STONEHAVEN ASSOCIATION

November 19, 2026

2027 ANNUAL BUDGET REPORT & POLICY STATEMENT

Dear Stonehaven Association Homeowner:

Pursuant to Civil Code §5320, the Association is providing the enclosed summary of the Annual Budget Report and Annual Policy Statement for the 2027 fiscal year. The Board has approved the attached 2027 operating budget.

2027 Dues Increase

Monthly regular assessments for owners will increase $10.00 for a total amount of:

$350.00

Per unit per month.

effective January 1, 2027

REMINDER: Owners with automatic payments setups must adjust the payment amount. The accounts receivable department will send another reminder with more detail.

The following summary of the Annual Budget Report and Annual Policy Statement contains the names of all the reports, statements and summaries the Association is required to provide pursuant to law and/or governing documents.

1) **Pro Forma Operating Budget for Fiscal Year 2027 (Attachment Enclosed)**
   The Board of Directors ("Board") reviewed and approved the enclosed operating budget with the goal of providing efficient operations and funding adequate reserves to meet long-term requirements. Based on this review, the Board has determined that an increase in monthly assessments is necessary at this time. **The Assessments will increase to $350.00 per lot per month effective January 1, 2027.**

2) **Assessment and Reserve Funding Disclosure Summary Form. -Attachment Enclosed.**

3) **Reserve Summary – Attachment Enclosed**
   In conjunction with the budget review and in accordance with California Civil Code section 5550(a), the Board engaged with a professional reserve study analyst annually, to prepare a level III reserve study update that review our reserve funding program and to make recommendations for future funding. Based on the Reserve Study conducted pursuant to Civil Code section 5550(a) the Association's reserves are 66.8% funded. The 2027 operating budget increase will allow the Association to deposit $11,417 per month and $137,000 annually which is on par with the recommended reserve funding calculated by the reserve consultant. Based upon the most recent reserve study and other information available to the board of directors, the budgeted reserve allotment will be sufficient to meet the association's obligation for repair and/or replacement of major components and will remain on track for the for the 30 year funding plan.

4) **Summary Funding Plan – Attachment Enclosed)**
The accompanying replacement funding program reflects manufacturers' specifications, information from contractors and subcontractors, construction pricing, scheduling manuals and the reserve study preparer's experience. The analyst then used this information to calculate and establish the reserve amount needed to defray the future repairs, replacement, or additions to the components that the Association is obligated to maintain. A copy of the full reserve study is available upon request.

5) **Statement of Deferral/Decision to Not Undertake Repair/Replacement of Major Component(s).**
In accordance with Civil Code section 5300(b)(4) and as of the date of this letter, the Board plans to defer repairs and/or replacement of some of the components listed on the component summary of the reserve study with an expected remaining life of 30 years or less, not including those components the Board has determined will be replaced or repaired when deemed necessary by a vote of the Board.

6) **Statement of Anticipated Special Assessment(s).**
As of the date of this letter, the Board has not approved and does not anticipate that a special assessment will be required this fiscal year to repair, replace or restore any major components or to provide adequate reserves.

7) **Statement of Mechanism of Funding Reserves to Repair or Replace Major Components.**
The Board uses the following mechanisms to fund reserves to repair or replace major components: regular and special assessments, borrowing, use of other assets, deferral of selected replacement or repairs.

8) **Statement Addressing Procedures used to Calculate and Establish Reserves.**
Reserves are calculated pursuant to Civil Code section 5550(a). This year the reserve analyst provided the enclosed Level III update. The study was performed in October 2026.

9) **Statement of Association(s) Outstanding Loans.**
The Association does not have any outstanding loans with an original term of more than one year.

10) **Insurance Summary – Attachment Enclosed.**
The insurance disclosure and Certificate of Insurance are enclosed. The Association currently meets the minimum Civil Code requirements for insurance to provide statutory limitations from liability for officers and directors and for members if persons are injured on the common area.

11) **Statement Regarding FHA Certification – Attachment Enclosed.**

12) **Statement Regarding VA Certification - Attachment Enclosed.**

13) **"Charges for Documents Provided" Disclosure Form – Exhibit D Attachment Enclosed.**

14) **Statement of Members' Ability to Have Notices Sent to an Additional Address.**
Owners have a right to submit a secondary address to the association for the purpose of receiving (1) annual reports the association is required to provide to owners and for (2) mailings and notices related to assessments payments, delinquencies, and foreclosures at an additional address.

15) **Notice and Document Delivery to HOA and Owners – Attachment Enclosed.**
   a. **Notice & Email Delivery To Owners:** As of January 1, 2022, associations must request members' preferred delivery method (email, mail, or both) for notices and disclosures. In addition, associations must annually give notice that members are not required to provide their email address to the association (Civil Code § 4041) for the membership list, which the association is obligated to maintain. This notice must be given no later than 30 days before mailing the Annual Budget Report.

b. **Delivery To The Association:** Documents shall be delivered to the person designated in the annual policy statement, prepared under Section 5310, to receive documents on behalf of the association.
c. **Notice of Members' Rights to Receive General Notices by Individual Delivery.** Upon request, Members may receive general notices by individual delivery.
d. **Preferred email address for member electronic voting.**

16) **Notice of Member's Right to Minutes.**
The minutes or a summary of minutes of a Board meeting, other than an executive session, shall be available to members within 30 days of a meeting.

17) **Statement of Assessment Collection Policies Under Civil Code 5730 (Exhibit E Enclosed) and Statement of Policy for Collection of Delinquent Accounts and Foreclosures – (Exhibit F Attachment Enclosed).**

18) **Statement of Association's Discipline Policy & Schedule of Penalties- Exhibit G Attachment Enclosed.**

19) **Summary of Association's Internal Dispute Resolution Procedures (IDR) - Exhibit H Attachment Enclosed.**

20) **Alternative Dispute Resolution (ADR) – Exhibit H.1 Attachment Enclosed.**

21) **Summary of Procedures for Architectural Review. – Exhibit I Attachment Enclosed.**

General Notices

It is required, per Civil Code, that the location for the posting of general Association notices be provided. The general notice location for the **Stonehaven Association is performed through a general electronic email blast and posted on the Association's website.** Please contact info@propertyadvantage.com if you have any questions.

The name and address of the person designated to receive official communications on behalf of the Association is Community Manager, Wesley D. Porter, c/o Property Advantage, 5142 Avenida Encinas, Carlsbad, CA 92008, or info@propadvantage.com, or 760 585-1700.

Please keep this information for your records. If you prefer a printed copy of the Annual Budget and Policy Reports (provided at no cost), please contact Management at the information below.

Should you have any questions or concerns, please contact Management at the information provided.

Sincerely,

The Stonehaven Association, Inc. Board of Directors

	STONEHAVEN ASSOCIATION INC.			
	2027 BUDGET			
	INCOME	**Per Unit**	**2027 Monthly**	**2027 Budget**
4000	Assessment	$ 350.00	$ 52,500	630,000
4010	Interest	$ -	$ -	-
	TOTAL INCOME	**$ 350.00**	**$ 52,500**	**630,000**
	EXPENSES	**Per Unit**	**2027 Monthly**	**2027 Budget**
	MANAGEMENT			-
5025	Mgmt / Acctg Fee	$ 15.28	$ 2,292	27,500
5000	Misc. Administration	$ 2.22	$ 333	4,000
	ADMINISTRATIVE:			
5005	Audit / Tax Preparation	$ 1.56	$ 233	2,800
5027	Inspectors of Election	$ 0.72	$ 108	1,300
5035	State/Fed Taxes	$ 6.11	$ 917	11,000
5015	Legal Fees	$ 2.78	$ 417	5,000
5016	Legal Recoverable	$ -	$ -	-
5024	Rec Committee	$ 0.56	$ 83	1,000
5175	Bank Charges	$ 0.06	$ 8	100
5180	Reserve Study	$ 0.33	$ 50	600
5020	Permits/Licenses	$ 0.56	$ 83	1,000
5195	Misc. Contingency	$ 0.56	$ 83	1,000
	TOTAL ADMIN/MGMNT	**$ 30.72**	**$ 4,608**	**55,300**
	INSURANCE:			-
5010	Property / Liability Insurance	$ 36.11	$ 5,417	65,000
5011	Earthquake Insurance	$ 22.61	$ 3,392	40,700
	TOTAL INSURANCE	**$ 58.72**	**$ 8,808**	**105,700**
	MAINTENANCE:			
5073	Service Rep Bonuses	$ 0.83	$ 125	1,500
7000	Pest/Rodent Control	$ 0.39	$ 58	700
6010	Landscape Maintenance	$ 55.22	$ 8,283	99,400
6005	Landscape Repairs	$ 1.67	$ 250	3,000
6015	Landscape Supplies	$ 1.11	$ 167	2,000
6000	Tree Trimming/Brush Abatement	$ 19.44	$ 2,917	35,000
5055	Janitorial Service	$ 4.50	$ 675	8,100
5056	Janitorial Supplies	$ 0.44	$ 67	800
7055	Tennis Courts	$ 0.39	$ 58	700
7020	Pool/Spa Maintenance	$ 4.33	$ 650	7,800
7025	Pool/Spa Repairs & Supplies	$ 2.22	$ 333	4,000
7005	General Maintenance	$ 3.33	$ 500	6,000
7006	General Maintenance Supplies	$ 1.67	$ 250	3,000
7010	Parking Enforcement	$ -	$ -	-
7015	Lakes Service	$ 11.06	$ 1,658	19,900
7016	Lakes Repair & Supplies	$ 1.67	$ 250	3,000
	TOTAL MAINTENANCE	**$ 108.28**	**$ 16,242**	**194,900**
	UTILITIES:			
8000	Electricity	$ 18.33	$ 2,750	33,000
8001	Gas	$ 6.11	$ 917	11,000
8005	Water & Sewer	$ 20.56	$ 3,083	37,000
8015	WiFi Service	$ 0.89	$ 133	1,600
	TOTAL UTILITIES	**$ 45.89**	**$ 6,883**	**$ 82,600**
	REFUSE REMOVAL:			
8010	Waste & Recycle	$ 30.28	$ 4,542	54,500
	TOTAL REMOVAL	**$ 30.28**	**$ 4,542**	**$ 54,500**
	TOTAL EXPENSES	**$ 273.89**	**$ 41,083.33**	**$ 493,000.00**
	RESERVES			
9000	Allocation to Reserves	$ 76.11	$ 11,417	137,000
9005	Reserve Interest	$ -	$ -	-
	TOTAL RESERVES	**$ 76.11**	**$ 11,417**	**137,000**
	TOTAL EXP & RES	**$ 350.00**	**$ 52,500.00**	**$ 630,000.00**
	NET LOSS OR GAIN	$ -	$ -	-

Reserve Analysis Report

Stonehaven

4444 Caminito Hierro
San Diego, CA 92117

Level III Study without Site Inspection

Fiscal Year End Date: December 31, 2026

MCCAFFERY
RESERVE CONSULTING
15 YEARS-10,000 STUDIES

Phone: 858-764-1895
Fax: 800-436-3816
brian@mccafferyreserveconsulting.com
www.mccafferyreserveconsulting.com

Executive Summary

Stonehaven

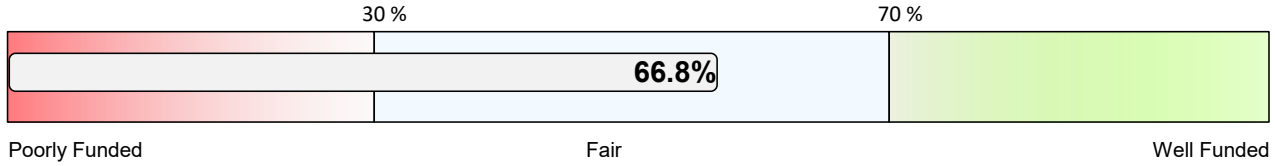
This is a Homeowners Association with 150 Units.

The common area components include: asphalt, pool, and lakes.

