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DECLARATION OF COVENANTS, CONDITIONS,
RESTRICTIONS AND RESERVATIONS OF EASEMENTS FOR
SYCAMORE SQUARE II – TRACT 20342
(Condominium Project)

THIS DECLARATION CONTAINS PROVISIONS TO SUBMIT ALL DISPUTES INVOLVING THE DECLARANT TO BINDING ARBITRATION WITH A WAIVER OF THE CONSTITUTIONAL RIGHT TO A JURY TRIAL. YOU SHOULD CAREFULLY READ THE PROVISIONS OF THE SECTION ENTITLED "SUBMISSION OF ALL DISPUTES INVOLVING DECLARANT, INCLUDING CONSTRUCTION DEFECT DISPUTES, TO ARBITRATION" AND SHOULD CONSULT LEGAL COUNSEL WITH ANY QUESTIONS.

[C-Single Attached: 01-27-20-11/09/20]
[This Set: 05/17/21]

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EXECUTION PAGE

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**DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS AND
RESERVATION OF EASEMENTS FOR
SYCAMORE SQUARE II - TRACT 20342**

This Declaration is made by **SB 24713 6TH, LLC** a California limited liability company ("Declarant").

RECITALS

- A. Declarant is the owner in fee of the real property ("Property") in the unincorporated area of San Bernardino County, State of California, legally described in attached Exhibit A.
- B. Declarant has developed the Property into a Condominium project ("Project") under the provisions of California Civil Code Section 4125.
- C. Declarant desires to impose a general plan for the development, maintenance, improvement, protection, use, occupancy, and enjoyment of the Project and to establish, adopt, and impose covenants, conditions, restrictions, easements, equitable servitudes, liens, and charges upon the Project for the purpose of enforcing, protecting, and preserving the value, desirability, and attractiveness of the Project.
- D. This Declaration, and all Governing Documents for this Property, shall be in effect upon recordation of the first Grant Deed conveying fee title of a Condominium to an Owner in the Property pursuant to a transaction requiring a Department of Real Estate Final Subdivision Public Report.

NOW, THEREFORE, Declarant hereby declares that upon the First Close of Escrow and in accordance with the plan for the improvement of the Property and division thereof into Condominiums, the Property shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied, sold, and improved, subject to the following declarations, limitations, covenants, conditions, restrictions, liens, charges, and easements, all of which are for the purpose of enhancing and protecting the value and attractiveness of the Property, and every part thereof. All of the limitations, covenants, conditions, restrictions, and easements shall constitute equitable servitudes per Civil Code Section 5975 and shall be binding upon Declarant and its successors, assignees, and all parties having or acquiring any right, title, or interest in or to any part of the Property.

ARTICLE I
DEFINITIONS

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

All references in this Declaration to documents, code sections, ordinances, and similar references, include references to each of the items as amended or then currently in effect.

Architectural Committee - The Architectural Committee created pursuant to the Article entitled, *Architectural Control*.

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

Articles - The Articles of Incorporation of the Association.

Assessments - Charge against the Owners and their Condominiums representing their share of the common expenses.

Association - **Sycamore Square II, Inc.**, a California nonprofit mutual benefit corporation which governs the Project. Members of the Association are the Owners of the Condominiums in the Project. The term includes its agents, the Board, or any committee as applicable.

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

Bylaws - The Bylaws of the Association, which establishes the procedures for operating the Association, including how Member and Board meetings are conducted, the election and duties of the Board of Directors, and voting rights of Members.

Common Area - The Property (including structures, land and Improvements), other than the Units, as described in Civil Code Section 4095, the Condominium Plan and this Declaration. The Common Area includes the portions of the Property described in attached Exhibit B.

Compliance Assessment - An Assessment imposed against an Owner to reimburse the Association for any costs incurred because of the Owner's violation of the Governing Documents, or a monetary penalty imposed by the Association as a disciplinary measure for failure to comply with the Governing Documents or other breaches of any legal duty. Compliance Assessments are a type of Special Assessments.

Condominium - An estate in real property as defined in Sections 783 and 4125 of the California Civil Code, consisting of both:

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

Condominium Plan - The recorded diagrammatic drawings of the Units built which identifies the Common Area and each Unit pursuant to California Civil Code Section 4285.

Construction Defect - A claim for defects in the design or construction of all or any portion of the Property or its Improvements, regardless of whether such claim is based on common law or statutory law, including California Civil Code Sections 895, et seq.).

Declarant - The owner of the Property identified in the introductory paragraph of this Declaration. The term Declarant includes Declarant's successors to and assignees of special rights, preferences, or privileges provided in this Declaration of by law, including any Mortgagees acquiring Declarant's interest in the Project by Foreclosure or deed in lieu of Foreclosure. Successor means a natural individual or any legal entity who acquires Declarant of substantially all of Declarant's assets by sale, merger, reverse merger, consolidation, sale of stock or assets, by operation of law or otherwise. Declarant has the right to determine in its sole discretion, that manner in which it transfers its obligations and rights reserved to it under this Declaration.

Declarant Parties - Declarant, developer, builder, general contractor, subcontractor and design professional who have participated in the development of the Project.

Declaration - This document and any amendments.

Deed - A document transferring ownership title to a Condominium.

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

DRE - The California Department of Real Estate.

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

Exclusive Use Common Area - Portions of the Common Area designated by the Declaration, the Condominium Plan or by law for the exclusive use of the Owners of particular designated Units pursuant to Civil Code Section 4145.

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

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

FHLMC - The Federal Home Loan Mortgage Corporation.

Final Subdivision Public Report - The public report issued by the DRE authorizing the offering and retail sales of Condominiums to the public.

First Close of Escrow - The date the first Deed is recorded conveying fee title to a Condominium to an Owner pursuant to a transaction requiring the issuance of a Final Subdivision Public Report by the Department of Real Estate.

First Mortgage or First Mortgagee - A Mortgage or Mortgagee that has priority over all other Mortgages or Mortgagees encumbering the same Condominium or any other portion of the Project. A blanket Mortgage recorded prior to the recording of this Declaration is a First Mortgage and the Mortgagee thereof is a First Mortgagee.

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

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

Governing Documents - All documents governing the Property, including this Declaration, the Articles, Bylaws, Condominium Plan, any maintenance manuals, and any Rules and Regulations as defined in Civil Code Section 4150.

Improvements - Any structure and its appurtenances including the buildings, any elevators, HVAC equipment, walkways, lighting systems, the structural elements of the building, any type of wall, awning, stairway, satellite dish, antenna, and sign. Improvement shall also mean the ceilings, doors, and windows that enclose a Unit and the floor coverings that are installed in a Unit. The Architectural Committee may identify additional items that are considered Improvements.

Manager or Managing Agent - The party contractually engaged by the Association to manage the Project and perform other duties of the Association as described in Civil Code Section 4158.

Member - Any person or entity who is an Owner of a Condominium.

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

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

Notice and Hearing - A notice of the time and an opportunity for a hearing as provided for in the Governing Documents pursuant to Civil Code Section 5855(b).

Occupant - An Owner, resident, guest, invitee, tenant, lessee, sublessee, or other person residing in a Unit.

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

Project or Property - The real property described in Exhibit "A" to this Declaration. The Project is a "Condominium Project" as defined in Section 4125 of the California Civil Code and a "Common Interest Development" as defined in Section 4100 of the California Civil Code.

Quorum - The minimum number of Members or Directors that must be present at any Member meeting or Board of Directors meeting, respectively, to legally proceed with the meeting. The Quorum number is set forth in the Bylaws.

Regular Assessments - Assessments used to meet the Association's normal operating expenses and to establish necessary reserves pursuant to the budget adopted by the Board of Directors.

Rules and Regulations - The rules and regulations adopted by the Board pursuant to Civil Code Section 4340 et seq.

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

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

Total Voting Power - One hundred percent (100%) of the votes by Owners which may be cast.

Unit - The elements of a Condominium that are not owned in common with other Owners as defined in California Civil Code Section 4125 and described in the Condominium Plan. The Unit consists of the airspace bounded by the walls, ceiling, windows, doors, and floors of the space and includes the portions of the Property described in attached Exhibit B.

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

ARTICLE II
DIVISION, MAINTENANCE, AND INSURANCE OF PROPERTY

This Article explains a Condominium, a Unit, Common Area, including Exclusive Common Areas, and designates maintenance and insurance obligations between the Owners and the Association.

2.01 Condominium

A Condominium is comprised of the following:

(a) Unit

Each Unit consists of all elements and areas identified in the Condominium Plan, defined in Article I and described in detail in Exhibit B.

(b) Common Area

(1) The Property other than the Units is the Common Area defined in Article I, and described in detail in Exhibit B.

(2) Each Owner of a Condominium in the Property will receive the following undivided interest in the Common Area: one-sixteenth (1/16).

(c) Exclusive Use Common Area

(1) Exclusive Use Common Area includes portions of the Common Area designed to serve a particular Unit but located outside the boundaries of the Unit, outlined in Civil Code Section 4145.

(2) Use of the Exclusive Use Common Area is subject to reasonable restrictions contained in any Governing Documents.

2.02 Repair and Maintenance of the Property by Owner

(a) Owners shall maintain and repair in a clean, sanitary, attractive and safe condition the Unit, including those items stated in Exhibit B, and the following:

(1) Any damage to the Common Area, including to walls, floors and ceilings forming the boundaries of a Unit caused by a condition of a component or area for which the Owner is responsible for maintaining, even if the prevention of that condition is not due to the negligence or other fault of the Owner. For example, if a washing machine hose or angle stop valve fails for any reason, causing damage to common areas, the Unit Owner shall be solely responsible for the repair of the damage and the cost of the repair even if damage was not caused by the Owner's negligence. All the repairs shall be subject to prior approval of the Board. At the Board's sole discretion, the Association may notify the Owner that the Association intends to perform the repairs and may specially assess the Owner for the cost of the repairs, which assessment may become a lien against the Unit.

The Board shall have the sole and exclusive discretion to submit a claim to the Association's property casualty insurance carrier for any damage which results from the failure of a Unit component. If a claim is tendered to the Association's property insurance carrier for a loss described in this Section, the Owner shall be responsible for the insurance deductible amount. And if the Owner refuses to pay the insurance deductible amount required, the Board shall have the power to assess the Owner for that amount.

- (2) If damage is caused by a failure of a Unit component, the Owner shall have the duty and obligation to promptly notify the Association, in writing, of the damage and promptly undertake to mitigate the damage through engaging emergency services firms specializing in such situations and shall provide access upon reasonable request to the Association to investigate the damage to the Common Areas.
 - (3) If there is damage to a Unit or Common Area caused by a failure of a Common Area component, such as a waterproofing system or a plumbing pipe within a wall, the Owner shall have the duty and obligation to immediately notify the Association, in writing, of the damage and cooperate in providing access to mitigate damage and perform repairs. The failure to timely report a failure resulting in damage or the failure to cooperate in allowing access to investigate or perform repairs, shall entitle the Association to specially assess the non-compliant Owner for such additional costs of repair due to delay or non-cooperation.
- (b) Subject to this Declaration and California Civil Code Section 4760, an Owner may make any improvement or alteration within the Unit that does not impair the structural integrity, sound attenuation capacity, waterproofing capacity, fire rating, electrical, plumbing, or mechanical systems, or lessen the lateral or vertical support of any portion of the Property or otherwise negatively impact the insurability of the Property.

2.03 **Repair and Maintenance of the Property by Association**

- (a) The Association is responsible for maintaining, repairing, modifying, replacing, and altering Common Area, including all private drives, street landscaping, common area landscaping, slopes, fencing, retaining walls, drainage facilities, water quality facilities, multi-tenant (common) complex signs, as well as the items stated in the attached Exhibit B Maintenance Responsibilities and Exhibit C Budget Summary and Reserves Worksheet. The Association is also responsible for the prompt removal of all graffiti.
- (b) The maintenance of landscaped areas shall be the sole responsibility of the developer until the transfer to individual ownership of the Condominiums or until the maintenance is officially assumed by the Association. A separate water meter shall be installed in any common easement landscaped area, in conformance with an approved landscaping plan.
- (c) The Association shall maintain drought-resistant, fire retardant, and water conserving plants and irrigation systems.
- (d) The Association shall enforce architectural controls to insure compatibility of colors, materials, landscaping and overall aesthetic appearance as described in Article VII of this Declaration.
- (e) The Association is responsible for maintaining, repairing, modifying, and replacing the drains in each Unit's yard, and the gutter and downspouts which drain water from the roof.

- (f) The Association is responsible for maintaining, repairing, modifying, and replacing and fuel modification and sound attenuation measures.
- (g) In accordance with Civil Code Section 4340, the Board may adopt operating rules, which reasonably addresses the responsibilities for maintenance of Common Area items not addressed in the Declaration. The rules adopted by the Board is subject to the right of the Members to reverse the rule adoption, pursuant to Civil Code Section 4365.
- (h) The Association shall comply with any water quality management plan ("WQMP") prepared for the Project, including any "best management practices," and any other drainage area management plan prepared for the Project.

