural Committee shall have a right to require, as a condition of approval, that an Owner provide indemnification on terms and conditions satisfactory to the Architectural Committee.

7.07 **Appeal.**

- (a) All decisions of the Architectural Committee are subject to review by the Board, except with regard to Improvements made by Declarant.
- (b) If an application is disapproved, the notice to the Owner shall include a description of the procedure for appealing the decision to the Board. The hearing for reconsideration must be at an opening meeting of the Board. If the disapproval was by the Board, then there shall be no requirement for reconsideration by the Board.
- (c) Written request for an appeal to the Board of a decision rendered by the Architectural Committee must be received by the Board via certified mail with return receipt not more than fifteen (15) days following the final decision of the Architectural Committee.
- (d) Unless the composition of the Architectural Committee is identical to that of the Board (in which case there are no appeals), the Board must review and decide upon the proposal within forty-five (45) days after receipt of the appeal, otherwise the proposal will be deemed approved.

7.08 **Commencement of Construction.**

Upon approval by the Architectural Committee, an Owner must commence construction pursuant to such approval within six (6) months of the date of such approval, or such approval shall no longer be valid and such Owner shall be obligated to resubmit its request for approval pursuant to the requirements of this Article. One (1) set of plans as finally approved shall be stamped approved and shall be retained by the Architectural Committee as a permanent record. The construction shall be performed by a qualified contractor licensed and bonded by the State of California who maintains such insurance as is reasonably required by the Association.

7.09 **Proceeding with Work.**

- (a) Upon receipt of approval from the Architectural Committee pursuant to this Article, the Owner shall satisfy, as soon as practicable, all conditions thereof and shall commence construction and shall thereafter work diligently to perform and complete all construction, reconstruction, additions, grading, refinishing, alterations and excavations pursuant to said approval and in accordance with the following provisions:
- (b) Except in the case of a bona fide emergency, all work shall be performed during reasonable daylight hours. All persons performing such work shall use their best efforts to minimize (i) the duration of the work, (ii) the inconvenience to other Owners in the Project and (iii) the accumulation of debris and construction materials on and around the Unit. All work shall be performed in a neat and orderly manner, and all reasonable safety precautions shall be taken during the performance of such work. Before commencement of any alteration or Improvement approved by the Architectural Committee, the Owner shall comply with all appropriate governmental laws and regulations and shall obtain all required governmental permits and approvals therefor. Approval by the Architectural Committee does not satisfy necessary and appropriate approvals and permits that may be required from any governmental entity with appropriate jurisdiction.
- (c) The Owner of any Unit upon which any work of Improvement is being performed shall indemnify, defend and hold harmless Declarant, the Architectural Committee, the Board, the Association and every other Owner in the Project from and against any and all liability arising out of or otherwise resulting from any negligent or intentional act or omission relating to the performance of such work by such Owner, its contractors, subcontractors, agents and employees.

7.10 **Failure to Complete Work.**

The Owner must complete the construction and landscaping, reconstruction, refinishing, or alteration of all Improvements on, in, under and/or about his Unit within a reasonable period of time as established by the Architectural Committee for that Improvement, unless an extension of time has been granted in writing by the Architectural Committee. If Owner fails to comply with this Section, the Architectural Committee may proceed in accordance with the other provisions of this Article as though the failure to complete the Improvement were a noncompliance with approved plans.

7.11 **Inspection; Compliance and Noncompliance Statements.**

- (a) Owner shall notify the Architectural Committee upon completion of Improvements, whereupon the Architectural Committee shall inspect the Improvements in order to determine whether the completed Improvements conform to plans and specifications approved by the Architectural Committee.
- (b) The Architectural Committee shall inspect the Improvements either within sixty (60) days after notification by the Owner of the completion of an Improvement or within ninety (90) days after the cessation of work on the Improvements if the Owner fails to notify the Architectural Committee of completion. The Architectural Committee's inspection rights shall include the right to require an Owner to take such action as may be necessary to remedy any non-compliance with the Architectural Committee-approved plans for the Improvements or with the requirements of this Declaration.
- (c) If for any reason an inspection has not been made within sixty (60) days of notification by the Owner of the completion of an Improvement or if the Owner has not been notified of any noncompliance within thirty (30) days after such inspection, the Improvement shall be deemed to be completed in substantial conformance with approved plans and specifications.
- (d) If the Improvements upon such Unit comply or by virtue of the passage of time are deemed to comply with the plans and specifications approved by the Architectural Committee, the Architectural Committee shall, upon request, issue a statement (hereinafter a "Compliance Statement") which will evidence such compliance.
- (e) If any of the Improvements upon such Unit do not comply with the provisions of the Governing Documents, the Architectural Committee shall issue a statement (hereinafter a "Noncompliance Statement") delineating the corrective action that is required to bring such Improvements into compliance with the Governing Documents. If an Owner fails to remedy any such noncompliance noticed by the Architectural Committee, then the Architectural Committee shall notify the Board in writing of the same.
- (f) Any Compliance or Noncompliance Statement issued by the Architectural Committee shall be executed by any person or persons authorized by resolution of the Board or by the president and secretary of the Association, and a copy thereof shall be retained in the records of the Association.
- (g) In the event the Architectural Committee has issued a Noncompliance Statement as to any such Unit, the Architectural Committee shall provide a Compliance Statement, upon request, after the corrective work has been satisfactorily completed. Such Compliance Statement shall then evidence that the Improvements upon such Unit comply with the provisions of the Governing Documents.
- (h) A Compliance Statement shall be conclusive evidence of compliance with the provisions of the Governing Documents as to the Improvements described in the Compliance Statement and further approval of any such Improvements shall not be required unless there is a change or alteration in material, exterior appearance, color or texture in such Improvements.

- (i) In the event an Improvement was commenced without the required approval of the Architectural Committee, or, if such Improvement was not completed within the time limitation established for such Improvement in the Architectural Guidelines or in substantial conformance with the approved plans and specifications, the Board shall notify the Owner in writing of such noncompliance, specifying the particulars of noncompliance, and shall require the Owner to remedy the same within thirty (30) days from the date of notification of such noncompliance. If the noncompliance is not cured within such thirty (30) day period, the Board, after notice and hearing as provided herein, may levy a Compliance Assessment against such Owner for the costs of removing or remedying such noncompliance and the Architectural Committee shall correct the violation or take other appropriate action.

7.12 Remedy for Noncompliance.

- (a) In the event of issuance of a Noncompliance Statement, then the Owner shall remedy or remove the same within thirty (30) days from the date that the written Noncompliance Statement is delivered to the Owner.
- (b) If the Owner does not correct the noncompliance within that period, then the Association shall have the right (i) to enter the Owner's Unit and to cause the noncompliance to be corrected and the cost of the same shall be reimbursed to the Association by the Owner and if not timely reimbursed, then the Association shall be entitled to pursue any and all legal rights and remedies against the Owner including the levying of a special assessment for the same against the Owner's Unit as herein permitted and/or (ii) to bring an action for damages or injunctive relief to remedy the same.
- (c) After the lapse of one (1) year after notice of completion of the Improvement or after correction of nonconforming work pursuant to a Noncompliance Statement, whichever occurs later, the Architectural Committee shall have no further right to exercise its remedies under this section. However, the Architectural Committee's remedies shall expire upon transfer of the Unit if such transfer occurs within the one-year period specified in this paragraph.

7.13 No Guarantee of Views.

- (a) Depending upon location, some Units in the Property may enjoy some unique view potential. The view, if any, from a Unit in the Property is subject to the limitations and disclaimers set forth in this section.
- (b) There are no express or implied easements for views or for the passage of light and air to any Unit in the Property. Although the provisions of this Article may have some effect on preserving views from and providing for the passage of light and air to an individual Unit, nevertheless Declarant, the Association, the Board, the Architectural Committee, and the directors, officers, employees, consultants, agents and contractors of the foregoing, do not make any representations or warranties, express or implied, concerning the view, if any, that a particular Unit will enjoy. Furthermore, the payment by any Owner of any "premium" does not constitute a representation or warranty, express or implied, concerning the view, if any, the Unit will enjoy.
- (c) Each Owner, by accepting a Grant Deed to his respective Unit, expressly acknowledges and agrees that any view which his Unit may enjoy as of the date of purchase may be impaired or obstructed by the installation of trees, other landscaping or other types of barriers, the growth or relocation of landscaping, the construction or other installation of Improvements in the Property and/or on any property adjoining the Property in accordance with applicable laws, codes, ordinances and regulations, and each Owner expressly consents to any such obstructions.
- (d) Each Owner further understands that the provisions of this Declaration establish certain architectural and landscaping controls applicable to the Property, and that each Owner has the right to enforce such controls. Except as expressly set forth in this Declaration, there are no rights concerning the preservation of any view.

ARTICLE VIII

MORTGAGEE PROTECTION

Article VIII provides certain protections to holders of the First Mortgage on any Unit, in order to make it easier for Owners to obtain purchase money loans or refinancing.

8.01 Subordination of Lien and Foreclosure.

- (a) Any lien for Regular or Special Assessments created or claimed in this Declaration:
 - (1) Is subject and subordinate to the rights of any First Deed of Trust that encumbers any part of the Property made for value in good faith; and
 - (2) May not in any way impair or invalidate the obligation or priority of a First Mortgage unless expressly subordinated in writing by the Mortgagee. The signing of any Mortgage to any subordination by lienholder included in this Declaration shall not constitute said lienholder's subordination to any future Assessment lien.
 - (3) The provisions of this paragraph (a) do not preclude other mortgagee protections provided by California law.
- (b) No breach of any provision of Declaration, nor the enforcement of any of its lien provisions, nor the Foreclosure of any lien created by or claimed under this Declaration, shall invalidate, affect or impair the lien of any Mortgage made in good faith and for value; but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through Foreclosure sale, Trustee's sale, or otherwise.
- (c) Upon Foreclosure of a First Mortgage, the purchaser:
 - (1) Will take the Condominium title free of any Assessment lien accrued up to the time of the Foreclosure sale, except that in the event the net sale proceeds exceed what is owed on all encumbrances prior to the Assessment lien, the Association shall be entitled to receive payment on any Assessment lien; and
 - (2) Is only obligated to pay Assessments or other Association charges accruing after the title to the Condominium is acquired.
- (d) Any First Mortgagee who obtains title to a Unit pursuant to the remedies in the Mortgage or by deed in lieu of Foreclosure shall not be liable for more than six (6) months of the Unit's unpaid Regular Assessments or charges accrued before acquisition of the title to said Unit by the Mortgagee.

8.02 Mortgagees Are Not Required to Cure Certain Breaches.

A First Mortgagee who acquires title by Foreclosure or by a deed in lieu of foreclosure or assignment in lieu of Foreclosure shall not be obligated to cure an existing breach of this Declaration that is non-curable or of a type that is not practical or feasible to cure.

8.03 **Effect of Breach of Declaration.**

- (a) Breach of this Declaration may not:
 - (1) Cause any forfeiture or reversion of title; or
 - (2) Create any right of re-entry other than as provided for in this Declaration.
- (b) Breach of this Declaration may be enjoined or abated by court action by the Association, Declarant, or any Owner, and damages may also be awarded provided that:
 - (1) The violation does not impair or invalidate the Mortgage lien or Deed of Trust made for value in good faith; and
 - (2) This Declaration binds any Owner whose title is derived through Foreclosure, Trustee's sale or otherwise.

8.04 **Exemption From Right of First Refusal.**

- (a) Any right of first refusal or option to purchase a Condominium that may be granted to the Association or other party may not impair the rights of a First Mortgagee to do any of the following:
 - (1) Foreclose or take title to a Condominium, pursuant to the remedies provided in the Mortgage;
 - (2) Accept a deed (or assignment) in lieu of Foreclosure in the event of default under the Mortgage; or
 - (3) Sell or lease a Condominium acquired by the Mortgagee.
- (b) No right of first refusal or similar restriction may be placed on an Owner's right to sell, transfer, or otherwise convey a Condominium, unless the Mortgagee, if any, grants written consent for the restriction.