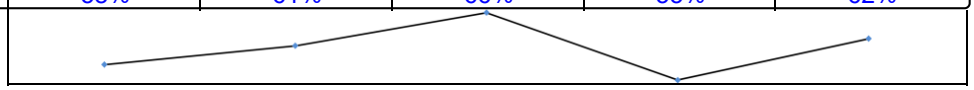
This is a level III annualk update, the last site inspection was performed in 2025

Reserve Fund Balance at Fiscal Year End

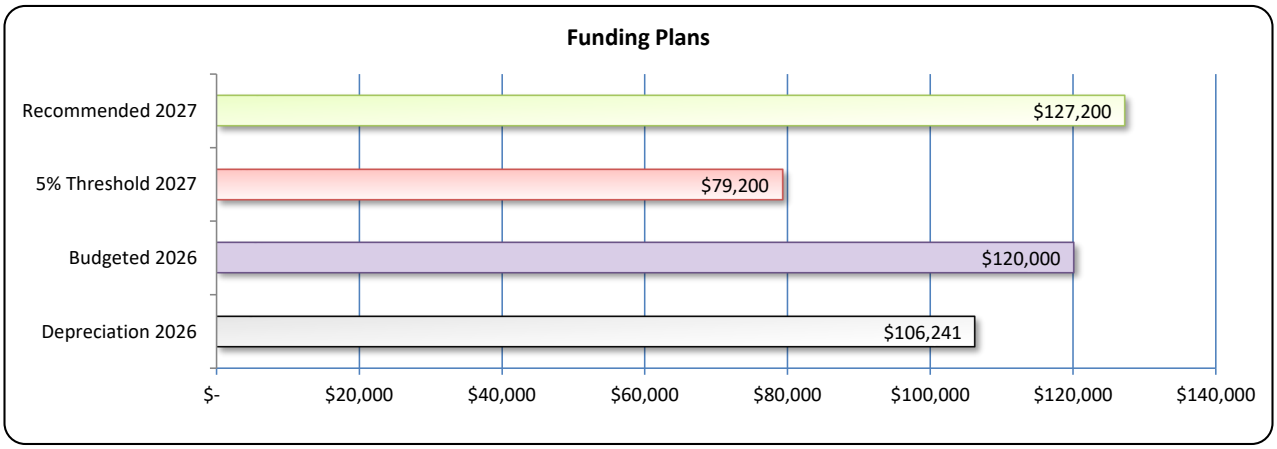
Fully Funded Reserve Balance		$ 1,295,738
Projected Balance	December 31, 2026	$ 865,836
Under Funded (Deficiency in Reserve Funding)		$ 429,902
Deficiency in Reserve Funding Per Unit		$ 2,866.01
Percent Funded		**66.8%**



5 Year Percent Funded	2027	2028	2029	2030	2031
Projection	58%	61%	66%	55%	62%



Funding Plans	Annually	Monthly	Per Unit Monthly
Depreciation of Components in 2026	$ 106,241	$ 8,853	$ 59.02
Budgeted Reserve Contribution 2026	$ 120,000	$ 10,000	$ 66.67
5% Threshold Reserve Contribution for 2027	$ 79,200	$ 6,600	$ 44.00
Recommended Reserve Contribution for 2027	**$ 127,200**	**$ 10,600**	**$ 70.67**



Theoretical 30 Year Funding Plans

Stonehaven

Above 70% = Well Funded (Low Risk of Special Assessment) Between 30% and 70% = Fairly Funded Below 30% = Poorly Funded (Higher Risk of Special Assessment)

Before Tax Interest Rate	1.5%
Annual Inflation Rate	3.0%
Annual Funding Increase	3.0%

Year End	Annual Expenses	Fully Funded Balance	Current Funding Plan			Recommended Funding Plan			5% Threshold Funding Plan		
			Contribution	Balance	% Funded	Contribution	Balance	% Funded	Contribution	Balance	% Funded
2026	$ -	$ 1,295,738	$ 120,000	$ 865,836	67%	$ -	$ 865,836	67%	$ -	$ 865,836	67%
2027	$ 490,186	$ 913,902	$ 137,000	$ 525,637	58%	$ 127,200	$ 515,837	56%	$ 79,200	$ 467,837	51%
2028	$ 100,067	$ 945,808	$ 141,110	$ 574,565	61%	$ 131,016	$ 554,524	59%	$ 81,576	$ 456,364	48%
2029	$ 15,630	$ 1,073,371	$ 145,343	$ 712,896	66%	$ 134,946	$ 682,158	64%	$ 84,023	$ 531,602	50%
2030	$ 494,434	$ 690,417	$ 149,704	$ 378,859	55%	$ 138,995	$ 336,951	49%	$ 86,544	$ 131,686	19%
2031	$ 66,307	$ 762,582	$ 154,195	$ 472,430	62%	$ 143,165	$ 418,863	55%	$ 89,140	$ 156,495	21%
2032	$ 190,179	$ 706,639	$ 158,821	$ 448,159	63%	$ 147,460	$ 382,427	54%	$ 91,815	$ 60,478	9%
2033	$ 33,274	$ 822,515	$ 163,585	$ 585,192	71%	$ 151,883	$ 506,773	62%	$ 94,569	$ 122,680	15%
2034	$ 132,097	$ 838,911	$ 168,493	$ 630,365	75%	$ 156,440	$ 538,717	64%	$ 97,406	$ 89,829	11%
2035	$ 94,286	$ 900,729	$ 173,548	$ 719,083	80%	$ 161,133	$ 613,646	68%	$ 100,328	$ 97,219	11%
2036	$ 86,334	$ 977,160	$ 178,754	$ 822,289	84%	$ 165,967	$ 702,484	72%	$ 103,338	$ 115,682	12%
2037	$ 132,898	$ 1,009,809	$ 184,117	$ 885,842	88%	$ 170,946	$ 751,069	74%	$ 106,438	$ 90,958	9%
2038	$ 55,526	$ 1,131,527	$ 189,640	$ 1,033,244	91%	$ 176,075	$ 882,884	78%	$ 109,631	$ 146,428	13%
2039	$ 61,677	$ 1,254,787	$ 195,329	$ 1,182,395	94%	$ 181,357	$ 1,015,807	81%	$ 112,920	$ 199,867	16%
2040	$ 206,589	$ 1,229,705	$ 201,189	$ 1,194,731	97%	$ 186,797	$ 1,011,253	82%	$ 116,308	$ 112,584	9%
2041	$ 49,064	$ 1,379,053	$ 207,225	$ 1,370,813	99%	$ 192,401	$ 1,169,759	85%	$ 119,797	$ 185,006	13%
2042	$ 109,633	$ 1,472,343	$ 213,442	$ 1,495,184	102%	$ 198,173	$ 1,275,846	87%	$ 123,391	$ 201,539	14%
2043	$ 137,288	$ 1,543,637	$ 219,845	$ 1,600,168	104%	$ 204,119	$ 1,361,814	88%	$ 127,093	$ 194,367	13%
2044	$ 120,031	$ 1,641,001	$ 226,440	$ 1,730,580	105%	$ 210,242	$ 1,472,453	90%	$ 130,906	$ 208,157	13%
2045	$ 50,392	$ 1,822,027	$ 233,233	$ 1,939,380	106%	$ 216,549	$ 1,660,697	91%	$ 134,833	$ 295,720	16%
2046	$ 154,283	$ 1,901,714	$ 240,230	$ 2,054,418	108%	$ 223,046	$ 1,754,371	92%	$ 138,878	$ 284,751	15%
2047	$ 145,522	$ 1,999,023	$ 247,437	$ 2,187,149	109%	$ 229,737	$ 1,864,901	93%	$ 143,044	$ 286,544	14%
2048	$ 46,404	$ 2,212,377	$ 254,860	$ 2,428,412	110%	$ 236,629	$ 2,083,100	94%	$ 147,335	$ 391,773	18%
2049	$ 82,712	$ 2,398,971	$ 262,506	$ 2,644,633	110%	$ 243,728	$ 2,275,363	95%	$ 151,755	$ 466,693	19%
2050	$ 165,950	$ 2,507,432	$ 270,381	$ 2,788,734	111%	$ 251,040	$ 2,394,584	95%	$ 156,308	$ 464,051	19%
2051	$ 243,310	$ 2,541,961	$ 278,493	$ 2,865,747	113%	$ 258,571	$ 2,445,763	96%	$ 160,997	$ 388,699	15%
2052	$ 423,641	$ 2,389,171	$ 286,848	$ 2,771,940	116%	$ 266,329	$ 2,325,137	97%	$ 165,827	$ 136,716	6%
2053	$ 34,856	$ 2,659,142	$ 295,453	$ 3,074,116	116%	$ 274,318	$ 2,599,477	98%	$ 170,802	$ 274,713	10%
2054	$ 335,652	$ 2,618,981	$ 304,317	$ 3,088,893	118%	$ 282,548	$ 2,585,365	99%	$ 175,926	$ 119,108	5%
2055	$ 93,123	$ 2,847,203	$ 313,446	$ 3,355,550	118%	$ 291,024	$ 2,822,048	99%	$ 181,204	$ 208,976	7%
2056	$ 162,031	$ 3,015,258	$ 322,849	$ 3,566,701	118%	$ 299,755	$ 3,002,102	100%	$ 186,640	$ 236,719	8%

Note: All future projections are theoretical. The estimated lives and costs of components will likely change over time depending on factors such as inflation rates and levels of maintenance. Reserve analysis should be performed annually to account for these factors.

Component Summary

Stonehaven

Category / Component	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life	Unit Cost	Total Cost	Cost Source
Roofing							
Racquetball Flat	2700	SF	30	16	$ 8.10	$ 21,880	1
Racquetball Shingles	600	SF	30	0	$ 7.21	$ 4,326	1
Pool Restrooms	1800	SF	30	0	$ 7.21	$ 12,978	1
Gardner Shed & RB Overhang	1200	SF	30	0	$ 7.21	$ 8,652	1
Repair Allowance	1	Allowance	10	0	$ 1,688	$ 1,688	1
						$ 49,524	
Painting							
Pergola	1	Allowance	8	3	$ 5,402	$ 5,402	1
Racquetball Bldg	5470	SF	10	1	$ 1.35	$ 7,388	1
Restroom Building	1	Allowance	10	5	$ 2,251	$ 2,251	1
Exterior Doors Restrooms	9	Each	6	1	$ 281.38	$ 2,532	1
Exterior Doors Racquet	3	Each	6	1	$ 281.38	$ 844	1
Metal Fencing	303	LF	6	1	$ 14.86	$ 4,502	1
Restrooms & Meeting Rooms Floors	2242	SF	6	1	$ 1.91	$ 4,290	1
Restroom & Meeting Room Walls	4610	SF	12	1	$ 1.18	$ 5,448	1
Pool & Spa Walls	1	Allowance	9	0	$ 3,377	$ 3,377	1
						$ 36,034	
Exterior Wood							
Restroom Siding	1	Allowance	15	10	$ 5,628	$ 5,628	1
Pergola & Posts	1	Allowance	15	9	$ 12,662	$ 12,662	1
Pergola Replace	2830	SF	35	25	$ 19	$ 54,148	1
Pool Equip Shed	1	Allowance	12	7	$ 6,753	$ 6,753	1
Gardner's Shed	1	Allowance	12	0	$ 6,753	$ 6,753	1
Lake Pump Shed	1	Allowance	12	0	$ 5,628	$ 5,628	1
						$ 91,571	
Fencing/Rails							
Wood Fence Gardner's Bldg	145	LF	25	2	$ 47.27	$ 6,854	1
Pool Wall Repairs	1	Allowance	15	1	$ 8,441.32	$ 8,441	1
Backflow Valve Cages	8	Each	20	4	$ 1,125.51	$ 9,004	1
						$ 24,300	
Paved Surfaces							
Asphalt Seal/Stripe/Repair	154695	SF	3	1	$ 0.21	$ 32,823	1
Asphalt Repave 1/3	46531	SF	30	27	$ 2.53	$ 117,835	3
Asphalt Repave 1/3	56600	SF	30	0	$ 2.53	$ 143,334	3
Asphalt Repave 1/3	51565	SF	30	3	$ 2.53	$ 130,583	3
Pool Deck Resurface	1	Allowance	12	5	$ 24,536	$ 24,536	1
Community Center Concrete Resurf	1	Allowance	12	5	$ 31,514	$ 31,514	1
Sidewalk Repairs	1	Allowance	2	0	$ 2,251	$ 2,251	1
						$ 482,876	
Pool And Spa							
Pool Resurface	1	Each	15	8	$ 21,385	$ 21,385	1
Spa Resurface	1	Each	10	4	$ 7,676	$ 7,676	1
Coping Stones Pool	135	LF	30	8	$ 38	$ 5,166	1
Coping Stones Spa	40	LF	30	4	$ 38	$ 1,531	1
Joint Caulk Pool	135	LF	3	0	$ 11	$ 1,475	1
Joint Caulk Spa	40	LF	3	0	$ 11	$ 437	1
Step and Handrail Pool	2	Each	25	18	$ 1,266	$ 2,532	1
Step and Handrail Spa	2	Each	25	19	$ 1,266	$ 2,532	1
LED Light Pool	2	Each	18	9	$ 1,041	$ 2,082	1
LED Light Spa	1	Each	18	13	$ 1,041	$ 1,041	1
Pool Heater	1	Each	10	6	$ 6,258	$ 6,258	1
Spa Heater	1	Each	10	7	$ 5,161	$ 5,161	1
Pool Filter	1	Each	13	7	$ 2,251	$ 2,251	1
Spa Filter	1	Each	13	5	$ 2,082	$ 2,082	1
Pool Pump	1	Each	8	0	$ 2,757	$ 2,757	1
Spa Jet Pump	1	Each	8	0	$ 2,757	$ 2,757	1
Spa Circ Pump	2	Each	10	1	$ 2,757	$ 5,515	1
Spa Check Valve	2	Each	10	5	$ 1,407	$ 2,814	1
Chemical System	2	Each	10	7	$ 583	$ 1,167	1
Misc Components	1	Each	6	0	$ 5,628	$ 5,628	1
Furnishings	1	Each	6	0	$ 3,377	$ 3,377	1
Solar System	1	Each	20	13	$ 11,368	$ 11,368	1
Solar System Pump	1	Each	8	0	$ 2,757	$ 2,757	1

