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12/07/2021 11:13 AM

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**THIRD AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
HACIENDA CARMEL COMMUNITY ASSOCIATION**

NOTICE

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the California *Government Code*. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

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THIRD AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF HACIENDA CARMEL COMMUNITY ASSOCIATION

This Third Amended and Restated Declaration of Covenants, Conditions and Restrictions is made on the date set forth at the end of this document by HACIENDA CARMEL COMMUNITY ASSOCIATION, a California nonprofit mutual benefit corporation (referred to in this document as the "Association").

PREAMBLE

Hacienda Carmel is a senior housing development consisting of 300 condominiums and is located east of Highway 1 off Carmel Valley Road and adjacent to the Carmel River.

Hacienda Carmel Community Association is responsible for, among other things, maintenance and upkeep of common area and for ensuring that the community complies with applicable federal and state laws concerning the qualification of all residents, occupants, and guests to reside in a senior housing development, including but not limited to, age requirements.

Hacienda Carmel is not a community licensed as a "continuing care retirement community," a "residential care facility for the elderly," or otherwise equipped to accept responsibility for or to care for persons who are not capable of safely living independently. The Association does not provide care or supervision of residents, assistance with activities of daily life, assisted living services, or care programs of any kind for residents.

RECITALS OF BACKGROUND FACTS; DECLARATIONS

- A. This THIRD AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made with reference to that certain "Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Hacienda Carmel Community Association," recorded May 18, 2016, as Document No. 2016026873, in the Official Records of Monterey County, State of California, and as amended by the "Amendment to Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Hacienda Carmel Community Association," recorded July 13, 2016, as Document No. 2016039645, in the Official Records of Monterey County, State of California (collectively, the "2016 Declaration").

- B. The 2016 Declaration establishes certain limitations, easements, covenants, restrictions, conditions, liens, and charges which run with, and are binding upon all parties having or acquiring any right, title, or interest in, that certain real property located in the County of Monterey, State of California, and more particularly described as set forth in Exhibit A.
- C. The Project (as defined herein) is a "senior citizen housing development" as defined in California *Civil Code* section 51.3(b)(3) and is operated as "Housing for Older Persons" as defined in the United States Fair Housing Amendments Act of 1988, 42 U.S.C. section 3607(b)(2).
- D. The 2016 Declaration, at Article 6, ("Renting or Leasing"), Section 6.2 ("Limitation on the Number of Permitted Rentals") contains a restriction on the renting or leasing of Units within the Development, which was adopted by the Association on November 1, 2011. This THIRD AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF HACIENDA CARMEL COMMUNITY ASSOCIATION preserves the 2011 rental restriction as provided for herein at Article 6, Section 6.3.
- E. THE MEMBERS, constituting at least a majority of the Total Voting Power of the Association, desire to amend, modify, and otherwise change the 2016 Declaration pursuant to Article 13, Section 13.1 thereof, and DO HEREBY DECLARE that the 2016 Declaration shall be, and is hereby, AMENDED AND RESTATED IN ITS ENTIRETY as set forth in the within Third Amended and Restated Declaration of Covenants, Conditions and Restrictions of Hacienda Carmel Community Association.
- F. IT IS HEREBY DECLARED that all of the real property described in Exhibit A constitutes a condominium project within the meaning of section 4125 of the California *Civil Code*.
- G. IT IS FURTHER HEREBY DECLARED that all of the real property described in Exhibit A is and shall be held, owned, operated, managed, conveyed, hypothecated, encumbered, leased, used, occupied, and improved subject to the following covenants, conditions, and restrictions set forth herein, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving, and enhancing the value, desirability, and attractiveness of the said real property and every part thereof, and of fostering the development, management, improvement, enjoyment, and sale of the said real property and any part thereof.
- H. IT IS FURTHER HEREBY DECLARED that all of the covenants, conditions, and restrictions set forth herein shall constitute enforceable equitable servitudes as provided in California *Civil Code* section 5975, shall constitute covenants that shall run with the said real property, and shall be binding upon and inure to the benefit of each Owner of any portion of the said real property or the owner or holder of any interest or estate therein and their heirs, successors, and assigns.

ARTICLE 1 DEFINITIONS

- 1.1 Additional Charges. "Additional Charges" shall mean all costs, fees, charges, and expenditures including, but not limited to, interest, late charges, attorney fees, recording and filing fees, and all other costs actually incurred by the Association in collecting and/or enforcing payment of Assessments.
- 1.2 Annual Assessments. "Annual Assessments" shall have the meaning set forth in Section 8.7 ("Annual Assessment").
- 1.3 Architectural Review Committee. "Architectural Review Committee" shall mean the committee, if any, appointed pursuant to Article 7 ("Architectural Approval").
- 1.4 Articles of Incorporation. "Articles of Incorporation" shall mean the Amended and Restated Articles of Incorporation of Hacienda Carmel Community Association, as they may be further amended from time to time, and as filed with the Office of the Secretary of State of California.
- 1.5 Assessments. "Assessments" shall mean any or all of the following: Annual Assessments, Special Assessments, Reimbursement Assessments, and Enforcement Assessments.
- 1.6 Association. "Association" shall mean Hacienda Carmel Community Association, a California nonprofit mutual benefit corporation, its successors and assigns.
- 1.7 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.
- 1.8 Bylaws. "Bylaws" shall mean the Third Amended and Restated Bylaws of the Association as they shall be duly adopted by the Board of Directors and the Members and any duly-adopted amendments thereof.
- 1.9 Civil Code. "*Civil Code*" shall mean the California *Civil Code* as amended from time to time.
- 1.10 Common Area. "Common Area" shall mean (i) all of the property comprising the Project that is owned by all of the Owners in common but excluding the Units and (ii) all real property (including easements) owned or held by the Association from time to time for the common use and enjoyment of the Owners and Residents of the Project. Some portions of the Common Area constitute "Exclusive Use Common Area" as defined in Section 1.18 ("Exclusive Use Common Area").
- 1.11 Condominium. "Condominium" shall mean an estate in real property as defined in *Civil Code* sections 783 and 4125, consisting of an undivided interest in all or

any portion of the Common Area together with a separate fee interest in a Unit and any easements or other interests in the Project or any portion thereof appurtenant to the Unit, as are described in the Declaration, in the Condominium Plan, or in the deed conveying a Condominium.

- 1.12 Condominium Plan. "Condominium Plan" shall mean a plan recorded pursuant to *Civil Code* sections 4285, 4290 and 4295 with respect to the Project and any amendments thereto which identifies the Common Area and each separate interest in the Project. The Condominium Plan consists of the following:
- (a) The plot plan entitled "Tract No. 406, Hacienda Carmel" which was recorded on March 27, 1962 in Vol. 7 of Maps Cities & Towns, at Page 60, and
 - (b) The plot plan entitled "Unit No. 2, tract No. 425, Hacienda Carmel" which was recorded on March 4, 1963, in the Vol. 7 of Maps Cities & Towns, at Page 83.
- 1.13 Contract Purchaser/Contract Seller. "Contract Purchaser" and "Contract Seller" shall mean the purchaser and the seller, respectively, under an installment land contract in which title to the property is transferred after the final installment payment is made.
- 1.14 Corporations Code. "*Corporations Code*" shall mean the California *Corporations Code* as amended from time to time.
- 1.15 County. "County" shall mean the County of Monterey.
- 1.16 Declaration. "Declaration" shall mean this Third Amended and Restated Declaration of Covenants, Conditions and Restrictions of Hacienda Carmel Community Association, recorded in the Office of the County Recorder of Monterey County, State of California, and any duly-recorded amendments thereof.
- 1.17 Enforcement Assessment. "Enforcement Assessment" shall have the meaning set forth in Section 8.11 ("Enforcement Assessments").
- 1.18 Exclusive Use Common Area. "Exclusive Use Common Area" shall mean any portion of the Common Area the exclusive use of which is set aside, allocated, assigned, and restricted to the exclusive use or possession of the Owners and Residents of one (1) or more but less than all of the Units and which is appurtenant to a Unit or Units. An exclusive easement to such Exclusive Use Common Area may be specifically granted in each individual grant deed conveying a Unit; however, the failure of any such deed to set forth such grant of easement shall not invalidate the exclusive easement granted in this Declaration. The Exclusive Use Common Area appurtenant to each Unit consists of the

following and no other portions of the Project constitute Exclusive Use Common Area:

1.18.1 Patio. "Patio" shall mean the private area adjacent to the rear of each Unit. Most but not all Patios are enclosed by a fence, railing, hedge or similar barrier. The perimeter boundaries of each Patio are to the exterior finished surfaces of any building walls, windows or other building surfaces enclosing the Patio and, if the Patio is enclosed, to the interior (finished, if applicable) surfaces of the fence, railing, hedge, or other barrier enclosing the Patio or, if the Patio is not enclosed, to a plane in space at the boundary of the concrete pad or other paving material of the Patio space. The lower boundaries of each Patio are to the surface of the concrete pad as originally installed by the developer and replacements thereof installed by the Association and the upper boundary is to a horizontal plane extended from the ceiling of the Unit that adjoins the Patio. Each Patio includes:

- (i) the airspace encompassed by its boundaries, and
- (ii) the surface of the earth not covered by the concrete pad and so much of the area beneath the surface of the earth as is necessary for the cultivating, landscaping, and drainage of the Patio.

1.18.2 Storage Area for Studio Unit. "Storage Area for Studio Unit" shall mean the area assigned to each studio Unit for purposes of personal storage. The perimeter boundaries of each Storage Area for Studio Unit shall be to the unfinished surfaces of the floor, walls, ceiling, and door. The storage areas for all Units other than studios constitute part of the Unit and do not constitute Exclusive Use Common Area.

1.18.3 Other Exclusive Use Common Area. The following items or components designed to serve a single Unit constitute Exclusive Use Common Area appurtenant to the Unit:

- (i) exterior doors, door frames, and hardware, including locks and keys;
- (ii) exterior windows, including sash and frame, glass, hardware, and window screens; and
- (iii) internal and external telephone wiring as provided in *Civil Code* section 4145(c).

1.19 First Mortgage/First Mortgagee. "First Mortgage" shall mean a Mortgage that has first priority over all other Mortgages. "First Mortgagee" shall mean the beneficiary under a First Mortgage.

- 1.20 Governing Documents. "Governing Documents" shall mean the Articles of Incorporation, Bylaws, Declaration, and Rules.
- 1.21 Individual Delivery / Individual Notice. "Individual Delivery" or "Individual Notice" shall mean delivery to a Member or Members by one (1) of the following methods, as provided in *Civil Code* section 4040:
- (a) By first-class mail with postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier, addressed to the recipient at such recipient's address last shown on the books of the Association; or
 - (b) By email, facsimile, or other electronic means if the recipient has consented, in writing or by email, to that method of delivery. The consent may be revoked, in writing or by email, by the recipient. Delivery by electronic transmission must also comply with *Corporations Code* sections 20 and 21. Among other things, Section 20 of the *Corporations Code* requires the Association to obtain consent from the person to whom the document is transmitted to receive it by means of electronic transmission as well as other technical requirements.
- 1.22 Maintenance. "Maintenance" or to "maintain" (whether the term is capitalized or not) shall mean the act of caring for property and keeping it in its existing state, preserving it from failure or deterioration, including painting, caulking, cleaning, and minor, non-structural upkeep. In the case of landscaping, "maintenance" or to "maintain" shall mean regular fertilizing, irrigation, pruning and other garden management practices necessary to promote healthy plant growth free of weeds or dead or dying plants.
- 1.23 Majority of a Quorum. "Majority of a Quorum" shall mean a majority of the votes cast in any lawful vote or election by the Members in which the number of ballots cast equals or exceeds the number required to establish a quorum.
- 1.24 Member. "Member" shall mean an Owner.
- 1.25 Member in Good Standing. "Member in Good Standing" shall mean a Member of the Association who is current in the payment of all Annual Assessments and Special Assessments imposed in accordance with the Governing Documents, and who is in compliance with all of the provisions of the Governing Documents. A Member shall be deemed to be in Good Standing unless, after notice and an opportunity for hearing, pursuant to Article 12 ("Enforcement; Notice; Hearings"), the Board has found the Member to be not in Good Standing and has so notified the Member in accordance with *Civil Code* section 5855.
- 1.26 Mortgage/Mortgagee. "Mortgage" shall mean a duly-recorded deed of trust or mortgage in the conventional sense encumbering a Condominium. "Mortgagee"

shall mean a beneficiary under a Mortgage and shall also include an insurer or governmental guarantor of a Mortgage including, without limitation, the Federal Housing Administration and the Department of Veterans Affairs.

- 1.27 Owner. "Owner" shall mean the record owner, whether one (1) or more persons or entities, of the fee simple title to any Condominium, including Contract Sellers but excluding Contract Purchasers, and excluding those persons having such interest merely as security for the performance of an obligation.
- 1.28 Patio. See Section 1.18 ("Exclusive Use Common Area").
- 1.29 Project. "Project" shall mean all of the real property described in this Declaration as comprising the Hacienda Carmel condominium project, including all structures and other improvements located at any time upon said real property, and such additional real property as may hereafter be brought within the jurisdiction of the Association.
- 1.30 Reimbursement Assessment. "Reimbursement Assessment" shall have the meaning set forth in Section 8.10 ("Reimbursement Assessments").
- 1.31 Repair. "Repair" (whether the term is capitalized or not) shall mean the minor restoration of property that is torn, broken, or otherwise damaged, or has sustained wear, tear, or deterioration such that minor restoration is necessary.
- 1.32 Replacement. "Replacement" or to "replace" (whether the term is capitalized or not) shall mean substantial reconstruction, restoration, or substitution of the whole or a substantial part of property that has deteriorated or has been damaged or destroyed through usage or through hazard or catastrophe such that it is no longer useable or serviceable in its current condition. In the case of landscaping, "replacement" or to "replace" shall mean the removal and replanting of trees, shrubs, lawns, and other plants that are dead or dying or otherwise not serviceable or the substitution of plants for hardscape or substitution of hardscape for plants.
- 1.33 Resident. "Resident" shall mean any person who resides in a Unit within the Project whether or not such person is an Owner.
- 1.34 Rules. "Rules" shall mean the policies, rules, and regulations governing the administration, management, operation, use, and occupancy of the Project, including the use of the Common Area and facilities, the personal conduct of Owners and Residents, members of their household, pets, tenants, invitees, and guests within the Project, enforcement of the Governing Documents, and any other matter that is within the jurisdiction of the Association, as adopted, published, or amended by the Board from time to time and subject to applicable law including *Civil Code* section 4340 and following.

- 1.35 Senior Housing Residency Restrictions. "Senior Housing Residency Restrictions" shall mean the residency policy adopted by the Board and referenced in Section 5.7 ("Senior Citizen Residential Use; Qualification for Residency").
- 1.36 Special Assessment. "Special Assessment" shall have the meaning set forth in Section 8.8 ("Special Assessment").
- 1.37 Storage Area for Studio Unit. See Section 1.18 ("Exclusive Use Common Area").
- 1.38 Total Voting Power. "Total Voting Power" shall mean the total number of votes of all Members entitled to vote at a particular time, calculated on the basis of one (1) vote for each Unit.
- 1.39 Unit. "Unit" shall mean the elements of a Condominium that are not owned in common with the Owners of other Condominiums within the Project, which Units are shown as separately designated and numbered areas on the Condominium Plan. There are three hundred (300) Units in the Project.
- 1.39.1 Boundaries of Unit. The boundaries of each Unit are as follows:
- (i) the interior *unfinished surfaces* (exclusive of floor coverings, paint, paper, wax, tile, enamel, or other finishing) of the floors and ceilings of the living space and, in the case of all Units other than studios, of the storage area, at their respective elevations as shown on the Condominium Plan;
 - (ii) the interior *unfinished surfaces* (exclusive of paint, paper, wax, tile, enamel, or other finishing) of its perimeter walls, bearing walls, and fireplaces;
 - (iii) the *interior surfaces* of the windows (frame and sash) and sliding glass doors; and
 - (iv) the *interior surface* of the solid core front door and of the door to the storage area of the Unit, if applicable.
- 1.39.2 Included in Unit. Without limiting the generality of Section 1.39.1, above, the Unit includes the following:
- (i) the finishes or coverings on the interior surfaces of the floors, walls, and ceilings;
 - (ii) the partition (non-bearing) walls within the boundaries of the Unit;

- (iii) all interior doors within the boundaries of the Unit and hardware of interior doors;
- (iv) any skylight in the ceiling of the living space or in any roof overhang serving the Unit;
- (v) utility lines, heating vent covers, electrical outlet covers, and switch plate covers within the boundaries of the Unit, including water lines from and including the shutoff valve within the Unit (for example and not by way of limitation, the shutoff valves for toilets or for bathroom or kitchen faucets); and
- (vi) spark arrestor, chimney flue, firebox, flue damper, and gas line, if applicable, of original mortared fireplaces as installed by the developer and replacements thereof installed by the Association, including any franklin stove or other fireplace or chimney addition and any gas line for a fireplace as installed by the developer or replacement thereof installed by the Association.

1.39.3 Excluded from Unit. The Unit *does not include* the following:

- (i) bearing walls and structural framework except the finished surfaces thereof inside a Unit;
- (ii) exterior doors, door frames, and hardware except the finished surfaces thereof inside a Unit;
- (iii) exterior windows, window frames, and hardware except the finished surfaces thereof inside a Unit; and
- (iv) any conduits, wiring, ducts, pipes, and flues even if located in non-bearing interior partition walls, and heating systems as originally installed by the developer and any replacements thereof installed by the Association.

1.39.4 Existing Physical Boundaries Control. In interpreting deeds, the Declaration, and the Condominium Plan, it shall be conclusively presumed that the then-existing physical boundaries of a Unit, whether as originally constructed or as reconstructed in accordance with the Governing Documents, are its boundaries, rather than the metes and bounds or other description expressed in the deed, the Declaration, or the Condominium Plan, regardless of any settling or lateral movement of buildings and regardless of minor variance between the boundaries shown on the deed, in the Declaration, or in the Condominium Plan and the actual existing physical boundaries.

ARTICLE 2 HOMEOWNERS ASSOCIATION

- 2.1 Management and Operation; Bylaws. The Association is an “association” as defined in *Civil Code* section 4080 and as such shall have the power and the authority to manage and operate the Project in accordance with the Governing Documents and the provisions of applicable law. The Association shall have all of the powers set forth in the Governing Documents together with general power to do any and all things that a nonprofit mutual benefit corporation may lawfully do under the laws of the State of California, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. Provisions concerning the operation of the Association as a nonprofit mutual benefit corporation are set forth in the Bylaws.
- 2.2 Legal Standing. To the fullest extent permitted by law, including *Civil Code* section 5980, the Association shall have standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as a real party in interest, and without joining with it the Owners, in matters pertaining to the following:
- (a) Enforcement of the Governing Documents,
 - (b) Damage to the Common Area,
 - (c) Damage to the separate interests that the Association is obligated to maintain, repair, or replace,
 - (d) Damage to a separate interest that arises out of, or is integrally related to, damage to the Common Area or separate interests that the Association is obligated to maintain, repair, or replace.
- 2.3 Membership. Every Owner of a Condominium shall be a Member of the Association and shall remain a Member thereof until such time as his or her ownership of such Condominium ceases for any reason. Fee ownership of a Condominium shall be the sole qualification for membership in the Association. Membership shall be appurtenant to and may not be separated from ownership of a Condominium and shall not be transferred, encumbered, pledged, alienated, or otherwise hypothecated in any way, except in connection with the sale or encumbrance of the Condominium to which it is appurtenant.
- 2.4 Voting. Only Members shall be entitled to vote and, only one (1) vote shall be cast for each Condominium, as more particularly set forth in the Bylaws.
- 2.5 Association Rules. Subject to applicable law, including *Civil Code* section 4340 and following, regarding notice and procedures, the Board shall have the power and the authority to establish, promulgate, amend, repeal, and enforce Rules.