8.05 **Restrictions on Certain Changes.**

- (a) Except as provided by statute in case of condemnation or substantial loss to the Property, at least sixty-seven percent (67%) of Owners and at least fifty-one percent (51%) of the votes of Eligible First Mortgagees (based on one vote per Unit for each Eligible First Mortgage held) must give written approval before the Association may do any of the following:
 - (1) Alter the method of determining Assessments or other charges levied against an Owner.
 - (2) Change, waive or abandon any regulations or enforcement pertaining to the architectural design, the exterior appearance or the maintenance of the Units or the Common Area(s).
 - (3) Fail to maintain Fire and Extended Coverage on insurable Common Area(s) as specified in this Declaration.

- (4) Amend the Governing Documents concerning any material provision, including but not limited to the following:
- (A) Voting rights;
 - (B) Reductions in reserves for maintenance, repair, or replacement of the Common Area improvements;
 - (C) Responsibility for maintenance and repairs;
 - (D) Reallocation of interests in the Common Area or Exclusive Use Common Area or rights to their use;
 - (E) Redefinition of any Unit boundary;
 - (F) Convertibility of Units into Common Area or Common Area into Units;
 - (G) Expansion or contraction of the Project or the addition, annexation, or withdrawal of property to or from the Project;
 - (H) Hazard or fidelity insurance requirements;
 - (I) Imposition of any restrictions on the leasing of Units except as provided herein;
 - (J) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
 - (K) Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in this Declaration;
 - (L) Any provisions that expressly benefit mortgagees, insurers, or guarantors; or
 - (M) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs.
- (b) Except as provided by statute in case of condemnation or substantial loss to the Property, at least sixty-seven percent (67%) of the votes of the First Mortgagees (based on one vote per Unit for each Eligible First Mortgage held), and at least sixty-seven percent (67%) of Owners in addition to the vote required from Owners, must give written approval before the Association may, by act or omission, do any of the following:
- (1) Abandon, partition, subdivide, encumber, sell or transfer any portion of a Unit or Common Area (other than granting easements as specified in this Declaration);
 - (2) Partition or subdivide any Unit;
 - (3) Seek to abandon or terminate the legal status of the Property;
 - (4) Use hazard insurance proceeds for losses to the Property (Unit or Common Area) for other than repair, replacement or reconstruction of the Property;
 - (5) Change the pro rata interest or obligation of any Unit for the purpose of: (i) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of each Owner in the Common Area, provided that no Owner's undivided interest in the Common Area may be changed without the consent of that Owner;

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- (6) Change or alter the priority of any liens created by or claimed under this Declaration;
 - (7) Modify or amend any provisions that are for the express benefit of First Mortgagees, insurers or governmental guarantors of First Mortgages;
 - (8) Modify or amend any provisions of this Declaration regarding insurance;
 - (9) Modify or amend any provisions of this Declaration which is a requirement of the FHA, VA, GNMA, FHLMC or FNMA.
- (c) An Eligible First Mortgagee's approval will be considered granted if a negative response is not delivered to the Board within sixty (60) days after the Eligible First Mortgagee receives notice of the proposed action, provided notice was delivered personally or by certified or registered mail, return receipt requested.
- (d) Any addition or amendment to the Declaration or Bylaws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only.

8.06 Inspection of Association Books and Records.

Any First Mortgagee has the right to examine the books and records of the Association during business hours and after notice to the Association. Any First Mortgagee shall be entitled, upon written request, to have an audited financial statement for the immediately preceding year, free of charge to the party so requesting.

8.07 Condemnation Awards and Insurance Proceeds.

Condemnation awards or insurance proceeds for losses to or taking of Units or Common Areas shall be distributed to the Owner(s) in proportion to the fair market value of their Unit, provided that if at the time of distribution there is a Mortgage on any individual Unit, the balance of such Mortgage (in order of priority) shall first be paid before the distribution of any awards or proceeds to the Owner whose Unit is mortgaged. Any provision to the contrary in this Declaration, the Bylaws, or other Governing Documents is to such extent void.

8.08 Loss Payable Endorsement.

All applicable fire, physical loss or extended coverage insurance policies must contain loss payable clauses naming the Mortgagees who encumber the Condominiums.

8.09 Mortgagee's Right to Attend Meetings.

Any Mortgagee may appear at Association and Board meetings, but is not eligible to vote except as provided in Section 8.05.

8.10 Payments by Mortgagees.

- (a) First Mortgagees may pay the following jointly or severally:
- (1) Taxes or other charges in default which may be a charge against any part of the Common Area(s); and
 - (2) Overdue premiums on hazard insurance policies, or to secure new hazard insurance coverage on the lapse of a policy for the Common Area(s).

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(b) Upon such payments, the Association:

- (1) Owes immediate reimbursement to First Mortgagees making such payments; and
- (2) Must, upon Mortgagee's request, execute an agreement that reflects the First Mortgagees' entitlement to such reimbursement.

8.11 **Notices to Mortgagees.**

(a) Each Eligible First Mortgagee is entitled to timely written notice of:

- (1) Any condemnation or casualty loss that affects a material portion of the Project or the Unit securing its Mortgage;
- (2) Any sixty-day delinquency in the payment of Assessments or charges owed by the Owner of any Unit on which it holds the Mortgage or any other breach or default under the Governing Documents by the Owner of any Unit on which it holds the Mortgage;
- (3) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (4) Any proposed action that requires the consent of a specified percentage of Eligible First Mortgagees.

(b) To obtain the information above, the Mortgagee, insurer or guarantor must send a written request to the Association, stating both its name and address and the Unit number or address of the Unit for which it has the Mortgage.

8.12 **Loan to Facilitate Resale.**

Any First Mortgage given to secure a loan to facilitate the resale of a Unit after acquisition by Foreclosure, or by a deed in lieu of Foreclosure or by an assignment in lieu in Foreclosure, shall be deemed to be a loan made for value in good faith and entitled to all of the rights and protections of First Mortgages under this Declaration.

8.13 **Control if Mortgagee Protections Conflict With Other Provisions.**

In the event of any conflict between any of the provisions of this Article and any other provisions of this Declaration or the Governing Documents, whether now or as hereafter amended, the provisions of this Article shall control.

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ARTICLE IX

DAMAGE AND DESTRUCTION TO IMPROVEMENTS

Article IX concerns restoration or other disposition in the case of damage or destruction of common areas.

9.01 Restoration of the Property.

In case of casualty damage to Common Area Improvements, the Association will repair and substantially restore the Common Area Improvements in accordance with the original as-built plans and specifications, modified as may be required by applicable building codes and regulations in force at the time of such repair or reconstruction:

- (a) If insurance proceeds cover at least eighty-five percent (85%) of repair costs, the Association will repair the damage and levy a reconstruction Assessment equally against the Owners to make up the balance of repair costs not covered by the insurance (according to the Article "Covenants for Assessments").
- (b) If insurance proceeds cover less than eighty-five percent (85%) of repair costs, the Association will repair the damage and levy a reconstruction Assessment equally against the Owners, for the balance of the repair costs not covered by the insurance, unless at least sixty-seven percent (67%) of the Owners (other than Declarant) determine either:
 - (1) To rebuild in a less expensive manner than substantial replacement, utilizing all available insurance proceeds. The Association will levy a reconstruction Assessment equally against the Owners to raise any rebuilding cost in excess of insurance proceeds; or
 - (2) Not to rebuild. All net insurance proceeds for the damage (after expenses of clearing debris and making the damaged area aesthetically pleasing) are at the Association's discretion to perform its functions according to the Governing Documents or to distribute equally to the Owners (subject to the rights of Mortgagees of record).
- (c) If the estimated cost of repair does not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, the Board shall cause the repair to occur without the consent of Members irrespective of the available amount of insurance proceeds. The Board is empowered to levy a Special Assessment if necessary as described herein.
- (d) If the Owners and Mortgagees determine that restoration costs would be substantial and reconstruction would not be in their best interests, the Owners may proceed as provided in Section 9.03 below.

9.02 Notice to Owners and Listed Mortgagees.

Immediately upon learning of any material damage or destruction to the Common Area or any Unit, the Board must notify all Owners, and First Mortgagees, insurers or guarantors of any relevant Mortgagees who have filed a written request for Board notice (see "Mortgagee Protection" Article).

9.03 Sale of Property and Right to Partition.

If the Owners elect not to rebuild, a qualified independent appraiser licensed by the State of California Office of Real Estate Appraisers selected by the Board shall determine the relative fair market values of all Condominiums as of a date immediately prior to any damage or destruction and the proceeds of insurance shall be apportioned among all Owners, and their respective Mortgagees, in proportion to such values.

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9.04 **Damage to Dwellings.**

- (a) The repair or reconstruction of any damaged Units shall commence as soon as reasonably practicable after the occurrence of such damage or destruction and shall be completed as quickly as is reasonably practicable after commencement of reconstruction, subject to delays that are beyond the control of the party responsible for making the repairs.
- (b) If an Owner is required to make any repair, or if an Owner desires to rebuild any Improvement or install any fixture or equipment, which will affect or involve any interior bearing wall or other portion of the Common Area, the prior written approval of the Architectural Committee must be obtained.
- (c) Notwithstanding the foregoing, the Owner must immediately take reasonable steps as required to secure any hazardous conditions resulting from the damage or destruction and to screen any unsightly views resulting from the damage or destruction.

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ARTICLE X

CONDEMNATION

Article X concerns condemnation of Common Areas by a governmental entity.

10.01 Representation by the Board in Condemnation Proceedings.

- (a) If any portion of a Common Area is to be condemned or sold by eminent domain, the Board (or its delegation) will:
 - (1) Represent Owners in the proceedings;
 - (2) Immediately give notice of the condemnation threat to all Mortgagees, insurers and guarantors of First Mortgages who have filed written requests for notices; and
 - (3) Be entitled to make a voluntary sale to the condemner in lieu of engaging in a condemnation action.
- (b) Any award(s) received shall be paid to the Association.
- (c) If only part of a Common Area is affected, the rules regarding restoration and replacement of the Common Area and Improvements apply as if in the case of destruction.
- (d) If any of the net condemnation award is not used to restore the remaining Common Area, the Association will handle the award in accordance with the Article entitled, "*Damage and Destruction to Improvements*".

10.02 Distribution of Award.

- (a) In case of condemnation or sale by eminent domain, the Board must distribute any award according to these provisions (after deducting fees and expenses related to the condemnation proceedings).
- (b) Any award must first be distributed to the Owner(s) in proportion to the fair market value of their Condominium, provided that if at the time of distribution there is a Mortgage on any individual Condominium, the balance of such Mortgage (in order of priority) shall first be paid before the distribution of any awards or proceeds to the Owner whose Condominium is mortgaged.
- (c) If a condemnation judgment apportions the award among the Owners and Mortgagees, the Board will distribute the remaining amount (after deductions above) according to the terms of the judgment allocation.
- (d) If by sale under threat of condemnation (or if the judgment of condemnation fails to apportion the award), the Board will distribute the award based upon relative values of the affected Condominiums as determined by a qualified independent appraiser licensed by the State of California Office of Real Estate Appraisers that is selected by the Board.

ARTICLE XI

**COVENANT AGAINST PARTITION AND RESTRICTION ON
SEVERABILITY OF CONDOMINIUM COMPONENT INTEREST**

Article XI governs partition of the Property.

11.01 **No Partition; Exceptions; Power of Attorney.**

- (a) An Owner may not bring an action for partition of the Common Area by sale except as provided in California Civil Code Section 1359 (or any similar statute in effect at the time).
- (b) These provisions do not prevent a judicial partition between co-tenants of a Condominium.
- (c) Subject to obtaining the prior approval by vote or written consent of seventy-five percent (75%) of the Owners and seventy-five percent (75%) of all First Mortgagees, the Association (through its Board) has irrevocable power of attorney to sell the Property for the benefit of Owners and Mortgagees when partition takes place under California Civil Code Section 1359.