Category / Component	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life	Unit Cost	Total Cost	Cost Source
Spa Metal Stair Rail	1	Allowance	30	21	$ 2,814	$ 2,814	1
Metal Pool Fencing	281	LF	30	5	$ 90	$ 25,301	1
Metal Rail 3'	18	LF	30	5	$ 64	$ 1,155	1
Electrical Replacements	1	Allowance	10	0	$ 4,120	$ 4,120	1
						$ 133,140	
Tennis & Racquet Ball							
Tennis Resurface & Repair	2	Each	8	7	$ 11,330	$ 22,660	1
Windscreens	1	Allowance	12	0	$ 9,270	$ 9,270	1
Chain Link Fencing	480	LF	40	5	$ 73	$ 35,116	1
Light Fixtures	12	Each	30	0	$ 957	$ 11,480	1
Racquet Floor Paint	1	Allowance	6	1	$ 4,333	$ 4,333	1
Racquet Wall Paint	1	Each	12	7	$ 1,519	$ 1,519	1
Racquet Light Fixtures	6	Allowance	30	25	$ 1,519	$ 9,117	1
						$ 93,495	
Interior Components							
Meeting Room Furniture	1	Allowance	6	0	$ 1,126	$ 1,126	1
Restroom Renovate	1	Allowance	25	13	$ 45,020	$ 45,020	1
Restroom Doors	2	Each	25	0	$ 2,251	$ 4,502	1
						$ 50,648	
Mechanical & Plumbing							
Water Heater 50 Gal	1	Each	13	0	$ 2,026	$ 2,026	1
Lake Electrical	1	Allowance	20	14	$ 16,883	$ 16,883	1
Rewiring Post Lamps	1	Allowance	20	13	$ 7,879	$ 7,879	1
Racquet Ventilation	1	Allowance	10	0	$ 2,814	$ 2,814	1
						$ 29,601	
Lakes and Streams							
Upper Lake Renovation	1	Allowance	30	3	$ 307,264	$ 307,264	1
Lower Lake Renovation	1	Allowance	30	0	$ 156,671	$ 156,671	1
Pump	1	Allowance	15	10	$ 10,474	$ 10,474	3
Motor	1	Allowance	15	10	$ 4,221	$ 4,221	1
Aerators Compressor/Motor	2	Each	12	5	$ 2,307	$ 4,615	1
Aerators	3	Each	7	1	$ 822	$ 2,465	1
Electric Controls	1	Allowance	15	0	$ 1,688	$ 1,688	1
Bridges	2	Each	20	5	$ 8,329	$ 16,658	1
Aquatic Life Restock	1	Allowance	3	0	$ 1,688	$ 1,688	1
DG Paths	1	Allowance	15	0	$ 16,883	$ 16,883	1
Stream Bead Seal & Maintain	1	Allowance	15	9	$ 38,819	$ 38,819	1
						$ 561,444	
Landscaping							
Irrigation System Upgrade	1	Each	15	8	$ 29,263	$ 29,263	1
Planting Renovation	1	Each	1	0	$ 5,628	$ 5,628	1
Tree Remove/Replace	1	Each	5	0	$ 12,381	$ 12,381	1
Brow Ditch Swales	1	Allowance	6	1	$ 6,190	$ 6,190	1
						$ 53,462	
Lighting							
10' Post Lights	3	Each	25	0	$ 765	$ 2,296	1
6' Post Lights	6	Each	20	19	$ 647	$ 3,883	1
						$ 6,179	
Miscellaneous							
Playground Equipment	2	Each	20	0	$ 18,540	$ 37,080	1
Playground Mulch	1	Allowance	6	1	$ 6,753	$ 6,753	1
Termite Treatment Common Bldg	1	Allowance	15	10	$ 4,502	$ 4,502	1
FOB System	1	Allowance	10	0	$ 12,360	$ 12,360	1
Entrance Walls	1	Allowance	20	11	$ 11,030	$ 11,030	1
Signage	1	Allowance	12	11	$ 5,150	$ 5,150	1
						$ 76,875	
Contingency							
5%							1
				TOTALS		**$ 1,689,149**	

Notes: Any other items not listed are included in operating budget.

Assessment and Reserve Funding Disclosure Summary
Stonehaven

(1) The current regular assessment per ownership interest per month is:

$ 350.00 per month for the year ending 12/31/27

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members: As of 11/14/2026

Date Assessment is Due	Amount per unit	Purpose of Assessment
NA		
Total:		

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

Yes [X] No [ ]

Note: This calculation assumes the association will raise their current reserve contribution 3% per year over the next 30 years.

(4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Not Applicable

Note: This calculation assumes the association will raise their current reserve contribution 3% per year over the next 30 years.

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

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the civil code the estimated amount required in the reserve fund at the end of the current fiscal year is:
$ 1,295,738
based in whole or in part on the last reserve study or update prepared by McCaffery Reserve Consulting as of 12/31/2026 the projected reserve fund cash balance at the end of the current fiscal year is: $ 865,836 resulting in the reserves being 67% funded at this date.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the civil code the projected required amount in reserves, projected reserve fund cash balance and projected percent funded for each of the next 5 years is:

Year	Amt Required	Proj. Balance	% Funded
2027	$ 913,902	$ 525,637	58%
2028	$ 945,808	$ 574,565	61%
2029	$ 1,073,371	$ 712,896	66%
2030	$ 690,417	$ 378,859	55%
2031	$ 762,582	$ 472,430	62%

For more detail see attached theoretical 30 year funding plans.

Note: This calculation assumes the association will raise their reserve contribution 3% per year over the next 30 years.

Note: This property has not been inspected by the preparer of this form. All statements are based on a previous reserve study provided by the association or their management.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate was : 1.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was: 3.00% per year

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

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

(2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

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

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

The Preparer of this form will be indemnified and held harmless against all losses, claims, action, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been provided to Preparer by others and relied upon by Preparer which may result from any improper use or reliance on this disclosure.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 1/5/2026

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 **FAX (A/C, No):** 949-588-1275 **E-MAIL ADDRESS:** proof@hoa-insurance.com
INSURED STONASS-03 Stonehaven Association Inc. c/o PropertyADVANTAGE 5142 Avenida Encinas Carlsbad CA 92008	**INSURER(S) AFFORDING COVERAGE** / **NAIC #** **INSURER A :** Accelerant National Insurance 10220 **INSURER B :** Federal Insurance 20281 **INSURER C :** The Hanover Insurance Co. 22292 **INSURER D :** PMA Insurance Group 12262 **INSURER E :** Philadelphia Indemnity Ins. Co 18058 **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 445784692 **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	X **COMMERCIAL GENERAL LIABILITY** ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC ☐ OTHER:	Y		N030PK0813-03	1/1/2026	1/1/2027	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1,000,000 $ 300,000 $ 5,000 $ 1,000,000 $ 2,000,000 $ 2,000,000
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
B	X **UMBRELLA LIAB** ☒ OCCUR **EXCESS LIAB** ☐ CLAIMS-MADE ☐ DED ☒ RETENTION $ 0			G75247175	1/1/2026	1/1/2027	EACH OCCURRENCE AGGREGATE	$ 15,000,000 $ 15,000,000
C	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		WZY-D706596-08	1/1/2026	1/1/2027	X PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ 1,000,000 $ 1,000,000 $ 1,000,000
A D E	Property Crime Directors and Officers	Y Y		N030PK0813-03 4126011111871Y PCAP013056-0818	1/1/2026 1/1/2026 1/1/2026	1/1/2027 1/1/2027 1/1/2027	$10,000 Deductible $5,000 Deductible $1,000 Deductible	$63,036,000 $850,000 $1,000,000

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

HOA consists of 150 units. Located in San Diego, CA.

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...

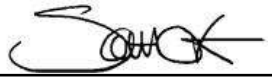
CERTIFICATE HOLDER

PropertyADVANTAGE
5142 Avenida Encinas
Carlsbad CA 92008
USA

CANCELLATION

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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AGENCY CUSTOMER ID: STONASS-03

LOC #:

ADDITIONAL REMARKS SCHEDULE

AGENCY		NAMED INSURED
LaBarre/Oksnee Insurance		Stonehaven Association Inc. c/o PropertyADVANTAGE 5142 Avenida Encinas Carlsbad CA 92008
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 provided with the following insuring agreement:
All In (Walls In, Including Improvements)

$15,000 deductible for water damage

Coverage Includes:
Special Form with 100% Replacement Cost for the entire project, including common elements
Guaranteed Replacement Cost
Wind/Hail (excludes direct loss to Trees/Shrubs)
Equipment Breakdown
Building Ordinance or Law A+B+C
Inflation Guard NOT available (limits reviewed annually to ensure 100% Replacement Cost)
Severability of Interest / Separation of Insureds
Waiver of Rights of Recovery
Computer Fraud & Transfer Fraud
No Co-Insurance
Hired & Non-Owned Auto
D&O is a claims-made policy

Earthquake Coverage:
Earthquake Carrier: Bricktown Specialty Insurance Company
Earthquake Policy Number: Various
Policy Term: 1/1/2026-1/1/2027
Limit: $27,000,000
Deductible: 15%

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STONEHAVEN ASSOCIATION

Civil Code 5300 Annual Budget Report Disclosure – FHA

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 by the Federal Housing Administration.

This information is current as of the date this Annual Budget Report has been prepared. Please refer to the following website for any updates: FHA Approved Condo Search:

https://entp.hud.gov/idapp/html/condlook.cfm

Stonehaven Association

Civil Code 5300 Annual Budget Report Disclosure - VA

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 not a condominium project. The association of this common interest development is not certified by the federal Department of Veterans Affairs.