- 2.6 Relationship to Business Operations Conducted in Leased Areas. Pursuant to Section 9.1.5 ("Leasing of Common Area to Third Parties"), the Association leases portions of the Common Area to independent commercial operators. The Association's relationship to these enterprises is strictly as a landlord and the Association does not regulate or control and has no other business relationship with or any responsibility whatsoever for these businesses or their operations.

ARTICLE 3 PROPERTY SUBJECT TO THIS DECLARATION

- 3.1 Legal Description. The property subject to this Declaration and to the jurisdiction of the Association is described in Exhibit A.
- 3.2 Classification of Property. The property subject to this Declaration is a condominium project. All of the property subject to the Declaration is divided into the following categories:
- (a) Common Area,
 - (b) Exclusive Use Common Area, and
 - (c) Units.
- 3.3 Ownership of Condominium. Ownership of each Condominium within the Project shall include:
- (a) A designated Unit,
 - (b) The respective undivided one-three hundredth (1/300) interest as tenant in common in Tract No. 406 (also known as Tract No. 425) as shown on the Condominium Plans,
 - (c) A Membership in the Association, and
 - (d) Any exclusive easements or easements appurtenant to such Unit upon the Exclusive Use Common Area and such other easements as are applicable, all as described in the Declaration, in the deed to the Condominium, or in the Condominium Plan.
- 3.4 Undivided Interests Cannot Be Changed. The undivided interests in the Common Area set forth in clause (b) of Section 3.3 cannot be changed except with the approval of one hundred percent (100%) of the Owners or as provided in Section 11.9 ("Repair or Rebuilding After Condemnation") following condemnation of a portion of the Project.

- 3.5 No Separate Conveyance of Undivided Interests. The undivided interests in the Common Area shall not be severed or conveyed separately from the respective Units to which they are appurtenant and each such undivided interest shall in all cases be deemed to be conveyed or encumbered along with the respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit. Any purported severance or separate conveyance of an undivided interest in the Common Area apart from a conveyance of the respective Unit shall, for all purposes, be null, void, and unenforceable.
- 3.6 Limitation on Partition. Except in the case of substantial damage to or destruction or obsolescence of the Project as provided in *Civil Code* section 4610 or as provided in Section 11.6 ("Sale of Entire Project"), there shall be no judicial partition of the Project or any part thereof, nor shall any Owner or any person acquiring any interest in the Project or any part of the Project seek any judicial partition thereof; *provided, however*, that if any Condominium shall be owned by two (2) or more co-Owners as tenants in common or as joint tenants, nothing contained in this Declaration shall be deemed to prevent a judicial partition by sale as between such co-Owners.
- 3.7 Annexation. No property shall be annexed to the Project without prior approval of a majority of the Total Voting Power of the Association as to the principal terms of such annexation, including the principal terms of any merger of the Association with one (1) or more other entities incident to such annexation.

ARTICLE 4 TAXES; LIENS AND EASEMENTS

- 4.1 Unallocated Taxes. In the event that any taxes are assessed against the Common Area or against the personal property of the Association rather than against the Condominiums, said taxes shall be included in the Annual Assessments and, if necessary, a Special Assessment may be levied against the Condominiums in an amount equal to said taxes, to be paid in two (2) installments each due not less than thirty (30) days prior to each tax installment.
- 4.2 Mechanic's Lien Against Common Area. In the event there shall be filed against the Common Area a notice of mechanic's lien for, or purporting to be for, labor or materials alleged to have been furnished or delivered for any Owner within the Project or his or her Condominium, such Owner shall forthwith cause such lien to be discharged by payment, bond, or otherwise. If the Owner fails to cause the lien to be discharged, the Board may send written notice to the Owner specifying that unless the Owner causes the lien to be discharged within five (5) days from the date of such notice, the Board may cause the lien to be discharged. Within such five-day period, and notwithstanding any other provisions of the Governing Documents concerning notice or hearing, the Owner shall be permitted a hearing before the Board regarding the validity of such lien and any offsets or defenses thereto. At that time, the Board shall determine whether the lien adversely and

improperly affects and encumbers the rights and interests of the Association or the other Owners. If the Board of Directors determines that the lien does adversely and improperly affect and encumber such rights and interests and that adequate protection of such rights and interests has not been provided, the Board may cause the lien to be discharged by payment, bond, or otherwise. The Board shall have the right to levy a Reimbursement Assessment against the Owner responsible for causing the lien to be discharged in an amount equal to all amounts paid by the Association together with interest thereon at the legal rate and all costs and expenses paid or incurred in connection therewith, including reasonable attorney fees.

- 4.3 Easements in General. In addition to all easements reserved and granted on the Condominium Plan, there are hereby specifically reserved and granted for the benefit of the Condominiums and the Owners in common and for each Condominium and each Owner severally, and for the Association, as their respective interests shall obtain, the easements, reciprocal negative easements, secondary easements, and rights-of-way as particularly identified in this Article 4.
- 4.4 Exclusive Use Common Area Easements. "Exclusive Use Common Areas" are subject, as the servient tenements, to exclusive easements in favor of the Units to which they are attached or assigned, as the dominant tenements, and such exclusive easements shall be appurtenant to those designated Units. An exclusive easement to such Exclusive Use Common Area may be specifically granted in each individual grant deed conveying a Unit; however, the failure of any such deed to set forth such grant of easement shall not invalidate the exclusive easement granted in this Declaration.
- 4.5 Owner's Non-exclusive Easements of Enjoyment. Every Owner of a Condominium shall have a non-exclusive easement of use of and enjoyment in, to, and throughout the Common Area of the Project but excluding areas that may be leased by the Association to third parties from time to time, pursuant to Section 9.1.5 ("Leasing of Common Area to Third Parties"); *provided, however*, such non-exclusive easements shall be subordinate to, and shall not interfere in any way with, the exclusive easements, if any, appurtenant to Units over Exclusive Use Common Area. Each such non-exclusive easement shall be appurtenant to and pass with the title to every Unit, subject to the following rights and restrictions:
- (a) The right of the Board to establish and enforce Rules governing the use of the Common Area and facilities thereon;
 - (b) The right of the Board to charge reasonable admission and other fees for the use of any facilities situated upon the Common Area;
 - (c) The right of the Board to suspend an Owner's right to use the recreational facilities as provided in Section 12.8 ("Imposing Sanctions");

- (d) The right of the Board, as set forth in Section 4.6 ("Utility Easements"), to grant and transfer utility easements and rights-of-way in, on, over, or under the Common Area subject to such conditions as may be agreed to by the Board;
- (e) The right of the Board, as set forth in Section 4.7 ("Board's Power to Grant Easements and Licenses to Owners"), to grant easements, licenses, and rights-of-way upon the Common Area to Owners; and
- (f) The right of the Association or its authorized agents, as provided in this Declaration, to perform its obligations under this Declaration, including obligations with respect to construction, maintenance, repair, or replacement for the benefit of the Common Area or the Owners in common.

4.6 Utility Easements. There are reserved and there shall exist easements over and under the Project or any portion thereof for the purpose of constructing, erecting, operating, or maintaining thereon, therein, or thereunder overhead or underground lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities, and for any other purposes deemed by the Board to be appropriate and not inconsistent with the purposes and interests of the Association, together with the right to grant and transfer the same and each purchaser, in accepting a deed to a Unit, expressly consents thereto; *provided, however*, that no such easement or right-of-way may be granted or transferred if it would unreasonably interfere with the use, occupancy, or enjoyment by an Owner or Resident of any Unit and any existing exclusive easements over Common Area appurtenant thereto, if any, without the consent of the Owner(s) affected.

4.7 Board's Power to Grant Easements and Licenses to Owners. Notwithstanding any other provisions of the Governing Documents, the Board shall have the power in its discretion, without approval vote of the Members, to grant and convey licenses for use, rights-of-way, and non-exclusive easements in, over, or under the Common Area or any portion thereof to Owners, for such purposes as the Board deems to be appropriate and not inconsistent with the purposes and interests of the Association; *provided, however*, that approval of a majority of the Total Voting Power of the Association shall be required to grant an exclusive easement over Common Area to any Member, other than any grant or conveyance to a Member described in *Civil Code* section 4600(b).

ARTICLE 5 USE RESTRICTIONS

- 5.1 Use of Common Area Generally. All use of Common Area is subject to the Governing Documents. Subject to the provisions of the Declaration, the Common Area shall be held, maintained, and used to meet the common interests of the Owners and the Residents, members of their household, tenants, and guests as provided in the Governing Documents. Notwithstanding the foregoing, nothing in the Governing Documents shall be deemed to prohibit the leasing of portions of the Common Area to third parties for use by such third parties for purposes not inconsistent with the purposes of the Association, as provided in Section 9.1.5 ("Leasing of Common Area to Third Parties").
- 5.2 Common Area Construction or Alteration. Except as may be authorized by the Board, no person or entity other than the Association or its duly-authorized agents shall construct, reconstruct, refinish, alter, or maintain any improvement upon the Common Area, or shall make or create any excavation or fill upon the Common Area, or shall change the natural or existing drainage of the Common Area, or shall plant, remove, or destroy any seed, plant material, tree, shrub, or other vegetation upon the Common Area (other than upon Exclusive Use Common Area).
- 5.3 No Obstruction of Common Area. The Common Area shall be kept free of rubbish, debris, and other unsightly or unsanitary materials. There shall be no obstruction of any part of the Common Area nor shall anything impair access to the Common Area. Each Owner shall avoid causing any damage to the Common Area.
- 5.4 No Smoking in Common Area. For the safety of the property and for the health, safety, and security of all Residents of the Project, no smoking of cigarettes, pipes, cigars, electronic cigarettes, personal vapor devices, or any other tobacco product, marijuana, legal or illegal substance shall be permitted anywhere in the Common Area, whether indoors or outdoors. "Smoking" shall include the inhaling, exhaling, burning, or carrying of any lighted cigarette, pipe, cigar, electronic cigarette, personal vapor device or other smoke inhalation device of any kind, or other tobacco product, marijuana, legal or illegal substance, and shall include smoke or vapor from any such activity drifting from the interior of a Unit to the Common Area.
- 5.5 Delegation of Use. Any Owner may delegate his or her rights of use and enjoyment, including easements, in the Project to the members of his or her household, tenants, Contract Purchasers, and guests, subject to the terms of the Governing Documents. Any rights of enjoyment that have been delegated by an Owner are subject to suspension to the same extent that rights of Owners are subject to suspension as provided in the Governing Documents.

- 5.6 Independent Living Condominium Community. Hacienda Carmel is not a community licensed as a "continuing care retirement community," a "residential care facility for the elderly," or otherwise equipped to accept responsibility for or to care for persons who are not capable of safely living independently. The Association does not provide care or supervision of Residents, assistance with activities of daily life, assisted living services, or care programs of any kind for Residents.
- 5.7 Senior Citizen Residential Use; Qualification for Residency]. Except to the extent permitted in Section 5.10 ("Restriction on Businesses"), all Condominiums shall be occupied and used for senior citizen residential purposes only. Residents, other occupants, and guests shall be subject to (i) the age and other restrictions set forth in the Senior Housing Residency Restrictions adopted by the Board in compliance with applicable federal and California law, as those laws may be amended from time to time, and all such persons shall cooperate with the Board as required to verify the Association's compliance with such laws and (ii) other applicable qualifications as set forth in applicable state and federal law.
- 5.7.1 Prior Qualification Required. Prior to any person taking up occupancy in a Unit, proof of age qualification of such person to be a Resident must be provided to the Board. No person to whom ownership passes by law or otherwise shall be entitled to occupy any Unit unless and until he or she has applied for occupancy and been approved by the Board.
- 5.7.2 Informational Form. Every prospective Resident shall file an informational form approved by the Board, which includes a statement of age or such other information as the Board may reasonably require pursuant to the Senior Housing Residency Restrictions.
- 5.7.3 Review of Informational Form. Upon receipt of a complete informational form, the Board shall authorize the manager to review the form, evaluate the applicant(s)' age-restricted or other qualifications for Residency, meet with the applicant(s) for the purpose of providing an informational orientation meeting, and make a report to the Board. The Board shall approve or disapprove the application based upon proof of age and/or other evidence pertinent to the applicant(s)' qualifications for occupancy in accordance with the Senior Housing Residency Requirements.
- 5.7.4 Preservation of Senior Community Status. Notwithstanding any contrary provision in the Senior Housing Residency Restrictions, this Declaration shall at all times be deemed to restrict residency to age-qualified occupants to the fullest extent permitted by applicable law in accordance with the Senior Housing Residency Restrictions.

5.8 Residential Use. Except to the extent permitted in Section 5.10 ("Restriction on Businesses"), Units shall be occupied and used only for single family residential purposes in conformity with the requirements of applicable zoning laws or other state or local rules or regulations.

5.9 Number of Occupants; Guests. No Unit shall be permanently occupied by a number of Residents that is more than two (2) times the number of bedrooms; for example, two Residents in a studio or one-bedroom Unit or four (4) Residents in a two-bedroom Unit. In no event shall any Unit be occupied by more individuals than permitted by applicable zoning laws or other governmental regulations. The number, qualification, and regulation of guests shall be governed by the Rules, including the Senior Housing Residency Restrictions.

5.10 Restriction on Businesses.

5.10.1 Types of Businesses Allowed. No business of any kind shall be established, maintained, operated, permitted, or conducted within the Project except: (i) professional, administrative, or clerical activity as may be permitted by applicable governmental ordinances without the requirement of a conditional use permit but only if such activity does not entail the presence of employees, patrons, clients, or vendors except on an infrequent basis; does not require storage of large amounts of bulky goods or inventory; there is no external evidence of such activity including but not limited to a significant increase in traffic within the Project; the activity complies with all applicable governmental ordinances; and the activity is merely incidental to the use of the Unit for residential purposes and (ii) certain care facilities that, by law, cannot be prohibited by the Declaration.

5.10.2 Indemnification Regarding Business Activity. To the fullest extent permitted by law, every Owner or Resident who conducts or engages in any business, commercial endeavor, or profession within the Project, or whose tenant does so, agrees to and shall indemnify and defend the Association, its officers, directors, employees, and agents and shall hold them harmless from and against any cost, loss, claim, or damages of any kind, arising out of the conduct or presence of such activity, including but not limited to attorney fees, any claims for consequential damages, and any claims arising or alleged to arise out of the enforcement or non-enforcement by the Association of the Governing Documents, including but not limited to the restriction on business contained in this Section 5.10. Any amounts owed pursuant to this Section 5.10.2 may be assessed as a Reimbursement Assessment.

5.10.3 Third Party Commercial Enterprises in Common Area. This Section 5.10 shall not be deemed to prohibit third parties from conducting commercial enterprises upon portions of the Common Area leased by

the Association to such third parties pursuant to Section 9.1.5 ("Leasing of Common Area to Third Parties").

- 5.11 Unlawful Conduct, Nuisances, Noise, Generators. No unlawful, noxious, harmful, or offensive activities shall be conducted upon or within any part of the Project, nor shall anything be done within the Project which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to any Resident of the Project, or which shall in any way interfere with Residents' use of the Common Area and facilities thereon or the use and enjoyment of their Units. Without limiting any of the foregoing, no Resident shall permit noise, including but not limited to the barking of dogs, to emanate from the Resident's Unit that would unreasonably disturb another Resident's enjoyment of his or her Unit or of the Common Area. Generators shall not be installed or used within any Unit or on any Patio except with prior architectural approval and in compliance with all restrictions imposed by the Association.
- 5.12 Compliance with Laws. Each Owner and Resident shall comply with all requirements of all federal, state, and local governmental authorities and all laws, ordinances, rules and regulations applicable to his or her Condominium and the Common Area.
- 5.13 Conditions Affecting Insurance. Nothing shall be done, placed, or kept within the Project that will increase the rate of insurance or result in the cancellation of insurance under any insurance policy maintained by the Association, or which will be in violation of any governmental statute, ordinance, rule, or regulation. If any Owner or Resident, member of their household, tenant, invitee, or guest shall violate this Section 5.13, the Unit Owner shall be liable to the Association for any resulting increase in insurance premiums and any other damages, which may be assessed against the responsible Owner as a Reimbursement Assessment.
- 5.14 Requirement of Architectural Approval. As addressed in Article 7 ("Architectural Approval"), construction, installation, modification, or alteration of buildings, outdoor structures, landscaping, and outdoor lighting are subject to prior architectural approval.
- 5.15 Shortwave or Other Radio Operations. The operation of any shortwave or any other kind of radio transmitter from any Unit is not permitted without prior written authorization of the Board and then only if such operation does not in any way interfere with radio, television, or other electronic signal reception in any other Unit or Common Area.
- 5.16 Animals.
- 5.16.1 No Commercial Purposes. No animals shall be kept, bred, or maintained within the Project for any commercial purpose.

- 5.16.2 Number of Pets. Not more than a total of two (2) dogs, cats, or birds (for example, two dogs, or a dog and a cat, or a dog and a bird, or two birds) and a reasonable number of other small-caged, common domestic household pets or animals in an aquarium may be kept in each Unit.
- 5.16.3 Control of Dogs. Except while in an enclosed Patio or the enclosed designated dog run area of the Project, each dog must be restrained on a leash held by a responsible person capable of controlling the dog.
- 5.16.4 No Outside Structures for Animals. No outside structure for the care, housing, or confinement of any animal shall be permitted anywhere within the Project without prior written approval by the Board.
- 5.16.5 No Outside Feeding of Animals. There shall be no feeding of ducks, geese, deer, or any other non-domesticated animals within the Project. In order to control feral cats, racoons, vermin, and other stray animals within the Project, no animal food shall be kept or placed outside anywhere within the Project, except for approved bird feeders.
- 5.16.6 Responsibility for Pets. The owner of each pet shall be responsible for immediately removing and disposing of any waste introduced to any portion of the Project by such pet. Owners, Residents, tenants and guests shall immediately clean up any waste left by their pet.
- 5.16.7 Indemnification Regarding Pets. Each Owner, Resident, and any person bringing or keeping an animal within the Project shall be absolutely liable to the Association and all other persons for any injury or damage to persons or property caused by the animal brought upon or kept upon the Project by such person or by members of his or her household, tenants, invitees, or guests. To the fullest extent permitted by law, each Owner agrees to and shall indemnify and defend the Association, its officers, directors, employees, and agents and shall hold them harmless from and against any cost, loss, claim, or damages of any kind, arising out of or resulting from the presence or conduct of any animal brought upon or kept within the Project by the Owner, members of his or her household, tenants, invitees, or guests including but not limited to attorney fees, any claims for consequential damages, and any claims arising or alleged to arise out of the enforcement or non-enforcement by the Association of the Governing Documents, including but not limited to the restrictions on animals contained in this Section 5.16. Any amounts owed pursuant to this Section 5.16.7 may be assessed as a Reimbursement Assessment.
- 5.16.8 Removal of Nuisance Pets. The Association shall have the right to prohibit the keeping of any animal which, after the responsible Owner or Resident has an opportunity for a hearing called by the Board

pursuant to Section 12.12 ("Hearing Called by the Board; Executive Session; Opening Meeting"), is found by the Board to be a nuisance.