11.02 **Proceeds of Partition Sale.**

- (a) Whenever an action is brought for partition by sale, the Owners will share the proceeds in the same proportion as the relative values of each Condominium, determined by comparing its fair market value on partition date (established by an Licensed appraiser selected by the Association) to the fair market value of all Condominiums in the Property on that date.
- (b) If applicable, distribution of partition sale proceeds must be adjusted to reflect prior condemnation awards or insurance proceeds paid to Owners and Mortgagees.

11.03 **No Separate Conveyance of Condominium Components.**

- (a) An Owner may not sever, sell, convey or encumber a Condominium's component interests, such as the undivided interest in the Common Area from the Unit.
- (b) The provisions of this Section terminate when a partition is decreed, either judicial or in accordance with this Article.

ARTICLE XII

EASEMENTS

Article XII addresses easements within the property.

12.01 Creation of Easements.

- (a) Easements referred to herein are established upon the First Close of Escrow in the Project, and the provisions hereof with respect to such easements shall be covenants for the use and benefit of Condominiums and Property superior to all other encumbrances.
- (b) Individual Grant Deeds to Condominiums shall state that the grant is made subject to the provisions of this Declaration, and may set forth reference to these easements, but are not required to do so.

12.02 Reservation of Easements for Declarant's Construction and Marketing Activities.

- (a) So long as Declarant, its successors or assigns, owns any of the real property described in this Declaration, it shall have a right and easement over, through, in and to all of the Common Area for ingress, egress, parking and enjoyment for itself, its agents, employees and prospective purchasers of the Units, which rights and easements shall include, without limitation:
 - (1) Improvements. Easements over i) the Common Area for the purpose of constructing, erecting, completing, operating and maintaining thereon, therein or thereunder, roads, streets, walks, and driveways, as long as any Unit remains unsold; and ii) the Property for the installation and maintenance of electric, telephone, cable television, water, gas, irrigation lines, sanitary sewer lines and drainage facilities, provided that access for such purpose is not otherwise reasonably available;
 - (2) Construction and Sales. Easements for construction, display, maintenance, sales and exhibit purposes over the Common Area, other than Exclusive Use Common Area if any, in connection with the erection and sale or lease of Residences within the Property provided, however, that such use shall not be for a period beyond the sale by Declarant of all Units within the Property; and
 - (3) Utilities. Easements, whether or not shown on the Tract Map/Condominium Plan, over the Property for the installation and maintenance of electric, telephone, cable television, community antenna television system, water, gas, sanitary sewer lines and drainage facilities. Declarant further reserves the right to grant and transfer easements over the Units and Common Area(s) for installation, maintenance and repair of the Service Lines and Facilities.
- (b) The easements reserved to Declarant, or granted and conveyed by Declarant pursuant to this Section shall not unreasonably interfere with the use and enjoyment by the Owners of the Property, and any repair or restoration necessitated by any such installation, construction or maintenance shall be completed by the holder of the easement that has entered upon the Property for any such purpose within a reasonable time after the occurrence of such damage or need for restoration.
- (c) This reservation of easements by Declarant shall in no way be construed as an admission of any duties or responsibilities above and beyond those set forth elsewhere in this Declaration.

12.03 **Certain Easements for Association.**

- (a) The Association has, and may grant, nonexclusive easements and rights of way for ingress, egress and access to all portions of the Property as reasonably required to perform its maintenance obligations and other duties established in this Declaration, and further has utility and drainage easements as hereinafter provided to maintain the health, safety, convenience and enjoyment of the Units and Common Area(s).
- (b) Declarant hereby reserves for the benefit of the Association the right to grant additional easements and rights-of-way over the Property to utility companies and public agencies, as necessary, for the proper development and sale of the Property. Such right of Declarant shall expire upon the close of escrow for the sale of all Units in the Project.
- (c) The Association shall have the right and power to grant and convey to any third party, easements and rights of way in, on, over or under the Units and the Common Area for the purpose of construction, erection, maintenance, repair, replacement, removal and inspection of present and future utilities, including but not limited to pipelines, sewer, water and gas lines, drain pipes, utility and telephone lines, meters and related facilities, lines, cables, wires or other conduits or devices for water, gas or cable television, electricity, power, telephone and other purposes and any other similar public or quasi-public improvements or facilities, and each purchaser, by acceptance of a deed to his Unit, expressly consents to such easements. However, no such easement shall be granted if it would interfere with the use, occupancy or enjoyment by any Owner of his Unit.

12.04 **Certain Easements for Owners.**

- (a) Declarant grants nonexclusive easements for enjoyment, ingress, egress, pedestrian walkway and general recreation purposes over and upon all portions of the Common Area to all Owners, subject to other provisions of the Governing Documents.
- (b) Owner rights and duties with respect to drainage facilities, sanitary sewer, water, electricity, gas, telephone, cable television, security system lines, meters, wires, ducts, flues, pumps, boilers, pipes and other Service Lines and Facilities are as follows:

Easements for Service Lines and Facilities in Units or Common Area(s) is granted in favor of the Owner of a Unit or Association served by said Service Lines and Facilities to the full extent necessary for the maintenance and repair by the Owner, Association, or servicing company;

Whenever Service Lines and Facilities are installed within the Project, which Service Lines and Facilities or any portion of those facilities lies in or upon Condominiums owned by other than the Owner of a Condominium served by those Service Lines and Facilities, the Owners of any Unit served by those Service Lines and Facilities shall have the right of reasonable access for themselves or for utility companies to repair, replace and generally maintain those Service Lines and Facilities as and when necessary, due to failure or inability of the Board to take timely action to make such repairs or perform such maintenance.

If Service Lines and Facilities serve more than one Unit, each Owner served is entitled to reasonable use and enjoyment and access for repair, replacement and maintenance of all necessary portions of the Service Lines and Facilities. In the event of a Dispute between Owners respecting the repair, replacement or maintenance of the Service Lines and Facilities, or the sharing of the cost thereof, said Owners shall first contact the appropriate utility company in an effort to resolve the Dispute; provided however, if said Dispute remains unsolved, the matter shall be submitted to the Board who shall decide the Dispute and the decision of the Board shall be final and conclusive on the Owners.

- (c) Notwithstanding that an Owner may install Improvements within said easement area with the approval of the Architectural Committee, each Owner acknowledges that such Improvements may be removed by the respective utility or public agency to maintain, repair or replace any of the foregoing facilities without any liability to the Owner to repair or restore such Improvements.

- (d) Declarant hereby reserves, for its benefit and the benefit of the Association and each Owner, nonexclusive easements on, over, across and through all Units for the construction, installation, inspection, maintenance, repair and replacement of drainage lines and improvements, electrical plumbing, and subdrain lines, access ports, and the like, wherever same may be located, in accordance with the provisions of this Declaration. Such easements over such portions of each Unit shall be appurtenant to, binding upon, and shall pass with the title to, every Unit conveyed.

12.05 Drainage Easements.

- (a) The Association and each Owner accept the drainage facilities and pattern for the Units and Common Area(s) as referenced in that certain Covenant and Agreement Regarding Drainage Easement, recorded on February 8, 2013 as Instrument No. 20130204645, Official Records of Los Angeles County and depicted on the Condominium Plan as a 3 foot, 5 foot and 10 foot wide drainage easement, and established by the final grading of the Property originally undertaken by Declarant (including "cross-unit" drainage from adjacent Units and Common Areas).
- (b) The established drainage pattern may not be altered without prior written approval by the Association and/or Architectural Committee.
- (c) If the drainage pattern must be altered, the party requesting the alteration must make reasonable and adequate provisions for proper drainage and pay for its costs.
- (d) Each Owner is to maintain the drainage system for his/her Unit including, but not limited to, the cleaning of the drainage system. The Association will be responsible for the maintenance and repair of the main drainage lines and/or system for the Project, which is located within a Unit or which is located in the Common Area. If a repair to the main drainage lines and/or system is required due to damage by an Owner, the Owner will be responsible for all expenses for the repair of such main lines and/or system.
- (e) Declarant hereby grants to the Association nonexclusive easements over the Common Areas and Units as reasonably necessary to discharge its obligations as described in the Covenant and Agreement referred to in 12.05 (a) above, depicted on the Condominium Plan and as provided in this Declaration, including maintenance and repair of the drainage systems.

12.06 Utility Easements.

The Association shall grant easements and rights of way through the Common Area and separate interests for the maintenance or betterment of water, sewer, telephone and cable lines, satellite television, gas and other utilities, storm drains, underground conduits, sprinkler systems, and other purposes intended to maintain the health, safety, convenience and enjoyment of the Units and Common Area, and for the reading of utility meters and sub-meters.

12.07 Encroachment.

- (a) Each Owner is hereby granted an easement over all adjoining Units and the Common Area for the purpose of accommodating any minor encroachments due to engineering errors, errors in original construction, settling or shifting of any building, or any other cause. There shall be easements for the maintenance of said encroachments so long as they shall exist and the rights and obligations of Owners shall not be altered in any way because of the encroachment, settlement or shifting; provided that, in no event shall an easement for encroachment be created in favor of any Owner if the encroachment occurred due to the Owner's willful misconduct. In the event any portion of any building is partially or totally destroyed and then rebuilt, each Owner agrees that easements for minor encroachments (and for the maintenance of same) over all adjoining Units and the Common Area shall exist so long as the encroachment exists.

- (b) If a portion of a Unit encroaches on, over and across any portion of a contiguous Unit or Common Area, the encroaching Unit Owner's easement rights shall be exclusive.
- (c) If a portion of the Common Area encroaches on, over and across any portion of a contiguous Unit, the Association's easement rights shall be non-exclusive.
- (d) Declarant, the Association and Owners of the encroaching improvements shall have the right to maintain, repair or replace the encroaching improvements.
- (e) In the event any portion of the Project is partially or totally destroyed, the encroachment easement shall exist for any replacement structure that is rebuilt pursuant to the original construction design.
- (f) In interpreting this Declaration, the Condominium Plan and all instruments of conveyance, the existing physical boundaries of Unit(s), including any encroachment as defined in (a) above, shall be the actual boundaries, rather than any description and/or depiction set forth in this Declaration, the Condominium Plan, or instrument of conveyance.
- (g) Easements and reciprocal negative easements for utility services and repairs, replacement and maintenance of same over the Common Area(s) are specifically reserved for the benefit of the Owners. The foregoing easements shall not unreasonably interfere with an Owner's use and enjoyment of such Owner's Unit.
- (h) The easements for the maintenance of the encroaching improvement shall exist for as long as the encroachments exist; provided, however, that no valid easement of encroachment shall be created due to the willful misconduct of the Association or any Owner. Any easement of encroachment may, but need not be, cured by repair and restoration of the structure.

ARTICLE XIII

ZERO UNIT LINE WALLS AND EASEMENTS

Article XIII covers the style of Units and easements with adjacent Units.

13.01 Unit Type.

The Condominium Units within the Project are designed in a "detached" style wherein each residential structure contains only one Unit. Furthermore, these separate and detached residential structures are situated within the boundaries of the Unit with "Zero Unit Line Walls", wherein one side wall of the residential structure comprises a portion of one of the Unit's boundary lines between certain contiguous and adjacent Units, creating a front yard, a back yard and one (1) side yard.