This information is current as of the date of this Annual Budget Report has been prepared. Please refer to the following website for any updates: VA Approved Projects Search:

https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525* EXHIBIT D

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:

Owner of Property:

Owner's Mailing Address (if known or different from property address):

Provider of the Section 4525 Items:

Print Name: Erik Runsvold

Position/Title: HOA Division Manager

Association or Agent: Agent

Date Form Completed: 10/14/2026

Check or Complete Applicable Column or Columns Below

Document	**Civil Code Section Included**	**Fee for Document**	**Not Available (N/A), Not Applicable (N/App), Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)**
Articles of Incorporation	Section 4525(a)(1)	55.00	
CC&Rs	Section 4525(a)(1)	120.00	
Bylaws	Section 4525(a)(1)	55.00	
Operating Rules	Section 4525(a)(1)	55.00	
Age restrictions, if any	Section 4525(a)(2)	Refer to CC&Rs	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	55.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	In Budget	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	In Budget	
Financial statement review	Sections 5305 and 4525(a)(3)	55.00	
Insurance summary	Sections 5300 and 4525(a)(3)	35.00	
Statement of Account/Fees Regular, special and emergency assessments, as well as any other unpaid obligations of the seller	Section 4525(a)(4) Section 5675	230.00	
Notice(s) of violation	Section 4525(a)(5) and 5855	Refer to Demand	
Builder Defects Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	Refer to Demand	
Settlement Notice Notice regarding common area defects	Sections 4525(a)(6), (7) and 6100	Refer to Demand	
Pending Assessment Increases Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	In Budget	
Rental Restrictions, if any	Section 4525(a)(9)	Refer to CC&Rs	
Copy of the report issued pursuant to the most recent inspection of exterior elevated elements.	Sections 4525(a)(11) and 5551	0.00	
Meeting Minutes For regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	75.00	
TOTAL FEES FOR THESE DOCUMENTS	**Section 4525**	Variable	

***The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately.**

Stonehaven Association, Inc

Request for Annual Preferred Delivery Methods, Representative and Rental Status

Civil Code §4041 requires each owner of a separate interest to provide written notice to the Association of all the following information annually. **Please provide the information in the form below and return the completed form to the Association within 30 days.** If you do not provide a valid delivery method pursuant to *Civil Code §4041,* the last mailing address provided in writing by the member or, if none, the property address shall be deemed to be the address to which notices are to be delivered. *(Civil Code §4041(c).)* To change your preferred delivery method or other information, contact the Association's designated contact in the Annual Policy Statement.

1. **Owner Name on Title:**

2. **HOA Unit Address:**

3. **Member's Preferred Delivery Method (Check one or both and provide the information.)**
Notice: While members are not obligated to provide an email address to the Association, sharing your email can help reduce mailing and postage costs. This, in turn, positively impacts on our annual budget and ultimately affects the monthly dues assessments.

☐ A valid **mailing** address: _____

_____

☐ A valid **email** address: _____

4. **An alternate or secondary delivery method for receiving notices from the Association. (Optional. Choose one or both, if desired, and provide the information.)**

☐ A valid **mailing** address: _____

_____

☐ A valid **email** address: _____

5. **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.**

_____

_____

_____

6. **Is the separate interest:**

☐ Owner-occupied? ☐ Undeveloped?

☐ Developed, but vacant? ☐ Rented out?

7. **If rented, provide Tenant names(s):** _____

_____

8. **Return form to:** **Email:** info@phoac.com **Mail:** **Stonehaven Homeowners Association**
C/o Property Advantage
5142 Avenida Encinas
Carlsbad CA 92008

☐ By checking this box, I/we agree the above information will remain effective from year to year unless changed by a member in writing.

EXHIBIT E
STONEHAVEN ASSOCIATION
COLLECTION POLICY

The Stonehaven Association (the "Association") has the right and duty under the Association's governing documents and California law to impose and collect assessments so that the Association can, among other things, manage, maintain and operate your development.

Timely payment of assessments is of critical importance to the Association. Although most property Owners consistently pay their assessments on time, the failure of any Owner to pay assessments when due creates a cash-flow problem for the Association and causes those Owners who make timely payments of their assessments to bear a disproportionate share of the Association's financial obligations. Therefore, to encourage the prompt payment of assessments and as required by law and/or the Association's governing documents, the Board of Directors has enacted the following policies and procedures (this "Collection Policy") concerning collection of delinquent assessment accounts, subject to Civil Code section 4340, et seq., if applicable.

1. DUE DATES. All Regular Assessments shall be due and payable, in advance, in equal monthly installments, on the first day of each month. Special Assessments shall be due and payable on the due date specified by the Board in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. In no event shall a Special Assessment be due and payable earlier than thirty (30) days after it is imposed.

2. PAYMENT / RECEIPTS / OVERNIGHT PAYMENT LOCATION. The Association will be the collectors of the assessments (current and delinquent), late charges, interest, and collection costs (which may include attorneys' fees). Assessments may be paid by personal check, bank drafts, cashier's checks and/or money orders, as well as by electronic payment, if available. A charge of $25.00, in addition to late fees, if applicable, will be assessed against any account whose check has been returned for Non-Sufficient Funds (NSF). When an Owner makes a payment, the Owner may request a receipt and the Association will provide such receipt, which will indicate the date of payment and person who received such payment. (Civil Code Section 5655) Any Owner is entitled to inspect the Association's accounting books and records. Any request for a receipt of payment must be submitted directly to the Association's business address (separately from any actual payment). Overnight payment of assessments may be sent/delivered to the following address:

STONEHAVEN ASSOCIATION
c/o Property Advantage
5142 Avenida Encinas
Carlsbad, CA 92008

3. APPLICATION OF PAYMENTS. Payments received on delinquent assessments shall be applied to the Owner's account in the following order of priority: First, the principal on the assessments owed; then to accrued interest and late charges; then to attorneys' fees; then the title company and foreclosure service company charges and other reasonable costs of collection. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first.

4. LATE CHARGE: All assessments shall be delinquent if not paid within **fifteen (15) days** after they become due and will result in the imposition of a late charge of **ten percent (10%)** of the monthly assessment ($33). Furthermore, the Association shall be entitled to recover any reasonable collection costs, including attorneys' fees, interest, that the Association then incurs in its efforts to collect the delinquent sums.

5. LATE LETTER. If a delinquent assessment payment is not paid within **fifteen (15) days** after it becomes due, a late letter or current ledger may be sent to the Owner reminding the Owner of his or her

delinquent account status. The Association, however, is in no way required to send a late letter or ledger before sending a pre-lien letter referenced below. The cost of this letter by management will be assessed to the delinquent owner.

6. INTEREST. If an assessment payment is not paid within **thirty (30) days** of its original due date, interest may be imposed on all sums due, including the delinquent assessment, attorneys' fees, collection costs, and late charges, at an annual percentage rate of **twelve percent (12%)** or the rate specified within the CC&RS, whichever is less.

7. SECONDARY ADDRESS. Upon receipt of a written request by an Owner identifying a secondary address for the purposes of assessment collection notices, the Association shall send collection notices required by this Collection Policy to the secondary address provided. The Owner's notice of a secondary address must be in writing and mailed to the Association in a manner that shall indicate that the Association has received it. The Association shall only send notices to the indicated secondary address at the point in time the Association receives the written request.

8. PRE-LIEN LETTER. If an assessment payment from the Owner is not paid within **thirty (30) days** after its original due date (for example, if an Owner fails to pay an assessment which was due on June 1st and the failure to pay continues through July 1st, then the June assessment would not have been paid within 30 days after its original due date), a notice of delinquency (Pre-Lien Letter) may be sent to the Owner by regular first-class mail and certified mail, return receipt requested. The Pre-Lien Letter shall provide at least 30 days' written notice to a delinquent Owner prior to recording an Assessment Lien and further provide an itemized statement of the charges owed, including a breakdown of the following items: (a) The principal amount owed; (b) any late charges with the method of calculation used to determine such charges; (c) any attorneys' fees incurred; and (d) a description of collection practices, including the right of the association to the reasonable costs of collection. A copy of the Association's collection policy shall be attached to the Pre-Lien Letter.

9. ALTERNATIVE DISPUTE RESOLUTION PROCESS.

a. Assessment Lien. Prior to recording an assessment lien, the Association shall offer the Owner and, if so requested by the Owner, the option of participating in dispute resolution, consistent with Civil Code sections 5910 and 5915, et seq. The Association's offer shall either be placed within the Association's Pay or Lien Letter or in a separate written communication to the Owner. An Owner who desires to accept the offer to "meet and confer" under this section shall elect such option by submitting a written request to the Association or the Association's legal counsel, which written request must be received by the Association within twenty (20) days from the date of the offer to "meet and confer." If the offer to "meet and confer" under sections 5910 and 5915, is accepted by the Owner, the Association shall designate a prompt date and time for the meet and confer, at a location that shall either be the Association's principal office or another convenient location as designated by the Association. The Association shall designate a Board officer, along with its Property Manager to participate in the meet and confer with the Owner.

b. Foreclosure. Prior to initiating foreclosure proceedings against an Owner's separate interest, the Association shall offer the delinquent Owner, and if so requested by the Owner, to meet and confer with a delinquent Owner (Civil Code sections 5910 and 5915) OR alternative dispute resolution (Civil Code sections 5925, et seq.) to resolve any dispute related to the total amount of delinquencies owed by the delinquent Owner to the Association and/or the Association's Collection Policy ("ADR Offer"). The Association's ADR Offer shall either be placed within the Association's Pay or Lien Letter or in a separate written communication to the delinquent Owner. An Owner who wishes to accept the ADR Offer must do so by submitting his/her/it's written request to facilitate the ADR that is elected with the Association, which written request must be received by the Association within thirty (30) days from the day the ADR Offer is submitted to the delinquent Owner. The Association shall designate a prompt date and time for the elected ADR. If a "meet and confer" is elected by the delinquent Owner, the Association shall designate a Board member, along with its Property Manager to participate in the meet and confer with the delinquent Owner. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the Owner, except that binding arbitration

shall not be available if the Association intends to initiate a judicial foreclosure.

10. SHOW CAUSE HEARING. Additionally, the Association may elect to provide a delinquent Owner a written notice (either in the Pay or Lien Letter or in a separate written document, as determined by the Board of Directors) of a hearing before the Board of Directors, wherein the Owner shall be invited to show good cause why (a) the Owner's voting privileges; and/or (b) the Owner's privileges for use of the common area/recreational facilities (hereinafter collectively "Membership Privileges") should not be suspended for non-payment of the delinquent assessment(s) ("Show Cause Hearing"). The notice and hearing procedures shall be in accordance with the governing documents for the Association.

11. ASSESSMENT LIEN.

a. If the delinquent Owner does not bring his or her account current within the deadline set forth in the Pay or Lien Letter, the Board of Directors may proceed with recording an assessment lien against that Owner's separate interest.

b. The decision to record a lien for delinquent assessments shall be made only by the Board of Directors of the Association and may not be delegated to an agent of the Association. Prior to causing an assessment lien to be recorded, the Board of Directors must approve the recordation of an assessment lien against the delinquent Owner's separate interest. The Board of Directors for the Association shall approve the decision to record an assessment lien by a majority vote in an open meeting; the Board shall record the vote in the minutes of that meeting. The Board's action should refer to the Unit or account number of the property that is delinquent, rather than the name of the Owner.

c. The Assessment Lien shall be recorded in the County Recorder's Office itemizing all sums that are then delinquent, including the delinquent assessment(s), the then current monthly assessment amount which will also accrue and be a part of the lien, interest, late charges, collection costs and reasonable attorneys' fees. Recording this notice creates a lien, which may be foreclosed upon by the Association.