- 5.16.9 Pet Rules. The Board may adopt and enforce pet Rules in addition to the provisions of this Section 5.16.
- 5.17 Trash Disposal. Trash, garbage, accumulated waste plant material, other waste and refuse, and recyclable waste shall be deposited only in the appropriate containers designated therefor. No Owner or Resident shall permit or cause any garbage, trash, or other waste or refuse to be kept upon any portion of any Unit or elsewhere in the Project, except in such containers. Furniture, appliances, water heaters, construction or remodeling debris, and other bulky items must be properly disposed of off-site by the Owner or Resident at his or her sole expense and shall not be placed in Association waste containers or discarded in the dumpster areas.
- 5.18 Signs, Banners, Flags. Only the following types of signs, posters, banners, or flags shall be displayed to the public view from any portion of the Project:
- (a) Signs required by legal proceedings;
 - (b) A noncommercial sign or poster no larger than nine (9) square feet in size or a noncommercial flag or banner no larger than fifteen (15) square feet in size, displayed upon a Unit, and limited to the fullest extent permitted by *Civil Code* section 4710;
 - (c) A single sign of customary and reasonable dimension and design, complying with the provisions of any applicable ordinance and the Architectural Rules, if any, and reasonably located on a Unit or placed in the window of a Unit advertising a Unit for sale or rent;
 - (d) Other signs which by law cannot be prohibited;
 - (e) A flag of the United States, subject to County restrictions as to size and as to time, place, and manner of display, as provided in *Civil Code* section 4705;
 - (f) Political candidate and issue signs located on an Owner's Unit, provided such signs shall not be installed on a Unit more than thirty (30) days prior to the applicable election and must be removed the day after the applicable election. Political signs shall comply with clause (b) of this Section 5.18;
 - (g) A single identification sign which has been approved by the Board or the Architectural Review Committee located on a Unit identifying the number or address of the Unit and/or the names of the Residents;

- (h) Signs approved by the Board as required for traffic control and regulation of streets or open areas within the Project; and
- (i) Signs on the Common Area as approved by the Board for a purpose reasonably related to the affairs of the Association, including signs located at or near any entrance to the Project identifying the Project.

5.19 Vehicles and Parking.

5.19.1 Limit on Number of Vehicles. Due to space constraints within the Project, no more than two (2) vehicles for each Unit are permitted to be parked within the Project.

5.19.2 Parking of Oversized Vehicles, Boats. No vehicle that is too large to be parked entirely within a designated parking space (including but not limited to trailers, campers, boats, recreational vehicles, commercial vehicles and trucks) shall be permitted to remain anywhere within the Project, except that (i) such vehicle may be parked temporarily (not to exceed eight (8) hours) for purposes of loading or unloading, provided such vehicle does not interfere with the safe ingress and egress of pedestrians and vehicular traffic within the Project, and (ii) oversized vehicles may be parked in designated areas of the Project in accordance with prior approval of the Board as to location and duration.

5.19.3 Commercial Vehicles. Commercial vehicle shall mean:

- (i) any vehicle that is classified as Class 3 and above by the United States Department of Transportation Vehicle Inventory and Use Survey, meaning any vehicle with a Gross Vehicle Weight Rating (GVWR) of more than ten thousand pounds (10,000 lb);
- (ii) any vehicle (including vehicles with a GVWR of ten thousand pounds or less) displaying signs or markings of a commercial nature, unless such signs or markings are small and unobtrusive as determined by the Board;
- (iii) any vehicle that is equipped to carry more than ten (10) people.

5.19.4 Parking of Commercial Vehicles. Commercial vehicles of vendors, utilities, contractors, and others providing services shall be permitted within the Project while services are actually being performed but shall not be parked within the Project overnight. Oversized commercial vehicles are subject to the provisions of Section 5.19.2, above.

- 5.19.5 Prohibited Vehicles. The following types of vehicles are "Prohibited Vehicles" and may not be brought into or remain in the Project: (i) inoperable vehicles; and (ii) unregistered vehicles.
- 5.19.6 Car Washing. Except for the designated car wash area, the washing of vehicles of any kind shall not be permitted anywhere within the Project.
- 5.19.7 Vehicle Repairs. No motor vehicles or boats shall be constructed, reconstructed, or repaired within the Project (other than minor emergency repairs to the extent necessary to move the vehicle to a repair facility).
- 5.19.8 Parking Generally. The primary parking facility for Residents is the covered and uncovered parking spaces in the Common Area. Uncovered parking spaces (including designated handicap spaces for disabled persons) are not assigned and are available on a first-come, first-served basis. The Board may rent designated covered parking spaces to individual Residents on such terms as the Board may determine from time to time. Parking is also permitted in those portions of the private streets that are not designated as fire lanes, provided the vehicle does not interfere with the safe ingress and egress of pedestrians and vehicular traffic within the Project. Parking is not allowed at any time in designated fire lanes.
- 5.19.9 Parking Enforcement and Towing. The provisions of this Section 5.19 apply to all vehicles within the Project, including vehicles of guests and invitees. In addition to the provisions of this Section 5.19, the Board shall have the power and authority to adopt, promulgate, and enforce parking Rules and shall have the power to impose fines and other sanctions for violations of provisions of the Governing Documents relating to vehicles and parking. Subject to the provisions of applicable law, including California *Vehicle Code* section 22658, the Board shall have the power and authority to cause the towing, at the vehicle owner's expense, of vehicles that are parked within the Project in violation of any of the provisions of the Governing Documents. Costs incurred by the Association relating to the towing and/or storage of any vehicle parked in violation of any provision of the Governing Documents shall be assessed as a Reimbursement Assessment against the Owner responsible or whose household member, Contract Purchaser, tenant, invitee, or guest is responsible for the presence of such vehicle.
- 5.20 Mining and Drilling. No derrick, pump, or any other equipment or structure for boring, drilling, mining, or extracting any oil, gas, or mineral of any kind or nature whatsoever shall be erected, placed, or permitted upon any part of the Project, nor shall any oil, gas, petroleum, or other hydrocarbon substance be extracted

from the surface of the Project property; *provided, however*, that nothing herein contained shall prevent the extraction or capturing of any oil, gas, petroleum or other hydrocarbon substance or mineral or mineral substance by slant well drilling or other similar operation so long as nothing shall be permitted to disturb the surface of said property or any improvements thereon or occupants thereof; *provided, further*, however, that nothing herein is intended to prohibit the drilling for and capture of water for use by the Project and for the occupants thereof.

- 5.21 No Burning of Wood or Other Combustible Materials. In consideration of air quality and the health of all Residents, no indoor or outdoor burning of wood, manufactured composite logs, charcoal, or any other combustible material other than natural gas shall be permitted anywhere within the Project after June 30, 2022, other than for the regular operations of the Hacienda Carmel Dining Room kitchen facilities, or with prior written authorization by the Board.

ARTICLE 6 RENTING OR LEASING

- 6.1 Requirements for Renting. As provided in Section 5.7 ("Senior Citizen Residential Use; Qualification for Residency") all Residents, other occupants, and guests shall be subject to the age and other restrictions set forth in the Senior Housing Residency Restrictions adopted by the Board in compliance with applicable federal and California law, as those laws may be amended from time to time. All such persons shall cooperate with the Board as required to verify the Association's compliance with such laws.

- 6.1.1 Qualification of Occupants. An Owner renting his or her Condominium shall, as required by the Senior Housing Residency Restrictions, provide the Association with documentation verifying each prospective occupant's qualification for residency before such person takes up occupancy of a Condominium.

- 6.1.2 Written Lease. An Owner renting his or her Condominium shall do so pursuant to a written lease or rental agreement. The lease or rental agreement shall expressly provide:

- (i) for an initial term of at least six (6) months;
- (ii) that the Project is a "senior citizen housing development" and all occupants, guests, and visitors shall comply with and satisfy the Senior Housing Residency Restrictions;
- (iii) that its terms are subject to all of the provisions of the Governing Documents;

- (iv) that failure of the tenant, members of the tenant's household, invitees, or guests to comply with applicable provisions of the Governing Documents shall constitute a default under the terms of such lease or rental agreement; and
- (v) that in the event of any such default, the Association shall be entitled to maintain an eviction action against the tenant to the same extent as the Owner of the Unit, the Association being deemed to be a third party beneficiary under such lease or rental agreement as provided in Section 6.8 ("Association As Third Party Beneficiary").

6.1.3 No Subletting. No subletting shall be permitted.

6.1.4 Copy of Lease. An Owner renting his or her Condominium shall file a copy of the signed lease or rental agreement with the Board. The Owner may redact or black out the financial terms (i.e., the amount of rent and security deposit) from the copy provided to the Board.

6.1.5 Renter's Insurance. An Owner renting his or her Condominium shall require the tenant to carry renter's insurance, as provided in Section 10.7 ("HO4 Renter's Policy").

6.1.6 Provide Governing Documents to Tenants. An Owner renting his or her Condominium shall provide the tenant(s) with a copy of the Governing Documents, specifically including the Senior Housing Residency Restrictions, and any subsequent changes thereto.

6.1.7 Affidavit of Tenants. An Owner renting his or her Condominium shall, upon request of the Association, cause all tenants and occupants to execute and submit to the Association an affidavit or certificate in a form prescribed by the Association, which includes the following and such other matters as are reasonably required by the Association: (i) that he/she/they understand that the Project is a "senior citizen housing development" and that all occupants, guests, and visitors are restricted and must satisfy the Senior Housing Residency Restrictions, (ii) that he/she/they have received copies of the Governing Documents, specifically including the Senior Housing Residency Restrictions, (iii) that he/she/they understand that the lease is expressly subject to all the provisions of the Governing Documents, and (iv) that he/she/they understand that the breach of any provision of the Governing Documents shall constitute a default under the lease.

6.1.8 House Sitters. The provisions of Section 6.1.6 ("Provide Governing Documents to Tenants") and Section 6.1.7 ("Affidavit of Tenants") shall apply with respect to any person occupying a Condominium as a guest

of the Owner, as a paid or unpaid house sitter, or in a similar capacity when no Owner is in residence.

- 6.1.9 Owner's Contact Information. An Owner renting his or her Condominium shall provide the Association with contact information for the Owner or a representative of the Owner with authority to act on behalf of the Owner with respect to the Condominium and the tenants, including telephone number, email address, mailing address, and such other contact information as the Association may require.
- 6.2 Notice of Non-Owner Occupants. Without limiting the generality of the provisions contained in Section 6.1 ("Requirements for Renting"), each Owner shall notify the Board and the Association's manager of the names of (i) any tenants or any Contract Purchasers occupying such Owner's Condominium, and (ii) any guest, house sitter, or other person occupying the Condominium when no Owner is in residence (whether or not such person is paying rent or is being compensated by the Owner). If requested by the Board, each Owner, tenant, or Contract Purchaser shall also notify the Board or the Association's manager of the names of all members of his or her household to whom such Owner, tenant, or Contract Purchaser has delegated any rights of enjoyment in the Project as provided herein and the relationship each such person bears to such Owner, tenant, or Contract Purchaser.
- 6.3 Limitation on Number of Permitted Rentals. **This Section 6.3 contains a rental restriction that was originally adopted by the Association on November 1, 2011. The rental restriction applies to each Condominium acquired by an Owner after November 1, 2011. Other than minor updates to section number references, this restriction has been restated in its entirety except that the minimum permitted rental limit has been increased to twenty-five percent (25%) to comply with Civil Code section 4741(b) which went into effect January 1, 2021.**
- 6.3.1 Permitted Number of Rentals. Except as provided in this Section 6.3, not more than twenty-five percent (25%) of the Units within the Project shall, at any particular time, be leased or rented or occupied by anyone other than an Owner, together with members of his or her household or temporary guests, such that at least seventy-five percent (75%) of the Units are Owner-occupied. For purposes of this Section 6.3, a Resident who is a beneficiary under a trust shall be deemed to be an Owner-occupant if legal title to the Unit is in the name of the trustee(s) of the trust.
- 6.3.2 Grandfathered Units. The limitation on the number of permitted rentals as set forth in Section 6.3.1 ("Permitted Number of Rentals") shall not apply to any Unit that was being leased or rented as of March 2, 1993, (but shall apply to any such Unit if legal title to such Unit has been or is transferred subsequent to that date or the Owner of a "grandfathered"

rented Unit re-takes occupancy of the Unit), such that if the number of Units being rented at the time of such sale or transfer is more than the number permitted pursuant to Section 6.3.1, the Unit shall be sold or transferred for Owner-occupancy and not for rental. For purposes of this Section 6.3.2, "sale or transfer" shall mean any conveyance that requires the payment of a transfer fee.

- 6.3.3 List of Rented Units. The Board shall establish and maintain a list of all Owners currently leasing or renting a Unit. The list of rented Units shall include: (i) the Owner's name, (ii) the address of the rented Unit, (iii) the Owner's record date of ownership, and (iv) the term of the lease. The list of rented Units shall be made available to any Owner. Payment of a reasonable administrative charge to be set by the Board may be required.
- 6.3.4 Written Request to Rent. Any Owner desiring to rent his or her Unit shall submit to the Association's business office a written request to rent, which shall state: (i) the Owner's name and mailing address, (ii) the Unit address, (iii) the Owner's record date of ownership, (iv) the proposed lease term and the number of tenants; and (v) such other information as the Board may reasonably require from time to time. The Owner shall have the right, upon written request delivered to the Association, to appear in person before the Board to discuss the request to lease or rent his or her Unit.
- 6.3.5 Priority of Requests to Rent. The Board shall establish and maintain a priority list of requests to rent, organized in the order of date received by the Board. The priority list shall include (i) the name of the requesting Owner, (ii) the address of the Unit in question, (iii) the Owner's record date of ownership, and (iv) the date the written request was received by the Board.
- 6.3.6 Review of Request to Rent. Within thirty (30) days after receipt, the Board shall review and shall approve or deny an Owner's request to rent. Written notice of the Board's decision shall be transmitted to the requesting Owner and if the request is denied, the notice shall specify the reason(s) for denial. The Board shall approve the application unless doing so will increase the number of Units leased or rented within the Project to more than the number permitted under Section 6.3.1 ("Permitted Number of Rentals") or will otherwise result in the violation of any provision of this Article 6. When the number of Units leased or rented in the Project is less than the number permitted under Section 6.3.1, the Board shall authorize the Owner who submitted the earliest received application to lease or rent his or her Unit. When the number of Units leased or rented in the Project equals or exceeds the number permitted under Section 6.3.1, Owner requests to rent shall be

added to the priority list maintained pursuant to Section 6.3.5 ("Priority of Requests to Rent").

6.3.7 Reconsideration of Denied Request. If a request to rent is denied, the requesting Owner shall have a right, upon written request, to reconsideration by the Board in accordance with Section 12.13 ("Owner's Request for Hearing"). Within fifteen (15) days after such reconsideration, the Board shall transmit its written determination to the requesting Owner.

6.3.8 Duration of Authorization to Rent. Except as to Units grandfathered pursuant to Section 6.3.2 ("Grandfathered Units"), once an Owner obtains permission to lease or rent a Unit, that Owner shall have the right to continue renting that Unit to consecutive lessees or renters or for consecutive terms without having to submit or re-submit a request to rent; provided (i) the continuing lease or rental is otherwise in compliance with the provisions of this Article 6, (ii) the lease or rental is without interruption of more than sixty (60) days, and (iii) during any interruption in rental the Owner shall not reoccupy the Unit for a period exceeding thirty (30) days.

6.3.9 Decision of Board Conclusive. The decision of the Board in approving or denying a request to rent, made in accordance with the procedures set forth in this Section 6.3, shall be final and conclusive.

6.4 No Transient Rentals. No Owner shall be permitted to lease, rent, or otherwise operate his or her Unit for transient or hotel purposes, which shall include, but is not limited to, rental for any period less than thirty (30) days or any rental (even if the term is longer than thirty days) where the Resident of a Unit is provided customary hotel services such as room service for food and beverage, maid service, periodic furnishing of clean bed linen and towels, laundry service, or bellboy services. This Section 6.4 shall not be deemed to permit an initial lease or rental term shorter than six (6) months as provided in Section 6.1.2(i) ("Written Lease").

6.5 Rental of Entire Condominium. No Owner shall rent or lease less than the entire Condominium. The preceding sentence is intended to prohibit the operation of a rooming house or similar operation within the Project. No part of the Exclusive Use Common Area appurtenant to the Unit shall be rented, leased, or hired to anyone who does not have the right of possession of the entirety of the Condominium. This section is not intended to prohibit a resident Owner from sharing his or her Condominium with a roommate or other person(s) with whom the Owner maintains a common household provided such person is otherwise a qualified Resident under the Senior Housing Residency Restrictions.

6.6 No Vacation Clubs; No Time Share Arrangements. No Unit or Units shall be leased, subleased, occupied, rented, let, sublet, or used for or in connection with

any time sharing agreement, plan, program or arrangement, including, without limitation, any so called "vacation license," "travel club," "extended vacation," "home-exchange club," any other membership or time interval ownership arrangement, or any time-share estate or time-share use as defined in Section 11212 of the California *Business and Professions Code*. The term "time sharing" as used herein shall be deemed to include, but shall not be limited to, any agreement, plan, program, or arrangement under which the right to use, occupy, or possess any Unit or Units rotates among various persons, either corporate, partnership, individual, or otherwise, on a periodically recurring basis for value exchanged, whether monetary or like kind use privileges, according to a fixed or floating interval or period of time. This Section 6.6 shall not be construed to limit the personal use of any Unit or any portion thereof by its Owner and such Owner's social or familial guests consistent with the Senior Housing Residency Restrictions.

- 6.7 Implementation. Upon request from the Board, each Owner then renting or leasing a Unit shall provide to the Board such information as the Board may reasonably require in order to implement the provisions of this Article 6, including but not limited to the names of the tenants and the members of the tenants' household and the duration of the lease or a copy of the signed lease.
- 6.8 Association As Third Party Beneficiary. Notwithstanding the failure of an Owner to comply with the requirements of Section 6.1 ("Requirements for Renting") and whether or not it is so stated in a written contract or other agreement between such Owner and such tenant, the Owner and the tenant of any Unit subject to this Declaration shall be conclusively deemed to have agreed that the Association is an intended third party beneficiary to the contract between the Owner and the tenant; that failure of the tenant, members of the tenant's household, tenant's invitees, or guests to comply with applicable provisions of the Governing Documents shall constitute a breach of the terms of the contract between the Owner and the tenant; and that the Association shall have the right but not the obligation to enforce the contract and to pursue every remedy available under the contract, under this Declaration including but not limited to the rights granted pursuant to Section 8.18 ("Assignment of Rents As Security for Payment"), or under the law. The power of the Association as provided in this Section 6.8 shall be exercised in good faith, in a reasonable and nondiscriminatory manner, and only after notice and opportunity for a hearing as provided in Article 12 ("Enforcement; Notice; Hearings").
- 6.9 Indemnification Regarding Tenants' Actions. Each Owner leasing or renting a Unit shall be strictly responsible and liable to the Association for the actions of such Owner's tenant(s) in or about all Units and Common Area and for each tenant's compliance with the provisions of the Governing Documents. No provision of any lease or rental agreement shall relieve the Unit Owner of his or her obligations pursuant to the Governing Documents. To the fullest extent permitted by law, every Owner of a Unit that is occupied by persons other than the Owner pursuant to a rental agreement or lease or otherwise, agrees to and

shall indemnify and defend the Association, its officers, directors, employees, and agents and shall hold them harmless from and against any cost, loss, claim, or damages of any kind, arising out of the conduct or presence of the Residents of the Unit upon the Project, including but not limited to attorney fees (including attorney fees incurred to enforce the provisions of this Article 6 against the Owner of the Unit or any guest, tenant or other Resident of the Unit), any claims for consequential damages, and any claims arising or alleged to arise out of the enforcement or nonenforcement by the Association of the Governing Documents with respect to such Residents. Any amounts owed pursuant to this Section 6.9 may be assessed as a Reimbursement Assessment against the responsible Owner and his or her Unit.