13.02 Easement.

- (a) Declarant does hereby create, establish and reserve permanent and perpetual non-exclusive easements appurtenant to Units with Zero Unit Line Walls ("Dominant Tenement") on, over and across those certain portions of the adjacent Units abutting the Zero Unit Line Walls of the Dominant Tenements ("Servient Tenement") for maintenance purposes and for encroaching roof overhangs, window boxes and/or fireplaces and chimneys, if any.
- (b) The "Easement Area" shall consist of a strip of land, as reasonably necessary, within the Servient Tenement abutting the Zero Unit Line Wall of the Dominant Tenement. The non-exclusive easement rights created, established and reserved herein are for ingress, egress and access in, on, over and across the Easement Area as may be reasonably necessary to allow the Owner of the Dominant Tenement to paint, maintain and repair the Zero Unit Line Wall, the exterior surfaces of the Residential Structure within any Dominant Tenement, and any utilities installed, including underground utilities.
- (c) The easement rights reserved herein are non-exclusive. The Dominant Tenement Owner has the right to use the Easement Area, so long as The Dominant Tenement Owner's use of the Easement Area does not materially interfere with the use of the Easement Area by the Servient Tenement Owner, subject to the conditions and provisions set forth in this Article. Likewise, the Servient Tenement Owner has the right to use the Easement Area, so long as the Servient Tenement Owner's use of the Easement Area does not materially interfere with the use of the Easement Area by the Dominant Tenement Owner, subject to the conditions and provisions set forth in this Article.

13.03 Maintenance.

- (a) The Owner of the Dominant Tenement shall paint, maintain, and repair the Zero Unit Line Wall in a neat, clean, safe, sanitary and attractive condition at all times, and shall bear all costs thereof.
- (b) In the event any painting, maintenance or repair is required due to the fault of the Owner of the Servient Tenement, the Owner of the Servient Tenement shall promptly cause said work to be performed and shall bear all costs thereof.
- (c) Except in the case of a bona fide emergency, the Owner of the Dominant Tenement shall give the Owner of the Servient Tenement at least twenty-four (24) hours prior written notice of his intention to enter upon the Servient Tenement Owner's Unit and Easement Area and shall perform all necessary work during reasonable daylight hours. In the event of an emergency, such entry may be made at any time and without notice. Under all circumstances, the Owner of the Dominant Tenement shall use his best efforts to minimize the duration of the work and the inconvenience to the Owner of the Servient Tenement.

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- (d) In the event that the Dominant Tenement Owner shall fail to maintain the Zero Unit Line Wall, the Association, after Notice and Hearing, shall have the right, but not the obligation, to enter on any Unit and Easement Area for the purpose of remedying the condition. The Dominant Tenement Owner shall promptly reimburse the Association for the cost thereof. Such cost may be levied by the Board as a Special Assessment.
- (e) The Servient Tenement Owner shall not plant any tree, shrub or other landscaping upon the Easement Area which would: (a) impair or otherwise threaten the structural integrity of the adjacent residential structure of any Dominant Tenement; or (b) interfere or impede necessary access for maintenance and repair to the Zero Unit Line Wall. Neither the Dominant Tenement Owner nor the Servient Tenement Owner shall construct, install or erect any Improvement upon any Easement Area, except as expressly permitted by the Architectural Committee. The Owner of the Dominant Tenement shall not drive any nails, screws, bolts or other objects into the Zero Unit Line Wall, or permit anything to damage the appearance or structural integrity of the Zero Unit Line Wall.

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ARTICLE XIV

AMENDMENT

Article XIV concerns amendments to the Declaration.

14.01 Amendment.

- (a) Before the First Close of Escrow of a Condominium, and subject to the consent of the First Mortgagee, if any, Declarant may unilaterally amend this Declaration (subject to the Article entitled "*Mortgagee Protection*") by recording an instrument of amendment in the relevant County Recorder's Office.
- (b) After the First Close of Escrow of a Condominium, this Declaration may only be amended in the following ways (and subject to the Article entitled "*Mortgagee Protection*"):
 - (1) If there is only one Membership Class, approval by at least sixty-seven percent (67%) of Members other than Declarant, and by at least sixty-seven percent (67%) of the Total Voting Power, including Declarant; and either i) an instrument signed by two (2) Association officers certifying that the amendment was approved by at least sixty-seven percent (67%) of Members other than Declarant, and also approved by at least sixty-seven percent (67%) of the total voting power, including Declarant; or ii) an instrument signed by all Owners representing the required approval, including the Members other than Declarant and the Total Voting Power, including Declarant.
 - (2) If Class B Membership exists, approval by at least sixty-seven percent (67%) of the Members of each Class, and either i) an instrument signed by two (2) Association officers certifying that the amendment was approved by sixty-seven percent (67%) of the Members of each Class; or ii) an instrument signed by all Owners representing the required vote of each Class.
- (c) Any amendment must be properly recorded in the County Recorder's Office.
- (d) The percentage of Owners needed to amend this Declaration may not be less than the percentage of affirmative votes prescribed for action to be taken under the relevant provision.
- (e) An Owner or the Association may petition the Superior Court for an order reducing the percentage of affirmative votes needed to amend this Declaration (pursuant to Civil Code Section 1356, or any successor statutes).
- (f) While the Declarant holds or directly controls at least twenty-five percent (25%) of the votes, any proposed amendment to any Governing Documents must comply with Business and Professions Code Section 11018.7.
- (g) No amendments to any provisions in this Declaration including, but not limited to, the Article entitled "*Dispute Notification and Resolution Procedures*" or other Governing Documents which specifically benefit or otherwise relate to the Declarant as developer, shall be made without the written consent of the Declarant.
- (h) Notwithstanding any other portion of this Section, for so long as Declarant owns any portion of the Property, Declarant may unilaterally amend this Declaration by recording an instrument in writing, signed by Declarant, without the consent of the Association or any other Owner, provided that such amendment is made in order to: (1) conform this Declaration to the requirements of the DRE, VA, FHA, FNMA, FHLMC, or any other governmental entity; (2) amend, replace or substitute any Exhibit for any purpose to the extent that the Exhibit affects portions of the Project that have not yet been conveyed to the Association or for which there has been no Close of Escrow, as applicable, (3) amend, replace or substitute any Exhibit to correct typographical or

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engineering errors; (4) include any Exhibit that was inadvertently omitted from the Declaration at the time of recording; and (5) supplement or amend this Declaration with provisions which pertain to rights and obligations of Declarant, the Association or Owners arising under the Right to Repair Act at Division 2, Part 2, Title 7 (commencing with Section 895) of the California Civil Code.

- (i) An amendment for the purpose of correcting technical errors, clerical mistakes or for clarification shall not be construed as a material change to the Governing Documents and may be made upon a majority vote of the Board of Directors without vote of the Membership.

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ARTICLE XV

DISPUTE NOTIFICATION AND RESOLUTION PROCEDURES

Article XV provides an expedited means of resolving any claims, disputes and disagreements relating to either the Governing Documents or construction defects, which may arise between or among i) Owner, and/or ii) the Association, and/or iii) Declarant. To the extent permitted by law, all such disputes shall be resolved under the "Alternative Dispute Resolution" procedures provided by this Article.

15.01 Enforcement and Nonwaiver.

- (a) Rights of Enforcement of Governing Documents. The Association or any Owner shall have a right of action against any Owner, and any Owner shall have a right of action against the Association, to enforce by proceedings at law or in equity, all restrictions, conditions, covenants and reservations, now or hereafter imposed by the provisions of the Governing Documents or any amendment thereto, including the right to prevent the violation of such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation except that Owners shall not have any right of enforcement concerning assessment liens. The Association shall have the exclusive right to the enforcement of provisions relating to architectural control and the Rules and Regulations, unless the Association refuses or is unable to effectuate such enforcement, in which case any Owner who otherwise has standing shall have the right to undertake such enforcement. Failure of the Association, Declarant or any Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.
- (b) Procedure for Enforcement. Notwithstanding anything to the contrary set forth in subparagraph (a) above, in enforcing any action under the Governing Documents for monetary damages, the parties shall comply with the provisions of California Civil Code Section 1354 and any successor statutes or laws. The Board shall annually provide to the Owners a summary of the provisions of California Civil Code Section 1354 and any successor statutes or laws, which shall include the language required and shall be delivered in the manner provided in Civil Code Section 1365. The exception for disputes related to Association assessments set forth in Section 1354 shall not apply to disputes between an Owner and the Association regarding assessments imposed by the Association, if the Owner chooses to pay in full the Association all of the assessments as specified in California Civil Code Section 1366.3 and any successor statutes or laws.

15.02 Notice of Actions Against Declarant.

To the extent applicable, the Association shall comply with the provisions of California Civil Code Sections 1368.4, 1375, and any successor statutes or laws.

15.03 Alternative Dispute Resolution.

The purpose of this section is to provide an expedited means of resolving any claims, disputes and disagreements which may arise between i) Owner or the Association, and ii) Declarant concerning the Property that are not resolved pursuant to any applicable statutory dispute resolution procedures (individually referenced to herein as "**Dispute**" and collectively as "**Disputes**").

- (a) Election to Use Contractual Non-Adversarial Procedures. The Declarant has elected to use the contractual pre-litigation procedures ("**Contractual Pre-Litigation Procedures**") contained herein in lieu of the statutory pre-litigation procedures contained in California Civil Code Sections 910 through 938 ("**Statutory Pre-Litigation Procedures**").

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- (1) If at any time during the ten (10) year period following the recording of this Declaration, as such period may be extended by any applicable tolling statute or provision, or any shorter period as provided by applicable law, the Owner or the Association discovers a material, structural design or other defect in the Property covered by Civil Code Section 895 *et seq.* ("**Claimed Defect**") that the Owner and/or the Association feel(s) may be the responsibility of Declarant, the Owner/Association shall notify the Declarant, in writing, at the Declarant's address for service of process registered with the California Secretary of State, which is currently c/o California Home Builders, 21510 Roscoe Blvd., Canoga Park, California 91304.
 - (2) Prior to the Close of Escrow, the Owner received Exhibit A to the Real Estate Purchase Contract and Receipt for Deposit and Escrow Instruction ("**Dispute Notification and Resolution Procedure and Waivers**"). The Dispute Notification and Resolution Procedure and Waivers specifically describes the Contractual Non-Adversarial Procedures and binds the Declarant and the Owner of any part of the Property to resolve any claim or dispute that arises after the Close of Escrow or any such claim or dispute that arises prior to the Close of Escrow, but is not resolved fully and finally prior to the Close of Escrow. In this connection, if a claim or dispute arises prior to the Close of Escrow (including a claim or dispute that, with the exercise of reasonable diligence would have been apparent prior to the Close of Escrow, but was not discovered until after the Close of Escrow and irrespective of whether or not notice of such claim or dispute is provided to the other party or such claim or dispute is filed or initiated prior to the Close of Escrow), but is not fully and finally resolved prior to the Close of Escrow, such claim or dispute shall be resolved solely by the Contractual Pre-Litigation Procedures set forth in the Dispute Notification and Resolution Procedure and Waivers and contained herein.

NOTICE: THE OWNERS AGREEING TO HAVE ANY DISPUTE DECIDED BY A NEUTRAL ARBITRATION, AS PROVIDED BY THE FEDERAL ARBITRATION ACT, ARE GIVING UP ANY RIGHTS THEY MIGHT POSSESS TO HAVE THE DISPUTE DECIDED BY A JUDGE OR JURY, INCLUSIVE OF THE RIGHT TO DISCOVERY AND APPEAL.