12. FORECLOSURE.

a. ADR Procedure. The Association, prior to initiating foreclosure proceedings against a delinquent Owner's separate interest, must comply with the alternative dispute resolution procedure set forth above (except that the timeline for the delinquent Owner to accept a meet and confer would be thirty (30) days from the date of the Owner's receipt of this pre-foreclosure offer) or alternative dispute resolution consistent with *Civil Code* sections 5925, 5910 and 5915. ("IDR/ADR Offer"). The Owner shall have thirty (30) days from the date of the IDR/ADR Offer to decide whether or not the Owner wishes to pursue dispute resolution or a particular type of alternative dispute resolution (except that binding arbitration is not available to any delinquent Owner if the Association intends to initiate a judicial foreclosure).

b. Board Approval. Prior to initiating foreclosure proceedings, the Board of Directors must, in executive session, approve the decision to proceed with foreclosure by a majority vote. The decision to initiate foreclosure of a lien for delinquent assessments that has been validly recorded shall be made only by the Board of Directors of the Association and may not be delegated to an agent of the Association. The Board shall record the Board's executive session decision in the minutes of the next meeting of the Board open to the members by referencing the Unit or account number of the property that is delinquent, not the name of the delinquent Owner. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale. The Board of Directors shall provide notice by personal service to an Owner of a separate interest who occupies the separate interest or to the Owner's legal representative, if the Board votes to foreclosure upon the separate interest. If the Owner does not occupy the subject lot/unit, the Board shall provide written notice via first-class mail to the most current address shown on the books of the Association.

c. Threshold. The Board of Directors shall not proceed with any form of foreclosure unless and until the amount of delinquent assessments (exclusive of any accelerated assessments, late charges, fees, costs of

collection, attorneys' fees or interest) equals or exceeds One Thousand Eight Hundred Dollars ($1,800.00) or the assessments have been delinquent for more than twelve (12) months ("Threshold"). Once the Threshold has been met and all other requirements identified above have been completed, the Board may proceed with foreclosure of the assessment lien pursuant to the Association's governing documents and *Civil Code* sections 5700, 5705, 5710, 5715 and 5720. Unless otherwise provided herein, the procedure used shall be private foreclosure pursuant to *Civil Code* section 2924, *et seq.*, and *Civil Code* sections 5700 and 5710. The foreclosure action shall include, but is not necessarily limited to the following procedures:

i. Notice of Default (NOD). A NOD will be recorded at the County Recorder's office. The cost of all attorneys' fees and/or trustee's fees will be added to the debt.

ii. Notice of Trustee's Sale (NOS). If the delinquency is not paid within ninety (90) days after the NOD is recorded (and a lawsuit has not been filed), the Association will proceed with the recording and publishing of an NOS. The Owner is responsible for all publication, recording, posting and mailing costs, as well as attorneys' and/or trustee's fees.

iii. Sale of Property by Public Auction. If the trustee's sale proceeds, it is conducted as a public auction in the county in which the separate interest is located, during normal business hours on any business day. ANY OWNER WHOSE SEPARATE INTEREST IS IN FORECLOSURE IS URGED TO CONSULT WITH COMPETENT LEGAL COUNSEL OF THE OWNER'S SELECTION IN ORDER TO BE PROPERLY ADVISED OF THE OWNER'S RIGHTS AND OPTIONS AND THE TECHNICAL REQUIREMENTS OF THE FORECLOSURE PROCESS.

iv. Right of Redemption. The Trustee's Sale shall be subject to a statutory right of redemption, which shall terminate ninety (90) days after the trustee's sale is completed

13. MONEY JUDGMENT OPTION. If the Association determines that the property is over-encumbered, or otherwise makes a determination that a lawsuit is appropriate, the Association may file a personal lawsuit against the delinquent Owner to recover all delinquent assessments owing to the Association. If a lawsuit is necessary to collect the delinquent assessments from the Owner, all expenses, costs and attorneys' fees in connection with said lawsuit, including but not limited to pre- and post- judgment costs for filing fees, personal service, witness fees, interest, execution of judgment and/or writ fees shall be recovered from the Owner defendant. The Association may also refer certain accounts to collection agencies.

14. RELEASE OF LIEN. When a delinquent Owner has paid in full all delinquent assessments and charges, the attorney shall prepare a Release of Lien, which shall be recorded in the County Recorder's Office within twenty-one (21) days of receipt of the sums necessary to satisfy the delinquent amount and mail a copy of the lien release to the Owner of the residential Lot.

15. PAYMENT PLANS. An Owner of a separate interest which is not a timeshare or who is not a developer may, if mailed to the Association within fifteen (15) days of the postmark date of the pay or lien notice, submit a written request to meet with the Board to discuss a payment plan for the payment of any delinquency. The Association shall provide the Owner with the Association's standards for payment plans, if any exist. The Board shall meet with the Owner in executive session within forty-five (45) days of the postmark of the request, unless there is no regularly scheduled Board meeting within that period, in which case the Board shall designate a committee of one or more members to meet with the Owner. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans shall not impede an Association's ability to record a lien on the Owner's separate interest to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the Owner is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Association may resume its efforts to collect delinquent assessments from the time prior to entering into the payment plan.

The Association shall have the power and authority to include (without limitation) the following elements/terms in any payment plan agreement that is reached with the Owner:

a. That Owner comply with the governing documents during the course of the payment plan agreement;
b. That Owner waive any defenses or claims related to the Association's collection efforts;
c. That the Association may place a lien against other real or personal property owned by Owner;
d. That Owner agrees to waive any homestead rights he/she may have relative to the delinquent assessments;
e. That Owner assign the Association all amounts owed under any rental/lease agreement; and,
f. That Owner be required to provide identifying information, including social security number, driver's license number, off-site address(es), phone numbers, etc.

16. PERSONAL OBLIGATION TO PAY ASSESSMENTS AND CHARGES. Assessments, together with late charges, reasonable fees and costs of collection, reasonable attorneys' fees, and interest determined in accordance with California Civil Code Sections 5600 and 5605 and the Association's governing documents are a debt of the Owner of a separate interest (the Owner's lot) at the time that the assessment or other charges are levied. Whether or not the Association records a notice of delinquent assessment (lien) on your property, the Association has a right to look to the Owner, personally, to pay the debt and pursue collection of that debt in a court action. The Association is also entitled, upon compliance with the requirements of California law and provided certain criteria and procedures as specified by law are satisfied, to record a lien against your property and to take enforcement action to sell your property without court action by non-judicial foreclosure. The recording of a lien against your property does not limit the right of the Association to pursue any Owner personally for payment of all monies due.

17. COURTESY STATEMENTS AND TIMELY PAYMENTS. It is the Owner's responsibility to allow ample time to drop off or mail all monies due before the delinquency date. As a courtesy only, invoices or statements for regular assessments may be regularly sent to an Owner by first-class mail addressed to the Owner at his or her address as shown on the books and records of the Association. However, it is the Owner's responsibility to be aware of the assessment payment due dates and to pay any and all assessments when due, whether or not an invoice or statement has been sent. Owners should promptly advise the Association of any changes in the Owner's mailing address. The Association also reserves the right to send out coupon booklets in lieu of sending invoices or statements.

18. RIGHT TO REQUEST VALIDATION OF DEBT. An Owner has the right to request validation of the debt by notifying the Association in writing of such request within thirty (30) days of the Association's initial communication to the Owner. Upon such request being made, an account history or other document reflecting the delinquent balance will be forwarded to the Owner. Any information obtained in the collection process or obtained from an Owner will be used for the purpose of collecting any monies owed.

19. COMPLIANCE WITH CIVIL CODE SECTIONS 5730 AND 5310. The following notice is set forth to comply with the Civil Code.

EXHIBIT F

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 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 guest, 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 the 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 dept. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person 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 an 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 intents 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)

EXHIBIT G

IX. ENFORCEMENT

A. The management company, acting as an agent of Stonehaven, is authorized by the Board of Directors to enforce the compliance of all CC&R's, Bylaws, and Rules and Regulations by every Stonehaven owner/resident. Noncompliance will result in hearings and other remedies. Landlords (homeowners) are responsible for the compliance of their tenants to these rules and regulations. A schedule of fines and corrective actions that may be assessed or administered are included elsewhere in these rules.

B. Each homeowner has the right and obligation to report any violation of an established Association rule. A written notice of any violation is to be sent to the Board of Directors noting the day, violation, and identification (address or key/ID tag unit number) of anyone not conforming to the rules and regulations of Stonehaven. A form is available for this purpose. See form on last page or the website.

C. Reports filed by a resident will remain confidential, and will not be revealed to anyone other than the Board of Directors and the management company without permission from a resident.

D. Damage to the common area will be charged to the owners. Violators are subject to fines and/or revoking of recreational privileges.

E. If an owner fails to or refuses to correct a violation, the Board of Directors may elect to exercise the authority granted in the CC&Rs, Article IX Section 2(d), and hire a contractor to correct the problem(s) and add the cost of this to the assessments chargeable to that unit.

STONEHAVEN ASSOCIATION, INC.
MONETARY FINES AND REMEDIES SCHEDULE

VIOLATION OF RULES AND REGULATIONS:

Section II. Par. D &E	First Occurrence - $50 Continued Non-compliance - $100 /month
Section III. Par. A	First Occurrence - $50 Continued Non-compliance - Revoke recreation privileges
Section VI	First Occurrence - Citation left on Vehicle * Second Occurrence within 60 days - TOW
All Other Sections	First Occurrence - $50 Continued Non-compliance - $100/month or revoke Recreational and/or Common Area privileges.

* Vehicles in violation of City Ordinances (such as red zones) are subject to immediate towing.

Should circumstances so warrant, the Board of Directors reserves the right to reduce the fine from that listed above.

Should a member be cited for REPEATING a CORRECTED violation within three (3) months from the date of the last notice for the same violation a fine will be imposed of $50 plus an additional $5 per day until the repeated violation has been corrected.

EXHIBIT H

STONEHAVEN HOMEOWNERS ASSOCIATION

Internal Dispute Resolution Procedure

(Civil Code Section §5900, et seq.)

The California Legislature has adopted regulations codified in Civil Code Section §5900 et seq. which require Associations to adopt fair, reasonable and expeditious dispute resolution procedures. This is separate and apart from, and precedes the formal ADR (Alternative Dispute Resolution) requirements set forth in Civil Code Section §5925, et seq. The Association has adopted the following procedures as required under such law:

1. The Association or an Owner may invoke the procedures described herein by submitting a request to the other to meet and confer in an effort to resolve any existing dispute. The request must be in writing.

2. An Owner may refuse a request to meet and confer made by the Association with the understanding that further enforcement action may be taken if the dispute is not resolved. The Association shall not refuse a request by an Owner to meet and confer.

3. The Association's Board of Directors shall designate a Board member to meet and confer with the Owner.

4. The designated Board member and the Owner shall meet promptly at a mutually convenient time and place. The parties shall explain their position to each other and attempt, in good faith, to resolve the dispute.

5. Any resolution of the dispute agreed to by the parties shall be set forth in writing and signed by the Owner and the designated Board member on behalf of the Association.

6. An agreement reached under this procedure is binding on the Owner and the Association and is enforceable in court if both of the following conditions are met:

    a. The agreement is not in conflict with law or the Association's Governing Documents.

    b. The agreement is consistent with the authority granted by the Board of Directors to the designated Board member or is ratified by the Board.

7. Owners will not be charged a fee to participate in this process.

12.5 Alternative Dispute Resolution Procedure

Prior to the commencement of an enforcement lawsuit, the party initiating the case shall comply with Civil Code Sections 5925 through 5945 by serving a Request for Resolution on the other party in accordance with the statute.

EXHIBIT H.1

STONEHAVEN HOMEOWNERS ASSOCIATION
Alternative Dispute Resolution Procedure
(Civil Code Section §5925)

Prior to the filing of litigation for the purpose of obtaining a court order to enforce or interpret the governing documents, whether initiated by an individual owner or the homeowners Association, it is required that the parties endeavor to submit their dispute to a form of Alternative Dispute Resolution, such as mediation or arbitration.

Any party wishing to initiate this process must do so by serving on the other party to the dispute a Request for Resolution, which includes the following information:

1. A complete description of the dispute between the parties.
2. A request for Alternative Dispute Resolution; and
3. A notice that the party receiving the Request for Resolution is required to respond thereto within thirty (30) days of receipt or it will be deemed rejected.

The Request for Resolution can be delivered via certified mail or personally served by any individual over 18 years of age who is not a party to the dispute. If Alternative Dispute Resolution is accepted by the party upon whom the request is served, the process is required to be completed within ninety (90) days of receipt, unless both parties agree in writing to extend the time. The costs of the process are to be borne by the parties.

Filing Litigation

In the event the other party to the dispute responds that they are not willing to participate in Alternative Dispute Resolution ("ADR") or fails to respond within the thirty (30) day time period, litigation may be initiated. Besides filing the complaint, which initiates the lawsuit, the plaintiff must also file a certificate stating that they have complied with the requirements of ADR outlined above. The failure to file a certificate is a basis for immediate dismissal of the lawsuit.