2.04 Association Insurance

- (a) The Board shall obtain and maintain the following insurance coverages:
 - (1) Primary master policy of fire and casualty insurance with extended coverage endorsement known as "Single Entity Coverage." The amount of coverage should be one hundred percent (100%) of the then current full replacement cost (without deduction for depreciation or co-insurance) of all insurable improvements on the Common Area (together with all fixtures, building service equipment and common personal property and supplies) and the fixtures within the Unit as originally built. It does not apply to the personal items (such as computers and clothing) of the residents, and does not apply to any Improvements, additions, enhancements made to the Unit by the Owner. Owners should carefully review the provisions of the Association policy to determine of what items are covered. The Condominium Owner is responsible for covering under a HO6 policy, only the personal property along with any Improvements or betterments made by the Owner, whether or not approved by the Board. The policy shall name as insured the Association, Declarant (as long as Declarant owns a Unit), the Owners and all Mortgagees as their respective interests may appear, and waive the right of subrogation against Owners, if obtainable, and may contain a loss payable endorsement in favor of a Trustee. The policy must contain, if required by FNMA and if obtainable:
 - (A) Either a Guaranteed Replacement Cost Endorsement or a Replacement Cost Endorsement;
 - (B) An Agreed Amount Endorsement issued by the insurer agreeing to waive the policyholder coinsurance requirement, if the policy of insurance includes a coinsurance clause;
 - (C) Inflation Guard Endorsement; and
 - (D) Building Ordinance or Law Endorsement if the enforcement of any building, zoning or land-use law will result in loss or damage, increased cost of repairs or reconstruction or additional demolition and removal costs.
 - (2) Comprehensive public liability insurance in a reasonably prudent amount that covers the Association, Board, Managing Agent, Declarant (as long as Declarant owns a Unit), Owners, Occupants and any other agents or employees incident to the ownership or use of Common Area against physical injury, death and property damage arising out of a single occurrence, including maintaining insurance in the amount specified by Civil Code Sections 5800 and 5805.

- (3) If available, an extended coverage endorsement clause known as "Special Form," and a clause that permits a cash settlement to cover the full value of Improvements in case of destruction and a subsequent decision not to rebuild.
 - (4) Fidelity bond coverage for its directors, officers, and employees in an amount that is equal to or more than the combined amount of the reserves of the Association and total assessments for three (3) months. The fidelity bond shall also include computer fraud and funds transfer fraud. If the Association uses a managing agent or management company, the fidelity bond coverage shall additionally include dishonest acts by that person or entity and its employees. Fidelity bonds must provide for a ten (10) day written notice of modification or termination to any insurance Trustee, and to each FNMA servicer who has filed a written request with the carrier for such notice.
 - (5) Workers' compensation insurance, in compliance with all applicable laws (if there are any employees or any workers hired to work in the Common Areas). If contractors are utilized, the Association should require evidence of Workers Compensation insurance and a certificate of insurance verifying Comprehensive General Liability insurance in a minimum amount of \$1,000,000.00, naming the Association as additional insured. The contractor's policy shall have a minimum 30-day notice of cancellation provision.
 - (6) Director and officer liability insurance ("D&O") in an amount that satisfies Civil Code Section 5800(a). In the absence of gross negligence, intentional misconduct, or fraud, the Association shall defend and indemnify directors and officers from personal liability for claims made as a result of the performance of their duties.
 - (7) Any other insurance policy the Association deems appropriate.
- (b) Association insurance policies shall contain the following provisions, if available:
- (1) Statements that the policies are primary and non-contributing;
 - (2) Statements that an Owner's conduct will not constitute grounds for avoiding liability;
 - (3) Inflation Guard Endorsement (if obtainable at a reasonable cost);
 - (4) Standard Mortgagee clause, and name as Mortgagee FNMA or servicer (if applicable).
- (c) Each hazard insurance policy must be written by a carrier who meets FNMA requirements for a "Best Rating."
- (d) The Association or any insurance Trustee designated by the Association may act on behalf of the Owners in all insurance matters arising from any insurance policy maintained by the Association, including representing the Owners in any proceeding, negotiation, settlement, or agreement.
- (e) Any insurance policy maintained by the Association shall contain "waiver of subrogation" as to the Association and its officers, directors, and the Owners and occupants of the Condominiums and Mortgagees, and all Owners are deemed to have waived subrogation rights as to the Association and other Owners, even if not stated in the policies.

- (f) All insurance policies shall require a written thirty (30) day notice of modification or termination of coverage from the insurer to the Association, Declarant, Owners and their Mortgagees, and any interested party who requests such a notice.
- (g) The Association is not obligated to provide intra-Unit public liability insurance or any protection against risks customarily covered under "homeowners" or "broad form homeowners" policies. Owners shall individually insure against those risks.

2.05 **Owner Insurance**

- (a) Owners shall obtain and maintain H06 condominium insurance for personal property coverage, liability coverage, and specific coverage of improvements to the Owner's unit. Owners are responsible for maintaining a policy with a liability limit of \$500,000 and must provide proof of insurance to the Board annually. The insurance maintained by the Association does not cover the personal property in the Units and does not cover personal liability for damages or injuries occurring in the Units. If the Unit is leased, the Owner must ensure that the tenant obtain and maintain renters insurance.
- (b) It is the Owner's responsibility, if desired, to obtain loss assessment coverage for certain future Special Assessments, earthquake insurance and any other available insurance.

ARTICLE III
OWNERS GENERAL USE RESTRICTIONS

Article III addresses use restrictions in the Project .

3.01 Unit Use

- (a) A Unit may only be used as a single Family dwelling.
- (b) An Owner may lease a Unit for residential purposes if:
 - (1) There is a written agreement;
 - (2) The lease states it is subject to all the provisions of the Governing Documents and that any failure to comply with any provision of this Declaration or the other Governing Documents shall constitute a default under the terms of the lease;
 - (3) A copy of this Declaration is made available to each tenant or lessee by the Owner;
 - (4) Owners shall provide the Board the names and telephone numbers of all Occupants;
 - (5) Owners are prohibited from leasing a Unit for a term of thirty (30) days or less. Short term vacation and transient rentals, such as, but not limited to those arranged through Airbnb, VRBO, HomeAway, or other short term rental services are expressly prohibited;
 - (6) The Association shall have a right of action directly against any Occupant for any breach of any provision of the Governing Documents.
- (c) Subject to Declarant's rights as the developer of this Project, occupations and businesses that do not interfere with the residential nature of the Property or quiet enjoyment by other Owners, may be carried on within a Unit, if all applicable laws, ordinances, zoning regulations, and rules are satisfied and that there is no external evidence of any such occupation, such as an unreasonable increase in visitors or an increase in the sound or smell emanating from the Unit.

3.02 Common Area Use

- (a) Common Area and Exclusive Use Common Areas may only be used for purposes which are compatible with usages customarily associated with residential condominium developments in California, and subject to the limitations described in this Declaration and other Governing Documents.
- (b) Any Owner may delegate their rights of use and enjoyment of any Common Area facilities to any Occupant. If an Owner has rented or leased the Condominium, such rights shall be automatically delegated to the tenants or lessees for the duration of their tenancy, and the Owner shall forfeit any rights to use and enjoy any such facilities for the duration of the tenancy.

3.03 Nuisances

- (a) Illegal, offensive, obnoxious actions or noxious odors are prohibited on the Property.
- (b) An Occupant may not cause the level of noise or sound emanating from the Unit to interfere with the quiet enjoyment of an Occupant of another Unit within the Project (e.g., loud music or television, shouting, slamming of doors, etc.)
- (c) The Board shall have the right to determine if any unreasonable action, odor, noise or other conduct constitutes a nuisance, and to appropriately deal with the situation.
- (d) Owners shall be accountable to the Association and other Owners for the conduct and behavior of Occupants and visitors of the Unit.

3.04 Debris, Trash, Refuse, and Hazardous Materials

- (a) Weeds, rubbish, debris, objects or materials of any kind that are unsanitary, unsightly, or offensive are not permitted to accumulate in any Unit and the Common Area.
- (b) It is prohibited to discharge into the Project's sewer system or storm drain of any toxic or noxious liquids or materials in such concentrations as to be detrimental to or endanger the public health, safety, or welfare of an Occupant.

3.05 Signs

- (a) Subject to Civil Code Sections 712, 713, and any local ordinance, an Owner may advertise a Condominium for sale or lease with signs with a size, format, and location previously approved by the Board.
- (b) Civil Code Sections 4705 and 4710 governs the display of non-commercial flags, banners, signs, and posters.
- (c) No other sign, poster, display, or advertising device may be displayed anywhere on the Property visible outside a Unit without the prior written consent of the Board.
- (d) The Declarant may erect and maintain any signs, advertising devices or structures to conduct development, improvement, subdivision, sale or leasing operations on the Property without Board approval, as long as the activities do not unreasonably interfere with any Owner's use of the Property.

3.06 Parking Regulations

- (a) All applicable provisions of the California Vehicle Code will be enforced on any private streets on the Property in accordance with California Vehicle Code Section 22658.
- (b) The Board may establish parking Rules and Regulations.

- (c) No explosives, fireworks, or highly flammable material such as gasoline, kerosene, oil, oil-based paints, solvents, etc. may be stored in any garage.
- (d) The guest parking areas in the Project are for use by guests of Owners and Occupants in the Project and may not be used on a long-term or routine basis by Owners, Occupants or guests.
- (e) Ten (10) unassigned exterior parking spaces are provided for the use of Owners and Occupants and their guests, to be managed and maintained by the Association. In addition, two (2) spaces will be designated as Americans With Disabilities Act-compliant parking, to be managed and maintained by the Association.
- (f) All vehicles of an Occupant shall be parked in the garage. Garage space shall not be converted into any use (such as a recreational room or storage room) that would prevent its use as parking for the number of vehicles the space was designed to contain.

3.07 Pet Regulations

- (a) A maximum of two (2) domestic dogs or two (2) domestic cats, or combination thereof, but not to exceed two (2) total, is permitted in a Unit. In addition, small, domesticated pets (e.g., birds, hamsters, fish, turtles) may be kept in a contained environment (cage or aquarium), provided they are not kept, bred, or raised for commercial purposes.
- (b) No pets shall be permitted that are a nuisance or which create any unreasonable disturbance. If a pet is determined to constitute a nuisance, the Board may carry out enforcement measures, including fines and permanent removal of the animal from the Project.
- (c) A pet may only enter the Common Area while on a leash held by a person capable of controlling it. No pet may be tied or left unattended in any Common Area.
- (d) Owners and Occupants must prevent their pets from soiling the Common Area, and shall promptly clean up any waste left by their pets.
- (e) The Owner of a pet is responsible for any damage to the Common Area caused by the pet. The Owner of a pet shall have sole liability for all damages claimed by any person harmed by such pet, and shall defend, indemnify, and hold harmless all Owners, the management company, the Association, and the Board of Directors from any and all losses, costs, and liability arising from having any pet on the Property.
- (f) Occupants must obtain approval from the Owner before keeping pets in the Unit. The Owner shall be responsible for an Occupant's compliance with any Rules and Regulations regarding animals within the Project. Both the Occupant and Owner of the Unit shall have joint and several liability for any damage, including personal injury and property damage, claimed by any person harmed by such pet.
- (g) No domestic dog shall be within the Property that has, when unprovoked:
 - (1) Bitten a person ;
 - (2) Inflicted injury on or killed a human being in an aggressive manner;

- (3) Been determined, by the Board or local governmental authority, to be potentially dangerous;
- (4) On two separate occasions within the prior 36-month period, engaged in any behavior that required a defensive action by any person to prevent bodily injury when the person and the dog are outside the Unit of the Owner or keeper of the dog; or
- (5) Killed, seriously bitten, inflicted injury, or otherwise caused injury attacking a domestic animal outside the Unit of the Owner or keeper of the dog.

3.08 **Antennas, Satellite Dishes, and Other Transmission Devices**

- (a) No television, radio, data transmission poles, antennas, satellite dishes, and similar mechanical equipment or devices, other than those originally installed by the Declarant, shall be constructed, erected or maintained on or within the Project unless authorized by the Board.

Installation is limited to the corner of the garage in the notch near the communication tie-in. Installation on roof and penetration in stucco are prohibited

- (b) All restrictions on the foregoing devices shall be subject to all applicable federal state and local laws, including, but not limited to, the Federal Telecommunications Act of 1996 and California Civil Code Section 4725.

3.09 **Window Covers**

Window coverings shall not clash with the exterior look and design of the outside elevation. Newspaper, aluminum foil or similar materials may not be used as window coverings.

3.10 **Air Conditioners and Other Equipment**

- (a) Air conditioners, heating, cooling, ventilating equipment and all other mechanical, lighting, or electrical devices shall be operated and located so that they do not disturb the peace, quiet, and comfort of other Occupants.
- (b) No wiring insulation, air conditioning, heating, or other machinery or equipment other than that originally installed by Declarant, and their replacements shall be constructed, erected or maintained in any Unit or Common Area without approval of the Board.

3.11 **Indemnity by Owner**

Owners shall defend and indemnify and hold the Declarant, Association, the Board, Managing Agent, and other Owners harmless without limitation for any claims arising from the Owner's and Occupant's negligence or willful misconduct for damages caused and any costs incurred.