- (3) This Declaration evidences a transaction involving interstate commerce. The Federal Arbitration Act (9 U.S.C. Sections 1-6) now in effect and as it may be amended will govern the interpretation and enforcement of this Declaration to the exclusion of any different or inconsistent state or local law, ordinance, regulation or judicial rule.
- (4) The Right to Repair Act (California Civil Code) governs standards and procedures for the resolution of construction defect matters and became effective as of January 1, 2003. Declarant has elected **NOT** to engage in, follow, or be bound by the portions of the Right to Repair Act set forth in California Civil Code Sections 910-938. Rather, Declarant and the Owner the Association agree to follow the Contractual Non-Adversarial Procedures set forth below.
- (5) Declarant, the Owners and the Association recognize that the construction process is complicated and that from time to time certain improvements to the Property ("**Improvements**") may require repair. The Owners and the Association therefore recognize that the Declarant requires the opportunity to inspect and/or repair the Improvements. Accordingly, if the Owners and/or the Association contend(s) or allege(s) that any Improvement requires repair or that the Declarant, any of its agents, consultants, subcontractors or material suppliers (collectively, "**Declarant's Agents**") was responsible for the need to make such repair because of any action or inaction by the Declarant or the Declarant's Agents in the planning, surveying, design, engineering, grading, specifications, construction, supervision, testing or other development of the Property (collectively, "**Repair Issue**"), the Declarant is hereby granted the irrevocable right to inspect, repair, and/or replace any such Improvement pursuant to the procedures set forth herein, **provided however**, nothing herein is intended nor shall be applied to create any obligation on the part of the Declarant to inspect, repair or replace any Improvement, except as otherwise provided in "Your New Home Warranty", (provided to original Owner). In the event that the Owners and/or the Association allege(s) that a repair completed pursuant to the procedures set forth herein is not properly completed, or if the Declarant fails to follow such procedures, the Owners and/or the Association shall

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have the right to institute arbitration proceedings pursuant to the Federal Arbitration Act (9 U.S.C. Section 1-6) now in effect and as it may be amended, which will govern the interpretation and enforcement of this Declaration to the exclusion of any different or inconsistent state or local law, ordinance, regulation or judicial rule.

- (6) The Declarant shall not be liable for any general, special or consequential damage, cost, diminution in value or other loss that the Owner and/or the Association may suffer as a result to any Claimed Defect in the Property, which reasonably might have been avoided had the Owner and/or the Association given the Declarant timely notice and opportunity to cure said Claimed Defect. Except as otherwise provided in the written Limited Warranty provided to Owners, nothing contained herein shall establish any contractual duty or obligation on the part of the Declarant to repair, replace or cure any Claimed Defect.
 - (7) If an Owner sells or otherwise transfers ownership to any other person, Owner covenants and agrees to give such other person written notice of or a copy of this Declaration by personal delivery. The Owner's obligation per this covenant shall be binding upon all Owners of the Property.
- (b) **Mediation - Disputes Subject to Mediation.** If the parties to the dispute cannot resolve the claim pursuant to the procedures described above (including, if applicable, Civil Code Section 1375 procedures), the matter shall be submitted to mediation pursuant to the mediation procedures adopted by the American Arbitration Association (except as such procedures are modified by the provisions herein) or any successor thereto or to any other entity offering mediation services that is acceptable to such parties. No person shall serve as a mediator in any dispute in which that person has any financial or personal interest in the result of the mediation, except by written consent of all parties to dispute participating in the mediation. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or to prevent a prompt commencement of the mediation process. Except as provided below, the Owner and the Association covenants that the Owner and/or the Association shall not commence any litigation against Declarant or any agent of the Declarant without complying with the procedures described herein.
- (1) **Position Memoranda/Pre-Mediation Conference.** Within ten (10) days of the selection of the mediator, each party to the dispute participating in the mediation shall submit a brief memorandum setting forth its position with regard to the issues that need to be resolved. The mediator shall have the right to schedule a pre-mediation conference and all parties to dispute participating in the mediation shall attend unless otherwise agreed. The mediation shall be commenced within ten (10) days following the submittal of the memoranda and shall be concluded within two (2) days from the commencement of the mediation unless the parties participating in the mediation mutually agree to extend the mediation. The mediation shall be held in the county in which the Property is located or such other place as is mutually acceptable to the parties to the dispute participating in the mediation.
 - (2) **Conduct of Mediation.** The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the dispute. The mediator is authorized to conduct joint and separate meetings with the parties to the dispute participating in the mediation and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspect of the dispute, provided the parties to the dispute participating in the mediation agree and assume the expenses of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties to the dispute participating in the mediation.

- (2) Exclusion Agreement. Prior to the commencement of the mediation session, the mediator and all parties to the dispute participating in the mediation shall execute an agreement pursuant to California Evidence Code Section 1115 *et seq.* and any other successor statutes or laws, in order to exclude the use of any testimony or evidence produced at the mediation in any subsequent dispute resolution forum, including, but not limited to, court proceedings, reference proceedings or arbitration hearings. Pursuant to California Evidence Code Section 1115 *et seq.*, the agreement shall specifically state that evidence of anything said, or of any admission made, in the course of the mediation is not admissible evidence, and disclosure of any such evidence shall not be compelled in any civil action or proceeding in which, pursuant to law, testimony can be compelled. Unless said document provides otherwise, no document prepared for the purpose of, or in the course of, or pursuant to the mediation or copy thereof, is admissible in evidence, and disclosure of any such document shall not be compelled in any civil action or any other proceeding in which, pursuant to law, testimony can be compelled. The provisions of California Evidence Code Section 1115 through 1128 shall also be applicable to such mediation process.
- (4) Parties Permitted at Sessions. Persons other than the parties to the dispute participating in the mediation, their representatives and the mediator may attend mediation sessions only with the permission of the parties to the dispute participating in the mediation and the consent of the mediator. Confidential information disclosed to a mediator by the parties to the dispute participating in the mediation or by witnesses in the course of the mediation while serving in such capacity shall be confidential. There shall be no stenographic record of the mediation process.
- (5) Expenses. All expenses of the mediation, including, but not limited to, the fees to initiate mediation, fees and costs charged by the mediator, and the expenses of any witnesses or the cost of any proof of expert advice produced at the direct request of the mediator, shall be borne equally by the parties to the dispute participating in the mediation unless they agree otherwise. Except as provided herein, the expenses of witnesses for either side shall be paid by the party producing such witnesses.
- (c) Arbitration. Should mediation, pursuant to the procedures above, not be successful in resolving the dispute, such dispute, claim, controversy, default or breach of this Declaration that arises between the Owner and/or the Association and the Declarant, including without limitation, a dispute about a Repair Issue or the marketing, sale, design, construction, warranty, condition or conveyance of the Property or physical or bodily injury in connection with the Property (collectively, "**Dispute(s)**") shall be resolved at the request of either party, by final and binding arbitration. The agreement evidences a transaction involving interstate commerce. The Federal Arbitration Act (9 U.S.C. Sections 1-6) now in effect, and as it may be amended will govern the interpretation and enforcement of the arbitration provisions set forth herein to the exclusion of any different or inconsistent state or local law, ordinances, regulation or judicial rule. Said arbitration shall be administered in accordance with the Arbitration Rules of the American Arbitration Association ("AAA"), and judgment upon any award rendered by the arbitrator(s) may be entered by any State or Federal Court having jurisdiction thereof. The arbitrator in any such proceeding shall apply California substantive law. The arbitrator shall have the power to grant all legal and equitable remedies and award damages provided by California law. The parties hereby submit to the jurisdiction of the courts of the State of California and the United States District Court, Central District of California, for the purpose of enforcing this Declaration to arbitrate and any and all awards or orders rendered pursuant thereto.
- (1) Agreement to Arbitrate. The arbitration will be conducted by a retired judge from the Los Angeles Superior Court, the Appellate Court of the State of California, or the District Court of California, not affiliated with Judicial Arbitration and Mediation Services ("JAMS"). If the parties cannot agree on one such judge, the party demanding arbitration shall provide the other party with a list of seven such retired judges ("**List**"). If the parties have not succeeded in mutually agreeing upon a retired judge to serve as arbitrator within fifteen (15) days after receipt of List, either party may submit by *ex parte* or other application to the Presiding Judge of the Los Angeles Superior Court, a request for the appointment of a retired judge to act as arbitrator. The proceedings shall be heard in the county in which Property is located.

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- (2) Commencement and Timing of Proceeding. The arbitrator shall promptly commence the proceeding at the earliest convenient date in light of all of the facts and circumstances and shall conduct the proceeding without undue delay. The arbitrator may require one or more pre-hearing conferences.
 - (3) Discovery. The parties to the arbitration proceeding shall be entitled only to limited discovery consisting of the exchange between such parties of only the following matters: i) Witness Lists; ii) Expert Witness Designations; iii) Exhibits; iv) Reports of testing or inspections of the Property subject to the dispute, including, but not limited to, destructive or invasive testing; and v) Trial Briefs. Such parties shall also be entitled to conduct further tests and inspections as provided above. Any other discovery provided for in the California Code of Civil Procedure shall be permitted by the arbitrator, in the arbitrator's discretion, upon a showing of good cause or based on the mutual agreement of the parties to the proceeding. The arbitrator shall oversee discovery and may enforce all discovery orders in the same manner as a trial court judge.
 - (4) Limitation on Remedies. The arbitrator shall not have the power to award punitive or consequential damages. In addition, as further provided below, the right to punitive or consequential damages is waived. The arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages in the arbitration proceeding.
 - (5) Motions. The arbitrator shall have the power to hear and dispose of motions, including motions relating to provisional remedies, demurrers, motions to dismiss, motions for judgment on the pleadings and summary adjudication motions, in the same manner as a trial court judge, except the arbitrator shall also have the power to adjudicate summarily issues of fact or law including the availability of remedies, whether or not the issue adjudicated could dispose of an entire cause of action or defense. Notwithstanding the foregoing, if prior to the selection of the arbitrator, as provided herein, the parties seek any provisional remedies to the dispute, such relief may be sought in the superior court of the county in which the Property is located, or in the United States District Court, Central District of California.
 - (6) Rule of Law. The arbitrator shall apply the laws of the State of California, except as expressly provided herein, including the rules of evidence, unless expressly waived by all parties to the arbitration.
 - (7) Record. No stenographic record of the hearing shall be made, unless agreed to by the parties and provided that such record shall remain confidential, except as may be necessary for post-hearing motions and any appeals.
 - (8) Expenses. All fees and costs of any arbitration proceeding hereunder shall be equally shared by the parties to the arbitration. The prevailing party in such proceeding shall be entitled to cover his or its costs and expenses (including reasonable attorneys' fees) incurred in preparation for and prosecution of such proceeding and enforcement of or securing recovery under any order or judgment rendered therein. All fees and cost payable to the arbitration prior to determination of the dispute shall be paid one-half by each party to the arbitration with reimbursement to be made to the prevailing party.
 - (d) Agreement to Alternative Dispute Resolution, Waiver of Jury Trial, and Award of Punitive or Consequential Damages. The Owner and the Association and the Declarant each agree to have any Dispute resolved according to the provisions contained herein and waive their respective rights to pursue any Dispute or claim in any manner other than provided herein. Such parties acknowledge that by agreeing to resolve all Disputes and claims as provided herein they are giving up their respective rights to have such Disputes or claims tried before a jury and further waive their respective rights to an award of punitive or consequential damages relating to such Disputes, thereby giving up any rights such parties may possess to such damages. The provisions herein contained shall not be amended or modified without Declarant's prior written consent.
 - (e) Application of Award. The net proceeds of any judgment against, or settlement entered into with Builder, after payment of costs of arbitration, including attorney's fees, may be used only for the purposes of repairing, replacing, or mitigating the defects with respect to which judgment was entered or the settlement made.

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- (f) Exceptions to Mediation and Reference; Statutes of Limitations. Nothing contained herein shall be considered to toll, stay, reduce or extend any applicable statutes of limitation; provided, however, that the Builder's Parties and the Owner/Association shall be entitled to commence a legal action, which in the good faith determination of any of Builder's Parties or Owner/Association, is necessary to preserve the Builder's Parties or Owner's/Association's rights, under any applicable statute of limitations, provided that the Builder's Parties and Owner/Association shall take no further steps in prosecuting such action until said party has complied with the procedures described herein.

15.04 **Special Provisions Applicable to Resolution of Disputes Between the Association and Any Owner.**

- (a) Rights of Enforcement of Governing Documents. The Association or any Owner shall have a right of action against any Owner, and any Owner shall have a right of action against the Association, to enforce all provisions of the Governing Documents or any amendment thereto, including the right to prevent the violation of such provisions and the right to recover damages or other dues for such violation except that Owners shall not have any right of enforcement concerning assessment liens.