Exceptions

The law does provide certain exceptions to this procedure. In other words, there are circumstances where the Request for Resolution does not need to be made prior to filing a lawsuit. The following is a summary of those situations:

1. At the time of filing the lawsuit, there are 120 days or less left to the expiration of the statute of limitations.
2. The action is for collection of homeowner association assessments.
3. The lawsuit, in addition to seeking enforcement of the governing documents, is also seeking damages in excess of $5,000.
4. The circumstances require an immediate emergency court order such as a temporary restraining order.
5. A determination by the court that dismissal of the action for failure to comply with the Request for Resolution procedure would result in substantial prejudice to one of the parties.

Failure of any member of the Association to comply with the pre-filing requirements of Section §5975 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.

EXHIBIT "I"
Procedures for Architectural Review
(California Civil Code Section §4765)

**Please contact Property Advantage for a copy of the Architectural Application*

1. The governing documents stipulate that all members must have Association approval prior to any physical change to the member's separate interest or the Common Area.

2. An Architectural Application must be completed by the Member and submitted to the Architectural Committee/Board of Directors for review.

3. All pertinent information for the proposed improvement must be included on/with the Architectural Application, including:
    a) Location of improvement to home & property lines
    b) Complete dimensions of changes proposed
    c) Detailed description of materials, product brands, color schemes, etc.

4. All pertinent contractor information shall be provided with the Architectural Application, including, but not limited to, contractor license, bond and insurance requirements.

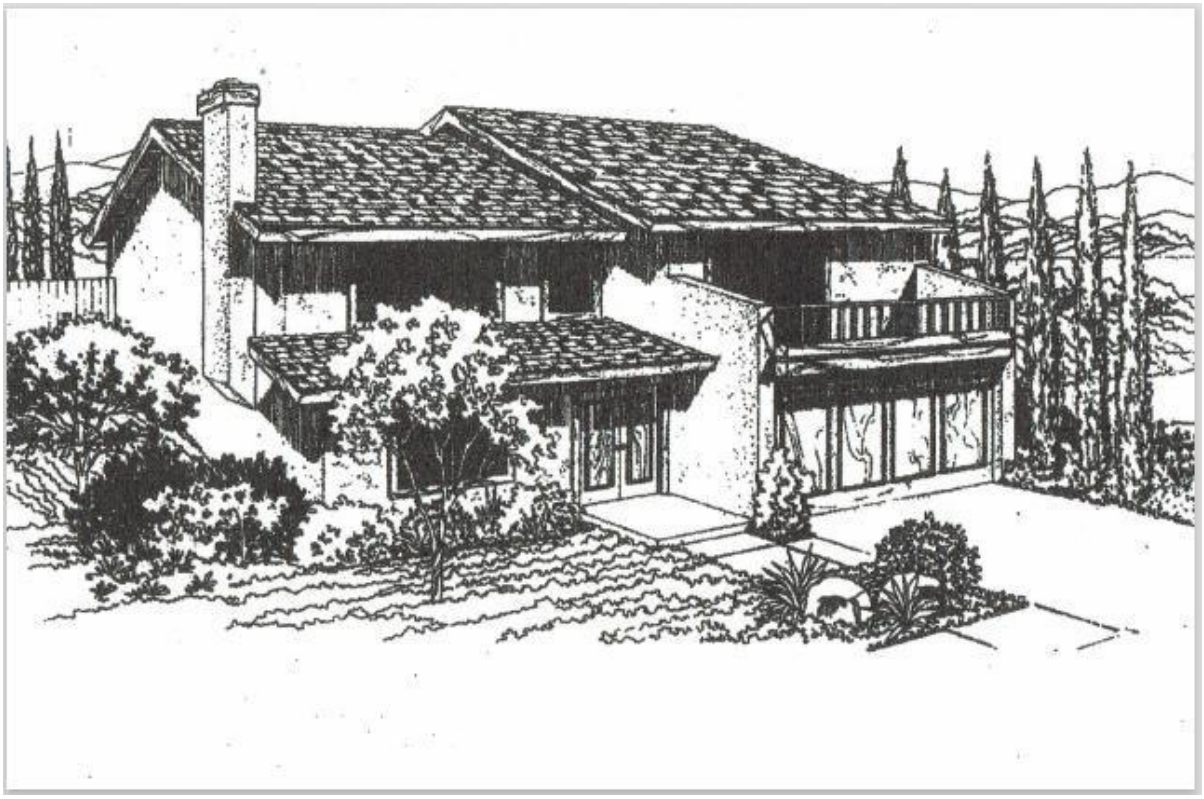
5. All pertinent City/County building permits shall be provided with the Architectural Application where applicable.

6. The Board of Directors has thirty (30) days from the date the **complete** application was received by the Association to render a decision.

7. A written notice of decision shall be issued to the applicant within the thirty (30) day time frame.

8. The applicant is entitled to reconsideration by the Board of Directors if the proposed change is disapproved.

Exhibit I
STONEHAVEN ASSOCIATION



ARCHITECTURAL IMPROVEMENT GUIDELINES AND PROCEDURES

August 2022

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I. OBJECTIVES & PURPOSE

A. The controlling mechanism for maintaining the quality of design in Stonehaven is the Declaration of Master Covenants, Conditions, and Restrictions (CC&Rs) which are a part of every deed of ownership. The objective of the policies contained in the CC&Rs, and these Architectural Guidelines (Guidelines), is to preserve and enhance the beauty of Stonehaven. These Guidelines are designed to assist homeowners of Stonehaven in making home improvements that will comply with the CC&Rs.

B. Stonehaven's natural beauty and its architectural assets could be diminished by lack of control over improvements undertaken by homeowners in our community. Therefore, the CC&Rs provide for a Stonehaven Architectural Committee (SAC), appointed by the Board of Directors (Board).

C. The purpose of these Guidelines is to increase the homeowner's awareness of the community plan, and the responsibilities that the homeowners must assume in order to maintain the integrity of the plan. The Guidelines are broad-based and address improvements for which homeowners must commonly submit an Application for Proposed Improvement (Application). They are not intended to be all inclusive, however if there is any question about an improvement needing SAC review and Board approval an Application must be submitted.

D. The objectives of the Guidelines are to:

1. Provide uniform guidelines for the standards set in the CC&Rs. These Guidelines are then used by the SAC in reviewing Applications.
2. Assist homeowners in the preparation of a complete Application.
3. Increase homeowner's awareness and understanding of the CC&Rs.
4. Maintain and improve the quality of the living environment in Stonehaven.

II. STONEHAVEN ARCHITECTURAL COMMITTEE

The SAC is charged with the responsibility of ensuring that proposed improvements comply with the overall quality of Stonehaven's design, and these Guidelines, by reviewing architectural, landscape, and other proposed unit improvement plans. The SAC then makes a recommendation to the Board for approval, correction(s), or rejection, but it is the Board who has final authority and makes decisions.

In its review of Applications, the SAC shall endeavor to balance respect for privacy and individuality with a firm commitment to preserve the beauty of Stonehaven for all concerned. SAC evaluations are based on the individual merits of the Application, and this process includes consideration of unit characteristics as well as the individual site.

The proposed improvements must be compatible with the architectural characteristics of the applicant's unit, adjoining units, and the neighborhood setting. Compatibility is defined as similarity in architectural style, quality of workmanship, similar use of materials, color, and construction details. Additional concerns are views, access, and sunlight of both the subject and neighboring properties.

Units in compliance with the "original Guidelines" are deemed to be in compliance with these Guidelines. However, when substantial work is done to any otherwise non-conforming improvement, this improvement shall be brought into conformity with the current Guidelines.

III. IMPROVEMENT APPLICATION PROCEDURES & REQUIREMENTS

A. Approval: Approval is required on all improvements and alterations before project work can begin! Proposed improvements are not limited to major alterations such as adding a deck to a unit, but also include such items as changes in exterior color or material, roof repair, rebuilding fences and walls, re-landscaping, changing of driveway or garage door, development of crawl spaces, removal of interior walls, etc. When an application is approved or denied; a letter will be sent to the owner. If denied, the letter will state what the owner would need to do to be approved.

B. Application Form: All requests for an improvement or variance must be made on the standard two-page Application for Proposed Improvement form, which is at the end of these Guidelines and should be used only as a master to make copies.

C. Submission: All completed Applications must be sent to the Stonehaven HOA Management Company (Mgmt. Co) for review by the SAC no later than **15 days** prior to the next regularly scheduled Board meeting. Applications received later may not be processed until the following Board meeting.

D. Government Regulations: City Permits, engineering specifications and compliance with zoning and building ordinances are the responsibility of the applicant. Approval by the Board for any improvement **does not** waive the requirement to obtain required City Building Permits (Permits), nor does obtaining Permits waive the requirement for SAC review and Board approval.

E. Specifications:

1. Provide a dimensioned site plan with enough detail to clearly show the proposed improvements.
2. List all materials and finishes
3. Indicate the method of installation or application of the materials.
4. Submit photographs that may be helpful, or as requested by the SAC.
5. Construction drawings shall include, but not be limited to, elevation, floor, foundation, etc. plans as needed. Two complete sets of plans must be submitted.
6. Indicate the color of stain or paint by manufacturer's number for all exterior surfaces. Colors must match the existing approved color scheme.
7. Samples of materials having inherent colors, such as masonry, may be required if they are to be used in their natural finish.
8. Provide Certificates of Insurance showing Workers Compensation and a minimum of $1,000,000 liability coverages for major projects such as re-roofing and room additions.

F. Neighbor Notification: Applicants must notify adjacent property owners of the proposed improvement. Applicant must make an attempt to obtain the signatures of contiguous (left, right, rear) homeowners (not renters) on the Application or it will not be considered. If a contiguous owner disagrees with the proposed improvement, the applicant shall request this owner to submit their written objection to the Mgmt. Co. Disagreement of such owners will be considered, but wil1 ***not*** bind the Board decision.

G. Status: Applications will either be approved, approved with conditions, denied with explanation, or returned for more information within 15 days from Board meeting review. If the applicant is not contacted within the 15-day period, it is their responsibility to contact the Mgmt. Co to determine the status of the Application.

H. Records: A copy of the Application will be returned to the applicant and the original will be retained by the SAC. All Applications will be kept on file for insurance purposes.

I. Adherence: Once a plan is approved, it must be followed. Any modification of an approved plan must be re-submitted and re-approved ***before*** installation.

J. Prior Approvals: The approval by the Board of any prior proposals, plans, or projects will not bind the Board to approve the same or similar plan in the future. Each Application is reviewed on an individual basis; there are no "automatic" approvals. What may be approved in one instance may not be approved in another. The Board specifically reserves the right to reject the same or similar plans, specifications or proposals subsequently submitted. For example, a homeowner who wishes to construct a deck identical to one that has already been approved is still required to submit an Application and obtain approval.

K. Variances: The Board, in its sole and absolute discretion, may authorize variances from these Guidelines.

L. Right of Entry: If construction work requires the temporary use of common area, or access from property ***not*** owned by the applicant, the applicant shall obtain written permission from the Board or the affected unit owner for the right to utilize such property during construction. A copy of the letter granting permission shall be submitted to the Mgmt. Co prior to commencement of construction. A security deposit or bond, as deemed necessary by the Board, may be required from the applicant or their contractor. Unused deposits will be refunded within 30 days after completion of the work.

NOTE: Applicants are encouraged to check out every contractor with the Better Business Bureau website, and the State Contractors License Board website. It is also recommended that contractor references are checked before hiring the firm or committing to the work.

IV. IMPROVEMENT APPLICATION -- GENERAL

A. Violations: Improvements that are installed without approval from the Board will constitute a violation of the CC&Rs and Rules & Regulations. Modifications or removal of the improvements, at the expense of the homeowner, may be required. Penalties may also be pursued up to a maximum of $500 for the first occurrence and continued non-compliance per month. All residents have the right and responsibility to alert the Mgmt. Co of any violations of these Guidelines.

B. Permits: Before start of construction a copy of any required Permits must be obtained and filed with the Mgmt. Co.

C. Timeframe: The beginning date of construction shall be provided to the Mgmt. Co. Work shall be completed within 60 days of the beginning date of construction, or a construction phasing plan and schedule detailing a required longer construction period shall be submitted by the applicant. If the scope of the project warrants more time, the Board will extend the construction period as necessary.

D. Completion Notice: The applicant will submit, by letter or email, a notice of completion to the Mgmt. Co within 5 days from the date construction was completed.