3.12 Use/Alteration Affecting Insurance Rates

- (a) Acts that threaten cancellation or an increase of insurance rates for the Property are prohibited without Board approval.
- (b) If an Owner's use or activity causes the increase of insurance rates, that Owner is personally liable for the additional insurance premiums for the Association.

3.13 Sound Attenuation

Changes to the Unit ((especially plumbing, ceiling diaphragm and flooring) shall not have the effect of increasing the level of noise or sounds that can be heard outside of the Unit above a sound level (impact and airborne sounds) of 55 dB(A).

- (a) Floors. All changes to floors separating Units (tile, hardwood, stone, carpet, etc.) must provide State of California Building Code-compliant sound control properties for airborne and impact sound insulation and must be approved by the Board. In addition, the floor and ceiling assemblies must satisfy the higher sound control requirements established for the Project as set forth herein. The impact sound insulation rating of the floor-ceiling assemblies after installation must be Field Impact Insulation Class (FIIC) 50 or higher. Airborne sound isolation rating thereof must be Noise Isolation Class (NIC) 52 or higher. The replacement of the flooring shall be of similar to the original.
- (b) Walls. Walls must provide an airborne sound insulation sufficient to meet a Noise Isolation Class (NIC) rating of 52.
- (c) Plumbing. All plumbing must be properly insulated for sound and isolated from studs, joints, and penetrations.
- (d) Penetrations. Penetrations or openings for piping, electrical devices, recessed cabinets, bathtubs, soffits or heating, ventilating or exhaust ducts shall be sealed, lined, insulated, or otherwise treated to maintain the required sound insulation ratings.
- (e) Required Testing. All alterations to walls and floors shall be field tested under the supervision of a person experienced in the field of acoustical testing paid for by the Owner, to determine compliance with these minimum sound control standards. The failure to conduct the testing shall be deemed to be non-compliance and the replacement flooring shall be removed. Non-compliant systems must be promptly brought into conformance or removed and replaced with approved materials/assemblies.

3.14 Declarant's Exemption from Use Restrictions

- (a) Sales of the Condominiums is essential to the successful establishment of the Project. In order that all work necessary to complete the Project may proceed the Declarant has the following rights:
 - (1) To complete the build-out of the entire Project, including any Units, Common Area;
 - (2) To use the Common Area for sales and marketing of the Condominiums;
 - (3) To maintain an onsite sales office, including but not limited to, using a Unit or a temporary rented trailer; or

- (4) To maintain and display signs, pennants and flags on the Project as may be necessary for the sale, lease of the Condominiums.
- (b) These rights of Declarant shall terminate upon the sale of Declarant's entire interest in the Project. So long as Declarant, its successors and assigns, owns a Condominium, Declarant, and its successors and assigns, has these rights to complete and market the Condominiums.

3.15 Water Submetering

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

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

If, in the future, there are no companies which can provide the sub metering service, the Association will be responsible for allocating the water usage costs, or the other charges levied by the utility providers, according to the square footage of each Unit.

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

ARTICLE IV
ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Article IV defines Owners' Membership and voting rights.

4.01 Organization

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

4.02 Membership

Every Owner is automatically an Association Member. Each Member shall be obligated to promptly, fully, and faithfully, comply with the provisions of this Declaration, the Bylaws of the Association, and any Rules and Regulations.

4.03 Membership Classes

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

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

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

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

4.04 Voting Rights and Requirements

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

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

- (1) Each Co-Owner has an indivisible interest in a single Membership.
- (2) Each vote on behalf of a Condominium is cast as a single unit, without fraction. If Co-Owners cannot unanimously agree on how to cast their vote, they forfeit their right to vote on the matter in question.

- (3) If a Co-Owner casts a vote representing a certain Condominium, it will be presumed for all purposes to be a vote with the authority and consent of all other Co-Owners of the Condominium.
- (c) Unless otherwise specifically stated, Membership approval requires the affirmative vote of a majority of a quorum of each class of Membership and after conversion of Class B Membership to Class A, approval of Class A only.
- (d) With the exception of the provisions of Section 2792.4 of the Regulations of the Real Estate Commissioner pertaining to enforcement of Declarant's obligation to complete Common Area Improvements, any provision which requires the approval of a prescribed majority of the voting power of Members other than the Declarant for action to be taken by the Association is not intended to preclude the Declarant from casting votes attributable to Condominiums which Declarant owns.
- (e) If a regulation of the Real Estate Commissioner, other than Section 2792.4, requires the approval of a prescribed majority of the voting power of Members other than the Declarant for action to be taken by the Association, then the following shall apply:
 - (1) If both Class A and Class B Members exist, the required vote is a bare majority of Class B voting power, and the prescribed majority of Class A voting power; or
 - (2) After conversion to all Class A Memberships, the required vote is a bare majority of the Total Voting Power of the Association, and the prescribed majority of the Total Voting Power of Members other than Declarant.

4.05 **Consent to Electronic Meetings under Corporations Code**

The acquiring ownership of a Condominium shall be deemed to be irrevocable consent of each Owner of record of the Condominium to have Association meetings of Members be conducted entirely by electronic video screen transmission by the Association without any physical location at which a member could attend in person. The electronic video screen transmission shall provide Members a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Members, including the opportunity to read or hear the proceedings of the meeting concurrently with the proceedings. The Board shall make and maintain a record of the votes and other action taken at such meetings. This consent shall be deemed to fulfill all requirements under Corporations Code Section 7510 (f) and Corporations Code Section 20 (b).

4.06 **Transfer of Membership**

- (a) Membership of each Owner shall be appurtenant to the Unit owned, and may only be (and is automatically) transferred upon conveyance of title to a Unit to the new Owner.
- (b) In connection with any transfer or change of ownership of any Unit, the Association and each Owner must comply with Civil Code Section 4525.

4.07 Transfer of Control to the Association

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

- (a) One hundred twenty (120) days after the date by which 75% of the Condominiums have been conveyed to the Condominium purchasers;
- (b) Three (3) years after completion of the project evidenced by the first conveyance of a Condominium to a purchaser;
- (c) Five (5) years after recordation of the most recently recorded annexation document;
- (d) The time frame established under state or local condominium laws if specific provisions regarding transfer of control exist.

ARTICLE V
DUTIES AND POWERS OF THE ASSOCIATION

Article V describes in detail the duties and powers of the Association to govern its Members and maintain the Common Areas.

5.01 Commencement of Duties

The Association's responsibilities shall commence upon the First Close of Escrow of a Condominium. However, if the contractors or subcontractors chosen by Declarant are contractually obligated to perform maintenance on the Common Areas or have warranted any work performed in the Common Areas, the Association shall accept the performance of such warranty or other contractual maintenance obligations.

5.02 Specific Association Duties and Powers

The duties and powers of the Association include those stated in the Governing Documents, and the general and implied powers as a nonprofit mutual benefit corporation. The Association, acting through the Board of Directors, shall do all things which are necessary or proper for the peace, health, comfort, safety, and general welfare of the Project, including the following:

- (a) Enforce the applicable provisions of the Governing Documents concerning the ownership, management, and control of the Project.
- (b) Contract for goods and services for Common Areas.
- (c) Borrow money with the assent of the majority of the Total Voting Power and to mortgage, pledge, or otherwise hypothecate any of its real or personal property as security for money borrowed or debts incurred.
- (d) Adopt and enforce reasonable Rules and Regulations not inconsistent with the Governing Documents that comply with Civil Code Sections 4340 et seq.;
- (e) Exercise any powers normally exercised by residential homeowner Associations under the laws of the State of California.
- (f) Have the authority, through the Board, and as reviewed by the DRE, to enter into a maintenance agreement for the Common Areas with Declarant or for temporary suspension of a portion of Regular Assessments.
- (g) Pay all real and personal property taxes and assessments levied upon any portion of the Property which is not assessed directly to the Owners. If the Condominiums are taxed under a blanket tax bill, each Owner shall pay their proportionate share of any installment due under the blanket tax bill to the Association at least ten (10) days prior to the delinquency date and the Association shall pay the taxes to the appropriate tax collection agency on or before the delinquency date.

- (1) Blanket taxes shall be allocated among the Owners based upon the prorated square footage of each Unit. The Association shall, at least forty-five (45) days prior to the delinquency date of any blanket tax installment, deliver to each Owner a copy of the tax bill, along with a written notice stating the Owner's obligation to pay their proportionate share of the tax installment and the potential additional charges to the Owner for failure to comply.
- (2) The Association shall pay the taxes on behalf of any Owner who does not pay their proportionate share. The Association shall add to the Annual Assessment of a delinquent Owner the amount of any sum advanced, plus interest at the rate of ten percent (10%) per annum and any amount necessary to reimburse the Association for any penalty or late charge actually assessed in connection with the blanket tax bill, which is the result of the failure of the delinquent Owner to make timely payment of their proportionate share of the taxes.

5.03 **Contracts**

- (a) Pursuant to Section 2792.21(b), of the Regulations of the Real Estate Commissioner, the Board may not ordinarily take any of the following actions unless approved by a majority of Members (other than Declarant) constituting a quorum, at a meeting or by written ballot without a meeting, pursuant to Corporations Code Section 7513:
 - (1) Enter into a contract for a term longer than one (1) year with a third person who furnishes goods or services for the Association, with the exception of the types of contract specified in subparagraph (b) below.
 - (2) Incur aggregate expenditures for Capital Improvements to the Common Area in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.
 - (3) Sell during any fiscal year property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.
 - (4) Pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business provided however, that the Board may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.
- (b) The Board is authorized to enter into the following types of contract for a term longer than one (1) year with a third person who furnishes goods or services for the Association:
 - (1) A management contract with terms approved by the FHA or VA;
 - (2) A contract with a public utility company if the Public Utilities Commission regulates rates charged for materials or services, provided that the contract term does not exceed the shortest term for which the supplier will contract at the regulated rate;
 - (3) Prepaid casualty and/or liability insurance policies not to exceed three (3) years' duration, provided that the policy permits short-rate cancellation by the insured;

- (4) Agreements for satellite dishes or cable television services and equipment, not to exceed five (5) years duration, provided that the Declarant's ownership interest in the entity does not exceed ten percent (10%);
- (5) Agreements for sale, lease, installation, or services of burglar and fire alarm equipment, not to exceed five (5) years duration, provided that Declarant's ownership interest in any entity involved does not exceed ten percent (10%);
- (6) A management contract for a term not to exceed three (3) years that is terminable by the Association after no longer than one (1) year without cause, penalty or other obligation upon ninety (90) days written notice of termination to the other party;
- (7) Lease agreements for laundry room fixtures and equipment, if any, not to exceed five years duration, provided that Declarant's ownership interest in the lessor under the agreement does not exceed ten percent (10%).

5.04 **Right of Entry**

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

ARTICLE VI
COVENANTS FOR ASSESSMENT

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

6.01 Assessments

- (a) Assessments shall be levied by the Association for improvement and maintenance of the Common Area, administration of the Property, and to promote the recreation, safety, and welfare for all the Owners.
- (b) Assessments and related interest, collection costs, and reasonable attorneys' fees are the personal obligations of the Owner but are not the personal obligation of successors in title unless expressly assumed by them. The Condominium remains subject to any recorded Assessment liens, except upon Foreclosure of a First Mortgage, as stated in the Article entitled, "*Mortgagee Protection*."
- (c) Pursuant to Civil Code Section 5600, the Association shall comply with obligations under the Governing Documents regarding levying Regular and Special Assessments.
- (d) Pursuant to Civil Code Section 5600(b), the Association may not collect an Assessment or fee that exceeds the amount necessary to defray the costs for which it is levied.
- (e) Pursuant to Civil Code Section 5605(a), 5300(b), and 4070, the Association shall comply with all requirements regarding annual increases in Regular Assessments.
- (f) Pursuant to Civil Code Section 5605(b), the Board shall comply with all regulations regarding imposing Regular or Special Assessments and complies with all regulations regarding approval of a majority of quorum members as per Civil Code Section 4070 and defined in Section 5605(c).
- (g) Pursuant to Civil Code Section 5610, the Board shall comply with all regulations regarding Assessments necessary for emergency situations as defined in Section 5605.

6.02 Commencement; Due Dates of Assessments

- (a) Regular Assessments against all Condominiums in the Project commence on the first day of the month following the First Close of Escrow within the Project.
- (b) Regular Assessments shall be due and payable in any reasonable manner established by the Board.

6.03 Assessment Rate.

Regular Assessments and Special Assessments shall be assessed equally between the Condominiums.

6.04 Assessment Duties of the Board of Directors

The Board shall comply with the following:

- (a) Levy Regular and Special Assessments, pursuant to Civil Code Section 5600;
- (b) Not collect an Assessment or fee that exceeds the amount necessary to defray the costs for which it is levied pursuant to Civil Code Section 5600(b);
- (c) Comply with all requirements regarding annual increases in Regular Assessments pursuant to Civil Code Section 5605(a), 5300(b), and 4070, including compliance with all regulations regarding approval of a majority of quorum members as per Civil Code Section 4070 and defined in Section 5605(c);
- (d) Comply with all requirements regarding Assessments necessary for emergency situations as defined in Civil Code Section 5605;
- (e) Establish separate bank accounts for operating monies and reserve monies.