Failure of any party to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

- (b) Compliance with Law. To the extent permitted by law, the parties shall abide by the procedures for mediation and judicial reference set forth above in Section 15.03. However, in enforcing any action under the Governing Documents for monetary damages, the parties shall comply with the provisions of California Civil Code Section 1363.810 through 1363.850 and 1369.510 through 1369.590 and any successor statutes or laws, which as a matter of law shall supersede the provisions of this Article to the extent of any inconsistency. The Board shall annually provide to the Owners the summary required by Civil Code Section 1369.590 and any successor statutes or laws.
- (c) Contractual Procedure for Enforcement; Exception. To the extent permitted by law, the Parties shall abide by the procedures for mediation and judicial reference set forth above. However, the right of the Association to enforce payment of member dues and assessments shall not be subject to mediation or judicial reference except as set forth in the article entitled "Assessments".

15.05 **Special Provisions Applicable to Resolution of Construction Defect Disputes Between the Association and Declarant.**

Any construction defect Dispute between the Association and Declarant shall be resolved through the procedures described in this Article XV.

ARTICLE XVI

MISCELLANEOUS PROVISIONS

Article XVI covers miscellaneous issues not addressed elsewhere in the Declaration.

16.01 Term of Declaration.

- (a) This Declaration is binding upon all parties for sixty (60) years after the recording date.
- (b) After sixty (60) years, the Declaration will automatically be extended for successive ten (10) year periods, unless the Owners (heirs, successors, representatives) of a majority of subject Condominiums record a signed, written instrument:
 - (1) At least one (1) year before the beginning of any ten (10) year period; and
 - (2) Agreeing to change or terminate this Declaration.

16.02 Notices.

Any approval, disapproval, demand, document or other notice which Declarant, the Association, or any Owner may desire to give to another party must be in writing and may be given either by i) personal delivery; ii) by United States mail which shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the mail, first class or registered, postage prepaid, addressed to the person to be notified; or iii) by any other method provided by Civil Code Section 1350.7.

16.03 Partial Invalidity.

If any term, condition, provision or other portion of this Declaration is declared invalid or in conflict with any relevant law, the validity of the remainder of this Declaration will remain in full force and effect.

16.04 Number.

As required by the context of this Declaration, a singular grammatical reference includes the plural application.

16.05 Attorneys' Fees.

In the event of any controversy or claim respecting this Declaration, or in connection with the enforcement of this Declaration, the prevailing parties shall be entitled to reasonable attorneys' fees and costs.

16.06 Disclosures.

- (a) Declarant does not in any manner guarantee or warrant that the Property will be soundproof or insulated to any particular degree from noise or sound emanating from within or without the Property, including noise or sound emanating from Lots, heating, ventilation air conditioning systems, plumbing, Common Area(s), garages, etc.

- (b) The concrete slab for each dwelling structure in the Project was reinforced with a grid of steel cable which was installed in the concrete slab and then tightened to create extremely high tension. This type of slab is commonly known as a "post tension slab". Occupants are to be aware that cutting into a post tension slab for any reason (e.g., to install a floor safe, to remodel plumbing, etc.) is hazardous and may result in serious damage to the dwelling structure and/or personal injury.
- (1) Occupants shall not i) cut into or otherwise tamper with the post tension slab; or ii) knowingly permit or allow any other person to cut into or tamper with the post tension slab.
 - (2) Owners shall disclose the existence of the post tension slab to any person who rents, leases, or purchases the Unit.
 - (3) Owners shall indemnify and hold Declarant, and its officers, employees, contractors and agents, free and harmless from and against any and all claims, damages, losses or other liability (including attorneys' fees) arising from any breach of this subparagraph 16.06(b) by Owner.
- (c) The Property may be located in a Methane Zone, as designated by the City of Los Angeles in Map No. A-20960, dated September 21, 2003. Large portions of the City are designated as Methane Zones.

16.07 Declarant's Rights After Sale of All Units in the Project.

For a period of ten (10) years after the close of escrow for the sale of the last Unit in the Project covered by a Final Subdivision Public Report, in addition to Declarant's rights as an Owner and a Member, Declarant shall have the following rights:

- (a) Access to and the right to inspect the Association books and financial records;
- (b) Access to and the right to inspect the Association's maintenance records;
- (c) Right to receive notice of, attend and speak at all regular and special meetings of the Board of Directors and meetings of the Members;
- (d) Right to receive copies of the minutes of the meetings of the Board of Directors and meetings of the Members, upon request and payment of the actual costs to copy and distribute such records; and
- (e) Right to inspect all Common Areas of the Property upon three (3) days' notice to the Association and, within its sole discretion, be entitled to cure any defect, whether or not the Association or any Owner has complained of such defect. During said period, the Board shall use its best efforts to obtain the consent of all Owners, upon three (3) days' notice, to inspection of Units by Declarant for the sole purpose of discovering and repairing structural defects. Refusal by an Owner to allow inspection, or failure of the Board to attempt in good faith to obtain owner consent for inspection of Units, may be deemed a failure to mitigate damage in the event of a defect as defined in Section 896 of the California Civil Code which could have been avoided through preventive maintenance. The purpose of this right of inspection is to allow Declarant to repair defects at an early stage before substantial damage has occurred. Nothing set forth herein shall obligate Declarant to perform any inspection or repair, nor shall this Section be deemed to increase Declarant's legal obligations to Owner/Association.

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16.08 **Supremacy of Legislation.**

The provisions of this Declaration are automatically supplemented and superseded by any state or federal enactment, and judicial interpretations of laws, affecting common interest developments. Any reference to a specific Code section in this Declaration is also a reference to future amendments thereof and to any successor statutes. The terms of this Declaration shall be deemed automatically amended to conform to such future changes in Code sections without necessity for recording any such amendment.

16.09 **No Enhanced Protection Agreement.**

In no event shall any of the provisions contained within the Governing Documents, other documentation, representations or warranties provided by Declarant or its agent to Owner be construed, interpreted or understood to be an "enhanced protection agreement" ("EPA") under California Civil Code Section 901 unless Declarant otherwise expressly states that such document, representation, or warranty constitutes an EPA under said section of the Civil Code.

16.10 **Changing the Project Marketing Name.**

The Project shall be marketed under the name **The Village at Glenoaks**. Declarant may at Declarant's sole discretion, change the marketing name of the Project upon notification to the DRE.

16.11 **Conflict Between Declaration and Condominium Plan.**

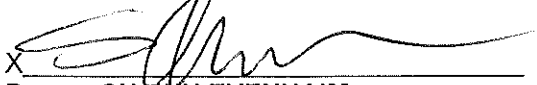
In the event of any conflict between this Declaration and the Condominium Plan, this Declaration shall be controlling. Any defined term used in the Condominium Plan and not expressly defined therein shall have the meaning prescribed for such term in this Declaration.

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IN WITNESS WHEREOF, the undersigned, being the Declarant, has executed this Declaration for Tract No. 61190 on the day and year first written above.

"Declarant"

SAN FERNANDO HOMES CORP.,
a California Corporation

X 
By: SHAWN EVENHAIM
its: President/Secretary

X _____
By: _____
its: _____

STATE OF CALIFORNIA)
COUNTY OF Los Angeles) ss.

On December 12, 2012, before me, Natalie Bledsoe,
Notary Public, personally appeared:

Shawn Evenhaim

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.



Notary Public

(SEAL)



EXHIBIT "A"

PROPERTY

Lots 2 and 3 of Tract No. 61190, in the City of Los Angeles, as per Map recorded in Book 1348, Pages 71 through 75, inclusive, of Maps, and amended by a Certificate of Correction recorded November 07, 2011 as Instrument No. 2011-1503810 of Official Records, in the Office of the County Recorder of Los Angeles County.

Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

**The Village at Glenoaks Inc.
Ross Morgan & Company, Inc.**

Property Information:

11379 Villa del Sol
Pacoima, CA 91331-1856
Seller: Warren Duplessis
Buyer: ISABELLE LIZARRAGA

Requestor:

Hummingbird Escrow
Isabelle Lizarraga
909-740-6082
Estimated Closing Date: 10-09-2026

General Information

This information is good through	10-15-2026
Is this account in collections?	No
What is the current regular assessment against the unit?	130.00
What is the frequency of the assessment charge?	Monthly
The regular assessment is paid through:	08-31-2026
The regular assessment is next due:	09-01-2026
What day of the month are regular assessments due?	1st
How many days after the due date is the regular assessment considered delinquent?	15
The penalty for delinquent assessments is:	15%

Specific Fees Due To The Village at Glenoaks Inc.

Closing agent is required to collect the following number of additional regular assessments at closing:	0
Comments: Please go to page 4/5 for closing figures	
Are there any current special assessments or governing body approved special assessments, against units within the association? If yes, a comment is provided.	Yes
Comments: Start Date: 5/1/2026	
End Date: 10/31/2027	
Purpose: water back billing	
**\$85 monthly for 18 months	
Owner's current balance due (you may total the owners balance due using the breakdown below):	\$0.00
Comments: Please go to page 4/5 for closing figures	

General Association Information

Are there any violations against this unit?	No
Is the association or the developer (if the project has not been turned over to the homeowners association) involved in any current or pending litigation? If yes, a comment is required. (Do not include neighbor disputes or rights of quiet enjoyment, litigation where the claim amount is known and the insurance carrier will provide defense and coverage, or where the HOA is named as a plaintiff in a foreclosure action or to collect past due assessments).	No



Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

The Village at Glenoaks Inc.
Ross Morgan & Company, Inc.

Property Information:

11379 Villa del Sol
Pacoima, CA 91331-1856
Seller: Warren Duplessis
Buyer: ISABELLE LIZARRAGA

Requestor:

Hummingbird Escrow
Isabelle Lizarraga
909-740-6082
Estimated Closing Date: 10-09-2026

Is there 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 California Civil Code Section 51.3? If yes, please comment

See Comments

Comments: please review CC&R's

Is there 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? If yes, please comment

See Comments

Comments: please review CC&R's

Does a preliminary list of defects exist pursuant to Section 6000 of the Davis Stirling Act? If yes, please comment and provide the list.

No

Does a Settlement Notice regarding common area defects exist pursuant to Section 6100 of the Davis Stirling Act? If yes, please comment and provide the list.

No

Insurance Information

Insurance broker's or agent's company name:	Labarre & Oksnee
Identify the insurance agent's name:	Labarre & Oksnee
Insurance agent's phone number:	800-698-0711
Insurance agent's fax number:	
Insurance agent's email address:	

Esmeralda Quiroz

Esmeralda Quiroz, Closings Coordinator

Date: 09-16-2026

Ross Morgan & Company, Inc.

Phone: 818-907-6622



Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

The Village at Glenoaks Inc.
Ross Morgan & Company, Inc.

Property Information:

11379 Villa del Sol
Pacoima, CA 91331-1856
Seller: Warren Duplessis
Buyer: ISABELLE LIZARRAGA

Requestor:

Hummingbird Escrow
Isabelle Lizarraga
909-740-6082
Estimated Closing Date: 10-09-2026

Comments:

CAUTION General Information:

Buyer must consult with Seller regarding any and all pending or imposed special assessments.

Please provide information below upon the close of escrow to ensure new owners will have immediate access to common areas.

Close of escrow date:

buyers name as it appears on title:

mailing address:

Cell phone number:

Email address:

Charges and payments are posted to accounts daily, please order an updated demand from Homewisedocs.com prior to closing to ensure all fees are paid at the close of escrow.



Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

**The Village at Glenoaks Inc.
Ross Morgan & Company, Inc.**

Property Information:

11379 Villa del Sol
Pacoima, CA 91331-1856
Seller: Warren Duplessis
Buyer: ISABELLE LIZARRAGA

Requestor:

Hummingbird Escrow
Isabelle Lizarraga
909-740-6082
Estimated Closing Date: 10-09-2026

Fee Summary**Amounts Prepaid**

Rush Fee	\$135.00
Convenience Fee	\$9.95
Closing Statement of Fees, Association Documents and Minutes (Required Civil Code Sec. 4525)	\$605.00
Welcome Package (Non Required Civil Code Sec. 4525)	\$0.00
Insurance Dec Page (Non Required Civil Code Sec. 4525)	\$25.00
Current Unaudited Financial Documents (Non Required Civil Code Sec. 4525)	\$25.00
TRID-List of Fees and Charges (NOT TO BE USED FOR CLOSING)	\$0.00
Total	\$799.95

Fees Due to Ross Morgan & Company, Inc.

Transfer Fee	\$425.00
Total	\$425.00

Fees Due to The Village at Glenoaks Inc.

October monthly HOA dues	\$130.00
September monthly HOA dues	\$130.00
October monthly special assessment	\$85.00
September monthly Special assessment	\$85.00
Total	\$430.00

**Please go to page 4/5 for closing figures*



Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

The Village at Glenoaks Inc.
Ross Morgan & Company, Inc.

Property Information:

11379 Villa del Sol
Pacoima, CA 91331-1856
Seller: Warren Duplessis
Buyer: ISABELLE LIZARRAGA

Requestor:

Hummingbird Escrow
Isabelle Lizarraga
909-740-6082
Estimated Closing Date: 10-09-2026

PLEASE RETURN THIS FORM WITH YOUR CHECK AND CERTIFIED COPIES OF THE CLOSING DISCLOSURE FORM (FORMERLY THE HUD-1 FORM) AND THE GRANT OR WARRANTY DEED. PLEASE INDICATE CONFIRMATION NUMBER 5NW2P3QMV ON THE CHECK TO ENSURE PAYMENT IS CREDITED PROPERLY.

Fees Due to Ross Morgan & Company, Inc.

Transfer Fee	\$425.00
Total	\$425.00

Fees Due to The Village at Glenoaks Inc.

October monthly HOA dues	\$130.00
September monthly HOA dues	\$130.00
October monthly special assessment	\$85.00
September monthly Special assessment	\$85.00
Total	\$430.00

**Please go to page 4/5 for closing figures*

Include this confirmation number 5NW2P3QMV on the check for \$425.00 payable to and send to the address below.

Ross Morgan & Company, Inc.
15315 Magnolia Blvd, Suite 212
Sherman Oaks, CA 91403

Include this confirmation number 5NW2P3QMV on the check for \$430.00 payable to and send to the address below.

The Village at Glenoaks Inc.
15315 Magnolia Blvd, Suite 212
Sherman Oaks, CA 91403



Required Statement of Fees - Demand (Required Civil Code Sec. 4525)

**The Village at Glenoaks Inc.
Ross Morgan & Company, Inc.**

Property Information:

11379 Villa del Sol
Pacoima, CA 91331-1856
Seller: Warren Duplessis
Buyer: ISABELLE LIZARRAGA

Requestor:

Hummingbird Escrow
Isabelle Lizarraga
9121 Haven Ave Ste 280
Rancho Cucamonga, CA 91730
909-740-6082
isabelle@hummingbirdescrow.com

Closing Information

File/Escrow Number:
Estimated Close Date: 10-09-2026
HomeWiseDocs Confirmation #: 5NW2P3QMV

Sales Price: 649,900
Closing Date:
Is buyer occupant? Yes

Status Information

Date of Order: 09-11-2026
Board Approval Date:
Order Completion Date: 09-16-2026
Date Paid: 09-11-2026

Order Retrieved Date:
Inspection Date:

Community Manager Information

Company: Ross Morgan & Company, Inc.
Completed By: Esmeralda Quiroz
Primary Contact: Esmeralda Quiroz
Address:
15315 Magnolia Blvd, Suite 212
Sherman Oaks, CA 91403
Phone: 818-907-6622
Fax:
Email: esmeralda@rossmorganco.com



Special Assessment (Required Civil Code Sec. 4525)
The Village at Glenoaks Inc.

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs

Start Date: 5/1/2026

End Date: 10/31/2027

Purpose: water back billing

**\$85 monthly for 18 months

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs

TRID Loan Estimate Fee Schedule for The Village at Glenoaks Inc.

The following information is provided by Ross Morgan & Company, Inc. to assist you in completing the Loan Estimate. This form lists all available products for the Association and should not be considered a recommendation of what to obtain for your real estate/financing transaction. Identify the items you will order and enter the corresponding fees on the Loan Estimate.

Required Payments	Fee	When Paid
Regular Assessment Amount	\$90.00	Monthly
Transfer Fee	\$395.00	At Close
Compliance Packages	Fee	When Paid
Association Documents (Required Civil Code Sec. 4525) All of the most current REQUIRED documents specified by California Civil Code Section 4525. NOTE: Escrow must order a Closing Statement of Fees - Demand) to insure accurate closing. Products included, if they pertain to the Association: Articles of Incorporation (Required Civil Code Sec. 4525) Operating Rules (Required Civil Code Sec. 4525) Annual Budget Report (Required Civil Code Sec. 4525) Special Assessment (Required Civil Code Sec. 4525) Rental Restrictions (Required Civil Code Sec. 4525) Inspection of Exterior Elevated Elements (Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) CCRs (Required Civil Code Sec. 4525) Bylaws (Required Civil Code Sec. 4525)	\$305.00	Up Front
Association Documents plus Minutes (Required Civil Code Sec. 4525) All of the most current REQUIRED documents specified by California Civil Code Section 4525 PLUS Regular Board Meeting Minutes from the previous 12 months. NOTE: Escrow must order a Closing Statement of Fees - Demand) to insure accurate closing. Products included, if they pertain to the Association: Articles of Incorporation (Required Civil Code Sec. 4525) Operating Rules (Required Civil Code Sec. 4525) Annual Budget Report (Required Civil Code Sec. 4525) Special Assessment (Required Civil Code Sec. 4525) Rental Restrictions (Required Civil Code Sec. 4525) Minutes of Regular Board Meetings (Required Civil Code Sec. 4525) Inspection of Exterior Elevated Elements (Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) CCRs (Required Civil Code Sec. 4525) Bylaws (Required Civil Code Sec. 4525)	\$355.00	Up Front

Bank Owned Property Package (REQUIRED FOR FORECLOSED PROPERTIES) This package is required for properties that have been recently foreclosed upon or have a deed taken in lieu of foreclosure. Included is a statement of all fees owed by the bank and disclosure information for maintaining and marketing the property. Products included, if they pertain to the Association: Articles of Incorporation (Required Civil Code Sec. 4525) Operating Rules (Required Civil Code Sec. 4525) Insurance Dec Page (Non Required Civil Code Sec. 4525) Design Document (Non Required Civil Code Sec. 4525) Current Unaudited Financial Documents (Non Required Civil Code Sec. 4525) Annual Budget Report (Required Civil Code Sec. 4525) Welcome Package (Non Required Civil Code Sec. 4525) Unit Ledger (Non Required Civil Code Sec. 4525) Special Assessment (Required Civil Code Sec. 4525) Reserve Report (Non Required Civil Code Sec. 4525) Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Rental Restrictions (Required Civil Code Sec. 4525) Minutes of Regular Board Meetings (Required Civil Code Sec. 4525) Litigation (Non Required Civil Code Sec. 4525) Inspection of Exterior Elevated Elements (Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) California 4528 Form CCRs (Required Civil Code Sec. 4525) Bylaws (Required Civil Code Sec. 4525) Annual Board Meeting Minutes (Non Required Civil Code Sec. 4525) W-9 (Non Required Civil Code Sec. 4525)	\$605.00	Up Front
Closing Statement of Fees and Association Documents (Required Civil Code Sec. 4525) All of the most current REQUIRED documents specified by CA Civil Code Section 4525 Documents BUT does NOT include regular Board Meeting Minutes. Products included, if they pertain to the Association: Articles of Incorporation (Required Civil Code Sec. 4525) Operating Rules (Required Civil Code Sec. 4525) Annual Budget Report (Required Civil Code Sec. 4525) Special Assessment (Required Civil Code Sec. 4525) Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Rental Restrictions (Required Civil Code Sec. 4525) Inspection of Exterior Elevated Elements (Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) California 4528 Form CCRs (Required Civil Code Sec. 4525) Bylaws (Required Civil Code Sec. 4525)	\$555.00	Up Front

Closing Statement of Fees, Association Documents and Minutes (Required Civil Code Sec. 4525) All of the most current REQUIRED forms and documents REQUIRED by CA Civil Code Section 4525 PLUS Regular Board Meeting Minutes from the previous 12 months. Products included, if they pertain to the Association: Articles of Incorporation (Required Civil Code Sec. 4525) Operating Rules (Required Civil Code Sec. 4525) Annual Budget Report (Required Civil Code Sec. 4525) Special Assessment (Required Civil Code Sec. 4525) Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Rental Restrictions (Required Civil Code Sec. 4525) Minutes of Regular Board Meetings (Required Civil Code Sec. 4525) Inspection of Exterior Elevated Elements (Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) California 4528 Form CCRs (Required Civil Code Sec. 4525) Bylaws (Required Civil Code Sec. 4525)	\$605.00	Up Front
Refinance Demand ONLY Statement of a unit holder's financial and legal status. A "clear" certificate means no arrearages. Products included, if they pertain to the Association: Refinance Demand	\$145.00	Up Front
Required Statement of Fees - Demand ONLY (Required Civil Code Sec. 4525) Provides a detailed description including data elements commonly needed by closing agents such as all current regular and special assessment balances, financial obligations, #8203;owner violations, association litigation status, paid through dates, insurance contact information, fees due at closing, and escrow instructions. Products included, if they pertain to the Association: Required Statement of Fees - Demand (Required Civil Code Sec. 4525)	\$250.00	Up Front
Bundle & Save	Fee	When Paid

Condo/Coop Structural Safety & Soundness Lender Questionnaire Bundle This package is to provide information related to the Safety, Soundness, or Structural Integrity of the subject property. Products included, if they pertain to the Association: Special Assessment (Required Civil Code Sec. 4525) Reserve Report (Non Required Civil Code Sec. 4525) Minutes of Regular Board Meetings (Required Civil Code Sec. 4525) Litigation (Non Required Civil Code Sec. 4525) Lender Questionnaire Engineer's Report/Inspection Report (Non Required Civil Code Sec. 4525) Annual Board Meeting Minutes (Non Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) Current Unaudited Financial Documents (Non Required Civil Code Sec. 4525) Annual Budget Report (Required Civil Code Sec. 4525)	\$275.00	Up Front
Premium Lender Questionnaire Bundle (Best Value!) EVERYTHING your underwriter needs to quickly underwrite the subject property. Products included, if they pertain to the Association: Special Assessment (Required Civil Code Sec. 4525) Reserve Report (Non Required Civil Code Sec. 4525) Rental Restrictions (Required Civil Code Sec. 4525) Litigation (Non Required Civil Code Sec. 4525) Lender Questionnaire CCRs (Required Civil Code Sec. 4525) Bylaws (Required Civil Code Sec. 4525) Articles of Incorporation (Required Civil Code Sec. 4525) Operating Rules (Required Civil Code Sec. 4525) Insurance Dec Page (Non Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) Design Document (Non Required Civil Code Sec. 4525) Current Unaudited Financial Documents (Non Required Civil Code Sec. 4525) Annual Budget Report (Required Civil Code Sec. 4525)	\$275.00	Up Front
Standard Lender Questionnaire Bundle Minimum documentation for underwriting the subject property. For most comprehensive package, please see Premier Lender Bundle above. Products included, if they pertain to the Association: Lender Questionnaire Insurance Dec Page (Non Required Civil Code Sec. 4525) Annual Budget Report (Required Civil Code Sec. 4525)	\$245.00	Up Front
Individual Disclosure Forms and Association Documents	Fee	When Paid
Bylaws (Required Civil Code Sec. 4525)	\$50.00	Up Front
CC&Rs (Required Civil Code Sec. 4525)	\$50.00	Up Front
California 4528 Form	No Cost	No Cost
Annual Budget Report (Required Civil Code Sec. 4525)	\$35.00	Up Front
Appraiser Questionnaire	\$65.00	Up Front