ARTICLE 7 ARCHITECTURAL APPROVAL

7.1 Prior Architectural Approval Required for Exterior and Interior Changes. Prior architectural approval in accordance with this Article 7 must be obtained before making any exterior addition or change or alteration of any kind within the Project or before removing or moving any wall, floor, or ceiling of a Unit or creating an opening in any wall, floor, or ceiling of a Unit. The foregoing includes but is not necessarily limited to:

- (a) Installing any screen, skylight, patio cover, tent, awning, screen door, storage shed, exterior lighting, mast, pole, tower, antenna, receiver, or transmitter to the extent restricted by Section 7.2.12 ("Masts, Poles, Satellite Dishes, Antennas"), or attaching any of the foregoing to the exterior of any building or fence;
- (b) Exterior painting;
- (c) Installing, moving, or removing landscaping.

No alteration or addition that requires architectural approval pursuant to this Article 7 shall be commenced or permitted to remain within the Project until the plans and specifications showing the nature, kind, shape, color, height, size, materials, and location of the same have been submitted to and approved in writing by the Architectural Review Committee. The requirement of architectural approval shall not apply to alterations, additions, or improvements made or constructed by or on behalf of the Association.

7.2 Some Common Architectural Concerns. This Section 7.2 enumerates some common areas of architectural concern. These are examples only and do not represent an exhaustive list of changes that require prior architectural approval. Nothing in this Section 7.2 shall be deemed to limit the generality of Section 7.1 ("Prior Architectural Approval Required for Exterior and Interior Changes").

- 7.2.1 Changes in Code Requirements. Proposed work that may require the Association to upgrade Common Area components or systems is subject to Section 7.15 ("Code Upgrades to Common Area").
- 7.2.2 Sports Apparatus. No basketball standards (including so-called portable basketball standards) or fixed sports apparatus shall be placed upon or attached to any portion of the Project without prior written approval of the Board or the Architectural Review Committee.
- 7.2.3 Outside Drying and Laundering. Outside clothesline shall be permitted only within enclosed Patios so as not to be visible from streets, Common Areas, or the ground floor of buildings within the Project. No other outside clothes washing, drying, or airing facilities shall be maintained in the Project.
- 7.2.4 Patios. No construction of any item or fixture is allowed on any Patio without prior architectural approval. Only furniture and accessories designed for outdoor use shall be placed or kept on any Patio.
- 7.2.5 Drainage Patterns. No excavation and no alteration or addition of any kind is permitted which alters or may alter existing drainage patterns of existing channels upon, under, and/or across the Project property or any portion thereof through which water in time of storms or otherwise naturally flows or through which water has been caused to flow artificially, without obtaining prior architectural approval.
- 7.2.6 Installation of Skylights. No skylight shall be installed without prior architectural approval and such approval shall be subject to such conditions as the Board may determine, including but not limited to insurance requirements, release of the Association from liability and indemnification of the Association by the Owner concerning damage to property or injury to persons in connection with the installation or presence of the skylight, and obligation of the Unit Owner to pay for incremental costs of maintenance, repair, or replacement of the roof on account of the installation or presence of the skylight.
- 7.2.7 No Installations on Roof. Absolutely no installation of any kind, including but not limited to skylights, antennas, or air-conditioning equipment, shall be placed or installed upon any roof without obtaining prior architectural approval.
- 7.2.8 Air Conditioner Units. Prior architectural approval is required for any exterior installation of an air conditioner, including installation in a window, door or wall.

- 7.2.9 Attics. Openings in the ceilings of the Units may impair the firewall protection within the buildings. No development shall be made of the airspace above any Unit without prior architectural approval.
- 7.2.10 Floors, Walls, Ceilings, or Utility Systems. Prior architectural approval shall be required for (i) any change that may affect the structural integrity of the building in which a Unit is located, including but not limited to removing, moving, changing, or creating any opening in a wall, floor, or ceiling within a Unit or (ii) any change in the plumbing, electrical wiring, heating and ventilating ducts, or any other system that is part of the Common Area.
- 7.2.11 Electric Vehicle Charging Station. No electric vehicle charging station ("EVCS") may be constructed, installed, or maintained at the Project except (i) those erected, constructed, or maintained by the Association, and (ii) those expressly approved by the Board. For purposes of this Section 7.2.11 the term "electric vehicle charging station" means a station that is designed in compliance with the California *Building Standards Code* and delivers electricity from a source outside an electric vehicle into one (1) or more electric vehicles. This includes wall-mounted and free-standing electric vehicle charging stations, as well as existing National Electrical Manufacturers Association standard alternating current power plugs, which are common wall sockets ("wall socket"). It is the intention of this Section 7.2.11 to restrict electric vehicle charging stations and power plugs in the Project to the fullest extent permitted by law and to authorize the Board to adopt and implement Rules regarding the same.
- 7.2.12 Masts, Poles, Satellite Dishes, Antennas. No outside mast, tower, pole, antenna, or satellite dish shall be erected, constructed, or maintained on the Common Area, including upon the exterior of any building, except (i) those erected, constructed, or maintained by the Association, (ii) those expressly approved by the Architectural Review Committee, (iii) an antenna free standing within a Patio which does not extend outside the airspace encompassed within the Patio, or (iv) as specifically permitted by law. It is the intention of this Section 7.2.12 to restrict outside masts, towers, poles, antennas, and satellite receivers or transmitters in the Project to the fullest extent permitted by law and to authorize the Board to adopt and implement Architectural Rules regarding the same.
- 7.2.13 Solar Energy Systems. Solar energy systems as defined in *Civil Code* section 801.5(a)(1) and (2) are subject to prior architectural approval pursuant to this Article 7.
- 7.3 Connecting Units Contiguous Units may be architecturally connected for use as a single residence, and previously connected Units may be reconstructed as

independent Units, with the Board's prior written approval in each instance. All Units to be connected must be owned by the identical Owner.

7.3.1 Approval Required. Any request for architectural approval of any such connection or reconstruction as separate Units shall include the following items, in addition to any other information or assurances the Board, in its discretion, may require:

- (i) architectural plans;
- (ii) a certificate of a structural engineer licensed in the State of California and approved by the Board stating that those portions of the Common Area affected by the proposed combination are not required for structural support;
- (iii) a bid by a contractor licensed in the State of California and approved by the Board setting forth the cost to make the proposed combination or reconstruction and the time within which the work will be completed;
- (iv) a bond naming the Board as an obligee (or other security acceptable to the Board) to assure the prompt completion of the work in a workmanlike manner free of mechanic's liens;
- (v) all building and other governmental permits required for the construction;
- (vi) certificates by electrical and plumbing contractors licensed in the State of California setting forth in detail the effect of the proposed combination or reconstruction on any Common Area plumbing and wiring.

7.3.2 Effect of Combining Units. The combining of two (2) or more Units into a single residence shall not alter the legal status of each constituent Unit as a "Unit," the voting rights appurtenant to each constituent Unit, or the obligation of the Owner to pay Assessments for each of the constituent Units.

7.3.3 Sale or Lease of Combined Units. If Units have been combined, none of the combined Units shall thereafter be separately conveyed, leased, or transferred unless and until approved reconstruction has been accomplished to separate the Unit to be sold, leased, or transferred from the other Unit or Units previously combined, all at the sole cost and expense of the Unit Owner.

7.4 Architectural Rules

- 7.4.1 In General. Subject to the requirements of *Civil Code* section 4340 and following, the Board may from time to time adopt, amend, and repeal rules and regulations to be known as "Architectural Rules." Architectural Rules shall set forth the standards for architectural review and guidelines for architectural design, placement of buildings and other structures, outdoor lighting, and landscaping, color schemes, exterior finishes and materials, and similar features which are recommended for use in the Project and may include restrictions on satellite dishes and solar energy systems consistent with applicable law; *provided, however*, that Architectural Rules shall not be in derogation of any minimum standards required by this Declaration.
- 7.4.2 Solar Energy Systems. Pursuant to *Civil Code* section 4746, reasonable restrictions on solar energy systems are permitted provided they do not significantly increase the cost of the system or significantly decrease the efficiency or specified performance, and they allow for an alternative system of comparable cost, efficiency, and energy conservation benefits. Such Architectural Rules may restrict installation in Common Areas and may require that the Association be indemnified for loss or damage caused by installation, maintenance, or use of solar energy systems.
- 7.4.3 Electric Vehicle Charging Station. Pursuant to *Civil Code* section 4745, reasonable restrictions on electric vehicle charging stations ("EVCS") are permitted provided they do not significantly increase the cost of the station or significantly decrease the efficiency or specified performance. Such Architectural Rules may restrict installation in Common Areas and may require that the Association be indemnified for loss or damage caused by installation, maintenance, or use of EVCS. Any Owner whose application for the installation of an EVCS has been approved, must (i) comply with the Association's architectural standards for the installation of the charging station; (ii) engage a licensed and insured contractor to install the charging station; (iii) meet all applicable health and safety standards, building codes and other requirements imposed by state and local authorities, as well as all other applicable zoning, land use or other ordinances, or land use permits; (iv) where required as provided for in *Civil Code* sections 4745(f)(1)(C) and 4745(f)(3), within fourteen (14) days provide a certificate of insurance that names the Association as an additional insured under the Owner's insurance policy in the amount of One Million Dollars (\$1,000,000); and (v) pay for the electricity usage associated with the charging station.

- 7.4.4 Rights of Disabled. Any modifications to a Unit to facilitate access or alter conditions that may be hazardous to persons who are blind, visually handicapped, deaf, or physically disabled must comply with applicable requirements of *Civil Code* section 4760.
- 7.5 Establishment and Composition of Architectural Review Committee. The Board shall appoint an Architectural Review Committee consisting of five (5) persons who are Members of the Association or are non-Member Residents designated by the Owner of the Unit in which the Resident resides. A director shall be appointed to act as a liaison between the Architectural Review Committee and the Board. The Board may also appoint one (1) alternate Architectural Review Committee member who shall attend Architectural Review Committee meetings and shall be authorized to act as a substitute on the Architectural Review Committee with the power to vote in the event of absence or disability of any Architectural Review Committee member. The Architectural Review Committee members and any alternate shall serve at the pleasure of the Board. If at any time there shall not be a duly-constituted Architectural Review Committee, the Board shall exercise the functions of the Architectural Review Committee in accordance with the terms of this Article 7.
- 7.6 Duties and Authority of Architectural Review Committee. It shall be the duty of the Architectural Review Committee to consider and act upon proposals or plans submitted to it pursuant to the terms of this Declaration and to perform such other duties as may be delegated to it by the Board. The Architectural Review Committee is expressly not authorized to approve any variances from the Architectural Rules. The Architectural Committee shall also make recommendations to the Board as to the condition of and improvements to the Common Area.
- 7.7 Meetings, Minutes, Reimbursement. The Architectural Review Committee shall meet as necessary to properly perform its duties hereunder. The Architectural Review Committee shall keep and maintain a record of all actions taken by it at such meetings or otherwise. The Architectural Review Committee and its members shall be entitled to reimbursement for reasonable out-of-pocket expenses incurred by them in the performance of any Architectural Review Committee function.
- 7.8 Preliminary Consultation with Architectural Review Committee Prior to Submitting Application. Any Owner considering performing any work requiring the prior approval of the Architectural Review Committee may apply to the Architectural Review Committee for preliminary consultation by submitting preliminary plans or drawings of the contemplated work in accordance with the Architectural Rules. The purpose of the preliminary consultation procedure is to allow an Owner considering making substantial improvements an opportunity to obtain guidance concerning design considerations before expending substantial sums for plans and other exhibits required to apply for actual approval. Within thirty (30) days after receiving a request for a preliminary consultation, the Architectural Review

Committee shall consider the preliminary information submitted and shall respond in writing to the Owner. The Architectural Review Committee's response shall give the requesting Owner such direction concerning the form and substance of an approval application for the contemplated work as the Architectural Review Committee deems proper or desirable for the guidance of the Owner. The issuance of a preliminary consultation response by the Architectural Review Committee shall not under any circumstances be deemed approval of any contemplated work; nor, once an Owner submits a request for approval, shall it preclude the Architectural Review Committee from requesting additional information about the proposed work based on the actual application.

- 7.9 Written Request for Architectural Review Committee Approval. Any Owner proposing to perform any work that requires prior approval pursuant to this Article 7, shall submit to the Architectural Review Committee a written request setting forth the nature of the proposed work and furnishing such information and documentation as the Architectural Review Committee may require depending on the nature and size of the proposed work. Such information and documentation may include but is not limited to: (i) floor plans, (ii) color samples of exterior materials, (iii) specifications, (iv) building plans, (v) wall sections, (vi) exterior elevations, (vii) roof plans, (viii) landscaping plans, (ix) graphics and exterior furnishings, and (x) the Owner's proposed construction schedule.
- 7.10 Fees; Professional Consultants. The Architectural Review Committee may charge a reasonable fee or fees for review of architectural or landscaping applications, drawings, plans, and specifications which may include the cost of retaining outside consultants including but not limited to architects, engineers, soils experts, or contractors.
- 7.11 Meetings. An Owner's request for approval shall be considered by the Architectural Review Committee at an Architectural Review Committee meeting. The Owner and, in the Architectural Review Committee's discretion, other interested persons, may present information relevant to the requested approval.
- 7.12 Basis for Decisions; Good Faith. The Architectural Review Committee's decisions shall be made in good faith and shall not be unreasonable, arbitrary, or capricious. It is recognized and intended that the Architectural Review Committee will employ subjective criteria and judgments in its review of and determination concerning plans and proposals submitted to it. The Architectural Review Committee shall make its decisions from the perspective of the interest of the Project as a whole in the fostering of the coherence, value, attractiveness and aesthetic compatibility of all architectural designs and features in the Project, after consideration of such factors the Architectural Review Committee reasonably determines to be relevant and after reasonable investigation consistent with the scope and circumstances of the proposal submitted to the Architectural Review Committee. The vote or written consent of a majority of the Architectural Review Committee members shall constitute an act by the

Architectural Review Committee. The Architectural Review Committee shall grant the requested approval only if:

- (a) The Owner has submitted a complete application;
- (b) The Architectural Review Committee finds that the plans and specifications conform to this Declaration and to the Architectural Rules in effect at the time such plans were submitted to the Architectural Review Committee. The Architectural Review Committee shall disapprove any application involving a request for or a need for a variance;
- (c) The Architectural Review Committee finds that the proposed work will, if approved, be consistent and compatible with the architectural and aesthetic standards prevailing within the Project and will be in harmony with the external design and appearance of other existing structures and improvements within the Project; and as to location with respect to topography and finished grade elevations; and
- (d) The Architectural Review Committee determines that the proposed work would be consistent with the standards of the Project and the purposes of this Declaration as to quality of workmanship and materials.

7.13 Decisions in Writing; Timely Decision; Reasonable Conditions. All approvals and rejections of requests for approval shall be in writing and shall be issued by the Architectural Review Committee within forty-five (45) days from the date of submission of a complete application to the Architectural Review Committee. Any approval may include such reasonable conditions as the Architectural Review Committee or the Board may determine. If a request is rejected, the decision shall include an explanation of the Architectural Review Committee's decision and a notice describing the Owner's right to request consideration by the Board.

7.14 Disapproval by Architectural Review Committee Due to Variance Issue. An application that has been disapproved by the Architectural Review Committee due to a variance issue may be re-submitted to the Board by the Owner or upon the Owner's request may be referred by the Architectural Review Committee to the Board. The Board, but not the Architectural Review Committee, may, but is not obligated to, grant variances or adjustments in its discretion if necessary to overcome practical difficulties due to topography or other conditions unique to a particular Unit, avoid unnecessary expense, or prevent unnecessary hardship in the application of the provisions of the Declaration; *provided, however*, that such variance or adjustment does not violate the purpose or purposes intended to be served by the standard or criteria being waived in each instance and is in conformity with the intent and purposes of the Declaration; and *provided, further*, that no such variance shall constitute a waiver of such provision with respect to any future application whether for the same Unit or any other Unit. Any variance

granted by the Board shall be noted in the written approval of the proposed work and may be required by the Board to be recorded in the County records.

- 7.15 Code Upgrades to Common Area. If an Owner's requested change to the exterior or interior of the Project would result in the need for the Association to upgrade any Common Area component or system for which the Association is ordinarily otherwise responsible (such upgrade being necessary to comply with changes in code requirements in order for appropriate governmental permits to be issued to the Owner for Owner's proposed work and where such code upgrade would not be required but for the work proposed by Owner), the Board may condition approval upon the agreement of the Owner to pay for or contribute to the cost of the upgrade to the Common Area. In making a determination, the Board may consider such factors as it deems appropriate under the circumstances including, but not limited to, whether Owner's requested work is discretionary or is required as the result of a casualty, the failure of a component in the Common Area or within a Unit; the age, condition, and remaining useful life of the component or system that would require upgrading; the cost of upgrade; whether or not the Association has reserved for the replacement or upgrade of the system; and whether a feasible alternative to the Owner's proposed work is available that would not necessitate the code upgrade to the Common Area. Under no circumstances shall the Association be obligated to pay for such code upgrades if the Owner has not applied for and obtained prior architectural approval pursuant to this Article 7.
- 7.16 Consideration by Board. If the Architectural Review Committee rejects a request for approval, the Owner shall be entitled to consideration of the request by the Board of Directors at an open meeting, pursuant to the procedures set forth in Section 12.13 ("Owner's Request for Hearing").
- 7.17 Failure of Architectural Review Committee or Board to Make Timely Decision. If the Architectural Review Committee fails to act on a request for approval within the time specified in Section 7.13 ("Decisions in Writing; Timely Decision; Reasonable Conditions"), or if the Board shall fail to consider the Owner's request in a timely fashion pursuant to Section 7.16 ("Consideration by Board"), the Owner shall be entitled to invoke internal dispute resolution pursuant to *Civil Code* section 5910, discussed in Section 12.16 ("Internal Dispute Resolution"); *except that*, (i) in the case of an application for installation or use of a solar energy system subject to *Civil Code* section 714, any application that is not denied by the Architectural Review Committee within forty-five (45) days from receipt of a complete application shall be deemed approved; and (ii) in the case of an application for installation of an electric vehicle charging station subject to *Civil Code* section 4745, any application that is not denied by the Architectural Review Committee within sixty (60) days from receipt of a complete application shall be deemed approved.
- 7.18 Failure to Obtain Required Approval. If any work that requires prior approval pursuant to this Article 7 is performed without such approval having been

obtained, the Board shall be entitled to proceed in accordance with the provisions of Section 7.24 ("Failure to Remedy Non-conformity") as though the Board had given written notice of non-conformity with approved plans per Section 7.23 ("Notice of Non-conformity").