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

- (a) An Assessment is delinquent ("Delinquent Assessment") if not paid within fifteen (15) days after the due date. A Delinquent Assessment includes:
 - (1) A late charge imposed by the Board to the maximum amount in accordance with California Civil Code Section 5650(b) (or any successor statutes);
 - (2) Reasonable collection costs and attorney's fees; and
 - (3) Interest on all costs and charges at the maximum permissible rate, commencing thirty (30) days after the Assessment is due.
- (b) Delinquent Assessments and related costs will be a continuing lien on the relevant Condominium when a "Notice of Delinquent Assessment" is recorded against an Owner's fee interest in a Condominium.
- (c) If a Compliance Assessment imposed by the Board as a disciplinary measure for failure of an Owner to comply with the Governing Documents may not become a lien against the Owner's Condominium enforceable by a sale of the Condominium in accordance with the provisions of Sections 2924, 2924(b) and 2924(c) of the Civil Code. However, this does not apply to charges imposed against an Owner consisting of reasonable late payment penalties for Delinquent Assessments and/or charges to reimburse the Association for the loss of interest or for costs reasonably incurred including attorney's fees in its efforts to collect other Delinquent Assessments.
- (d) In addition to all other legal rights and remedies, the Association may:
 - (1) Bring legal action against an Owner who is personally obligated to pay the Assessment and charges (without foreclosing or waiving any lien security);
 - (2) Judicially foreclose the lien against the Condominium, including the Assessment, interest, collection costs, and late charges;

- (3) Foreclose the lien by power of sale, in accordance with California Civil Code Sections 2924-2924h, or any other lawful manner; or
- (4) Bid on the Condominium through authorized agents at the Foreclosure sale, to acquire and thereafter to hold, lease, mortgage, or convey.

6.06 Collection of Assessment Debts Not Collectible Through Foreclosure

Delinquent Regular or Special Assessments of less than one thousand eight hundred dollars (\$1,800), exclusive of interest, charges, and fees, may be collected in any of the following ways, as provided by Civil Code Section 5720 or successor statute:

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

6.07 Reserves

- (a) A portion of Regular Assessments shall go towards an adequate reserve fund to repair, replace, or restore those Improvements that the Association is obligated to maintain or that must be replaced on a periodic basis.
- (b) The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of major components that the association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

6.08 Right of Redemption

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

6.09 Nonuse and Abandonment

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

6.10 Exemptions from Assessments

- (a) Pursuant to Section 2792.16 (c) of the Regulations of the Real Estate Commissioner, any Condominium that does not include a structural improvement for human occupancy shall be exempt from the payment of that portion of any Assessment that is for the purpose of defraying expenses and reserves directly attributable to the existence and use of the structural improvement. The exemption may include:
- (1) Roof replacement;
 - (2) Exterior maintenance;
 - (3) Walkway and carport lighting;
 - (4) Refuse disposal, if any;
 - (5) Cable television;
 - (6) Domestic water supplied to living Units, if any;
 - (7) Insurance on uncompleted Units.
- (b) The foregoing exemption shall be in effect until the earliest of the following events:
- (1) A notice of completion of the structural improvements has been recorded;
 - (2) Occupation or use of the Condominium; or
 - (3) Completion of all elements of the residential structure, which the Association is obligated to maintain.
- (c) Declarant and any other Owner of a Condominium are exempt from the payment of that portion of any Assessment which is for the purpose of defraying expenses and reserves directly attributable to the existence and use of a common facility that is not complete at the time Assessments commence. This exemption from the payment of Assessments shall be in effect until the earliest of the following to occur:
- (1) A notice of completion of the common facility has been recorded; or
 - (2) The common facility has been placed into use.

6.11 Waiver of Exemptions

Each Owner waives to the extent permitted by law, the protections of any homestead or exemption laws as applied to any action to enforce the assessments levied by the Association.

ARTICLE VII
ARCHITECTURAL CONTROL

Article VII addresses the Architectural Committee's required approval of certain Improvements.

7.01 The Architectural Committee

- (a) The Architectural Committee shall consist of no fewer than three (3) persons nor more than five (5) persons as fixed by the Board. Fractional or co-owners of a Unit shall not serve simultaneously upon the Board of Directors. Directors related by blood or marriage shall not be eligible to serve simultaneously.
- (b) Pursuant to Section 2792.28 of the Regulations of the Real Estate Commissioner, Declarant has the following rights:

To initially appoint the members of the Architectural Committee. Declarant shall retain the right to appoint, augment, or replace all members of the Architectural Committee until one (1) year after issuance of the original DRE Final Subdivision Public Report for the Property, at which time the Board may appoint members, as further described herein.

The right to appoint, augment, or replace a majority of the members of the Architectural Committee until (i) five (5) years after the First Close of Escrow, or (ii) close of escrow has occurred on ninety percent (90%) of the Units within the Property; whichever shall first occur, at which time the right to appoint, augment or replace all members of the Architectural Committee shall automatically be transferred to the Board.

As long as Declarant has the right to appoint some but not all of the members of the Architectural Committee, the Board shall have the right but not the obligation to fill the remaining vacancies on the Architectural Committee.

- (c) Persons appointed by the Board to the Architectural Committee must be Members; however, persons appointed by Declarant to the Architectural Committee need not be Members.
- (d) Meetings of the Architectural Committee shall be held from time to time as necessary.
- (e) In addition to the powers set forth in this Article, the Architectural Committee may perform any other duties delegated to it by the Board.

7.02 Architectural Guidelines

The Board may and in its reasonable discretion, adopt and promulgate Architectural Guidelines to be administered through the Architectural Committee. The Architectural Guidelines shall be in compliance with Civil Code Section 4765.

7.03 Approval

- (a) Other than Improvements made by Declarant, Improvements visible from the exterior of any Unit may not be made, modified, or altered except in compliance with plans and specifications that have been submitted to and approved by the Architectural Committee. The Architectural Committee has the right to specify the time and manner of the construction and installation of the Improvement. Normal maintenance, repair, or reconstruction by any successor in title to Declarant if there is a destruction, in substantial conformance with the Improvements constructed by Declarant, shall not be deemed to be an Improvement that requires approval pursuant to the provisions of this Article.
- (b) The Architectural Committee shall review plans and specifications submitted for its approval as to style, exterior design, appearance, and location. The Architectural Committee shall approve plans and specifications if it decides the following: (i) that the proposed Improvement will not be detrimental to the appearance of the Property, (ii) that the Improvement complies with the Architectural Guidelines, and (iii) that the appearance of any Improvements will be in harmony with the surrounding structures.

7.04 Variances

- (a) The Board may authorize a variance from compliance with the Architectural Guidelines or with provisions of this Article under reasonable circumstances.
- (b) The granting of any variance shall not waive the requirements of obtaining Architectural Committee approval for other Improvements.

7.05 Non-Liability for Approval

- (a) Each Owner shall be solely responsible for any Improvement made by the Owner even if it was approved by the Architectural Committee.
- (b) By approving plans and specifications, the Architectural Committee, members, , the Owners, the Board, or the Declarant, , do not assume liability or responsibility for any defect in any Improvement constructed from the plans and specifications or for any obstruction or impairment of view caused or created as the result of any Improvements. The Architectural Committee shall have a right to require, as a condition of approval, that an Owner provide indemnification on terms and conditions satisfactory to the Architectural Committee.

7.06 Inspection; Compliance and Noncompliance Statements

- (a) Owner shall notify the Architectural Committee upon completion of Improvements which were approved by the Architectural Committee, and the Architectural Committee shall inspect the Improvements to determine whether the completed Improvements conform to the approved plans and specifications.

- (b) The Architectural Committee shall inspect the Improvements either within sixty (60) days after notification by the Owner of the completion of an Improvement or within ninety (90) days after the cessation of work on the Improvements if the Owner fails to notify the Architectural Committee of completion. The Committee's inspection rights include the right to require an Owner to take such action as may be necessary to remedy any non-compliance with the Committee approved plans for the Owner Work.
- (c) If an inspection has not been made within sixty (60) days of notification by the Owner of the completion of an Improvement or if the Owner has not been notified of any noncompliance within thirty (30) days after such inspection, the Improvement shall be deemed to be completed in substantial conformance with approved plans and specifications.
- (d) If the Improvements comply or by virtue of the passage of time are deemed to comply with the plans and specifications approved by the Architectural Committee, the Architectural Committee shall, upon request, issue a Compliance Statement.
- (e) If any of the installation or alteration of an Improvements Unit do not comply with the approved plans, the Architectural Committee shall issue a statement ("Noncompliance Statement") stating the reasons for the non-compliance and the corrective action that is required to bring such Improvements into compliance with the approved plans.

7.07 **Remedy for Noncompliance**

- (a) If there is an issuance of a Noncompliance Statement, then the Owner shall remedy or remove the non-compliance within thirty (30) days from the date that the written Noncompliance Statement is delivered to the Owner.
- (b) If the Owner does not correct the noncompliance within that period, then the Association shall have the right (i) to enter the Owner's Unit and to cause the noncompliance to be corrected and the cost of the remedial work shall be reimbursed to the Association by the Owner. If not timely reimbursed, then the Association shall be entitled to pursue any and all legal rights and remedies against the Owner including the levying of a special assessment against the Owner's Unit or (ii) to bring an action for damages or injunctive relief to remedy the situation.

7.08 **No Guarantee of Views**

- (a) There are no express or implied easements for views or for the passage of light and air to any Unit in the Property. Although the provisions of this Article may have some effect on preserving views from and providing for the passage of light and air to an individual Unit, nevertheless Declarant, the Association, the Board, the Architectural Committee, and the directors, officers, employees, consultants, agents, and contractors of the foregoing, do not make any representations or warranties, express or implied, concerning the view, if any, that a particular Unit will enjoy. Furthermore, the payment by any Owner of any "premium" does not constitute a representation or warranty, express or implied, concerning the view, if any, the Unit will enjoy.
- (b) The view which Occupants of a Unit may enjoy, may be impaired or obstructed by the installation of trees, other landscaping or other types of barriers, the growth or relocation of landscaping, the construction or other installation of Improvements in the Property or on any property adjoining the Property.

ARTICLE VIII
MORTGAGEE PROTECTION

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

8.01 Subordination of Lien and Foreclosure

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

8.02 Mortgagees Are Not Required to Cure Certain Breaches

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

8.03 Effect of Breach of Declaration

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

8.04 Exemption from Right of First Refusal

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

8.05 Restrictions on Certain Changes

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

- (4) Amend the Governing Documents concerning any material provision, including but not limited to the following:
- (A) Voting rights;
 - (B) Reductions in reserves for maintenance, repair, or replacement of the Common Area improvements;
 - (C) Responsibility for maintenance and repairs;
 - (D) Reallocation of interests in the Common Area or Exclusive Use Common Area or rights to their use;
 - (E) Redefinition of any Unit boundary;
 - (F) Convertibility of Units into Common Area or Common Area into Units;
 - (G) Expansion or contraction of the Project or the addition, annexation, or withdrawal of property to or from the Project;
 - (H) Hazard or fidelity insurance requirements;
 - (I) Imposition of any restrictions on the leasing of Units except as provided herein;
 - (J) Imposition of any restrictions on a Unit Owner's right to sell or transfer his or her Unit;
 - (K) Restoration or repair of the Project (after damage or partial condemnation) in a manner other than that specified in this Declaration;
 - (L) Any provisions that expressly benefit mortgagees, insurers, or guarantors; or
 - (M) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs.
- (b) Except as provided by statute in case of condemnation or substantial loss to the Property, at least sixty-seven percent (67%) of the votes of the First Mortgagees (based on one vote per Unit for each Eligible First Mortgage held), and at least sixty-seven percent (67%) of Owners, must give written approval before the Association may, by act or omission, do any of the following:
- (1) Abandon, partition, subdivide, encumber, sell or transfer any portion of a Unit or Common Area (other than granting easements as specified in this Declaration);
 - (2) Partition or subdivide any Unit;
 - (3) Seek to abandon or terminate the legal status of the Property;
 - (4) Use hazard insurance proceeds for losses to the Property (Unit or Common Area) for other than repair, replacement or reconstruction of the Property;

- (5) Change the pro rata interest or obligation of any Unit for the purpose of: (i) levying Assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (ii) determining the pro rata share of each Owner in the Common Area, provided that no Owner's undivided interest in the Common Area may be changed without the consent of that Owner;
 - (6) Change or alter the priority of any liens created by or claimed under this Declaration;
 - (7) Modify or amend any provisions that are for the express benefit of First Mortgagees, insurers or governmental guarantors of First Mortgages;
 - (8) Modify or amend any provisions of this Declaration regarding insurance;
 - (9) Modify or amend any provisions of this Declaration which is a requirement of the FHA, VA, GNMA, FHLMC, or FNMA.
- (c) An Eligible First Mortgagee's approval will be considered granted if a negative response is not delivered to the Board within sixty (60) days after the Eligible First Mortgagee receives notice of the proposed action, provided notice was delivered personally or by certified or registered mail, return receipt requested.
- (d) Any addition or amendment to the Declaration or Bylaws shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only.