Articles of Incorporation (Required Civil Code Sec. 4525)	\$25.00	Up Front
Current Unaudited Financial Documents (Non Required Civil Code Sec. 4525)	\$25.00	Up Front
Financial Statement Review (Required Civil Code Sec. 4525)	\$50.00	Up Front
Insurance Dec Page (Non Required Civil Code Sec. 4525)	\$25.00	Up Front
Lender Questionnaire	\$215.00	Up Front
Minutes of Regular Board Meetings (Required Civil Code Sec. 4525)	\$50.00	Up Front
Rental Restrictions (Required Civil Code Sec. 4525)	No Cost	No Cost
Special Assessment (Required Civil Code Sec. 4525)	No Cost	No Cost
Welcome Package (Non Required Civil Code Sec. 4525)	No Cost	No Cost
Additional Fees (Optional)	Fee	When Paid
CD Delivery Fee	\$30.00	Up Front
Credit Card Convenience Fee (for credit card payments only)	\$9.95	Up Front
Custom Questionnaire Fee (*Add this fee to Questionnaire Fee)	\$70.00	Up Front
Custom Questionnaire Rush Fee (*Add this fee to Questionnaire Rush Fees)	\$50.00	Up Front
Lender Questionnaire 1 business days Rush Fee	\$100.00	Up Front
Lender Questionnaire 2 business days Rush Fee	\$75.00	Up Front
Lender Questionnaire Update from 1 to 30 days	\$25.00	Up Front
Multi-Product Order 1 business days Rush Fee	\$185.00	Up Front
Multi-Product Order 3 business days Rush Fee	\$135.00	Up Front
Multi-Product Order 5 business days Rush Fee	\$110.00	Up Front
Refinance Demand Update from 1 to 14 days	No Cost	No Cost
Refinance Demand Update from 15 to 45 days	\$85.00	At Close
Refinance Demand Update from 46 to 90 days	\$85.00	At Close
Required Statement of Fees - Demand (Required Civil Code Sec. 4525) 1 business days Rush Fee	\$185.00	Up Front
Required Statement of Fees - Demand (Required Civil Code Sec. 4525) 3 business days Rush Fee	\$135.00	Up Front
Required Statement of Fees - Demand (Required Civil Code Sec. 4525) 5 business days Rush Fee	\$110.00	Up Front
Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Update from 1 to 14 days	No Cost	No Cost
Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Update from 15 to 45 days	\$85.00	At Close
Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Update from 46 to 90 days	\$85.00	At Close
Rush Existing Order (*Add this fee to Rush Fees)	\$25.00	

Three Day Shipping Fee	\$90.00	Up Front
TRID	Fee	When Paid
TRID-List of Fees and Charges (NOT TO BE USED FOR CLOSING)	No Cost	No Cost

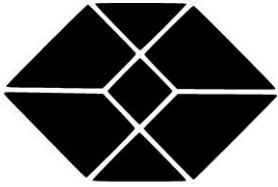
Loan Estimate Disclaimer: Fees vary by association and individual units and cannot be finalized until the closing of a transaction. Fees including, but not limited to, Regular Assessment Amount, Special Assessments, Transfer Fees, Capital Contributions, Move In Fees, Collection Fees, etc. may be assessed to each property and will be finalized on the Closing Disclosure. Please work with the Closing Agent to obtain these exact fee amounts.

All fees are subject to change without notice and can only be finalized at the time a transaction is prepared to close and the Closing Disclosure is completed.

Comments:

Welcome Package (Non Required Civil Code Sec. 4525)
The Village at Glenoaks Inc.

Order: 5NW2P3QMV
Address: 11379 Villa del Sol
Order Date: 09-11-2026
Document not for resale
HomeWiseDocs



**ROSS MORGAN
& COMPANY, INC., AAMC®**

"An Accredited Association Management Company"

Sherman Oaks Calabasas Valencia Palmdale Simi Valley

15315 Magnolia Boulevard, Suite 212
Sherman Oaks, CA 91403
(818) 907-6622
(323) 654-7978
(310) 271-5811
Fax (818) 907-0749

As the Managing Agent of your Homeowners Association, it is our pleasure to welcome you as a new resident to your community. We hope that living here will be a most pleasant experience for you. If you have any questions, suggestions, or problems regarding your Homeowners Association, please make a note of our phone number and call us — we are here to help. Each request will be handled on an individual, personal basis by a qualified person in our office.

The DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (CC&Rs) and BYLAWS are the legal governing documents of your Homeowner Association. Be certain that you receive your copy from the seller, or your real estate agent. Please read and understand them. They tell you what you own as the homeowner and outline your responsibilities to the Association and its responsibilities to you.

A courtesy notice of assessment payment due will be mailed to you monthly. Pursuant to the Association's CC&Rs, every homeowner is obligated to pay their assessments monthly. The assessments are due on the first (1st) of the month and are delinquent if not paid by the fifteenth (15th) of the month, whether or not you receive a notice. Checks should be made payable your Homeowners Association and are due on the 1st of the month.

The BOARD OF DIRECTORS of the Association may meet on a monthly, bi-monthly, quarterly or on an annual basis. Your community manager will confirm the frequency of Board meetings. Meeting notices will be posted which will indicate the date, location and time of the meeting. You are welcome to attend the open session of the meetings. We encourage you to attend and get involved in the activities of the Association.

The COMMON AREA is defined as the area outside your home which includes the landscaping, sidewalks, swimming pool area, streets, perimeter walls, walkways etc. Each owner in an Association shares an interest in the common area, which is there for your safety and enjoyment. Your Board of Directors hires contractors to maintain the pool (if applicable) and common area landscaped areas. We ask for your cooperation in keeping all the common areas well maintained and in a clean condition.

We have a very courteous, helpful, and qualified staff to assist you in making life in your new home a most pleasurable experience. Please do not hesitate to call for information and any assistance you may need at the phone numbers listed above.

Sincerely,

ROSS MORGAN & COMPANY, INC. and YOUR BOARD OF DIRECTORS

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Account History Report

The Village at Glenoaks, Inc.

Warren & Rosario Duplessis

00208-5201

Community Address: 11379 Villa Del Sol
Pacoima, CA 91331

Date Settled: Mon Feb 03, 2020
Unit Type: 01 - Unit Type 01 90.00

Mailing Address: 11379 Villa Del Sol
Pacoima, CA 91331

Last payment date: Mon Aug 31, 2026
Last payment amount: 110.00
Current balance: 211.50

Trans Date	Transaction	Charges	Payments	Balance	Date Billed	Reference	Comments
02/09/2026	Opening Balance	3,039.32		3,039.32			
02/17/2026	Late Charges	36.33		3,075.65		Late Fee	Late Fee: 02/17/2026
03/01/2026	Assessments	155.00		3,230.65		Monthly Charges	Recurring Charges: 03/01/2026
03/09/2026	Check Payment		-50.00	3,180.65		5314549	Lock Box: 03/09/2026
03/09/2026	Check Payment		-50.00	3,130.65		5313478	Lock Box: 03/09/2026
03/16/2026	Check Payment		-30.00	3,100.65		14897	Lock Box: 03/16/2026
03/16/2026	Late Charges	15.50		3,116.15		Late Fee	Late Fee: 03/16/2026
03/27/2026	Checks		-30.00	3,086.15		MO-2205637319	Payment. Thank you.
04/01/2026	Assessments	155.00		3,241.15		Monthly Charges	Recurring Charges: 04/01/2026
04/14/2026	Check Payment		-30.00	3,211.15		20514507	Lock Box: 04/14/2026
04/14/2026	Check Payment		-15.00	3,196.15		20514529	Lock Box: 04/14/2026
04/15/2026	Checks		-30.00	3,166.15		MO-2205145725	Payment. Thank you.
04/16/2026	Late Charges	13.00		3,179.15		Late Fee	Late Fee: 04/16/2026
05/01/2026	Assessments	90.00		3,269.15		Monthly Charges	Recurring Charges: 05/01/2026
05/01/2026	Gate Maintenance	40.00		3,309.15		Monthly Charges	Recurring Charges: 05/01/2026
05/01/2026	Special Assessment-Water	85.00		3,394.15		Monthly Charges	Recurring Charges: 05/01/2026
05/08/2026	Check Payment		-40.00	3,354.15		146615	Lock Box: 05/08/2026
05/18/2026	Late Charges	21.50		3,375.65		Late Fee	Late Fee: 05/18/2026
05/28/2026	Collection Costs	200.00		3,575.65		Pre-Lien Notice Se	Pre-Lien Notice Sent 5/28/26
06/01/2026	Assessments	90.00		3,665.65		Monthly Charges	Recurring Charges: 06/01/2026
06/01/2026	Gate Maintenance	40.00		3,705.65		Monthly Charges	Recurring Charges: 06/01/2026
06/01/2026	Special Assessment-Water	85.00		3,790.65		Monthly Charges	Recurring Charges: 06/01/2026
06/08/2026	Check Payment		-30.00	3,760.65		148306	Lock Box: 06/08/2026
06/16/2026	Late Charges	21.50		3,782.15		Late Fee	Late Fee: 06/16/2026
06/22/2026	Check Payment		-40.00	3,742.15		20514748	Lock Box: 06/22/2026
06/22/2026	Check Payment		-15.00	3,727.15		20514749	Lock Box: 06/22/2026
07/01/2026	Assessments	90.00		3,817.15		Monthly Charges	Recurring Charges: 07/01/2026
07/01/2026	Check Payment		-1,000.00	2,817.15		20514890	Lock Box: 07/01/2026
07/01/2026	Check Payment		-1,000.00	1,817.15		20514890	Lock Box: 07/01/2026
07/01/2026	Check Payment		-1,000.00	817.15		20514890	Lock Box: 07/01/2026
07/01/2026	Check Payment		-790.65	26.50		20514890	Lock Box: 07/01/2026
07/01/2026	Gate Maintenance	40.00		66.50		Monthly Charges	Recurring Charges: 07/01/2026
07/01/2026	Special Assessment-Water	85.00		151.50		Monthly Charges	Recurring Charges: 07/01/2026
07/06/2026	Check Payment		-30.00	121.50		148907	Lock Box: 07/06/2026
07/06/2026	Check Payment		-10.00	111.50		645	Lock Box: 07/06/2026
08/01/2026	Assessments	90.00		201.50		Monthly Charges	Recurring Charges: 08/01/2026
08/01/2026	Gate Maintenance	40.00		241.50		Monthly Charges	Recurring Charges: 08/01/2026
08/01/2026	Special Assessment-Water	85.00		326.50		Monthly Charges	Recurring Charges: 08/01/2026
08/06/2026	Check Payment		-50.00	276.50		20365103	Lock Box: 08/06/2026
08/06/2026	Check Payment		-10.00	266.50		20514929	Lock Box: 08/06/2026
08/06/2026	Check Payment		-50.00	216.50		20365103	Lock Box: 08/06/2026
08/12/2026	Check Payment		-110.00	106.50		51362	Lock Box: 08/12/2026
08/31/2026	Check Payment		-110.00	-3.50		651820	Lock Box: 08/31/2026
09/01/2026	Assessments	90.00		86.50		Monthly Charges	Recurring Charges: 09/01/2026
09/01/2026	Gate Maintenance	40.00		126.50		Monthly Charges	Recurring Charges: 09/01/2026
09/01/2026	Special Assessment-Water	85.00		211.50		Monthly Charges	Recurring Charges: 09/01/2026