- 7.19 Commencement of Approved Work. Upon receipt of written approval, the Owner shall, as soon as practicable, satisfy all conditions of the approval and diligently proceed with the commencement and completion of all approved work. Commencement of the approved work shall occur, in all cases, within ninety (90) days from the date of such approval. If the Owner fails to comply with this paragraph, any approval previously given shall be deemed revoked unless the Architectural Review Committee, upon written request of the Owner made prior to the expiration of the time for commencement of the approved work, extends the time for such commencement. The Architectural Review Committee shall not grant an extension of time for commencement of the work if the Architectural Review Committee finds that there has been a material change in the circumstances upon which the original approval was granted.
- 7.20 Notice to Association Before Commencement of Work; Bond. The Board, in its discretion, may require an Owner to give the Association and any other Owner whose Unit will be affected by the work up to thirty (30) days' prior written notice before commencing approved work so that the Association or other Owner may record a notice of non-responsibility or take other appropriate action. The Board may require from the Owner performing work a bond or other assurance (such as disbursement through a voucher system of payments directly to materialmen, contractors, and subcontractors) to protect against mechanic's or materialmen's liens arising against the Common Area or other Condominiums.
- 7.21 Completion; Extension of Deadline. The Owner shall complete all approved work within six (6) months after commencement thereof; except that in the case of reconstruction after substantially total destruction of the Unit, the construction or reconstruction shall be completed within one (1) year after commencement thereof. The date for completion may be extended as long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the Owner or his or her agents, provided the Owner notifies the Architectural Review Committee of such occurrence within a reasonable time after becoming aware of it. If an Owner fails to comply with this Section 7.21, the Architectural Review Committee shall notify the Board of such failure, and the Board shall be entitled to (or on its own initiative the Board may) proceed in accordance with the provisions of Section 7.24 ("Failure to Remedy Non-conformity") as though the Board has given written notice of non-conformity with approved plans per Section 7.23 ("Notice of Non-conformity").
- 7.22 Notice of Completion; Inspection of Completed Work. Upon the completion of any work for which approval is required under this Article 7, the Owner shall give written notice of completion to the Architectural Review Committee. Within thirty

(30) days after receiving notice of completion from the Owner, the Architectural Review Committee or its duly-authorized representative may inspect such work to determine if it substantially complies with the granted approval. If the Architectural Review Committee fails to notify the Owner of any non-conformity within such sixty-day period, the work shall be deemed to be in accordance with the granted approval. If the Owner fails to give notice of completion, the Architectural Review Committee shall be entitled to proceed in accordance with the provisions of Section 7.24 ("Failure to Remedy Non-conformity"), as though the Board has given written notice of non-conformity with approved plans per Section 7.23 ("Notice of Non-conformity").

- 7.23 Notice of Non-conformity. If the Architectural Review Committee finds that the work was not done in substantial conformity with the granted approval, it shall notify the Owner in writing before the end of such thirty (30) day period set forth in Section 7.22 ("Notice of Completion, Inspection of Completed Work") specifying particulars of non-conformity and requiring the Owner to remedy the same within thirty (30) days from the date of the notice from the Architectural Review Committee, or such longer time as the Architectural Review Committee may designate in the notice.
- 7.24 Failure to Remedy Non-conformity. If the Owner fails to remedy such non-conformity within the time specified in the notice of non-conformity from the Architectural Review Committee, the Architectural Review Committee shall notify the Board in writing of such failure. Pursuant to the procedures set forth in Section 12.12 ("Hearings Called by the Board; Executive Session; Open Meeting"), the Board shall then set a date on which a hearing before the Board shall be held regarding the alleged non-conformity. If the Board finds at such hearing that a substantial non-conformity exists, the Board may, in addition to any other remedy available under the Governing Documents or applicable law, order the Owner to remedy or remove such non-conformity. If the Owner thereafter fails to do so within the time specified by the Board, the Board may, in addition to any other remedy available under the Governing Documents or applicable law, remove or remedy the non-conformity and, in that event, all expenses incurred by the Association in connection therewith shall be assessed against the Owner as a Reimbursement Assessment.
- 7.25 Non-waiver. The approval by the Architectural Review Committee or the Board of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring approval under this Article 7, shall not be deemed to constitute a waiver of the right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval with respect to the same Unit or any other Unit.
- 7.26 Disclaimer of Liability. Neither the Board, nor any committee, nor any member thereof shall be liable to the Association, to any Owner, or to any person deriving an interest through an Owner for any damage, loss, or prejudice suffered or claimed on account of: (i) the approval or disapproval of any plans, drawings,

and specifications, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; or (iii) the development of any property within the Project; *provided, however*, that the Board, committee, or such member has acted in good faith on the basis of such information as may be possessed by it or him or her. Without limiting the generality of the foregoing, the Board or any committee may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted for approval pursuant to this Article 7. Every purchaser, by acquiring title to a Condominium or portion thereof agrees not to bring any action or suit against the Board, a committee, or their members seeking to recover any such damages.

- 7.27 Compliance with Governmental Requirements. The Owner of the Unit is required to obtain all permits and governmental authorizations, if any, required for any work done within such Owner's Unit and such Owner must comply with all applicable zoning and building codes as well as other applicable laws and ordinances. The Owner of each Unit is solely responsible for complying with any applicable building permit process or other governmental requirements with respect to any work done upon the Owner's Unit. Submission of a request for approval by the Architectural Review Committee or the Board and the review and approval of any proposals, plans, or other submittals shall in no way be deemed to be satisfaction of or compliance with any building permit process or any other governmental requirements, nor shall it constitute the assumption of any responsibility by or impose any liability on the Association, the Board, the Architectural Review Committee, or its or their members as to the accuracy, efficacy, or sufficiency thereof. When architectural approval standards of the Association are more stringent than applicable governmental standards, the more stringent standards of the Association shall apply, notwithstanding the fact that governmental approval may have been obtained based on governmental standards that are less stringent than those of the Association.

ARTICLE 8 ASSESSMENTS AND LIENS

- 8.1 Covenant of Owner. Each Owner of a Condominium within the Project, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to pay to the Association all: (i) Annual Assessments, (ii) Special Assessments, (iii) Reimbursement Assessments, and (iv) Enforcement Assessments levied by the Association as hereinafter provided, together with all Additional Charges.

- 8.1.1 Association's Power to Collect. Such deed or conveyance shall be deemed to vest in the Association the right and power to initiate all actions and procedures as the Board shall deem necessary or

appropriate for the collection of such Assessments and Additional Charges and for the enforcement of the liens hereinafter provided for.

- 8.1.2 Assessments Are a Personal Obligation. Assessments levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a personal debt and obligation of the Owner against whom they are assessed, and shall bind his or her heirs, devisees, personal representatives, successors, and assigns.
- 8.1.3 Obligation Runs with the Land. The obligation to pay Assessments and Additional Charges and the right and power of the Association to initiate all actions and procedures for collection shall run with the land, so that each successive Owner or Owners of any Condominium shall, in turn, become liable to pay all such Assessments and Additional Charges assessed that become due and payable during the time he or she is Owner of such Condominium.
- 8.1.4 Owner's Liability After Transfer. After an Owner transfers his or her ownership interest in any Condominium, he or she shall not be liable for any Assessments levied thereafter with respect to such Condominium. Such Owner shall remain personally liable, however, for all unpaid amounts due and owing at the time of transfer, together with Additional Charges accruing until time of collection. No assumption of personal liability by a successor Owner shall relieve any Owner from personal liability for delinquent Assessment. A Contract Seller of any Condominium shall continue to be liable for all Assessments and Additional Charges until a conveyance by deed of such Condominium is recorded in the Office of the County Recorder.
- 8.2 Creation of Lien. Each Assessment levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a charge upon the land and upon levy shall be secured by a continuing lien upon the property against which such Assessment is levied. The Association shall have a separate lien and a separate lien is hereby created upon each Unit to secure the payment of any such Assessments and Additional Charges as may be levied under this Declaration.
 - 8.2.1 Lien Is Continuing. The lien provided for herein shall continue to secure all Assessments and Additional Charges levied upon any Unit notwithstanding the transfer of record title to such Unit, and any such transfer shall be subject to the Association's lien, provided that, prior to such transfer, a notice of delinquent assessment has been recorded as provided in the Declaration and by law.
 - 8.2.2 Priority of Association's Assessment Liens. The priority of all such liens on each Unit shall be in inverse order so that upon the foreclosure of the lien for any particular charge on any Unit, any sale of

such Unit pursuant to foreclosure of the lien will be made subject to all liens securing Assessments and Additional Charges on such Unit that become due and payable subsequent to the lien being foreclosed upon.

- 8.3 Purpose of Assessments. The Assessments levied by the Board shall be used exclusively to pay for the costs of management and operation of the Project, of conducting the business and affairs of the Association, to promote the recreation, health, safety, welfare, benefit, and interests of the Owners and Residents in the Project, and for the improvement and maintenance, repair, and replacement of the Common Area and, to the extent provided for in the Governing Documents or by law, of the Units situated within the Project or which, in the opinion of the Board, shall be deemed to be necessary or proper for the management of the Project or of the affairs of the Association, or the benefit of the Owners, or for the enforcement of the Governing Documents.
- 8.4 Funds to Be Held in Association Name. Unless otherwise determined by the Board, the Association shall maintain at least two (2) separate accounts in one (1) or more banks or other depositories selected by the Board, which accounts shall be clearly designated HACIENDA CARMEL COMMUNITY ASSOCIATION operating account and HACIENDA CARMEL COMMUNITY ASSOCIATION reserve account. The Assessments collected by the Association shall be properly deposited into such accounts. Withdrawal of funds from Association accounts shall be subject to the requirements of Section 10.4 of the Bylaws ("Checks, Drafts, and Evidences of Indebtedness").
- 8.5 Funds Held in Trust for Owners. The Assessments collected by the Association shall be held in trust by the Association for and on behalf of each Owner. Upon sale or transfer of any Condominium by any Owner, the Owner's interest in the funds held in trust by the Association shall terminate and shall be deemed automatically transferred to the successor-transferee of such Owner.
- 8.6 Authority of the Board to Levy Assessments. The Board shall have the power and the duty to levy Annual Assessments and Special Assessments sufficient to meet the Association's obligations under the Governing Documents and applicable law.
- 8.7 Annual Assessment.
- 8.7.1 Calculation of Estimated Requirement. Prior to the beginning of each fiscal year, the Board shall estimate the net funds required by the Association for such fiscal year to manage, administer, operate, and maintain the Project; to conduct the affairs of the Association; and to perform all of the Association's duties in accordance with the Governing Documents, including a reasonable amount allocated to contingencies and to a reserve fund for restoration, repair, and/or replacement of those components for which the Association is

responsible and which must be repaired or replaced on a periodic basis. The amount of estimated required funds shall constitute the Annual Assessment.

- 8.7.2 Allocation of Annual Assessment. The Board shall allocate and assess the Annual Assessment among the Condominiums in proportion to the percentages set forth in Exhibit B. Owners of multiple Units that have been connected architecturally to create a single residence shall be responsible for payment of Annual Assessments on each of the original Units on the same basis as if the Units were not connected.
- 8.7.3 Payment of Annual Assessment. Unless the Board shall designate otherwise, Annual Assessments shall be levied on an annual basis and shall be paid in twelve (12) equal monthly installments during the fiscal year, and each installment shall be due and payable on the first day of each month.
- 8.7.4 Notice of Annual Assessment. Not less than thirty (30) days and not more than ninety (90) days prior to the beginning of each fiscal year, the Board shall send to each Owner a notice of the amount of the Annual Assessment allocated to his or her Condominium, except that if there is an increase in the Annual Assessment over the previous year, in compliance with *Civil Code* section 5615, the notice shall be provided to the Owner by Individual Delivery not less than thirty (30) days and not more than sixty (60) days before the due date of the increased Annual Assessment.
- 8.7.5 Permitted Increase in Annual Assessment. Pursuant to *Civil Code* section 5605(b), except as otherwise provided by law, the Board shall not increase the Annual Assessment for any fiscal year above the amount of the Annual Assessment for the preceding fiscal year by more than twenty percent (20%) (or such other limitation on the increase as may be imposed by law), except upon the affirmative vote of a majority of Members voting on any such increase in the Annual Assessment, provided that a quorum is established. For purposes of the preceding sentence and to the extent required pursuant to *Civil Code* section 5605(c), a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.
- 8.7.6 Revised Annual Assessment. Subject to the provisions of Section 8.7.5 ("Permitted Increase in Annual Assessment") or as otherwise permitted by law, if at any time during the course of any fiscal year, the Board determines the amount of the Annual Assessment to be inadequate, by reason of a revision of its estimate of either expenses or income or otherwise, the Board shall have the right, at a regular or special meeting of the Board, to revise the Annual Assessment for the

balance of the fiscal year. To the extent required by *Civil Code* section 5615, notice of any such increase shall be given to the Members by Individual Delivery and such revised Annual Assessment shall become effective on the first day of the next month that is at least thirty (30) days and not more than sixty (60) days after the date of such notice.

- 8.7.7 Failure to Fix Annual Assessment. The failure or omission by the Board to fix or levy any Annual Assessment before the expiration of any fiscal year, for that fiscal year or the next fiscal year, shall not be deemed either a waiver or a modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay Assessments or any installment thereof for that or any subsequent year, but the amount of the Annual Assessment fixed for the preceding fiscal year shall be the amount of the Annual Assessment for the ensuing fiscal year until a new Annual Assessment is levied.

8.8 Special Assessments.

- 8.8.1 Purpose of Special Assessments. If at any time during any fiscal year the Annual Assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof or the unexpected repair, replacement, or reconstruction of improvements located in the Project, or if funds are otherwise required for any authorized activity of the Association, the Board may levy a Special Assessment in the amount of such actual or estimated inadequacy or cost.
- 8.8.2 Permitted Amount of Special Assessments. Except in the case of an emergency situation as defined in *Civil Code* section 5610, in any fiscal year the Board may not levy Special Assessments which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year (or such other limitation on the amount as may be imposed by law), except upon the affirmative vote of a majority of the Members voting on any such Special Assessment, provided that a quorum is established. For purposes of the preceding sentence and to the extent required pursuant to *Civil Code* section 5605(c), a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.
- 8.8.3 Allocation of Special Assessments. Special Assessments shall be allocated and assessed among the Condominiums in the same manner as Annual Assessments.
- 8.8.4 Notice of Special Assessment. Upon the imposition of a Special Assessment or an increase in a Special Assessment, in compliance with *Civil Code* section 5615 notice thereof shall be given by Individual

Delivery to each Owner not less than thirty (30) days and not more than sixty (60) days prior to the due date of the Special Assessment.

- 8.8.5 Payment of Special Assessments; Cost of Payment Plans. Special Assessments shall be payable in a lump sum or in installments as may be determined by the Board with regard to each Special Assessment when it is imposed. If the Association incurs additional expenses because of a payment method selected by an Owner (for example, but not limited to, paying a Special Assessment in installments instead of in a lump sum), the Association may charge such expense to the Owner as an Additional Charge or as a Reimbursement Assessment. Nothing in this Section 8.8.5 shall be deemed to obligate the Association to offer or permit alternate payment plans.
- 8.9 Application of Surplus Funds (IRS Resolution). If, as of the end of any fiscal year, there is an excess of membership income over membership expenses as defined in Internal Revenue Code section 277 for the year ended, the Board shall determine, without the need for a Members' vote, whether such excess shall be applied to reserves and deposited in the Association's reserve account or shall be applied against the subsequent tax year's Member Assessments as provided in Internal Revenue Service Revenue Ruling 70-604. If the Board does not determine to so apply such excess membership income to reserves or to the subsequent year's Member Assessments, any other lawful disposition of such excess income shall be as determined by the vote of the Members.
- 8.10 Reimbursement Assessments. The Board, after notice and a hearing as provided for in Section 12.11 ("Notices: Content, Delivery") and Section 12.12 ("Hearing Called by the Board; Executive Session; Open Meeting"), may levy a Reimbursement Assessment against an Owner and his or her Condominium:
- (a) To reimburse the Association for costs incurred to maintain, repair, or replace property (including property within a Unit) when such damage is due to the act or neglect of such Owner, his or her Contract Purchaser, or member of his or her household, pet, tenant, invitee, or guest, or as otherwise provided in the Governing Documents;
 - (b) If the failure of such Owner, his or her Contract Purchaser, or member of his or her household, pet, tenant, invitee, or guest to comply with any provision of the Governing Documents has necessitated or resulted in an expenditure of funds by the Association to deal with such lack of compliance or to bring such person or the Condominium into compliance;
 - (c) To reimburse the Association for any costs of collecting from an Owner any amount the Owner is obligated to pay the Association, including but not limited to charges for private work performed by the Association for the account of the individual Unit or Owner.

Without limiting the generality of the foregoing, and to the fullest extent permitted by law, all costs including attorney fees, incurred by the Association to enforce Section 5.10 ("Restriction on Businesses"), Section 5.16 ("Animals"), Section 6.8 ("Association As Third Party Beneficiary"), Section 6.9 ("Indemnification Regarding Tenants' Actions"), Section 8.18 ("Assignment of Rents As Security for Payment"), and Section 12.6 ("Injunctions"), or to defend any claim arising or alleged to arise from any of the foregoing sections, shall be reimbursed to the Association as a Reimbursement Assessment. Any Reimbursement Assessment shall be due and payable to the Association when levied.

- 8.11 Enforcement Assessments. Subject to the requirements set forth in Section 12.8 ("Imposing Sanctions"), the Board may levy an Enforcement Assessment (and any fine or monetary penalty imposed by the Board in accordance with the provisions of the Governing Documents shall be deemed to be such an Enforcement Assessment), for violation of any of the provisions of the Governing Documents. Any Enforcement Assessment shall be due and payable to the Association when levied.
- 8.12 No Offsets. All Assessments levied by the Board shall be payable in the full amount specified, including any Additional Charges imposed as provided by the terms of this Declaration, and no offsets against any such amounts shall be permitted for any reason whatsoever, including without limitation a claim that the Association has failed to properly exercise its duties of maintenance or enforcement.
- 8.13 Bad Checks. An Owner who writes a check to the Association on insufficient funds shall be charged a service fee in the amount permitted by *Civil Code* section 1719 and may be liable for damages to the Association in an amount equal to three (3) times the amount of the bad check, as provided by statute.
- 8.14 Delinquent Assessments, Acceleration in the Event of Delinquency. Any installment or other portion of an Assessment not received within fifteen (15) days after its due date shall be delinquent and, to the fullest extent permitted by law, including *Civil Code* section 5650(d), shall be subject to a late charge and, thirty (30) days after the due date, interest not to exceed the maximum rate permitted by law, as well as all other Additional Charges. If any monthly installment of the Annual Assessment or any installment of a Special Assessment that has been levied or is permitted to be paid on an installment basis is delinquent for a period of sixty (60) days, the Association may, but shall not be obligated to, declare the entire balance of the Annual Assessment or the Special Assessment immediately due and payable together with all other delinquent amounts.
- 8.15 Enforcement by Action at Law or Foreclosure. The Board, on behalf of the Association, may enforce the payment of any delinquent Assessment plus Additional Charges by bringing an action at law against any Owner personally

obligated to pay the same, or by foreclosing the lien against the Owner's Condominium by judicial or non-judicial foreclosure, to the fullest extent permitted by law. To the extent prohibited by *Civil Code* section 5725(b), the amount of an Enforcement Assessment may not become a lien that is enforceable by non-judicial foreclosure.

- 8.15.1 Pre-lien Notice. At least thirty (30) days prior to recording a notice of delinquent assessment against a Condominium to collect a debt that is past due, the Association shall provide written notice to the Owner(s) of the Condominium, as required by *Civil Code* section 5660 ("Pre-lien Notice").
- 8.15.2 Prior to Recording a Lien. Prior to recording a notice of delinquent assessment, the Association shall comply with all applicable requirements imposed by law, including offering to participate in internal dispute resolution (Section 12.16 of this Declaration) or alternative dispute resolution (Section 12.17 of this Declaration) to the extent required pursuant to *Civil Code* section 5670 and making the decision to record a lien for delinquent Assessments at an open meeting of the Board, to the extent required pursuant to *Civil Code* section 5673.
- 8.15.3 Owner's Right to Discuss Payment Plan. To the extent provided in *Civil Code* section 5665, an Owner may submit to the Board a written request to discuss a payment plan for a debt noticed in a pre-lien notice. If the Owner's written request is mailed to the Board (as evidenced by a postmark or receipt of mailing) within fifteen (15) days after the postmark on the pre-lien notice, the Board shall meet with the Owner within forty-five (45) days of the postmark date of the Owner's written request, unless there is not a regularly scheduled Board meeting within the period, in which case the Board, in its discretion, may hold a special meeting in executive session to meet with the Owner or may designate a committee of one (1) or more Board members to meet with the Owner.
- 8.15.4 Notice of Delinquent Assessment. The amount of the past due debt noticed in the pre-lien notice shall be a lien from and after the recording of a notice of delinquent assessment. No later than ten (10) days after recordation, a copy of the notice of delinquent assessment shall be mailed by certified mail in compliance with *Civil Code* section 5675 to every person whose name is shown as an Owner of the Condominium in the Association records or in such manner and to such persons as may be required by applicable law.
- 8.15.5 Delinquent Assessments of Less Than \$1,800. To the extent provided in *Civil Code* section 5720(b), delinquent Assessments totaling less than Eighteen Hundred Dollars (\$1,800) that are less than twelve (12)

months delinquent may not be collected by judicial or non-judicial foreclosure, but may be collected in any other manner provided by law including a civil action in small claims court to the extent provided in *Civil Code* section 5720(b)(1) or recording a lien as provided in *Civil Code* section 5720(b)(2). Prior to recording such a lien, the Association shall offer to participate in internal dispute resolution (Section 12.16 of this Declaration) to the extent required by *Civil Code* section 5720(b)(2).