8.06 Inspection of Association Books and Records

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

8.07 Condemnation Awards and Insurance Proceeds

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

8.08 Loss Payable Endorsement

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

8.09 Mortgagee's Right to Attend Meetings

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

8.10 Payments by Mortgagees

(a) First Mortgagees may pay the following jointly or severally:

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

(b) Upon such payments, the Association:

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

8.11 Notices to Mortgagees

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

- (1) Any condemnation or casualty loss or eminent domain proceeding that affects a material portion of the Project, the Common Area resulting in losses greater than ten percent (10%) of the annual budget or the Unit securing its Mortgage;
- (2) Any sixty-day delinquency in the payment of Assessments or charges owed by the Owner of any Unit on which it holds the Mortgage or any other breach or default under the Governing Documents by the Owner of any Unit on which it holds the Mortgage;
- (3) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association;
- (4) Any proposed action that requires the consent of a specified percentage of Eligible First Mortgagees;
- (5) All material amendments to the Association's documents;
- (6) Any extraordinary actions of the Association; and
- (7) Any proposal to terminate this Declaration or dissolve the Association at least 30 days before any action is taken.

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

8.12 Loan to Facilitate Resale

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

8.13 Control if Mortgagee Protections Conflict With Other Provisions

If there is a conflict between any of the provisions of this Article and any other provisions of this Declaration or the Governing Documents, whether now or as hereafter amended, the provisions of this Article shall control.

ARTICLE IX

DAMAGE AND DESTRUCTION TO IMPROVEMENTS

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

9.01 **Restoration of the Property**

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

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

9.02 **Notice to Owners and Listed Mortgagees**

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

9.03 Sale of Property and Right to Partition

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

9.04 Damage to Dwellings

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

ARTICLE X
CONDEMNATION

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

10.01 Representation by the Board in Condemnation Proceedings

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

10.02 Distribution of Award

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

ARTICLE XI

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

Article XI governs partition of the Property.

11.01 No Partition; Exceptions

- (a) An Owner may not bring an action for partition of the Common Area by sale except as provided in California Civil Code Section 4610 (or any similar statute in effect at the time).
- (b) These provisions do not prevent a judicial partition between co-tenants of a Condominium.

11.02 No Separate Conveyance of Condominium Components

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

ARTICLE XII
EASEMENTS

Article XII addresses easements within the property.

12.01 Creation of Easements

The easements reserved in this Declaration are created upon the First Close of Escrow in the Project.

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

- (a) So long as Declarant owns any Condominium, it shall have an easement over the Common Area for:
- (1) Constructing, erecting, completing, and maintaining Improvements for the development of the Project;
 - (2) Sales and promotional activities, including the use of a Unit or Units as models, or a sales office;
 - (3) The installation, maintenance, and repair of the Service Lines and Facilities.
- (b) The easements reserved to Declarant shall not unreasonably interfere with the use and enjoyment of the Property by the Owners of the Property.

12.03 Easements for Association

- (a) The Association has, and may grant, non-exclusive easements and rights of way for ingress, egress, and access to all portions of the Property as reasonably required to perform its maintenance obligations and other duties established in this Declaration.
- (b) The Association is granted utility and drainage easements to maintain the health, safety, convenience, and enjoyment of the Units and Common Area, including the right of entry to clean subsurface drains within individual yard areas.
- (c) The Association shall have the right and power to grant and convey to any third party, easements, and rights of way in, on, over, or under the Units and the Common Area for the purpose of construction, erection, maintenance, repair, replacement, removal, and inspection of present and future utilities, including, but not limited to, pipelines, sewer, water and gas lines, drain pipes, utility and telephone lines, meters and related facilities, lines, cables, wires, or other conduits or devices for water, gas or cable television, electricity, power, telephone, and other purposes and any other similar public or quasi-public improvements or facilities.

12.04 Easements for Owners

- (a) Declarant grants non-exclusive easements for enjoyment, ingress, egress, pedestrian walkway, and general recreation purposes over and upon all portions of the Common Area (except Exclusive Use Common Areas) to all Owners.
- (b) Owner rights and duties with respect to Service Lines and Facilities (i.e., drainage facilities, sanitary sewer, water, electricity, gas, telephone, cable television, security system lines, meters, wires, ducts, flues, pumps, boilers, pipes, conduits, data lines, flues and other similar lines and facilities) are as follows:

Easements for Service Lines and Facilities in Units or Common Area is granted in favor of the Owner of a Unit serviced by their Service Lines and Facilities to the full extent necessary for the use, maintenance and repair by the Owner or servicing company;

If Service Lines and Facilities is located within a Unit other than the Unit served by those Service Lines and Facilities, the Owners of any Unit served by those Service Lines and Facilities shall have the right of reasonable access for to repair, replace, and maintain those Service Lines and Facilities.

12.05 Drainage Easements

- (a) The Association and each Owner accept the sewer and drainage facilities and pattern for the Units and Common Area established by the final grading of the Property originally undertaken by Declarant, including "cross-unit" drainage from adjacent Units and Common Areas.
- (b) The established drainage pattern may not be altered without prior written approval by the Board or Architectural Committee.

12.06 Encroachment

- (a) Each Owner is hereby granted an easement over all adjoining Units and the Common Area for the purpose of accommodating any minor encroachments due to engineering errors, errors in original construction, settling or shifting of any building, or any other cause.
- (b) The existing physical boundaries of Units, including any encroachment, shall be the actual boundaries, rather than any description depiction in the Condominium Plan.

ARTICLE XIII**SPECIAL PROVISIONS RELATING TO ENFORCEMENT OF DECLARANT'S
OBLIGATION TO COMPLETE COMMON AREA IMPROVEMENTS**

Article XIII concerns the Declarant's obligation to complete common area improvements.

13.01 Special Provisions Relating to Enforcement of Declarant's Obligation to Complete Common Area Improvements

The following provisions are pursuant to Section 2792.4 of the Regulations of the Real Estate Commissioner.

- (a) The Board must consider and vote on Association action to enforce bond obligations regarding any Common Area improvement if all of the following factors apply:
 - (1) Declarant has not completed Common Area improvements before the First Close of Escrow.
 - (2) The Association is the obligee, under a bond or other arrangement securing completion.
 - (3) A Notice of Completion has not been filed within sixty (60) days of the completion date specified in the planned construction statement appended to the bond.
- (b) The Association may grant a written extension for a Common Area completion.
- (c) If a notice of completion has not been filed within thirty (30) days after the extension expires, the Board will meet and vote on enforcement options.
- (d) Owners may submit a petition signed by at least five percent (5%) of Total Voting Power calling for a Special Meeting to be held between thirty-five (35) and forty-five (45) days after the Board receives the petition.
- (e) At the Special Meeting, a majority vote of Owners (other than Declarant) overrides the Board's decision and causes the Board to enforce bond obligations through appropriate action in the name of the Association.

ARTICLE XIV
ENFORCEMENT AND DISPUTE RESOLUTION

Article XIV provides methods for enforcement and for resolving any claims and Disputes between Owners, the Association, and/or Declarant.

14.01 Enforcement of Governing Documents

The Association and Owners shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges under the provisions of the Governing Documents, including injunctive relief and the right to recover damages.

14.02 Enforcement Between Association and Owner

Any dispute between the Association and an Owner involving their rights, duties, or liabilities under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the Governing Documents, shall, as may be required, be submitted to the procedures set forth in California Civil Code Sections 5900, *et seq.*, and 5925, *et seq.*

This Section shall not be applicable to (a) those governed disputes between the Association and Owner relating to the imposition or collection of Assessments, or (b) those subject to the Right to Repair Law, or California Civil Code Section 6000, *et seq.* (the "Calderon Act").

14.03 Non Enforcement Not a Waiver

If the Board does not enforce any provision of the Governing Documents, that shall not constitute a waiver of the right to enforce the provision later. The nonenforcement of any provision of a Governing Document shall not impose any liability upon the Board, or any of its officers or agents.

14.04 Discipline for Breach

After Notice and Hearing, the Board may do the following:

- (a) **Suspend Rights.** Suspend an Owner's right to use the Common Area (other than the right of ingress and egress to the Owner's Unit): (i) for the period during which any Assessment, including any monetary penalty against such Owner's Unit, remains unpaid and delinquent, and (ii) for a period not to exceed thirty (30) days, or for as long as the violation continues for any other infraction of this Declaration, the Bylaws or the published Rules and Regulations of the Association committed by any Owner, or such Owner's guests, servants, family members, tenants, or invitees.
- (b) **Impose Monetary Penalties.** Impose a monetary penalty on any Owner in such amounts as determined by the Board and as may be in a schedule of monetary penalties. The Board shall distribute to the Members, by personal delivery or first class mail, a copy of the schedule of monetary penalties adopted by the Board.

The Board shall have the same rights and remedies, including lien, foreclosure, late charge and interest rights, or seeking judicial enforcement for the enforcement and collection of monetary penalties as they have for the enforcement and collection of Assessments and any monetary penalty provided for herein shall be deemed to be a Special Assessment. Any infraction or violation of an ongoing nature shall subject the violating Owner to a continuing monetary penalty, which may be assessed on a daily basis until the infraction or violation in question has been remedied.

- (c) **Judicial Relief.** Seek judicial relief for the failure to comply with or for any violation of the Governing Documents committed by such Owner, or the Owner's guests, servants, family members, tenants, or invitees. In a situation where injury to persons or property is immediately threatened, the Board may seek judicial relief without first complying with the Notice and Hearing provisions.
- (d) **Limitation on Enforcement Remedies.** Except for the remedies as a result of a judgment or decree of a court or a decision arising out of arbitration, mediation, a foreclosure, or sale under a power of sale based on the failure of an Owner to pay assessments duly levied by the Association, the Association does not have the power or authority to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of the Owner's Condominium.

14.05 **Notice and Hearing**

- (a) **General Provisions.** The Board shall have the right to establish the Rules and Regulations for providing an Owner a hearing for an alleged violation of this Declaration, the Bylaws, or the Association's Rules and Regulations which may result in the Owner's Common Area privileges suspended or have a monetary penalty imposed, or both. The Rules or Regulations established and maintained by the Board shall be fair and reasonable, as required pursuant to California Corporations Code section 7341, and shall comply with Civil Code section 5855.
- (b) **Procedures.** Notice and Hearing regarding monetary penalties, suspension of privileges, and any other disciplinary measures taken shall be as follows:
 - (1) **Right to be Heard.** The Owner being cited for a violation shall be given an opportunity to be heard, either orally or in writing, at an executive session Board meeting;
 - (2) **Notice.** Notice of the hearing shall be given either by personal delivery or first-class mail to the most recent address of the Owner as shown on the Association's records at least ten (10) days prior to the hearing. The notice shall contain, at a minimum, the date, time, and place of the hearing, the nature of the alleged violation, the proposed monetary penalty or sanction, and a statement that the Owner has the right to attend the hearing and to address the Board at the hearing.
 - (3) **Procedure for Hearing.** At the hearing, the Owner shall have the right to be heard by the presentation of oral or written evidence and arguments. If the Owner fails or refuses to attend the hearing, the Board may decide the matter in the Owner's absence.
 - (4) **Decision of Board.** Following the hearing, the Board shall decide whether the Owner shall be penalized or sanctioned or assessed for damages.
 - (5) **Notice of Decision.** Within fifteen (15) days of the hearing, the Board shall notify the Owner of its decision and the reasons for the decision, either by personal delivery or first-class mail to the most recent address of the Owner as shown on the Association's records.

14.06 Remedies Cumulative

Each remedy provided for by this Declaration for breach of any of the covenants, conditions, restrictions, reservations, liens, or charges contained herein shall be in addition to any other available remedy, whether provided for by law or in equity, and all remedies shall be cumulative and not exclusive. In addition, except for the nonpayment of any Assessments, it is hereby expressly stipulated that the remedy at law to recover damages for the breach or violation of any provision of a Governing Documents is inadequate and that appropriate relief may be awarded to enjoin any such breach or violation.

14.07 Joint and Several Liability

In the case of joint ownership of a Condominium, the liability of each of the Owners of the Condominium, shall be joint and several.

14.08 Special Provisions Applicable to Resolution of Construction Defect Disputes; Declarant's Election to "Opt-In" to Statutory Pre-Litigation Procedures

- (a) Notice of Procedures for Actions for Construction Defects. The Property is subject to Title 7 of Part 2 of Division 2 of the California Civil Code (commencing with Section 895) (the "Right to Repair Act"). The procedures established by the Right to Repair Act impact the Owners' and Association's legal rights.
- (b) Declarant has elected to engage in the non-adversarial pre-litigation procedures set forth in Chapter 4 of the Right to Repair Act (California Civil Code §§ 910 through 938, inclusive). If such non-adversarial pre-litigation procedures fail to resolve a dispute governed by the Right to Repair Act, such dispute shall be resolved in accordance with the binding general arbitration procedures set forth herein.

14.09 Resolution of Construction Defect Disputes Against Declarant

- (a) If a dispute between the Association and Declarant is not resolved despite the proceedings set forth in Civil Code Section 6000, further litigation shall comply with all of the requirements of Section 6150 of the Civil Code.
- (b) Upon resolution of a dispute subject to Civil Code Section 6000, the Association shall disclose to its Members all of the matters specified in Section 6100 of the Civil Code.
- (c) Declarant, and its representatives on the Board of the Association shall have no control over the issue to decide whether to initiate a claim under such statutory provisions. Prior to voting to pursue such a claim, the Board shall inform the Members of alternatives to remedy the deficiencies without litigation and of potential adverse consequences of litigation.