E. SAC Inspections: The SAC may, with 72-hour prior notice, inspect any improvement, changes or alterations for which the owner has received Board approval. This right of inspection shall terminate 60 days after the owner has given written notice of completion.

F. Damage: Community Common Area which is damaged or disrupted due to installation/construction of an individual owner's improvement must be restored to its original state at the owner's expense. Any improvement plan requiring placement of work over or under the Common Area must fully detail the exact location of such work in relation to the owner's property. Authorization for use of adjacent Common Area must be obtained from the Board.

G. Appeals: If an Application is denied, the applicant may appeal in writing and in person to the Board. The Board must receive a written appeal request not more than thirty days following the prior decision of the Board. Within 30 days following receipt of the appeal, the Board shall render a written final decision.

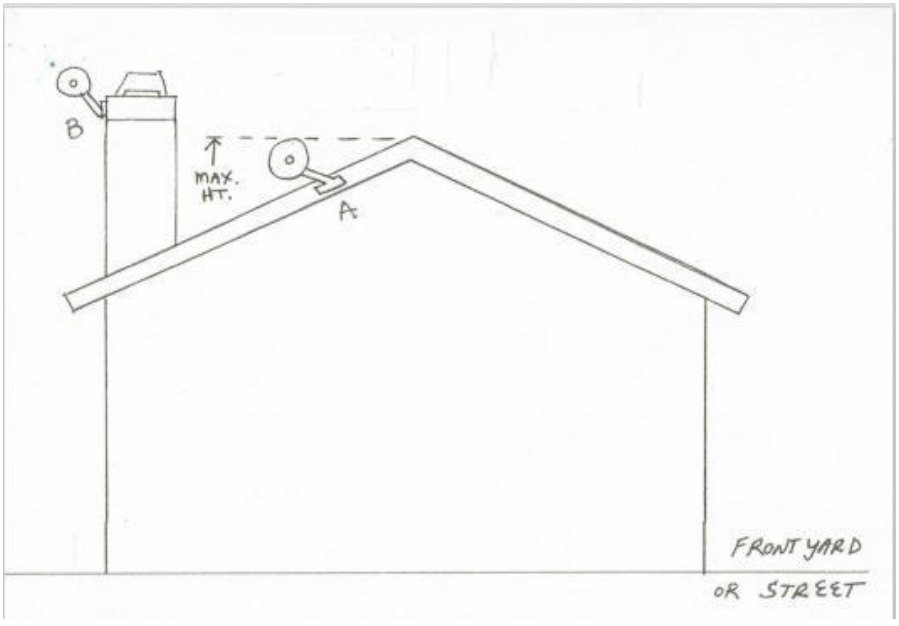
H. Arbitration: Any disputes between parties may be taken to arbitration.

I. Amendments: The SAC will conduct a periodic evaluation of these Guidelines to determine if amendments are required. Homeowners may submit suggestions to the Mgmt. Co for additions or changes.

V. IMPROVEMENT GUIDELINES (All improvements require an Application)

A. Air Conditioners: Visible air conditioning units extending from windows are prohibited. All exterior equipment is to be screened from view by fencing or landscaping. Mitigation for noise may also be required.

B. Antennas / Satellites: All visible TV and radio antennas are prohibited. A 24" or smaller satellite reception dish may be installed after the location has been approved by the Board. (See the drawing below for preferred A & B locations)



C. Attic Ventilation: A maximum of two 24" x 12" half-round, louvered, dormer vents, painted to match the color of the roof, may only be installed in the rear slope of the roof. Houses with gable roofs have flat, louvered vents on the side walls and those owners may install an exhaust fan in their attic to exhaust hot air out these side vents. Since these fans will not be visible from the outside of the unit, they do ***not*** require an Application.

D. Awnings and Sunshades: Installation of retractable awnings and sunshades are regulated to ensure a substantial degree of uniformity and minimum standards of quality. Such "add-ons" will ***not*** be used to create exterior private spaces or screened-in rooms.

Retractable awnings are permitted over rear-of-house upper and ground-level decks, but are ***not*** permitted over front-of-house balconies or decks. A frame sufficient to safely support the size awning selected is required, and it may be either manually operated or motorized. The awning shall not extend beyond any side wall. Awning material and color shall complement the color scheme of the applicant's unit, the determination of which shall be at the discretion of the Board.

Fixed awnings over windows will be considered on a case-by-case basis. The size of the awning shall be limited to the width of the window and shall extend no more than 36 inches from the exterior wall.

All awnings on any single-family or duplex unit shall be of the same color, pattern, and style. If there are no awnings on either side of a duplex, and the owners fail to agree on a mutually acceptable color, pattern and style the Board will arbitrate between the owners, with the decision of the Board to be final. The installation of awnings on one side of a duplex does not bind the owner of the other side to install awnings, either simultaneously or in the future.

Sunshades/screens shall be considered on a case-by-case basis. These items are to be fully retracted when direct sun is not present.

E. Balconies/Decks & Stairways: Front-of-house balconies/decks may not be altered, except to bring railing spacing up to Code. Elevated or ground-level rear-of-house balconies/decks are permitted provided they meet the following:

1. Setback 5' from rear lot line and not to not extend beyond the side wall of the unit (including end units), or the common wall in duplexes.
2. Painting/staining to match existing trim of unit.

Composite material (such as Trex) may be used in place of wood for deck and stair tread construction.

F. Barbecues (Permanent): Permanent barbecues are to be located in rear yards only and may not be visible above the common fences. Application for construction of permanent barbecues must provide dimensions, elevation drawings, location relative to the unit and property lines, materials and colors.

G. Crawlspace & Undeveloped Areas: The undeveloped access space must be developed to Code. Applications must include at least the following information: structural and geological information, drainage and moisture sealing plans, insulation, plumbing, gas piping, and electrical plans.

H. Dog Houses & Dog Runs: Dog houses shall be located in rear yards only and placed no closer than 5' of any common fence. They must not affect adjacent property and must be visually unobtrusive. Dog runs are prohibited.

I. Drainage: Owner is responsible for maintaining proper drainage at all times, and it must not affect any adjacent property. The SAC will review drainage as deemed necessary.

J. Fences: Fences have been positioned in a "master plan" to establish a continual fence line with surrounding fences to reflect a "community-at-large" perspective. The purpose of a common fence is to define and protect the homeowner's exclusive use of their restricted common area. They do not reflect the 'open space easement lines' of the Stonehaven community at large.

3. Height of fences shall be at least 5'and shall not exceed 6'.

4. Vertical slats shall be l"x8" cedar. Slats may be "dog-eared" type or may have a l"x6" cedar horizontal top/fascia board (both types are standard).

5. Treated wood or metal posts are permitted, if set in concrete.

6. Gates shall be no wider than five 1" x 8" slats.

5.New fence installations between units shall be placed no closer to the street than 4' back from the front wall of the unit ***farthest*** from the street. Such fences shall be installed in a straight line from unit wall to unit wall and ***may not*** be angled from one wall to the other wall. Where unique circumstances exist, minor fence realignment will be given consideration by the Board once a written request is submitted.

6.Finished color must match the current natural wood. Stain, paint, or oil is not permitted. One of the following approved products must be used on all new cedar fencing – ***Behr Transparent Deck Fence & Siding- Natural No. 500*** available at Home Depot, or ***Flood Fences & Decks – Natural Tone (Clear) CWF-UV*** available at Dixieline Home Center.

K. Flagpoles: Permanent flagpoles are prohibited.

L. Front Doors/Security Doors: Front doors may be upgraded by replacing with wood, metal or fiberglass, with or without windows. The exact design and proposed color must be included on the Application. Security doors with wrought iron design are permitted, with or without screens. They should match the unit color scheme; however, black is also permitted.

M. Garage Doors: All replacement garage doors shall be of roll-up design. Roll-up garage doors of wood, glass, steel, fiberglass, or textured steel of wood appearance, which approximate existing color schemes are permitted.

N. Gutters & Downspouts: Gutters must be painted to match the existing trim, and downspouts painted to match the stucco. Run-off from gutters must not affect adjacent properties.

O. Landscape & Irrigation: Applications must include a list of all plants and their locations on a site plan showing the house, and any planters or retaining walls with dimensions, materials, finish and color. Planting even a single bush or tree that will exceed 8' in height at maturity requires an Application.

Shrubs and trees shall be selected, placed and maintained in a manner that does not obstruct adjacent homeowner's views, block the street lighting, damaged or obstruct sidewalks, fences, or building foundations, or encroach on adjacent properties. All plants must be maintained, and not allowed to grow into the roof line or foundations of the house, nor attach to the stucco or any other part of the structure. The yard, roof, and adjacent common areas must be kept free of seeds, leaves, and all other droppings.

Bark, mulch, and rock may be used as an accent in flower/planter beds and plantable front yards, but may not be used as a lawn substitute. These materials shall not exceed 40% of the total, street-visible front and side yard landscaped areas, as calculated at the time of the initial installation. Artificial turf is allowed and must be professionally installed. A sample thereof shall be submitted together with the Application.

O. Landscape & Irrigation (cont.): The use of concrete in place of grass is not allowed. Drought-tolerant or water-conserving landscaping (xeriscaping) is allowed. While not required, drip irrigation is encouraged. Any sprinklers shall be adjusted so as not to spray on stucco, adjacent properties, common areas sidewalks/streets, or into gutters/drains. Irrigation lines must be underground or covered with other landscaping material. Appropriate drainage shall be installed to prevent run-off onto adjacent properties or common area.

P. Lighting (exterior): Lights are to be directed onto the owner's property. Fixtures must be compatible with the owner's unit in style and scale and shall not exceed 100w rating.

Q. Painting (exterior): Minor "touch-ups" are permitted without submitting an Application if the area is less than 10% of the total wood or stucco surface. Any painting requiring an Application must begin within 60 days of approval and be completed within 30 days of the beginning date.

1. Mandatory Painting: If the Board determines that the fascia or other wood trim is excessively weathered they may require the owner repaint such areas. If the Board determines that the stucco is excessively stained the owner shall have the option of washing the area, the sufficiency of which shall be in the Board's sole discretion. The Board may require the stucco to be repainted or, in the event of significant damage, to be replaced.

2. Choosing a Color: When the owner(s) is/are ready to repaint the entire property they may choose between one of the Color Schemes, #6 to #15. In the event the property is currently painted one of the "original" Color Schemes, #1 to #5, they shall have the option of using the "original" Color Scheme. Nevertheless, owners are encouraged to use one of the # 6 to #15 color schemes when repainting. Owners may not choose the same existing Color Scheme (or one already applied for) of the properties on either side of their single-family or duplex unit. If the unit's current scheme is unknown, please contact the SAC.

3. Duplexes: Both units must be painted in the same Color Scheme. Except for the entry door(s), both sides shall match with respect to stucco, garage doors, trim, and any use of accent colors. To avoid variations, paint for both sides shall be purchased from the same paint company, and both sides are encouraged to paint or touch-up within three months of each other. In the event the owners of each side cannot agree on a Color Scheme, the matter shall be brought before the SAC and the Board, whose determination shall be final, including the possibility that yet a third Color Scheme shall be designated for use by both sides.

4. Color Schemes: A Color Scheme consists of a stucco color, a trim color, and one or two accent colors. The trim color is to be used on all wood surfaces. The Board may require that the underside of composite Decks are painted with the trim color. The trim or light accent color may be used on the entry door(s) and the garage door. The garage door may also be painted the same color as the stucco or trim. The dark accent color may be used only on the entry door(s), which also may be stained and varnished. Neither the entry door(s) nor garage door shall be painted more than one color. Security door and window bars must be painted any one of the colors in the selected color scheme, however black is also allowed.
The Stonehaven paint color schemes #6 to #15 are online at Dunn Edwards - Color Ark website. See -- www.dunnedwards.com/colors/archive/color-ark_pro/stonehaven-hoa/paint-schemes. They will also mail you color samples if requested. Other paint suppliers may be used as long as the colors match the Dunn Edwards color schemes.