- 8.15.6 Initiating Foreclosure. As provided in *Civil Code* section 5700(a), no procedures shall be initiated to foreclose the lien securing any noticed past due debt under this Article 8 until after the expiration of thirty (30) days following the recording of a notice of delinquent assessment. To the extent required pursuant to *Civil Code* section 5705(b), the Association shall offer to participate in internal dispute resolution (Section 12.16 of this Declaration) or alternative dispute resolution (Section 12.17 of this Declaration). To the extent required by *Civil Code* section 5705(c), a decision to initiate foreclosure shall be made only by the Board in an executive session meeting.
- 8.15.7 Amount Due and Payable. Except with respect to the amount of any Enforcement Assessment, upon the recording of the notice of delinquent assessment referred to above, the Association may, at its option, declare the entire balance of all sums then due or to become due from the Owner, immediately due and payable, which total sum may then be included in any suit, action, or other procedure initiated to collect said sums, including all Additional Charges.
- 8.15.8 Notice of Initiating Foreclosure. To the extent required pursuant to *Civil Code* section 5705(d), the Association shall provide written notice of initiating foreclosure to the record Owner of the Condominium, including notice by personal service to any resident Owner.
- 8.16 Power of Sale. Each Owner does hereby appoint the Association as trustee to enforce and to foreclose any lien which is established pursuant to the terms of this Declaration, by private power of sale, as provided in Division III, Part 4, Title 14, Chapter 2, Article 1, (Section 2920 and following) of the *Civil Code*, and does further grant to the Board of Directors, on behalf of the Association, the authority and power to sell the Condominium of such Owner in the event of any default in payment of any Assessments or Additional Charges levied against such Condominium, for lawful money of the United States, to the highest bidder, to satisfy said lien. The Association, as trustee for the remaining Owners, or any other Owner, may purchase the Condominium at said sale.
- 8.17 Right of Redemption. To the extent provided pursuant to *Civil Code* section 5715(b), a non-judicial foreclosure to collect delinquent Assessments shall be subject to a right of redemption.

- 8.18 Assignment of Rents As Security for Payment. As security for the payment of all liens provided for under this Declaration, each Owner hereby gives to and confers upon the Association the right, power, and authority during the continuance of such ownership to collect the rents, issues, and profits of the Owner's Condominium, reserving unto the Owner the right, prior to any default by such Owner in performance of that Owner's obligations under the Governing Documents in payment of any indebtedness to the Association, to collect and retain such rents, issues, and profits as they become due and payable. Upon any such default, the Association may (i) instruct the tenant to pay rent to the Association as and when such rents become due or (ii) at any time, upon ten (10) days' written notice to such Owner, (either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for such indebtedness) in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and in either event apply the same, less costs and expenses of operation and collection, including reasonable attorney fees, upon any such indebtedness, and in such order as the Association may determine or as required by applicable law. Owner waives the giving of any and all notices required by the laws of the State of California in order for the Association to exercise the rights provided by this Section 8.18. The collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default under the Governing Documents or invalidate any act done pursuant to this Declaration. The assignment of rents and powers described in this Section 8.18 shall not affect, but shall in all respects be subordinate to, the rights and power of the holder of any First Mortgage on any Condominium, or any part thereof, to do the same or similar acts.
- 8.19 Remedies Are Cumulative. The Board may commence any procedure for the collection of delinquent Assessments upon its own decision. The remedies provided in this Declaration for collection of delinquent Assessments shall be cumulative and not exclusive; that is, the Association may use one (1) or more or all of the available remedies to collect delinquent Assessments to the fullest extent permitted by law.
- 8.20 Partial Payments. The Association's acceptance of a partial payment, whether voluntary or involuntary, shall not prevent the Association from pursuing any or all of its available collection remedies.
- 8.21 Certificate of Satisfaction and Release of Lien. Upon payment in full of a delinquent Assessment, including any Additional Charges, or the satisfaction thereof, the Board shall cause to be recorded, in the same manner as the notice of delinquent assessment, a further certificate stating the satisfaction thereof and the release of the lien.
- 8.22 Subordination to Lien of First Mortgage. Except as otherwise expressly provided by law, the lien securing each of the Assessments provided for under this Declaration shall have priority as of the date of recordation of the notice of

delinquent assessment as provided in Section 8.15.4, over all other liens and encumbrances applicable to the Condominiums; *provided, however*, that such Assessment lien shall be subordinate to the lien of any First Mortgage recorded against the Condominium prior to the date the notice of delinquent assessment was recorded; and *provided, further*, that such subordination shall apply only to the Assessments which have become due and payable prior to the sale of such property pursuant to a decree of foreclosure of any such First Mortgage, or pursuant to a power of sale contained in any such First Mortgage. Such foreclosure sale shall not relieve such property from liability for any Assessments and Additional Charges becoming due after the sale of such property pursuant to a decree of foreclosure of any such First Mortgage, or pursuant to a power of sale contained in any such First Mortgage, nor from the lien of any subsequent Assessment, including Assessments levied against all Condominiums proportionately to compensate for the unpaid Assessments and Additional Charges, which shall constitute a lien upon the purchased Condominium in accordance with this Article 8.

8.23 Waiver of Exemptions. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Declaration, the benefit of any homestead or exemption laws of the State of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed pursuant to the terms of this Declaration.

8.24 Property Exempt from Assessments. The following property subject to this Declaration shall be exempt from the Assessments, Additional Charges, and liens created herein:

- (a) All property dedicated to and accepted by the County or other local public authority and devoted to public use;
- (b) Any Condominium which is owned by the Association as a result of the Association having acquired such Condominium through foreclosure; *provided, however*, that such exemption shall apply only during the period in which the Association is record Owner of such Condominium; and
- (c) All Common Area.

ARTICLE 9 MAINTENANCE OF PROPERTY

9.1 Association's Responsibility for Common Area Generally. The Association has the exclusive right and responsibility to provide maintenance, repair, and replacement of the Common Area and all facilities, improvements, and landscaping thereon, keeping such property in good condition and repair; *provided, however*, that the Association shall not be responsible for maintenance, repair, and replacement of Exclusive Use Common Area to the extent such

responsibility is expressly assigned to the Owners as set forth in Section 9.3 ("Owner's Responsibility for Exclusive Use Common Area"). The foregoing includes but is not limited to:

- (a) Private streets and bridge, and covered and uncovered parking spaces;
- (b) Concrete pads of Patios as installed by the developer and replacements thereof as installed by the Association;
- (c) All utility installations other than outlets within the Units, including electrical wiring up to the circuit breaker panel for each Unit, main plumbing drains, and water lines protruding into the Unit space up to but not including the shutoff valves within the Unit;
- (d) Heating systems as originally installed by the developer and any replacements thereof installed by the Association; *provided, however*, that the Association's responsibility for such heating systems shall cease upon sale or transfer of the Unit after the date this Declaration is recorded. For the purposes of this Section 9.1, "sale or transfer" shall mean any conveyance that requires the payment of a transfer fee;
- (e) Walkways, trails, berms, levees, open areas and lawns;
- (f) Swimming pool, bowling green, putting green, and other recreational facilities;
- (g) Community buildings, guest house;
- (h) Siding and roofs;
- (i) Foundations and walls (except non-load-bearing interior partition walls of the Units);
- (j) Exterior doors;
- (k) Windows and sliding glass doors (except for broken glass and screens) as originally installed by the developer and any replacements thereof installed by the Association, *provided however*, that upon sale or transfer of a Unit after the date this Declaration is recorded, single-pane windows and sliding glass doors as originally installed by the developer, and any replacements thereof installed by the Association, shall be replaced at Owner's expense with new dual-pane windows and sliding glass doors in accordance with the type and style listed in the Architectural Rules within sixty (60) days of the date of change in ownership. For the purposes of this Section 9.1, "sale or transfer" shall mean any conveyance that requires the payment of a transfer fee;

- (l) Fences enclosing a Patio, except that the Association shall not be responsible or obligated to replace any existing fence for cosmetic purposes; and
- (m) All other real property and/or personal property that may be acquired by the Association.

Without limiting the generality of the foregoing:

- 9.1.1 Landscaping; Janitorial; Painting. The Association shall specifically be responsible for providing lighting, irrigation, landscaping, gardening (including periodic replacement, as the Board deems necessary, of trees, shrubs, and other plants upon the Common Area including any that provide enclosures of Patio areas), and janitorial services for the Common Area (other than within the Patios), as needed, and shall cause any and all other acts to be done which may be necessary to assure the maintenance of the Common Area in good condition and repair, including painting of the exterior surfaces of the building(s) and such other portions of the Common Area as the Board, in its discretion, determines to be necessary.
- 9.1.2 Common Area Utilities and Services. The Association shall obtain for the benefit of the Owners and the Residents such utilities and services for the Common Area as the Board shall determine beneficial. The Association shall maintain all utility installations located in the Common Area except for those that are maintained by public or private utility companies or agencies. The Association shall pay for (i) all charges for utilities supplied to the Common Area, (ii) electricity, gas, water, and garbage collection for the Units (which shall be included in the Annual Assessment), and (iii) cable television and internet services for the Common Area.
- 9.1.3 Owner's Upgrades to Common Area Components; Responsibility Runs with the Land. The Association shall provide maintenance, repair, and replacement of the heating system serving each Unit and the exterior doors, sliding glass doors, and exterior windows serving the Unit (except for broken glass and screens), all as originally installed by the developer and previous replacements thereof by the Association but only to the extent as described in Sections 9.1(d), (j), and (k). If any such Common Area component is not working or is not serviceable and, as determined by the Association, not repairable, and Owner at that time desires to replace the same with a different type of heating system, front door, sliding glass door, or window, the Association shall reimburse the Owner for the amount that would have been paid by the Association for the standard replacement component. Nothing in this Section 9.1.3 shall be deemed to permit an Owner or Resident to make any alteration to the property without first obtaining requisite

architectural approval as provided in Article 7 ("Architectural Approval"). Once a different or upgraded Common Area component has been installed by the Owner, the Association shall no longer be responsible for any future maintenance, repair, or replacement thereof. Responsibility for such different or upgraded Common Area component shall run with the land and shall be binding upon the Owner who installed the same or for whom it was installed and each successor Owner of the Unit, unless and until the component is removed and replaced, at the sole cost of the Unit Owner, with the then-existing Association standard component as determined by the Board.

9.1.4 Employees or Independent Contractors. The Association may perform its obligations and provide such services as the Board shall determine through employees of the Association or through independent contractors. In either case, Residents or Owners shall not interfere with or attempt to instruct any of such persons in the performance of their duties.

9.1.5 Leasing of Common Area to Third Parties. The Association shall have the authority to lease portions of the Common Area to such third parties and for such uses as the Board may determine, and not inconsistent with the purposes of the Association.

9.2 Association's Responsibility for Units

9.2.1 Builder's Standard Fixtures and Appliances. The Association shall (i) provide maintenance service upon request of an Owner or Resident, (ii) repair, and (iii) if not working and not repairable, as determined by the Association, replace the following original builder's standard appliances and fixtures within each Unit (or prior replacement thereof by the Association) with a comparable builder's standard grade appliance or fixture: range hood/fan, cook top, oven, or combination range; *provided, however*, that the Association's responsibility for such components shall cease upon sale or transfer of a Unit after the date this Declaration is recorded. For the purposes of this Section 9.2.1, "sale or transfer" shall mean any conveyance that requires the payment of a transfer fee.

9.2.2 Upgraded Fixtures and Appliances. Only if an appliance or fixture listed in Section 9.2.1 ("Builder's Standard Fixtures and Appliances") is not working and, not repairable, as determined by the Association, and the Owner at that time desires to replace the same with an upgraded appliance or fixture, the Association shall reimburse the Owner for the amount that would have been paid by the Association to replace the builder's standard version of the fixture or appliance. Once a fixture or appliance has been upgraded by an Owner, the Association shall not

be responsible for future repair or replacement of such fixture or appliance within such Unit.

9.2.3 Incidental Minor Maintenance or Assistance; Non-standard Fixtures and Appliances. If qualified Association staff is on site and the demands of their other duties permit, the Association may but shall not be obligated to provide incidental minor maintenance or assistance upon request of an Owner or Resident. At the discretion of the Association, the foregoing may include inspection or trouble-shooting of non-standard or upgraded appliances or fixtures but shall not include repair or replacement of the same. Charges for any incidental minor maintenance or service provided at the request of an Owner or Resident shall be charged to the Owner of the Unit as a Reimbursement Assessment.

9.2.4 Chimneys and Fireplaces. The Association, at the Association's cost and expense, shall periodically inspect the spark arrestors, chimney flues, flue dampers, and fireboxes of original mortared fireplaces as installed by the developer and replacements thereof installed by the Association serving the Units and shall direct such maintenance, repair, and replacement to be performed as the Board determines is appropriate to maintain the same in a safe and serviceable condition.

9.3 Owner's Responsibility for Exclusive Use Common Area.

9.3.1 Electric Vehicle Charging Station. An Owner whose request to install an electric vehicle charging station ("EVCS") pursuant to Section 7.2.11 and Section 7.4.3 was approved by the Board shall be responsible, at such Owner's sole cost and expense, for the maintenance, repair, and replacement of the EVCS and for all cost and expense associated with the removal of an EVCS, including the costs and expense to restore the Exclusive Use Common Area to its pre-installation condition.

9.3.2 Patio. Each Owner shall be responsible, at such Owner's sole expense, for maintenance, repair, and replacement of the Patio appurtenant to his or her Condominium including but not limited to all landscaping and all personal property within the Patio such as any permitted storage sheds, outdoor furniture, umbrellas, and potted plants. Maintenance shall also include keeping the patio area free of debris, excessive clutter or overgrown vegetation. The Owner shall be responsible for maintenance (including painting, if applicable), repair, and replacement when necessary of any lattice or other extension of the fence or other barrier enclosing the Patio (other than the Common Area fence which is the responsibility of the Association). The Owner shall be responsible for keeping the surface of the concrete pad as originally installed by the developer or replacement thereof installed by

the Association broom clean and free of debris. In the event the original concrete pad has been replaced by or covered with another material (for example, and not by way of limitation, bricks, tile, or flagstone), the Owner of the Unit to which the Patio area is appurtenant shall be solely responsible for maintenance, repair, and replacement thereof. Nothing in this Section 9.3.2 shall be deemed to permit the installation of any lattice or other extensions of any fence or other barrier or modification of the concrete pad (whether as originally installed or as previously modified) without first obtaining architectural approval as required pursuant to Article 7 ("Architectural Approval").

9.3.3 Storage Area for Studio Unit. Each Owner of a studio Unit shall be responsible, at such Owner's sole expense, for day-to-day upkeep of the Storage Area for Studio Unit appurtenant to his or her Condominium, keeping the space broom clean and sanitary. (Storage areas of Units other than studio Units constitute part of the Unit and are not Exclusive Use Common Areas.)

9.3.4 Other Exclusive Use Common Area. Each Owner shall be responsible, at such Owner's sole expense, for the following items exclusively serving his or her Condominium:

- (i) maintenance of inside surface of exterior doors, and maintenance, repair, and replacement of locks and keys for exterior doors;
- (ii) maintenance of inside surface of exterior windows, including sash and frame, and maintenance, repair, and replacement of glass, hardware, and window screens;
- (iii) maintenance, repair, and replacement of internal and external telephone wiring as provided in *Civil Code* section 4145(c).

9.4 Owner's Responsibility for Unit.

9.4.1 Maintenance, Repair, and Replacement, Generally. Except as provided in Section 9.2 ("Association's Responsibility for Units"), each Owner shall be responsible, at such Owner's sole expense, for providing maintenance, repair, and replacement of his or her Unit or any portion thereof, as defined in Section 1.39 ("Unit"), and the furnishing, fixtures, appliances, and other contents thereof, keeping the same in a clean, sanitary, workable, and attractive condition. The foregoing shall include but is not limited to any franklin stove or fireplace or chimney addition, including day-to-day maintenance of the flue damper and firebox of the original mortared fireplace as installed by the developer and replacements thereof installed by the

Association, and any gas lines for any fireplace as installed by the developer or replacement thereof installed by the Association.

- 9.4.2 Plumbing Repairs; Leaks; Owner's Responsibility to Report. Except for those fixtures and appliances that the Association is responsible to repair and replace as provided in Section 9.2 ("Association's Responsibility for Units"), and without limiting the generality of Section 9.4.1 ("Maintenance, Repair, and Replacement Generally"), each Owner shall be responsible, at such owner's sole expense, for providing maintenance, repair, and replacement of all appliances, plumbing fixtures, and water lines from and including the shutoff valve within the Unit (for example and not by way of limitation, the shutoff valves for toilets or for bathroom or kitchen faucets), and all hoses and connections, including but not limited to, wax seals for toilets; hoses and connections to dishwashers, clothes washers, and refrigerators; and the hoses and connections and water heater within the Unit. Except for work performed at the direction of the Association by employees of the Association, only licensed and bonded plumbers are permitted to perform plumbing repairs within the Project.

With a view to minimizing both immediate and consequential damage to the property (such as mold) and costs for both the Association and Unit Owners, water or sewage backups or overflows or leaks within or into a Unit must be reported immediately to the Association for repair by or at the direction of the Association.

The fact that the Association responds to any water damage incident or performs or arranges for the performance of repairs or mitigation or other remediation shall not alter the financial responsibility of the Owner(s) and the Association, respectively, for the water damage as otherwise provided in the Declaration. Without limiting the generality of the foregoing, an Owner may be liable to the Association for the cost of maintenance, repair, or replacement due to damage as provided in Section 9.9 ("Owner's Liability to Association for Negligent Damage") and may be liable to other Unit Owners or Residents as provided in Section 9.10 ("Owner's Liability to Other Unit Owners or Residents").

- 9.4.3 Owner's Responsibility for Window Glass and Screens. Each Owner shall be responsible at his or her sole expense for replacement of broken window glass and screens in the exterior windows enclosing the Unit and for cleaning of the exterior surfaces of the windows enclosing the Unit.
- 9.4.4 Owner's Responsibility for Skylights; Responsibility Runs with the Land. The Owner of each Unit containing a skylight in the roof over the living area or in the roof overhang above the Patio shall be

responsible for maintenance, repair, and replacement (when necessary) of such skylight as well as any incremental cost that may be incurred by the Association in the performance of its responsibility to maintain, repair, and replace the roof, which cost results from the presence of such skylight. Responsibility for such skylight and such incremental costs shall run with the land and shall be binding upon the Owner of the Unit served by the skylight and each successor Owner of the Unit, unless and until the skylight is removed and the affected portion of the roof is restored, at the sole cost of the Unit Owner, to the then-existing Association standard as determined by the Board.