14.10 **Submission of All Disputes Involving Declarant, Including Construction Defect Disputes, to Arbitration**

AGREEMENT TO ARBITRATE AND WAIVER OF JURY TRIAL

NOTICE: ANY DISPUTE BETWEEN THE ASSOCIATION OR ANY OWNER OR BOTH AND THE DECLARANT, ARISING OUT OF THE MATTERS INCLUDED IN THIS SECTION ENTITLED "ARBITRATION OF DISPUTES" PROVISION, SHALL BE DECIDED BY NEUTRAL BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT AND THE CALIFORNIA ARBITRATION ACT TO THE EXTENT THE CALIFORNIA ARBITRATION ACT IS NOT INCONSISTENT WITH THE FEDERAL ARBITRATION ACT. THE ASSOCIATION, OWNER, AND DECLARANT, ARE GIVING UP ANY RIGHTS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL AND ARE GIVING UP JUDICIAL RIGHTS TO DISCOVERY AND APPEAL (UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THIS SECTION).

- (a) Agreement to Arbitrate. Association, Owner, and Declarant shall resolve any dispute, including, without limitation, a dispute about design, condition, use, physical or bodily injury, or a dispute arising out of development or construction defect claims in the design or construction of the Property or Improvements (regardless of whether the claim is based upon common law, statutory law, including any claim covered by Civil Code Section 895 *et seq.*) not resolved through the above-described mediation procedure, through binding arbitration in the county in which the Property is located. This arbitration provision shall be binding on and enforceable by every Owner, the Association, Declarant, and Declarant Parties. Alternatively, Owner/ Association, Declarant, or Declarant Parties may elect to resolve such disputes through a small claims court proceeding, in which case the party filing the small claims action will have waived the right to any relief in excess of the jurisdiction of the small claims court.
- (b) Federal Arbitration Act. As many of the materials and products used in the constructed on the Property are manufactured in other states, the development and conveyance of the Property evidence a transaction involving interstate commerce. The Federal Arbitration Act (9 U.S.C. §1, *et seq.*) and the California Arbitration Act shall govern the interpretation and enforcement of this arbitration provision to the extent the California Arbitration Act is not inconsistent with the Federal Arbitration Act. To the extent any state law, ordinance, or regulation is inconsistent with the rules of the arbitration service under which the arbitration is held, the rules of the arbitration service shall govern the arbitration proceeding.
- (c) JAMS. The arbitration shall be conducted by the Judicial Arbitration and Mediation Services ("JAMS") in accordance with the JAMS Comprehensive Arbitration Rules & Procedures ("Rules"). If JAMS is not in existence, then the arbitration shall be conducted by ADR Services, Inc. in accordance with its rules ("Rules"). If there is a conflict between the Rules and the provisions of this Section, the provisions of this Section shall apply.
- (d) Advancement of Expenses. All fees charged by the arbitrator and the arbitration provider to initiate the arbitration shall be advanced by Declarant. If Declarant is the prevailing party in the arbitration, the arbitrator may direct Owner/Association, as applicable, to reimburse Declarant for up to fifty percent (50%) of the arbitration fees advanced by Declarant within sixty (60) days after the final arbitration award.

- (e) **Qualifications of Arbitrator.** The arbitrator shall be neutral and impartial and shall be either a retired judge or a member or former member of the California State Bar with at least ten (10) years' experience, with substantial experience in the type of matter in dispute, and with a strong emphasis on the laws governing real estate matters, especially those dealing with residential real estate development and construction. The arbitrator shall not have any relationship to the parties to the dispute or any interest in the Property.
- (f) **Appointment of Arbitrator.** The arbitrator to preside over the dispute shall be selected no later than sixty (60) days after a notice of claim is filed and may be challenged by any party for bias.
- (g) **Participation by Other Parties.** Declarant, Owner, or Association, may, if so chooses, to have all necessary and appropriate parties included as parties to the arbitration to the extent any such party is defending a claim in the arbitration.
- (h) **Venue.** The arbitration shall be conducted in the county where the Property is located unless the parties agree to some other location.
- (i) **Time of Commencement.** The arbitration process shall commence promptly, within the time provided by the arbitration agreement or by the rules of the arbitration provider. If no such date is provided by the arbitration agreement or rules, then the process shall commence on a date agreed upon by the parties or determined by the arbitrator.
- (j) **Rules of Law.** The arbitrator must follow California substantive law, including statutes of limitations and the provisions of Title 7 of Division 2 of Part 2 of the California Civil Code, sections 895 through 945.5, including all future amendments thereto, but may receive hearsay evidence.
- (k) **Discovery.** The parties to the proceeding shall be entitled only to reasonable discovery, of only the following matters: (i) witness lists; (ii) expert witness designations; (iii) expert witness reports; (iv) exhibits; (v) reports of testing or inspections of the property subject to the dispute, including, but not limited to, destructive or invasive testing; (vi) trial briefs. Such parties shall also be entitled to conduct further tests and inspections. Any other discovery provided for in the California Code of Civil Procedure shall be permitted by the arbitrator upon a showing of good cause or based on the mutual agreement of the parties to the proceeding. The arbitrator shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge.
- (l) **Motions.** The arbitrator shall have the power to hear and dispose of motions, including motions relating to provisional remedies, demurrers, motions to dismiss, motions for judgment on the pleadings, and summary adjudication motions, in the same manner as a trial court judge. In addition, the arbitrator shall also have the power to adjudicate summarily issues of fact or law including the availability of remedies, whether or not the issue adjudicated could dispose of an entire cause of action or defense. Notwithstanding the foregoing, if prior to the selection of the arbitrator, as provided herein, any provisional remedies are sought by the parties to the dispute, such relief, may be sought in the Superior Court of the County in which the Project is located. The arbitrator shall have the authority to rule on all post-hearing motions in the same manner as a trial judge.
- (m) **Remedies.** The arbitrator is authorized to provide all recognized remedies available in law or equity for any cause of action that is the basis of the proceeding or hearing, except that the award of punitive damages shall be prohibited.

- (n) **Timely Completion and Award.** The arbitration process shall be concluded in a prompt and timely manner, including the issuance of any decision or ruling following the proceeding or hearing. The arbitrator's award shall contain findings of fact and conclusions of law to the extent required by law if the case were tried to a judge. The decision of the arbitrator shall stand as the decision of the court, and upon filing of the statement of decision with the clerk of the court, judgment may be entered thereon in the same manner as if the dispute had been tried by the court.
- (o) **Attorneys' Fees and Costs.** Each party shall bear its own attorneys' fees and costs (including expert witness costs) in the arbitration.
- (p) **Judgment.** Upon all of the issues considered by the arbitrator, the arbitrator's award is binding upon the Parties, and upon filing of the award with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon.
- (q) **Participation in Judicial Proceeding.** The initiation of or participation by any party in any judicial proceeding concerning this arbitration provision or any matter arbitrable hereunder shall not be deemed a waiver of the right to enforce this arbitration provision; notwithstanding any provision of law to the contrary, shall not be asserted or accepted as a reason to delay, to refuse to participate in, or to refuse to enforce this arbitration provision.
- (r) **Standing.** Declarant and Declarant Parties shall have the right to enforce the provisions of this Article regardless of whether Declarant or Declarant Parties hold any right, title, or interest in and to the Property or any portion thereof.
- (s) **Severability.** If any phrase, clause, sentence, section, article, or other portion of this Article shall become illegal, void, or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, void, or against public policy, the remaining portions of this Article shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.

ARTICLE XV

RIGHTS RESERVED TO DECLARANT

Article XV gives Declarant, as the developer of the Project, certain rights after the sale of all Condominiums and the power of attorney to prepare and sign certain document which may be necessary to complete the development of the Project.

15.01 Declarant's Rights After Sale of All Condominiums in the Project

For a period of ten (10) years after the close of escrow for the sale of the last Condominium in the Project, covered by a Final Subdivision Public Report, Declarant shall have the following rights:

- (a) Right to receive copies of the minutes of the meetings of the Board of Directors and meetings of the Members, upon request and payment of the actual costs to copy and distribute such records; and
- (b) Right to inspect all Common Areas of the Property upon three (3) days' notice to the Association and, within its sole discretion, be entitled to cure any condition, whether or not the Association or any Owner has complained of the condition. The Board shall use its best efforts to obtain the consent of all Owners, for inspection of Units by Declarant for the sole purpose of discovering and repairing any condition of the Common Area needing access from within the Units. Refusal by an Owner to allow inspection, or failure of the Board to attempt in good faith to obtain Owner consent for inspection of Units, may be deemed a failure to mitigate damage if there is a defect as defined in Section 896 of the California Civil Code which could have been avoided through preventive maintenance. The Declarant does not have an obligation to perform any inspection or repair, nor shall this Section be deemed to increase Declarant's legal obligations to Owner and Association.

15.02 Power of Attorney to Declarant

- (a) Each Owner of a Condominium, by accepting a deed to a Condominium, shall be deemed to have agreed to constitute and irrevocably appointed Declarant, for so long as Declarant owns all or any portion of the Property, as the Owner's Attorney-in-Fact, for the Owner and the Owner's Mortgagees, optionees, grantees, licensees, trustees, receivers, lessees, tenants, judgment creditors, heirs, legatees, devisees, administrators, executors, legal representatives, successors, and assigns, in connection with any modification to the development plans for all or any portion of the Property. Based on the foregoing, each Owner further acknowledges and agrees that this irrevocable power of attorney is "coupled with an interest" and, pursuant to Section 2356 of the California Civil Code, may not be terminated by (i) the Owner's revocation of the power of attorney, (ii) Owner's death or (iii) Owner's incapacity to contract. Declarant shall have the right and power as a duly authorized attorney-in-fact to perform any of the following actions:

- (1) To prepare, execute, acknowledge, and record any Condominium Plan or amendment to any Condominium Plan for all or any portion of the Property, including, without limitation, any amendments necessary to have the Condominium Plan conform with the Improvements as actually built, which may be required or permitted by any laws, ordinances, or rules and regulations of any governing authority having jurisdiction over the Property, or which may be required or permitted by any title insurer, and to (1) perform all conditions, undertake any obligations, and execute all agreements and documentation required or permitted by any applicable governing authorities and (2) execute, acknowledge, and deliver any improvement agreements and bonds, and post deposits securing the performance of any conditions and obligations;
 - (2) To prepare, execute, acknowledge, and record any map or record of survey affecting the Property, required or permitted by the provisions of the California Subdivision Map Act or any other law, ordinances, or rules or regulations of any governing authority having jurisdiction over the Property, or which may be required or permitted by any title insurer, and, to (1) perform all conditions, undertake any obligations, and execute all agreements and documentation required or permitted by any applicable governing authorities, (2) appear before the governing authorities and (3) execute, acknowledge, and deliver any improvement agreements and bonds, and post deposits securing the performance of any such conditions and obligations;
 - (3) To prepare, execute, acknowledge, and file for approval any application for zoning or setback changes or lot line adjustments, or Condominium Plan amendments, or variance or conditional use permits or any other permits or reports required or permitted by any law, ordinances or rules and regulations of any governing authority having jurisdiction over the Property, or which may be required or permitted by any title insurer, and to (1) perform all conditions, undertake any obligations, and execute all agreements and documentation required or permitted by any applicable governing authorities and (2) execute, acknowledge, and deliver any improvement agreements and bonds, and post deposits securing the performance of the conditions and obligations;
 - (4) To deliver any public reports or property reports, or amendments to the reports, obtain receipts, and offer and administer rescission rights required by law;
 - (5) Do any and all things necessary or desirable under the circumstances to effect and accomplish the development of the Property.
- (b) The acceptance or creation of any Mortgage or other encumbrance whether or not voluntary, created in good faith, or given for value, shall be deemed to be accepted or created subject to each of the terms and conditions of the Power of Attorney described in this Section.

ARTICLE XVI
AMENDMENT

Article XVI concerns amendments to the Declaration.

16.01 Amendment

- (a) Before the First Close of Escrow of a Condominium, Declarant may unilaterally amend this Declaration by recording an amendment with the County Recorder's Office.
- (b) After the First Close of Escrow of a Condominium, this Declaration may be amended as follows:
 - (1) If there is only one Membership Class, approval by at least sixty-seven percent (67%) of Members other than Declarant, and by at least the same percentage of the Total Voting Power, including Declarant;
 - (2) If Class B Membership exists, approval by at least sixty-seven percent (67%) of the Members of each Class.
- (c) Any amendment shall be signed by two (2) Association officers certifying that the amendment was approved by the required vote and shall be recorded in the Office of the County Recorder.
- (d) The percentage of Owners required to amend this Declaration may not be less than the percentage of affirmative votes prescribed for action to be taken under the provision subject to the amendment.
- (e) An Owner or the Association may petition the Superior Court for an order reducing the percentage of affirmative votes needed to amend this Declaration pursuant to Civil Code Section 4275.
- (f) While the Declarant holds or directly controls at least twenty-five percent (25%) of the Total Voting Power, any proposed amendment to any Governing Documents shall comply with Business and Professions Code section 11018.7.
- (g) No amendments to any provisions in this Declaration including, but not limited to, the Article entitled "*Enforcement and Dispute Resolution*" or other Governing Documents which specifically benefit or otherwise relate to the Declarant as developer, shall be made without the written consent of the Declarant.
- (h) An amendment for the purpose of correcting technical errors, clerical mistakes, for clarification, or to conform this Declaration to the rules, regulations, or requirements of the VA, FHA, FNMA, Ginnie Mae, or Freddie Mac, shall not be construed as a material change to the Governing Documents and may be made upon a majority vote of the Board of Directors without vote of the Membership.