4. Color Schemes (cont.):

Scheme 6
1. Stucco DEW326 Birch
2. Trim DEC781 Sycamore Stand
3. Entry & Garage door DEC767 Riverbed
4. Entry door DET512 Whale Watching

Scheme 7
1. Stucco DE6225 Fossil
2. Trim DET612 Stieglitz Silver
3. Entry & Garage door DE6367 Covered in Platinum
4. Entry door DET558 Ragtime Blues

Scheme 8
1. Stucco DEC740 Sandcastle
2. Trim DET698 Bidwell Brown
3. Entry & Garage door DEW339 Bone China
4. Entry door DEC766 Steveareno Beige

Scheme 9
1. Stucco DEW339 Bone China
2. Trim DET512 Whale Watching
3. Entry & Garage door DE6206 Desert Suede
4. Entry door DEC778 Boxwood

Scheme 10
1. Stucco DEC748 Oyster
2. Trim DEW339 Bone China
3. Entry & Garage door DEC719 Coral Clay
4. Entry door DE6307 Artistic Stone

Scheme 11
1. Stucco DEC747 Sahara
2. Trim DEC750 Bison Beige
3. Entry & Garage door DEC759 Hickory
4. Entry door DE6125 Carved Wood

Scheme 12
1. Stucco DE6214 Pigeon Gray
2. Trim DET611 Ironic
3. Entry & Garage door DE6216 Barrel Stove
4. Entry door DE6314 Dark Pewter

Scheme 13
1. Stucco DE6143 Almond Latte
2. Trim DE6063 Black Walnut
3. Entry & Garage door DE6145 Rocky Ridge
4. Entry door DEA148 Sunken Ship

Scheme 14
1. Stucco DEC716 Stonish Beige
2. Trim DE328 Pearl White
3. Entry & Garage door DE6125 Carved Wood
4. Entry door DE6335 Novelty Navy

Scheme 15
1. Stucco DET625 Reclaimed Wood
2. Trim DET630 Renwick Brown
3. Entry & Garage door DET626 Metal Fringe
4. Entry door DET605 Drifting Downstream

R. Patios and Patio Covers: Patio covering materials must be compatible with the materials of the unit and painted to match existing trim. Adequate drainage shall be installed to prevent standing water and/or run-off onto neighboring properties. Obstruction of view from adjacent properties must be considered when constructing a patiocover. Screen-enclosed patios are prohibited, however retractable insect screens will be considered on a case-by-case basis.

Unacceptable materials for a patio cover include, but are not limited to metal, corrugated fiberglass or polycarbonate, plastic webbing, or split bamboo, reed or straw-like materials.
Patio cover setbacks shall be 5 feet or greater from the back lot line and may not extend beyond unit side walls.

Applications for patio covers must include location of cover in relation to unit and patio, dimensions, elevation drawings, and construction details such as footings, framing, materials, and color.

S. Roofing: Wood shake roofs are not allowed. Composition product to be installed must be similar to Elk "Prestique Plus" original roof material, with "Ridglass" on ridge, hip and rake. Color of product to be similar to original “Barkwood” with "Ridglass" to match. Submit roof material sample for approval with Application. The rake on a gable roof may be completed with either all Ridglass rake shingles, or all composition shingles installed up to a new baked metal drip edge and may not be a combination of both styles.

S. Roofing (cont.):

Specifications include:

1. Material warranty shall be at least 40 years
2. Fire rating must be Class A
3. Underlayment to be minimum 30 lbs. ASTM rated
4. Paint all pipes and hood vents to match roofing material
5. Install water diverters where necessary

At owner's option, up to a maximum of two 24" x 12" half-round, louvered dormer vents, painted to match roof color, may be installed in the rear slope of the roof. Vents are ***not*** allowed on the street or side slopes of the roof.

Duplex Repair and Re-roofing Procedures: If the home is part of a duplex, the entire roof must match on both sides, and work must be completed at the same time. Although repairing the roof on only one side of a duplex is permitted, complete re-roofing only one side of a duplex is not allowed.
Prior to need, frequent, friendly and cooperative communication between the two owners of a duplex regarding roof repair and/or replacement is strongly advised. It is easier at this point to reach some understanding because neither knows who might experience the first roof problem.

Should a disagreement arise as to whether to repair or replace a faulty roof, the parties will resolve their differences as follows:

1. To actuate these rules, Owner One (O1) must have an active leak
2. If O1 is seeking Owner Two's (O2) participation in the repair or reroofing, O1 must first obtain at least two bids from licensed roofing contractors for repairing their roof only, and two bids for reroofing the entire duplex. All bids must meet the roofing specifications contained in this Section.
3. O1 shall then decide whether their preference is to repair or reroof. If O1's preference is to reroof, O2 shall be provided with all bids for repair and reroofing and may, within 7 days, agree to reroof the entire duplex, sharing the cost equally with O1. If O1's preference is to repair, they shall have the option of doing so without participation from O2.
4. If O1's preference is to reroof, and O2 declines, O1 shall repair their roof, the cost of which shall be borne as follows. If the lowest bid to repair O1's roof exceeds 10% of the lowest bid to reroof the entire duplex, O2 shall pay for the cost of repair. If the lowest bid to repair is less than 10% of the cost to reroof, O1 shall pay for the cost of repair. [Example: The lowest bid to reroof the entire duplex is $20,000. If the lowest repair bid for O1 is $3,000 (15% of $20,000) O2 pays. If the lowest repair bid for O1 is $1,000 (5% of $20,000) O1 pays]
5. In either of these cases, O1 must bear the full cost of any repair inside their unit as a result of a roof leak.
6. If circumstances not covered here arise, and/or disagreements still exist, both parties shall submit their case to the Board for settlement and shall abide by the decision.

T. Room Additions: Additional rooms must be compatible in scale, materials, and color with the existing structure and neighborhood. Major features of the existing house must be reflected in the design of the proposed addition, such as the vertical and horizontal lines, projections, and trim details. The location of the addition shall not impair the view, sunlight, or natural ventilation of adjacent properties. Roofs must match the existing structure in slope and form. No improvement (except chimneys) shall exceed the roof height of the existing structure. New windows and doors are to relate well with the existing exterior openings.

Provisions must be made to prevent rainwater run-off onto adjacent properties. Materials for construction shall be stored in the least conspicuous area. Debris shall be removed from the site daily, and construction must be completed in a timely manner.

U. Skylights: The Application shall include dimensions of proposed skylight(s). Width is limited to the space between joists and may ***not*** exceed 24 inches. Length may not exceed 48 inches. Acceptable covers must be flat and clear, translucent, or tinted brown. Flashing or trim must match the roof color. A maximum of two skylights (including "sola-tube" type) per roof side are allowed.

V. Solar Panels: Solar energy systems, whether leased or purchased outright, are subject to the same review and approval process as any other unit modification. Application to include full solar plans and panel locations. All insurance for solar panels is the responsibility of the homeowner.

W. Spas: Permanent, portable, or above ground spas are permitted. Pools are prohibited. Spa equipment must be enclosed, and noise must not disturb neighbors. Plumbing lines must be subterranean or concealed. Application for a spa must include the following information: location of the spa in relation to the existing structure and property boundaries; dimensions of the spa; **d**rainage details; decking details; and **e**quipment location, plus details for visual and noise mitigation

X. Tool & Equipment Sheds: Sheds will be considered on a case-by-case basis. The total size shall not exceed 60 square feet, and exterior color must closely match the house stucco color.

Y. Windows & Window Treatments: Windows may be tinted, but no reflective materials may be used to create a mirror effect from the outside. Materials such as sheets, blankets, flags, paper, or foil, etc., may not be used for shading/screening purposes. Wrought iron bars are limited to rear ground level windows and must match existing trim or stucco. Side windows are limited to 25 square feet per room, in addition to original construction.

STONEHAVEN ASSOCIATION, INC.
APPLICATION FOR PROPOSED IMPROVEMENT (page 1 of 2)

Please submit one (1) request for each improvement. See the Stonehaven Architectural Guidelines for procedures to follow when submitting this Application. **It is the applicant's responsibility to obtain any Permits required by the City of San Diego Building Dept before starting any work.**

APPLICANT(S): _____ DATE: _____

UNIT ADDRESS: _____ UNIT #: _____

EMAIL ADDRESS: _____ PHONE: _____

Description of proposed improvement (attach detailed sketches, drawings, or other details per Section VIII of the Stonehaven Architectural Guidelines).

_____

_____

_____

_____

Work will begin on or before (date) _____ and be completed by (date) _____

Exterior Painting: the above applicant(s) wish to paint using color scheme #: _____
Color schemes are approved on a "first-come, first-served" basis per Section V, Item Q.
If painting a duplex, signatures of both owners are required.

Roofing: Is this a duplex? No____ Yes____ If yes, both owners must submit an Application before it can be considered. Roofing half a duplex is not permitted. See Section V, Item S.

_____

I/we, the unit owner(s), assume the responsibility for any work under the above proposed improvement which in any way adversely affects the common area and/or neighboring properties.

OWNER SIGNATURE: _____ OWNER SIGNATURE _____

NEIGHBOR SIGN-OFF: The undersigned contiguous **owners** (NOT renters) have NO OBJECTION to the proposed improvement. Print and sign your name, with unit # or address:

1. _____ Owner of Unit #/address _____

2. _____ Owner of Unit #/address _____

3. _____ Owner of Unit #/address _____

BOARD OF DIRECTORS DECISION: ____Approved ____Not Approved ____Approved with Conditions:

_____

_____

_____

SIGNED: _____ **DATE**: _____

STONEHAVEN ASSOCIATION, INC.
APPLICATION FOR PROPOSED IMPROVEMENTS (page 2 of 2)

If approval is granted by the Board of Directors of Stonehaven Homeowners Association, I/we plan to improve our unit located at_____ San Diego, California in accordance with the plans submitted herewith.

As a condition of the approval of the Board, and in consideration thereof, I/we agree to all the following:

1. I/we will obtain all required governmental approvals and Permits prior to beginning construction.
2. I/we agree that if, as a result of the work performed, any damage occurs to another unit, the common areas, or any structural component of the building, or if the structural integrity of the building is affected in any way, I/we will pay for all costs and expenses incurred by any person or entity, including Stonehaven Homeowners Association, to repair any damage that occurs.
3. I/we agree to provide the Association, if requested, with a copy of the fully executed final building inspection in every case where a building Permit is required for the work.
4. After consultation with experts, it is the understanding of the Association that owners may not increase their fee title ownership beyond that obtained when property was purchased. Present owners are advised to consult with experts of their choice before commencing construction to determine the precise property rights they will have with respect to any addition and whether title insurance can be obtained. The Association has made no express or implied warranties/representations with regard to the title of property rights that will attach to any proposed addition.
5. I/we agree to defend, indemnify and hold harmless, Stonehaven Homeowners Association and its Directors, Officers, Members, Employees and Agents from any and all losses, claims, judgments, lawsuits, damages or other costs of whatever nature, including attorney's fees and court costs, that arise or occur at any time in the future as a result of the work of improvement that is the subject of this application, regardless of the basis of the loss, claim, judgment, lawsuit damage or other cost or expense. However, the owner(s) shall have no obligation to defend, indemnify or hold harmless the Association where the Association's negligence is the sole cause of the demand, claim and/or legal action.
6. I/we agree that I/we will complete and perform only the work of the improvement that is approved by the Board of Directors. I/we will not perform any work of improvement or otherwise which is not approved by the Board of Directors. I/ we further agree to provide the Board of Directors, or its authorized representative, with access to the work of improvement at all reasonable times for the purpose of inspecting the work of improvement, both during and after construction, up to and including final inspection and approval by the Board. I/we will notify the Board of completion of the improvement within 5 days after completion. I/we agree that this agreement shall bind me/us as well as all heirs, assigns, transferees, buyers and successors, and that this addendum shall be disclosed to the same prior to any transfer.
7. I/we have been notified and understand that the Casualty Insurance carried by the Association primarily covers only the original construction. Any additions, alterations or upgrades may not be covered. Where necessary, I/we agree it is my/our responsibility to consult our "Condo Insurance Agent" about obtaining coverage at my/our expense for these items.

I/we represent that I/we are all of the owners of the unit referenced above. Also, I/we represent that I/we have been advised to review this document with an attorney of our choice and I/we have done so, or alternatively chosen not to do so, prior to signing this addendum.

DATE: _____ OWNER: _____

DATE: _____ OWNER: _____