9.4.5 Owner's Cooperation. Owners and Residents shall cooperate with the Board and its agents in the performance of maintenance, repair, or replacement by the Association of any portion of Common Area or any Unit that is the Association's responsibility, including, by way of example only, painting of the exterior surfaces of the buildings adjacent to the Patio area, or inspection and certification of fire safety and other life safety systems, if any.

9.4.6 Owner's Performance of Association's Responsibility. With prior written authorization of the Board, an Owner may, at the Owner's sole cost and expense, perform maintenance, repair, or replacement that is the Association's responsibility provided such work is performed in accordance with all conditions the Board may stipulate. Performance of such maintenance, repair, or replacement shall not entitle the Owner to a rebate or reduction of any Assessment. The foregoing would include (by way of example and not limitation) the Owner's painting a Common Area wood fence enclosing a Patio.

9.4.7 Architectural Approval; Structural Integrity of Buildings. Each Owner's rights and responsibilities for maintenance, repair, and replacement are subject to all applicable provisions of the Governing Documents, including but not limited to Article 7 ("Architectural Approval"). Nothing in this Section 9.4 shall be construed to permit any interference with or damage to the structural integrity of any building.

9.5 Wood Destroying Organisms; Owner's Duty to Prevent and Notify. To the extent provided in *Civil Code* sections 4780(a) and 4785, the Association shall be responsible for and shall have the authority to perform maintenance and repair of the Common Area occasioned by the presence of wood destroying pests or organisms, including decay, dry rot, and termites. Notwithstanding the foregoing, every Owner and Resident shall be responsible for taking reasonable measures to prevent conditions that may cause such damage, including but not limited to use of proper spacers under planters and other objects that may trap moisture, stacking of firewood on racks, and prompt removal of leaves, dirt, and other debris and may be liable to the Association for the cost of maintenance, repair, or replacement due to damage as provided in Section 9.9 ("Owner's Liability to

Association for Negligent Damage"). Each Owner shall promptly notify the Association of any water or sewage backups or overflows, any water leaking within or into his or her Unit, or if infestation by or damage from wood destroying organisms anywhere in the Project is discovered.

9.5.1 Temporary Removal of Residents. The Association may cause the temporary removal of any Owner or Resident for such periods and at such times as necessary for prompt, effective treatment of wood destroying pests or organisms. The costs of the temporary relocation shall be borne by the Owner or Resident of the Units affected.

9.5.2 Notice. Not less than fifteen (15) nor more than thirty (30) days' notice of the need to temporarily vacate shall be given to Owners and Residents by Individual Delivery. The notice shall state:

- (i) the reason for the temporary relocation,
- (ii) the date and time of the beginning of treatment,
- (iii) the anticipated date and time of termination of treatment, and
- (iv) the Residents will be responsible for their own accommodations during the temporary relocation.

9.6 Authority for Entry of Unit or Exclusive Use Common Area. The Association or its agents shall have the right to enter any Unit or any portion of Exclusive Use Common Area, whenever such entry is necessary, in the Board's discretion, for purposes of inspection and/or in connection with the performance of any maintenance, repair, construction, or replacement for which the Association is responsible or which it is authorized to perform. Such entry shall be made with as little inconvenience to the Residents as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except that in emergency situations notice shall be given as the situation reasonably permits. Without limiting the generality of the foregoing, the Association or its agents and the fire marshal or similar authority having jurisdiction concerning fire safety or life safety system compliance may enter and inspect any Unit upon reasonable notice for the purpose of evaluating existing fire prevention or fire safety or life safety measures or effectuating fire prevention or fire safety or life safety measures approved or mandated to be installed.

9.7 Board's Discretion to Require Maintenance. The Board shall have the discretion to determine whether any maintenance, repair, or replacement, that is the responsibility of an Owner including within a Unit, is necessary to preserve the appearance and value of the property within the Project or any portion thereof and may notify an Owner of the work the Board deems necessary. In the event an Owner fails to perform such work within thirty (30) days after notification by the Board to the Owner, the Board may, after written notice to the Owner and the

right of a hearing before the Board pursuant to Section 12.12 ("Hearings Called by the Board; Executive Session; Open Meeting"), cause such work to be done and charge the cost thereof to the Owner as a Reimbursement Assessment.

- 9.8 Limitation of Association's Liability. In the case of damage to a Unit or improvement thereon, or the contents thereof, arising or allegedly arising from the Association's performance of its maintenance, repair, or replacement obligations, the Association shall not be responsible or liable for such damage, except to the extent arising from the willful misconduct or gross negligence of the Association, its employees, contractors, or agents. The foregoing would include, by way of example and not limitation, water damage inside a Unit unless resulting from such gross negligence or intentional misconduct.
- 9.9 Owner's Liability to Association for Negligent Damage. In the event the need for any maintenance, repair, or replacement performed by the Association is caused by the willful or negligent act or omission of an Owner or a Resident, a member of his or her household, pets, tenants, invitees, or guests, the cost of such maintenance, repair, or replacement not covered by insurance, including any applicable insurance deductible and the cost of materials, labor, supplies, and services shall be charged to, and paid by, the Owner of the Condominium in the form of a Reimbursement Assessment.
- 9.10 Owner's Liability to Other Unit Owners or Residents. In the case of damage to a Condominium or its contents arising or allegedly arising from another Unit or the conduct of the Owner or Resident of another Unit (for example and not by way of limitation, damage to a Unit resulting from a sewer line back-up or water leaking from another Unit), if any affected party or their insurers should assert claims against the Owner or Resident of another Unit to recover damages, any such claims shall not alter the obligation of each Unit Owner as provided in this Declaration to maintain, repair, and replace their respective Units; to carry insurance; and to perform and/or pay for repairs or reconstruction of their Unit in the event of casualty. Moreover, any such claims shall not affect the authority of the Board to enforce a Unit Owner's obligations with respect to his or her own Unit under the Declaration and shall not obligate the Association or the Board to intervene in any such claims or disputes between Unit Owners or Residents.

ARTICLE 10 INSURANCE

- 10.1 Insurance Coverage to Be Maintained by Association. The Association shall procure and maintain, as a common expense of all Owners, the types of insurance described in Section 10.3 ("Hazard Insurance to Be Maintained by Association"), Section 10.4 ("General Liability Insurance to Be Maintained by Association"), and Section 10.5 ("Other Insurance to Be Maintained by Association") if and to the extent such insurance, with the coverages described below, is available at a reasonable premium cost.

10.2 Premiums. The costs of insurance obtained by the Association shall be a common expense of the Association, shall be included in the Annual Assessment, and shall be paid for out of the operating fund of the Association.

10.3 Hazard Insurance to Be Maintained by Association. The Association shall maintain a Special Form or All Risk blanket policy of property insurance for the Common Area and all furnishings, equipment, and personal property owned by the Association or owned in common by all of the Owners, with limits equal to one hundred percent (100%) of the full insurable replacement costs of the Common Area improvements exclusive of land, foundation, excavations, and other items normally excluded from coverage. The policy may contain a reasonable deductible and the amount of the deductible shall be added to the face amount of the policy in determining whether the insurance equals the replacement cost.

10.3.1 Policy Endorsements. The policy may include such endorsements as the Board, in its discretion, shall determine based on the character and replacement cost of the Common Area improvements from time to time, such as:

- (i) an agreed amount endorsement or its equivalent;
- (ii) a guaranteed replacement cost or replacement cost endorsement;
- (iii) an inflation guard endorsement, an increased cost of construction endorsement;
- (iv) coverage for costs of demolition and coverage for cost of demolition in the event of total or partial destruction and a decision not to rebuild;
- (v) glass coverage;
- (vi) coverage for loss or damage as a result of theft, vandalism, malicious mischief, sprinkler leakage, windstorm, or water damage;
- (vii) a contingent liability from operation of building laws endorsement or its equivalent;
- (viii) a determinable cash adjustment clause or a similar clause to permit cash settlement covering full value of the improvements in case of partial destruction and a decision not to rebuild; and

- (ix) maintenance fees receivable coverage in case of damage to a Condominium by a covered peril and the Board is unable, after reasonable effort, to collect Assessments from the Owner of the affected Condominium.

10.3.2 General Policy Provisions. Such policy shall:

- (i) name the Association as the first-named insured and the Owners as named insureds with policy benefits payable to the Association as trustee for the Owners or any of them;
- (ii) contain a standard Mortgagee clause;
- (iii) provide a waiver of subrogation as to any and all claims against the Association, its officers and directors, the manager, and the Owners and a waiver of all defenses based upon acts of the insureds or the existence of co-insurance; and
- (iv) require that at least thirty (30) days' prior written notice be given to the Association by the insurer before cancellation except that in the case of cancellation for nonpayment of premiums or for fraud the notice shall be given no less than ten (10) days prior to the effective date of the cancellation.

10.3.3 Earthquake Insurance. The Association may carry earthquake insurance with such coverage and deductibles as the Board may from time to time determine; provided that, prior to procuring and/or renewing any policy of earthquake insurance, a vote of the Owners shall be conducted by secret ballot pursuant to *Civil Code* section 5100 and following, and unless a Majority of a Quorum of the Owners shall approve obtaining such policy, the Board shall not be obligated to maintain or procure earthquake insurance. "Majority of a Quorum" means a majority of the votes cast in any lawful vote or election by the Members in which the number of ballots cast equals or exceeds the number required to establish a quorum. If an increase in the Annual Assessment or a Special Assessment in an amount that requires an approval vote of the Members is necessary to pay for any policy of earthquake insurance that may be approved by the Owners, the vote shall include authorizing such increase in the Annual Assessment or such Special Assessment.

10.4 General Liability Insurance to Be Maintained by Association. The Association shall maintain commercial general liability insurance insuring the Association, its officers and directors, its manager, and the Owners against any liability incident to ownership, maintenance, and repair of the Common Area, but excluding the liability of an Owner incident to personal bodily injury and property damage occurring within that Owner's Unit or in any other Unit or upon the Common Area

resulting from the negligence of that Owner. The limits of liability shall be set by the Board but shall in no event be less than Three Million Dollars (\$3,000,000) or any higher applicable limit set forth in *Civil Code* section 5805.

10.4.1 Scope of Coverage. Such liability insurance policy shall insure against bodily injury, death, or property damage occurring in, on or about any portion of the Common Area and, if available at a reasonable cost as determined by the Board, shall include:

- (i) water damage liability,
- (ii) hired and non-owned vehicle coverage, theft and collision coverage,
- (iii) liability for property of others,
- (iv) elevator liability coverage, if applicable,
- (v) off-premises employee coverage, and
- (vi) such other risks as are customarily covered in condominium projects.

10.4.2 Other Provisions. If available and at a reasonable cost as determined by the Board, such liability insurance policy shall:

- (i) contain a waiver of subrogation as to claims against the Association, the Board members, the Owners and member of the Owner's family who reside with such Owner, except in cases of arson or fraud;
- (ii) contain a waiver of the defense of invalidity on account of the conduct of any Owner over which the Board has "no control;"
- (iii) require that it shall not be cancelled or substantially modified without at least thirty (30) days written notice to all the insureds and Mortgagees or at least ten (10) days' written notice to the Association in case of failure to pay the premium;
- (iv) provide that in no event shall the insurance be brought into contribution with insurance purchased individually by Owners or their Mortgagees; except to the extent that such policy shall be used to pay the property deductible for an insured loss under the Association hazard policy;
- (v) exclude policies obtained by the individual Owners from consideration under any "other insurance" clause; and

- (vi) contain a provision requiring the insurer to defend lawsuits for which there is coverage under the policy even if the allegations are fraudulent, but authorizing the insurer to make such investigation and settlement of any claim or suit within the policy limit as it deems expedient.

10.5 Other Insurance to Be Maintained by Association.

- 10.5.1 Directors' and Officers' Insurance. The Association shall maintain directors' and officers' liability insurance with limits to be set by the Board but in no event less than One Million Dollars (\$1,000,000) or any higher applicable limit set forth in *Civil Code* section 5800, and containing a cross-liability endorsement and waiver of subrogation as to the Association, the officers, and the directors, and the agents and employees of any of them. Coverage for prior acts, to the extent obtainable, shall be included.
- 10.5.2 Workers' Compensation Insurance. The Association shall maintain workers' compensation insurance to the extent necessary to comply with any applicable laws and may carry such insurance at any time as determined by the Board.
- 10.5.3 Fidelity Bond. In accordance with *Civil Code* section 5806, the Association shall maintain a standard fidelity bond covering dishonest acts on the part of officers and directors of the Association, the manager, and any employees or volunteers who are responsible to handle funds of the Association, including computer fraud and funds transferred fraud. Such bond shall name the Association as obligee, shall be written in an amount which shall be determined by the Board but in no event less than the combined amount of the Association's reserves and total Assessments for three (3) months, and shall contain a waiver of any defense based on the exclusion of persons serving without compensation.
- 10.5.4 Flood Insurance. To the extent available at a reasonable cost, the Association shall endeavor to obtain and maintain in force flood insurance on the Common Area and the Units, including insurable foundations and supporting structures, as may be required to satisfy the requirements of Mortgagees. There is no assurance such insurance will be available or that, if obtained, it will cover the full replacement value of the buildings or will cover contents or the value of the land. Notwithstanding the foregoing, if a Special Assessment in an amount requiring approval of the Members or an increase in the Annual Assessment in an amount requiring approval of the Members shall be required to fund the payment of the flood insurance premiums, and the Members shall fail to approve such Special Assessment or

increase in the Regular Assessment, the Association shall not be obligated to maintain or procure flood insurance.

10.5.5 Other Insurance. The Association may maintain at any time and from time to time any other insurance, including but not limited to bridge insurance, and bonds as the Board may from time to time deem necessary or desirable.

10.6 Insurance to Be Maintained by Owner. Owners shall have the following obligations and rights to carry individual insurance:

10.6.1 HO6 Condominium Owner's Policy. Each Owner shall be required, at his or her sole expense, to carry an "HO6 Condominium Owner's Policy" or equivalent insurance covering the following risks which are not covered by the insurance policies carried by the Association:

- (i) the Owner's individual liability for damage to property or injury to person of others occurring within the Unit or the appurtenant Exclusive Use Common Area, in an amount not less than Three Hundred Thousand Dollars (\$300,000) for each occurrence or in such other amount as the Board may establish from time to time by Rule;
- (ii) property damage to contents and personal property within the Owner's Condominium in such amount as the Owner shall determine is adequate but not less than Seventy Thousand Dollars (\$70,000);
- (iii) tenant improvement (HO32) insurance as described in Section 10.6.2 ("Tenant Improvement (HO32) Insurance");
- (iv) loss assessment coverage in an amount not less than Fifty Thousand Dollars (\$50,000);
- (v) additional living expenses, loss of use, and loss of rental income; and
- (vi) insurance to pay the deductible under the blanket insurance policy carried by the Association pursuant to Section 10.3 ("Hazard Insurance to Be Maintained by Association"), in an amount not less than the deductible under that policy or such amount as the Owner shall determine is adequate.

Upon request from the Board, each Owner shall provide evidence of such insurance annually.

- 10.6.2 "Tenant Improvement" (HO32) Insurance. The hazard insurance carried by the Association pursuant to Section 10.3 ("Hazard Insurance to Be Maintained by Association") is not intended to cover improvements within the Unit including but not limited to interior walls and doors, ceiling, floor, and wall surface materials (for example, paint, wallpaper, mirrors, carpets, and floor coverings), utility fixtures (including gas, electrical, and plumbing), cabinets, built-in appliances; heating and air-conditioning systems, and water heaters. Each Owner shall separately insure all improvements within his or her Unit in an amount sufficient to restore the improvements within the Unit to a condition equivalent to the standard fixtures installed within the Units at the time of original construction by the developer. Such insurance shall be limited to the type and nature of coverage commonly known as "tenant improvements" coverage. Any such policy shall contain a waiver of subrogation as to any and all claims against the Association, its officers and directors, the manager, and the Owners and a waiver of all defenses based upon acts of the insureds or the existence of co-insurance. Any Owner obtaining such separate insurance shall deposit with the Board a duplicate copy or a certificate of insurance of each such policy.
- 10.6.3 Earthquake Insurance. Each Owner is hereby advised that he or she may obtain a California Earthquake Condominium Policy with coverage of up to One Hundred Thousand Dollars (\$100,000) for loss assessment.
- 10.6.4 No Overlapping Coverage. No Owner shall obtain or maintain any policy of insurance that reduces the amount of coverage under any policy obtained or maintained by the Association pursuant to Section 10.3 ("Hazard Insurance to Be Maintained by Association"), Section 10.4 ("General Liability Insurance to Be Maintained by Association"), or Section 10.5 ("Other Insurance to Be Maintained by Association"). If any Owner violates the provisions of this Section 10.6.4, any diminution in insurance proceeds otherwise payable to the Association that results from the existence of such other insurance will be chargeable to the Owner who acquired such other insurance and each Owner hereby assigns to the Association the proceeds of any such policy to the extent any such decrease in proceeds in fact occurs (such proceeds to be applied pursuant to the Declaration as if produced by the Association's coverage). Such Owner will be liable to the Association to the extent of any diminution and the Association shall levy a Reimbursement Assessment against such Owner in the amount of such diminution.
- 10.6.5 Other Owner-maintained Insurance. Each Owner shall be responsible, at his or her sole cost and expense, to obtain such other insurance as

the Owner shall determine is adequate to cover such other risks as the Owner shall determine.

- 10.6.6 Evidence of Insurance; No Obligation of Association. Upon request from the Board, each Owner shall provide evidence of such insurance annually. If an Owner fails to obtain any insurance he or she is obligated or permitted to obtain pursuant to this Declaration, nothing in this Declaration shall be construed to impose any obligation whatsoever on the Association to insure that which the Owner does not insure. The right of the Board to request evidence of insurance that an Owner is obligated to carry pursuant to this Declaration shall not be deemed to impose a duty on the Board or the Association to request such evidence of insurance or impose on the Association any liability to any person arising or claimed to arise out of any action or inaction by the Board, the Association or anyone acting on the Association's or the Board's behalf with respect to verifying any Owner's compliance with the Owner's obligation to carry insurance.
- 10.7 HO4 Renter's Policy. Each Owner who rents or leases a Unit shall require the tenant to purchase and maintain in force during the tenancy an "HO4 Renter's Policy" or the equivalent with a minimum personal liability limit of Three Hundred Thousand Dollars (\$300,000). If a tenant fails to obtain any insurance he or she is obligated or permitted to obtain pursuant to this Declaration, nothing in this Declaration shall be construed to impose any obligation whatsoever on the Association to insure that which the tenant does not insure. Upon request from the Board, each Owner shall provide evidence of such tenant's insurance annually.
- 10.8 Insurance Proceeds. Proceeds of all insurance policies owned by the Association shall be received by the Association and shall be distributed to the Association, the Owners, and their Mortgagees subject to the provisions of the Declaration as their interest may appear; *provided, however*, that whenever repair or reconstruction is required, the proceeds of any insurance received by the Association as a result of any loss shall be applied to such repair or reconstruction except to the extent of any excess insurance proceeds as provided in Section 11.3.4 ("Excess Insurance Proceeds") or in case of destruction and a decision not to rebuild subject to applicable provisions of Section 11.5 ("Bids to Rebuild Rejected; Alternative Plan") and/or Section 11.6 ("Sale of Entire Project").
- 10.9 Responsibility for Payment of Deductible. Subject to the provisions of Section 9.9 ("Owner's Liability to Association for Negligent Damage"), the amount of the deductible under any insurance obtained by the Association shall be borne solely by the Association. If an Owner is responsible for the payment of such deductible, the failure or refusal of the Owner's insurance carrier to pay or reimburse the deductible shall not relieve the Owner of his or her responsibility for the deductible.