- (i) If Declarant owns any portion of the Property, Declarant may unilaterally amend this Declaration by recording an amendment, without the consent of the Board or Association, if the amendment is made to: (1) conform this Declaration to the requirements of the DRE, VA, FHA, FNMA, FHLMC, or any other governmental entity; (2) supplement or amend this Declaration with provisions which pertain to rights and obligations of Declarant, the Association, or Owners arising under the Right to Repair Act at Division 2, Part 2, Title 7 (commencing with Section 895) of the California Civil Code; or (3) to correct errors, clerical mistakes, correct any internal inconsistency or inconsistency with any Governing Document, or for clarification of any provision.

ARTICLE XVII
COUNTY OF SAN BERNARDINO PROVISIONS

Article XVII covers County of San Bernardino Requirements.

17.01 County of San Bernardino Provisions

- (a) The terms of the CC&Rs provide for a minimum term of 60 years.
- (b) Notwithstanding any provision in this Declaration to the contrary, the following provision shall apply: The property owners' association established herein shall manage and continuously maintain the "common area," and shall not sell or transfer the "common area" or any part thereof, absent the prior written consent of the County of San Bernardino or the County's successor-in-interest. The property owners' association shall have the right to assess the owners of each individual lot or unit for the reasonable cost of maintaining such "common area," and shall have the right to lien the property of any such owner who defaults in the payment of a maintenance assessment. An assessment lien, once created, shall be paid in full prior to all other liens recorded subsequent to the notice of assessment or other document creating the assessment lien. This Declaration shall not be terminated, "substantially amended," or property deannexed there from absent the prior written consent of the County of San Bernardino or the County's successor-in-interest. A proposed amendment shall be considered "substantial" if it affects the extent, usage, or maintenance of the "common area" established pursuant to the Declaration. In the event of any conflict between this Declaration and the Articles of Incorporation, the Bylaws, or the property owners' association Rules and Regulations, if any, this Declaration shall control.

ARTICLE XVIII

MISCELLANEOUS PROVISIONS

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

18.01 Term of Declaration

This Declaration shall be in effect for a term of sixty (60) years from the date of recording. Thereafter, this Declaration shall be automatically extended for successive periods of ten (10) years unless, within six (6) months before the expiration of the term, Owners representing two-thirds (2/3rds) of the Condominiums approve by formal vote, terminating this Declaration, and a document of termination is signed by two Association officers, reciting the vote of Owners to terminate this Declaration, is recorded with the County Recorder.

18.02 Notices

Any approval, disapproval, demand, document, or other notice which Declarant, the Association, or any Owner may desire to give to another party must be in writing and may be given either by i) personal delivery; ii) by United States mail which shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the mail, first class or registered, postage prepaid, addressed to the person to be notified; or iii) by any other method provided by Civil Code Sections 4040, 4045 and 4050.

18.03 Partial Invalidity

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

18.04 Number

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

18.05 Attorneys' Fees

If there is a controversy or claim respecting this Declaration, or other Governing Document, the prevailing parties shall be entitled, in addition to all expenses, costs, and damages, to reasonable attorneys' fees incurred after the filing of a lawsuit.

18.06 Disclosures

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

18.07 Supremacy of Legislation

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

18.08 No Enhanced Protection Agreement

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

18.09 Changing the Project Marketing Name

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

18.10 Conflict Between Declaration and Condominium Plan, and other Governing Documents

If there is any conflict between this Declaration and the Condominium Plan or other Governing Document, this Declaration shall be controlling.

18.11 Deadlines

Unless specifically indicated otherwise herein, all references to time periods or deadlines measured in days will be calculated based on calendar days, not business day

ARTICLE XIX
DEPARTMENT OF VETERANS AFFAIRS REQUIRED PROVISIONS

Article XIX covers language required by the Department of Veterans Affairs.

Any conflict between the provisions of this Article XIX and provisions elsewhere in this Declaration, the provisions of this Article XIX shall prevail.

19.01 Property

- (a) The real property subject to this Declaration upon the first close of escrow of a Condominium in the Project is legally described in Exhibit A attached hereto and incorporated herein by reference.
- (b) The Common Area of the Property includes landscaping, sidewalks, private drive.

19.02 Membership

Every Owner is automatically an Association Member as more fully described and set forth in Article IV.

19.03 Voting Rights

The voting rights of an Owner is described and set forth in Article IV.

19.04 Board of Directors

The number of Directors, election, removal, and replacement of the Directors is described in the Bylaws of the Association and is incorporated herein by reference thereto with the same force and effect as though fully set forth herein at length.

19.05 Amendments

Material amendments or extraordinary actions must be approved by Members entitled to cast at least sixty-seven percent (67%) of the votes of Members present, in person or by proxy, and voting at any meeting of the Association held in accordance with subparagraph (d) below, such vote, including at least a majority of the votes of all Members present, in person or by proxy, and voting at any meeting of the Association other than the Declarant, or sixty-seven percent (67%) of the total authorized votes of all Members of the Association, such vote including the vote of a majority of all of the Members other than the Declarant. Notwithstanding the foregoing, the Declarant may reserve the right to make changes or revisions to comply with the requirements of HUD, Fannie Mae, Freddie Mac or VA.

- (a) A material amendment includes adding, deleting or modifying any provision regarding the following:
 - (1) Assessment basis or assessment liens;

- (2) Any method of imposing or determining any charges to be levied against individual Unit owners;
 - (3) Reserves for maintenance, repair, or replacement of common area improvements;
 - (4) Maintenance obligations;
 - (5) Allocation of rights to use Common Areas;
 - (6) Any scheme of regulation or enforcement of standards for maintenance, architectural design or exterior appearance of improvements on units;
 - (7) Reduction of insurance requirements;
 - (8) Restoration or repair of Common Area Improvements;
 - (9) The addition, annexation or withdrawal of land to or from the Project;
 - (10) Voting rights;
 - (11) Restrictions affecting leasing or sale of a Unit; or
 - (12) Any provision which is for the express benefit of Mortgagees.
- (b) An extraordinary action includes:
- (1) Merging or consolidating the association (other than with another non-profit entity formed for purposes similar to the subject association);
 - (2) Determining not to require professional management if that management has been required by the Association documents, a majority of eligible mortgagees or a majority vote of the Members;
 - (3) Expanding the Association to include land not previously described as additional land which increases the overall land area of the Project or number of Units by more than ten percent (10%);
 - (4) Abandoning, partitioning, encumbering, mortgaging, conveying, selling or otherwise transferring or relocating the boundaries of Common Areas (except for (i) granting easements which are not inconsistent with or which do not interfere with the intended Common Area use; (ii) dedicating Common Area as required by a public authority; (iii) limited boundary-line adjustments made in accordance with the provisions of the Declaration; or (iv) transferring Common Area pursuant to a merger or consolidation with a non-profit entity formed for purposes similar to the subject Association);
 - (5) Using insurance proceeds for purposes other than construction or repair of the insured improvements; or
 - (6) Making 4 expenditures (other than for repair or replacement of existing Improvements) during any period of twelve (12) consecutive months costing more than twenty percent (20%) of the annual operating budget.

- (c) Meetings of the Membership to approve a material amendment or extraordinary action shall require: (i) at least twenty-five (25) days advance notice to all Members (at least seven (7) days' notice is required in the case of a meeting for other purposes); (ii) the notice states the purpose of the meeting and contains a summary of any material amendments or extraordinary actions proposed; (iii) the notice contains a copy of the proxy that can be cast in lieu of attendance at the meeting; and (iv) the quorum is at least twenty percent (20%) of the total number of votes.
- (d) Any material amendment which changes the rights of any specific class of Members must also be approved by Members entitled to cast at least fifty-one percent (51%) of the votes of all Members of such class present, in person or by proxy, and voting at any meeting of the Association held in accordance with subparagraph (c), or at least fifty-one percent (51%) of the total authorized votes of all Members of such class.
- (e) The following material amendments and extraordinary actions must be approved by Members entitled to cast at least sixty-seven percent (67%) of the total authorized votes of all Members of the Association, including at least a majority of the total authorized votes entitled to be cast by Members other than Declarant:
 - (1) Termination of this Declaration;
 - (2) Dissolution of the Association except pursuant to a consolidation or merger; and
 - (3) Conveyance of all Common Area
- (f) During the Declarant control period: (i) Declarant must provide a copy of all amendments to the VA; and (ii) the Association may not make any material amendments or take any extraordinary actions, as described in this section, without the approval of the VA.
- (g) All other amendments (other than material amendments or extraordinary actions) must be approved by at least a majority of the votes entitled to be cast by all Members present, in person or by proxy, and voting at any meeting of the Association at which a quorum is present, or in writing by Members entitled to cast at least a majority of the total authorized votes of all Members of the Association.

19.06 Non-Exclusive Easement

Owners have a non-exclusive easement of use and enjoyment in the Common Area which is appurtenant to and passes with title to each Condominium. Each owner also has a non-exclusive easement for egress and ingress over the Common Area, to the extent necessary to provide access to the Unit and for utilities serving that Unit. The right of access for necessary ingress and egress to the Unit and utility services cannot be suspended by the Board of Directors for violations of the covenants or nonpayment of assessments. The Owner's easement rights may be subject to certain limitations as follows:

- (a) Right of the Association, acting through the Board of Directors, to mortgage the Common Area subject to such Member, Mortgagee and agency approvals as may be provided in this Declaration. (A lender's rights, in the event of default upon any Mortgage or Deed of Trust on the Common Area, are limited to, after taking possession of such Common Area, charging reasonable admission and other fees as a condition of continued enjoyment by Members, and, if necessary, to a wider range of users. Upon satisfaction of the Mortgage or Deed of Trust, such Common Area is returned to the Association with full restoration of Members' rights);

- (b) Right of the Association, acting through the Board of Directors to convey or transfer all or any part of the Common Area, subject to such Member, Mortgagee, and agency approvals as may be provided in this Declaration;
- (c) Right of the Association, acting through the Board of Directors, without Member, Mortgagee and agency approvals unless provided otherwise in this Declaration, to grant easements across the Common Area for any purpose not inconsistent with the use of those areas by Members;
- (d) Right of the Association, acting through the Board of Directors, without Member, Mortgagee, and agency approvals unless provided otherwise in this Declaration, to adopt regulations governing the use of Common Area and the personal conduct of Owners; Occupants and guests thereon;
- (e) Right of the Association, acting through the Board of Directors, without Member, Mortgagee, and agency approvals unless otherwise provided in this Declaration, to charge reasonable admission or other fees for special or extraordinary uses of the Common Area;
- (f) Right of the Association, acting through the Board of Directors, without Member, Mortgagee and agency approvals unless otherwise provided in this Declaration, and consistent with existing local jurisdiction's zoning and subdivision ordinances, to transfer part of the Common Areas for the purpose of adjusting lot lines in accordance with reasonably stated provisions (i.e., does not reduce total open space area below zoning requirements, does not materially affect development plan on file with an agency, and all Units previously adjacent to Common Areas remain so located, unless the Owners of the Units approve the boundary line adjustment);
- (g) Right of the Board of Directors without Member, Mortgagee, and agency approvals unless otherwise provided in this Declaration, to suspend the right of any Member, and the rights of such Member's household, tenants, guests and invitees to use recreational facilities or other Common Area (to the extent that access and utility service are not impaired) for a period not to exceed sixty (60) days, unless such rights are suspended for failure to pay assessments, in which case such rights may be suspended until the assessments are fully paid; or
- (h) Special Declarant rights reserved by Declarant, such as: (i) right to use portions of the Common Area for sales and marketing purposes; (ii) reservation of easements across the Common Area for development purposes; (iii) right to grant, terminate or vacate easements across Common Area for limited purposes such as installation and maintenance of utilities, storm water management or provision of services to Units.

19.07 Maintenance by the Association

The maintenance responsibilities of the Association are described and set forth in section 2.03 of this Declaration.

19.08 Assessments

Regular Assessments, Special Assessments, and liens are described and set forth in Article VI of this Declaration. The maximum Regular Assessment may increase automatically by the greater of ten percent (10%) or based upon a Consumer Price Index, such as the U.S. Department of Urban Price Index - All Urban Consumers (1982-84=100) or other comparable index reflecting the Association's cost increase experience each year. The maximum may also be increased by a majority vote of the Members obligated to pay such Assessment or with the written approval of Members entitled to cast a majority of the total number of authorized votes of Members obligated to pay such assessment (in both cases excluding Declarant during the Declarant control period). Increases in certain fixed costs for insurance, taxes, recycling or waste disposal may be passed through to the Members, by permitting an automatic increase in the maximum Assessment which reflects those increases. If no maximum Assessment is set forth, a vote of the Members must be required to approve capital expenditures, other than for repair and replacement, during a fiscal year of more than twenty percent (20%) of the budget for common expenses for that fiscal year.

19.09 Insurance

The Board of Directors, on behalf of the Association, has the authority to and is required to obtain coverages in the areas of property damage, liability, and personnel. Owners may be required to maintain certain types of insurance coverages and, if the Owner fails to purchase that insurance, the Board may obtain those coverages at the Owner's expense. All hazard and flood insurance policies which include any Units, must also have the standard Mortgagee clause and provide for notice to the Mortgagee at least ten (10) days before lapse, material modification or cancellation of the policy.

19.10 Casualty Loss and Condemnation

Provisions for reconstruction of Common Area after casualty loss or condemnation are set forth in Article IX entitled Damage and Destruction to Improvements and Article X entitled Condemnation.

19.11 Eligible Mortgagees

In addition to the provisions set forth in Article entitled Mortgage Protection, a majority of the eligible mortgagees shall (i) have the right to demand professional management; and (ii) have the right to demand an audit of the Association's financial records.

"Declarant"

SB 24713 6TH, LLC
a California limited liability company

X 

by: Glenn Elssmann
its: Manager

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

STATE OF CALIFORNIA
COUNTY OF Riverside ss.

On May 12, 2021, before me, P. Boross, Notary Public

Notary Public, personally appeared:

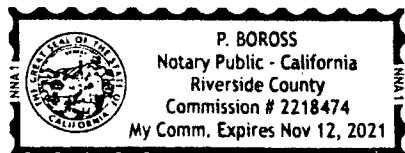
Glenn Elssmann

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

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

WITNESS my hand and official seal.

(SEAL)





Notary Public

EXHIBIT A

PROPERTY

Lot 1 of Tract No. 20342, in the unincorporated area of the County of San Bernardino, State of California, as per Map filed in Book 359 of Maps, Pages 52 and 53, in the Office of the County Recorder of San Bernardino.

EXHIBIT B**MAINTENANCE RESPONSIBILITIES**

(The Association is Responsible for the Maintenance, Repair and Replacement of the Common Area, Including But Not Limited to Those Items Listed in this Exhibit B. Any Discrepancies Between the Budget and this Declaration, the Budget Shall Control)

Items	Association Responsibility	Owner Responsibility
Air conditioning equipment serving a single unit		Maintain and repair
Ceiling surfaces (including any paint, wallpaper and acoustical coatings)		Maintain, repair and replace
Fireplaces		Maintain, repair and replace
Front door - exterior surface	Paint, stain or waterproof surface	Maintain, repair and replace (except paint)
Front door – interior surface		Maintain, repair and replace
Front door – interior casing		Maintain, repair and replace
All exterior door hardware		Maintain, repair and replace
All door weather stripping		Maintain, repair and replace
Doorbell exterior panels, buttons and circuits		Maintain, repair and replace
Doorbell chimes inside the unit		Maintain, repair and replace
Garage door – exterior surface		Maintain, repair and replace
Garage door – interior surface		Maintain, repair and replace
Garage door opening Mechanism and related hardware		Maintain, repair and replace
Patio/yard area doors and door frames (doors leading from unit to exterior)		Maintain, repair and replace
Patio/yard area door – exterior surface (doors leading from unit to exterior)		Maintain, repair and replace
Patio /yard area door – interior surface (doors leading from unit to exterior)		Maintain, repair and replace
Patio/yard area door casing (doors leading from unit to exterior)		Maintain, repair and replace
Dryer duct work		Maintain, repair and replace
Front door light fixture		Maintain fixture controlled by switches in unit or separately metered to unit
Front door light bulb		Replace as necessary for fixtures maintained by owner

Items	Association Responsibility	Owner Responsibility
Patio/yard area light fixture		Maintain, repair and replace
Patio/yard area light fixture - Subsurface	Maintain, repair and replace	
Patio/yard area light bulb		Maintain and replace
Patio/yard area drain - Surface		Maintain, repair and replace
Patio/yard area drain - Subsurface	Maintain, repair and replace	
Exterior stucco/siding	Maintain, repair and replace	
Exterior vents for plumbing and appliances (excluding washer/dryer duct work)		Maintain, repair and replace
Floor surfaces in unit interior		Maintain, repair and replace
Sub-flooring		Maintain, repair and replace
Gas pipes from exterior shutoff valve throughout unit		Maintain, repair and replace
Heating equipment (including lines, wires, vents, pipes, duct work, platforms and any other related equipment) located inside walls and/or running from the roof down to a unit)		Maintain, repair and replace
Interior wood trim, cabinets and shelves		Maintain, repair and replace
Landscaping – patios and balconies (including but not limited to, maintaining, trimming and replacing in a neat and attractive condition and in a manner which does not endanger the Common Area by roots, branches, over-watering or otherwise)		Maintain, repair and replace
Patio fences	Maintain, repair and replace	
Patio floor surfaces		Maintain and repair. Keep patio floor clean and free of debris and trash
Plumbing fixtures inside a unit (including, but not limited to, fixtures, toilets, faucets, bathtubs, tub and shower valves, shower pans, drain lines, and angle stops which exclusively service a unit)		Maintain, repair and replace. An owner may plunge blocked kitchen and bathroom facilities in his unit but may not use a snake or cause a snake to be used, in any pipes unless instructed to do so by the Association
Roofs	Maintain, repair and replace	
Security equipment – any locks, intercom equipment and security systems installed by an owner in a unit		Maintain, repair and replace

Items	Association Responsibility	Owner Responsibility
Telephones (including, but not limited to, lines, jacks and wiring) inside a unit		Maintain, repair and replace
Interior wall surfaces (including any paint, wallpaper, drywall and other finishes)		Maintain, repair and replace
Pipes and drains in walls inside units serving individual units		Maintain portions which are submetered to the unit. An owner may plunge blocked kitchen and bathroom facilities in his unit but may not use a snake or cause a snake to be used, in any pipes unless instructed to do so by the Association
Electrical wires in walls inside units serving individual units		Maintain, repair and replace
Unit's circuit breaker panel		Maintain, repair and replace
Switches and outlets inside the unit		Maintain, repair and replace
Cable TV wiring in walls inside units serving individual units		Maintain, repair and replace
Water heaters		Maintain, repair and replace
Glass, frames, hardware and rollers		Maintain, repair and replace
Window casing		Maintain, repair and replace
Locks and latches		Maintain, repair and replace
Screens and frames		Maintain, repair and replace
Interior caulking		Maintain, repair and replace
Mailbox – cluster	Maintain, repair and replace	Owner is responsible for replacement of key and lock, if there is a lost key

All owner maintenance, repair, and replacements must conform with the Architectural Guidelines.

EXHIBIT C

BUDGET SUMMARY AND RESERVES WORKSHEET

(see attached pages from DRE reviewed Budget)

RE 623

Page 3 of 15

BUDGET SUMMARY		
PHASE NUMBER 1 of 1	DATE OF BUDGET 4/26/2021	DRE FILE NUMBER TBD
NUMBER OF UNITS 16	TRACT NUMBER 20342	NAME OF PROJECT Sycamore Square II

	PER UNIT PER MONTH	TOTAL MONTHLY	TOTAL ANNUALLY
100. FIXED COSTS:			
101. PROPERTY TAXES			
102. CORPORATE FRANCHISE TAX	0.13	2.08	25.00
103. INSURANCE (Attach Proposal)*	32.55	520.83	6250.00
104. LOCAL LICENSE & INSPECTION			
105. ESTIMATED INCOME TAXES			
100. TOTAL:	32.68	522.92	6275.00

200. OPERATING COSTS:			
201. ELECTRICITY	2.40	38.35	460.22
LEASED LIGHTING			
202. GAS N/A			
203. WATER	83.28	1332.52	15990.29
204. SEWER/SEPTIC			
205. CABLE TV/MASTER ANTENNA - None			
207. CUSTODIAL AREA			
No. of Laundry:			
208. LANDSCAPE AREA: 7,779 SF			
GENERAL LANDSCAPE/Supplies	28.13	450.00	5400.00
209. REFUSE DISPOSAL -			
Vendor Name:			
Telephone Number:			
210. ELEVATORS			
Number: Type: N/A			
211. PRIVATE STREETS & DRIVEWAYS			
Parking Area (Acres): Included in #208			
212. HEATING & AIR CONDITIONING			
Area: N/A			
213. Swimming Pool			
Number: Size: Mths. Heated:			
Spa			
Number: Size:			
214. TENNIS COURT/ RAQUETBALL MAINTENANCE			
NUMBER: N/A			
215. ACCESS CONTROL			
No. of Motorized Gates: None			
No. of Intercoms/Telephone Entry:			
216. RESERVE STUDY	1.82	29.17	350.00

200. OPERATING COSTS CONTINUED	PER UNIT PER MONTH	TOTAL MONTHLY	TOTAL ANNUALLY
217. MISCELLANEOUS			
Minor Repairs	6.00	96.00	1152.00
Pest Control	1.88	30.00	360.00
Storm/ Drain Maintenance	3.65	58.33	700.00
Fire Sprinklers Inspections	9.38	150.00	1800.00
200. TOTAL:	136.52	2184.38	26212.52
300. RESERVES (See Note 1):			
301 - 313 (SEE RESERVES WORKSHEET)	55.71	891.31	10695.70
300. TOTAL:	55.71	891.31	10695.70
400. ADMINISTRATION:			
401. MANAGEMENT	23.44	375.00	4500.00
402. LEGAL SERVICES	7.81	125.00	1500.00
403. ACCOUNTING	3.91	62.50	750.00
404. EDUCATION	2.00	32.00	384.00
405. MISCELLANEOUS OFFICE EXPENSE	4.00	64.00	768.00
400. TOTAL:	41.16	658.50	7902.00
SUBTOTAL (100 - 400):	266.07	4257.10	51085.22
500. CONTINGENCY:			
501. NEW CONSTRUCTION 3.0%	7.98	127.71	1532.56
502. CONVERSIONS 5%			
503. REVENUE OFFSETS: (Sub-Metering)	74.10	1185.60	14227.20
TOTAL BUDGET:	199.95	3199.21	38390.57

◇ DRE regulations allow the use of variable assessments against unit only if one unit will derive as much as 10 percent more than another unit in the value of common goods and services supplied by the association.

After determining the percentage of benefit derived from services provided (page 14) by the association, an easy chart to follow would be:

Less than 10%	equal assessments
from 10% to 20%	variable or equal
Over 20%	variable assessments



Depending on the level of service selected by the Association, the amount shown may be insufficient to cover the cost and may be higher.

The budget and management documents indicate
 equal assessments
 variable assessments

◇ The inventory and quantities used in the preparation of this budget are normally derived from plans completed prior to construction and may vary slightly from actual field conditions. The calculated budget is a **good faith estimate** of the projected cost and should be deemed reliable for no more than one year. The Board of Directors should conduct an annual review of the Associations actual costs and revise the budget accordingly.

RESERVES WORKSHEET

DRE FILE NUMBER		16 Units		TRACT NUMBER			
		Sycamore Square II					
Item	(1) ^① Sq. Ft or Number	(2) ^① Unit Cost HOA Manual	(3) ^① Replacement Cost	(4) ^① Remaining Life	Yearly Reserve Columns 1x2 or 3 / 4	Cost Per Unit Per Month	
Paint: Exterior*	31983		25000.00	10	2500.00	13.02	
Roof- Type: Composition Shingle*	27897		75000.00	20	3750.00	19.53	
Exterior Light Fixtures	6	10.00			60.00	0.31	
Walkways / Drive Areas Concrete	13,410	0.05			670.50	3.49	
Patio Slabs Concrete	3072	0.05			153.60	0.80	
Pool Re-plaster							
Pool Heater							
Pool Filter							
Pool/Spa Pumps							
Mail Boxes Cluster	1		1500.00	15	100.00	0.52	
Pedestrian Gates	2		1300.00	15	86.67	0.45	
Vinyl Fencing R & R	256	3.00			768.00	4.00	
Tub Steel Gates Paint	96	1.00			96.00	0.50	
Block Walls R & R	500	0.25			123.00	0.64	
Fire Ext./Cabs	4		800.00	12	66.67	0.35	
Sub Meters R & R	16		4800.00	20	240.00	1.25	
Drainage & Sewer Pipes	420	0.25			102.90	0.54	
Drainage Filters	4	100.00			400.00	2.08	
Backflow	2		2200.00	15	146.67	0.76	
Irrigation Controllers	1		250.00	8	31.25	0.16	
Landscape Reserve	15,409	0.05			770.45	4.01	
Trees	14	45.00			630.00	3.28	
① Use either Columns 1 and 2 or 3 and 4, but not both for a particular item.					TOTAL RESERVE	10695.70	55.71

*See proposals

Note: For space purposes, we have included only the components most frequently found in common - interest subdivisions Reserve items should not be limited to the list above, but be tailored to your particular project.