- 10.10 Owner's Liability for Conditions Affecting Insurance. As provided in Section 5.13 ("Conditions Affecting Insurance"), the responsible Unit Owner shall be liable to the Association if anything is done, placed, or kept within the Project that increases the rate of insurance or results in the cancellation of insurance under any insurance policy maintained by the Association.
- 10.11 Insurance Carriers. All insurance policies carried by the Association shall be written by companies that are not prohibited from doing business in the State of California.
- 10.12 Annual Review of Policies. The limits and coverage of all insurance policies carried by the Association shall be reviewed at least annually by the Board and increased or decreased in its discretion.
- 10.13 Coverage Not Available; Disclaimer. In the event any insurance policy or any endorsement listed in Section 10.3 ("Hazard Insurance to Be Maintained by Association"), Section 10.4 ("General Liability Insurance to Be Maintained by Association"), and Section 10.5 ("Other Insurance to Be Maintained by Association"), is for any reason not available, then the Association shall obtain such other or substitute policy or endorsement as may be available which provides, as nearly as possible, the coverage described above. The Association, and its directors and officers, shall have no liability to any Unit Owner or Mortgagee if, after good faith effort, it is unable to obtain or maintain the insurance required pursuant to Section 10.3, Section 10.4, or Section 10.5 because the insurance is no longer available or, if available, can be obtained or maintained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the Members fail to approve any Special Assessment or increase in the Annual Assessment needed to fund the insurance premiums. In accordance with *Civil Code* section 5810, as soon as reasonably practicable, the Association shall notify the Members by Individual Notice if any of the policies described in Section 7.5.9 of the Bylaws ("Summary of Association's Insurance Policies") have lapsed or been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible for any of those policies. If the Association receives any notice of non-renewal of a policy described in Section 7.5.9 of the Bylaws and replacement coverage will not be in effect by the date the existing coverage will lapse, the Association shall immediately notify the Members by Individual Notice.
- 10.14 Copies of Policies. Copies of all insurance policies (or certificates of insurance) and paid invoices showing that premiums have been paid shall be retained by the Association and shall be available for inspection by Owners at any reasonable time.
- 10.15 Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to file all claims and to negotiate and agree on the value and extent of any loss

under any policy carried by the Association pursuant to Section 10.3 ("Hazard Insurance to Be Maintained by Association"), Section 10.4 ("General Liability Insurance to Be Maintained by Association") or Section 10.5 ("Other Insurance to Be Maintained by Association"). The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

ARTICLE 11 DAMAGE OR DESTRUCTION; CONDEMNATION

- 11.1 Emergency Repairs. Without waiting to obtain insurance settlements or bids, the Board may undertake such emergency repair work after a casualty as it may deem necessary or desirable under the circumstances including but not limited to mitigating or removing dangerous conditions and other actions that may be necessary to comply with applicable laws ordinances, and regulations; and the Board may charge the operating account for the costs thereof.
- 11.2 Damage to Single Unit. If the Project is damaged by fire or other casualty for which the Association is insured, and damage is limited to a single Unit and does not involve any Exclusive Use Common Area or other Common Area, the insurance proceeds shall be paid to the Owner or Owners of such Unit, or the Mortgagees thereof as their respective interests appear, and such Owner or Mortgagees shall use the same to rebuild or repair such Unit. In the event the insurance proceeds are insufficient to complete such work or the damage is not insured against, the Owner shall pay and advance such additional sums as may be necessary to complete such rebuilding and repair.
- 11.3 Damage to Two or More Units or to Any Common Area. If the Project is damaged by fire or other casualty for which the Association is insured, and such damage extends to two (2) or more Units or extends to any part of the Common Area, including any Exclusive Use Common Area, then the following provisions shall apply:
- 11.3.1 Evaluation of Damage. The Board shall: (i) prepare or cause to be prepared an estimate of loss which includes a scope of work; (ii) obtain bids from licensed contractors to restore the damaged or destroyed property to its condition immediately prior to such damage or destruction (including compliance with current building code and ordinance requirements and any modifications approved by the Board); and (iii) obtain a determination of the amount of available insurance proceeds that will be recovered from the Association's insurance carrier(s).
- 11.3.2 Appraisal of Damaged Property. The Board may, and upon the written request of Owners holding at least twenty percent (20%) of the Total Voting Power shall, cause an appraisal of the Project to be made,

which appraisal shall set forth an opinion as to the value of the Project as it then exists (in its damaged condition) together with an opinion of the increment in value, if any, that would accrue if the Project or some portion thereof were razed.

- 11.3.3 Insurance Proceeds Equal Eighty-five Percent or More. If the amount of available insurance proceeds is equal to at least eighty-five percent (85%) of the cost of repairing or rebuilding the damaged property to its condition immediately prior to such damage or destruction, the insurance proceeds shall be paid to the Association, and the Board shall thereupon contract to repair or rebuild the damaged portions of the Project, including all Units, and the Common Area so damaged. In the event the insurance proceeds together with the amount of reserve funds allocated for repair or replacement of damaged components, are insufficient to pay all of the costs of repairing and/or rebuilding, the Board shall levy a Special Assessment against all Owners up to the maximum amount permitted without a Members' approval vote pursuant to Section 8.8.2 ("Permitted Amount of Special Assessments") to pay for such deficiency.
- 11.3.4 Excess Insurance Proceeds. Any excess insurance funds shall be deposited in the operating account of the Association.
- 11.3.5 Insurance Proceeds Are Less Than Eighty-five Percent. If the amount of available insurance proceeds is less than eighty-five (85%) percent of the cost of repairing or rebuilding the damaged property to its condition immediately prior to such damage or destruction, then such insurance proceeds shall be paid to a bank, savings and loan association, or trust company designated by the Board. Said funds shall be held for the benefit of all Owners and their Mortgagees, as their respective interests shall appear, pursuant to an insurance trust agreement consistent with the provisions of this Declaration, approved and executed by the Board. The Board shall obtain bids from licensed contractors and shall, as soon as possible, call a special meeting of the Owners and First Mortgagees. Notice of such meeting shall include a summary of the appraisal, if any, obtained pursuant to Section 11.3.2 ("Appraisal of Damaged Property"), a summary of the bids for repair, restoration, and reconstruction, and the amount of insurance proceeds payable to the Association as a result of the damage, any reserve funds allocated for repair or replacement of damaged components, and the maximum amount of a Special Assessment permitted without a Members' approval vote pursuant to Section 8.8.2 ("Permitted Amount of Special Assessments"). An acceptable bid may be approved by a vote of not less than sixty percent (60%) of the Owners attending such meeting. Alternatively, the Owners by vote of a majority of the Total Voting Power of the Association may elect not to rebuild and sell the Project pursuant to Section 11.6 ("Sale of Entire Project").

11.4 Bid to Rebuild Is Accepted. In the event a bid to rebuild the damaged property is accepted pursuant to Section 11.3.5 ("Insurance Proceeds Are Less Than Eighty-five Percent"), the Board shall levy a Special Assessment against all Owners pursuant to Section 8.8.2 ("Permitted Amount of Special Assessments") to make up the deficiency, if any, between the total insurance proceeds and allocated reserve funds and the contract price for such repair or rebuilding. All insurance proceeds, including any subject to liens of Mortgagees, shall be used for such rebuilding or repair. If any bid shall be accepted to repair or rebuild, the contractor shall provide a completion bond naming the Association and each Owner as beneficiaries.

11.5 Bids to Rebuild Rejected; Alternative Plan. In the event all bids to rebuild the damaged property are rejected pursuant to Section 11.3.5 ("Insurance Proceeds Are Less Than Eighty-five Percent"), but a majority of the Total Voting Power of the Association has not voted to sell the Project, the Board shall recommend such alternative reconstruction of the damaged or destroyed improvements at a lesser cost as it deems reasonable or adequate, which alternatives shall be placed to bid and the bids presented for a vote of the Owners and First Mortgagees in the manner described above. In the event that no such alternative plan of reconstruction is accepted by the Owners and First Mortgagees or if repair or rebuilding has not commenced within one (1) year after the date of damage or destruction, the Board is hereby empowered, as the agent for all Owners, to sell the entire Project, including all Units and the Common Area in its then present condition, on terms satisfactory to the Board as provided in Section 11.6 ("Sale of Entire Project").

11.6 Sale of Entire Project.

11.6.1 Authority of Board. The Board shall be authorized to incur fees for legal and accounting services, appraisals, engineering, examination of title and other expenses reasonably related to the sale of the Project. The members of the Board are hereby authorized to execute and deliver, on behalf of all of the Owners, any instruments necessary or required to effect such a sale or sales and each Owner shall be obligated to execute and deliver such instruments and to perform such acts as may be necessary to effect such sale or sales.

11.6.2 Disbursement of Proceeds. After payment of expenses directly relating to the sale of the Project and properly payable out of the escrow at the closing of the sale, the remaining sale proceeds, together with any other sums held by the Association or any trustee and any remaining assets of the Association (which assets shall be liquidated to the extent possible) shall be disbursed as follows:

- (i) to pay any outstanding expenses of the Association or of the insurance trustee relating to the sale of the Project, including,

but not limited to, costs of appraisal, collection of insurance proceeds, compensation of the insurance trustee, engineering, legal and accounting expenses, costs of preparing the Project for sale and other related expenses.

- (ii) to pay all other debts and liabilities of the Association.
- (iii) to pay the Owners and their respective Mortgagees according to the Owners' respective percentage interests in the Common Area as set forth in Exhibit B. An equitable adjustment shall be made in the distribution to account for Owners' liabilities to the Association, including, but not limited to, liability for unpaid Assessments and Additional Charges.

11.7 Condemnation of Common Area.

11.7.1 Association to Represent Owners. If at any time all or any portion of any Common Area, or any interest therein, shall be taken for any public or quasi-public use under any statute, by right of eminent domain, or by private purchase in lieu of eminent domain, the Association shall represent the interests of all Owners in any proceedings relating to such condemnation to the extent such Owners have any interest in the Common Area.

11.7.2 Allocation of Condemnation Award. The entire compensation or award in condemnation (to the extent such award is not apportioned among the Owners by court judgment or by agreement between the condemning authority and each of the affected Owners in the Project), shall be distributed equally to all Owners and their Mortgagees.

11.8 Condemnation of One or More Units.

11.8.1 Total Condemnation of Unit. If an entire Unit or so much thereof as to render the remainder unfit for use as a dwelling, is condemned or taken for a public or quasi-public use pursuant to any statute, by right of eminent domain, or by private purchase in lieu of eminent domain, the Owner's membership in the Association shall terminate as of the last day of the month in which the condemner obtains the right to possession, or upon the Owner vacating the Unit, whichever occurs last.

11.8.2 Partial Condemnation of a Unit. If only a portion of a Unit is taken and the remainder is fit for use as a dwelling, the Owner shall continue to be a Member of the Association.

- 11.8.3 Rights of Association In any condemnation action involving an Owner's Unit, the Association shall have the right to seek compensation for any damages incurred by the Association.
- 11.9 Repair or Rebuilding After Condemnation. After partial condemnation of the Common Area or condemnation of one (1) or more Units, the remaining portion of the Project shall be repaired or rebuilt (unless a majority of the Total Voting Power vote not to repair or rebuild), and shall be resurveyed if necessary, and the Declaration shall be amended to reflect such taking and to readjust proportionately the percentages of undivided interest of the remaining Owners in the Project. If a majority of the Total Voting Power votes not to repair or rebuild the remaining portion of the Project, the Board is hereby empowered, as the agent for all Owners, to sell the remaining portion of the Project, including all Units and the Common Area in its then present condition, on terms satisfactory to the Board, subject to applicable provisions of Section 11.5 ("Bids to Rebuild Rejected; Alternative Plan") and pursuant to Section 11.6 ("Sale of Entire Project").
- 11.10 Revision of Documents. In the event of (i) a partial or complete condemnation of the Common Area or the taking of all or a portion of the Common Area by right of eminent domain or by private purchase in lieu of eminent domain, (ii) condemnation or taking of one (1) or more Units, or (iii) a decision by the Association by affirmative act or failure to act, not to repair damaged Common Area, the Association shall have the power and authority to resurvey the remaining portion of the Project and to execute and record, on behalf of itself and the individual Owners, all necessary documents to show the altered status of the Project, including but not limited to, a revised Condominium Plan and an amended Declaration and readjustment of the percentages of undivided interest of the remaining Owners in the Project, if applicable.
- 11.11 Appraisals. Where the provisions of this Article 11 require an independent appraisal of property, said appraisal shall be made by an experienced and qualified real estate appraiser certified in the State of California, which appraiser shall be selected by the Board.

ARTICLE 12 ENFORCEMENT; NOTICE; HEARINGS

- 12.1 Violations As Nuisance. Every act or omission constituting or resulting in a violation of any of the provisions of the Governing Documents shall be deemed to constitute a nuisance and, in addition to any other remedies which may be available, such nuisance may be abated or enjoined by the Association or its officers or Board of Directors or by any Owner; *provided, however*, that the Board shall not be obligated to take action to abate or enjoin a particular violation if, in the exercise of its discretion, the Board determines that acting to abate or enjoin such violation is not likely to foster or protect the interests of the Association and

its Members as a whole. Notwithstanding the preceding sentence and without limiting the generality of the proviso therein, nothing in the Governing Documents shall be deemed to impose upon the Association, the Board, or the officers, employees, or agents of the Association a duty to intervene in any physical dispute or altercation or any criminal or alleged criminal activity other than to notify law enforcement officials.

- 12.2 Violation of Law Is a Violation of the Declaration. Any violation of a state, municipal, or local law, ordinance or regulation pertaining to the ownership, occupancy, or use of any property within the Project is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures set forth herein.
- 12.3 Owner's Responsibility for Conduct and Damages. Each Owner shall be fully responsible for informing members of his or her household, Contract Purchasers, tenants, invitees, and guests of the provisions of the Governing Documents, and shall be fully responsible for the conduct, activities, and any Governing Document violation of any of them, and for any damage to the Project or the Association resulting from the negligent or intentional conduct of any of them or the conduct of any pet belonging to any of them. If a Condominium is owned jointly by two (2) or more persons, the liability of each Owner in connection with the obligations imposed by the Governing Documents shall be joint and several; that is, each co-Owner individually shall be fully liable and responsible and all co-Owners collectively shall be fully liable and responsible. The foregoing provisions of this Section 12.3 are in addition to and shall not limit the generality of the provisions of Section 5.10.2 ("Indemnification Regarding Business Activity"), Section 5.16 ("Animals"), Sections 6.8 ("Association As Third Party Beneficiary"), Section 6.9 ("Indemnification Regarding Tenants' Actions"), and Section 7.26 ("Disclaimer of Liability").
- 12.4 No Avoidance. No Owner may avoid the burdens or obligations imposed by the Governing Documents through non-use of any Common Area facilities or by abandonment of his or her Unit.
- 12.5 Enforcement Rights Are Cumulative. To the fullest extent permitted by law, including *Civil Code* section 5975, the Association, its directors, officers, or agents, and any Owner shall have the right to enforce any and all provisions of the Governing Documents by any proceeding at law or in equity, or, with respect to action by the Association, through the use of such other remedies (including self-help remedies that do not breach the peace or otherwise violate applicable law or this Declaration) as are available and deemed appropriate by the Board. Each remedy provided is cumulative and not exclusive.
- 12.6 Injunctions. Except for the nonpayment of any Assessment levied pursuant to the provisions of this Declaration, it is hereby declared that a remedy at law to recover damages for a default in the performance of any of the terms and provisions of any of the Governing Documents or for the breach or violation of

any such provisions is inadequate and that the failure of any Owner, Contract Purchaser, member of his or her household, tenant, invitee, guest, or household pets or any other Resident or user of any of the property within the Project to comply with any provision of the Governing Documents may be enjoined in any judicial proceedings initiated by the Association, its officers or Board of Directors, or by any Owner or by their respective successors in interest.

12.7 Limitation on Association's Disciplinary Rights. To the extent provided in *Civil Code* section 4510, the Association shall not have the power and authority to cause a forfeiture or abridgment of an Owner's right to the full use and occupancy of his or her Unit as the result of the failure by such Owner, members of his or her household, Contract Purchaser, tenants, invitees, guests or pets to comply with any provision of the Governing Documents, except where such forfeiture or abridgment is the result of the judgment of a court of competent jurisdiction, a decision arising out of an arbitration proceeding, or a foreclosure or sale under private power of sale for failure of such Owner to pay Assessments levied by the Association pursuant to this Declaration and except to the extent of the Association's rights pursuant to Section 8.18 ("Assignment of Rents As Security for Payment"). The provisions of this Section 12.7 shall not affect the Association's right to impose other sanctions including imposing Enforcement Assessments as provided in Section 12.8 ("Imposing Sanctions").

12.8 Imposing Sanctions. Upon an explicit finding and for reasons specified by the Board following a hearing called by the Board and conducted in accordance with this Article 12, the Board shall have the power to impose sanctions on a Member who is in default in the payment of any Assessment or Additional Charge levied by the Board or is found to be in violation of any provision of the Governing Documents. Sanctions may include loss of good standing, suspension of other rights, and/or monetary penalties (fines), as described below.

12.8.1 Loss of Good Standing. The Board may suspend a Member's good standing for so long as the Member remains in default of such payment or until the violation is remedied. When a Member is not in good standing, the Member (or in the case of a Member that is not a natural person, its representative) shall be disqualified from serving on the Board.

12.8.2 Suspension of Other Rights. The Board may suspend a Member's or a Resident's right to use Common Area recreational facilities for so long as a Member remains in default of such payment, or for such period as may be specified by the Board if the violation involves misbehavior related to Common Area recreational facilities.

12.8.3 Monetary Penalties (Fines). The Board may adopt a policy imposing monetary penalties or fines as Enforcement Assessments in accordance with a schedule of fines adopted by the Board pursuant to *Civil Code* section 5850 and distributed to the Members in the annual

policy statement pursuant to *Civil Code* section 5310. Multiple fines may be imposed for multiple violations. The schedule of fines may be changed by the Board by a Rule change pursuant to *Civil Code* section 4360.

- 12.8.4 Monthly Sanctions for Continuing Violations. In the case of a continuing violation, such as an uncorrected architectural violation where an Owner fails to remedy the violation after notice from the Board to do so, the Board may impose sanctions, including monetary penalties, such sanctions to remain in effect for a period of one (1) month or until the continuing violation is remedied, whichever occurs sooner. (By way of example and not limitation, a violation in the nature of parking every day in a prohibited parking space would *not* constitute a "continuing violation" but each instance would constitute a separate violation.) If the continuing violation has not been remedied within the one-month period, the Board may impose separate and successive sanctions for the continuing violation, provided the Board conducts a separate hearing, not more frequently than once a month, before imposing each successive sanction. The Board may limit the scope of such hearing to facts and circumstances occurring subsequent to the previous hearing relating to the subject continuing violation.
- 12.8.5 Reimbursement Assessment Not a Sanction. The imposition of a Reimbursement Assessment pursuant to the Declaration does not constitute and shall not be deemed to be a sanction.
- 12.9 Investigation of Complaints. Upon receipt of a written complaint from an Owner or a Resident regarding an alleged violation of the Governing Documents, the Board shall conduct an investigation of the allegations in the complaint and shall make relevant findings upon which the Board shall base a decision to pursue or not pursue the matter. If the Board decides not to pursue a matter it shall notify the complaining party in writing stating the reason(s) for its decision.
- 12.10 Written Notice of Violation. If the Board determines, whether on its own initiative or pursuant to a written complaint, that a violation of the Governing Documents exists or has occurred, it shall notify the responsible Owner(s) by written notice in compliance with Section 12.11 ("Notices: Content, Delivery").
- 12.11 Notices: Content, Delivery. Any notice of violation required or given under this Article 12 shall be in writing and shall comply with *Civil Code* section 5855 as to content and time of service and *Civil Code* section 4040 as to method of service.
- 12.11.1 Content of Notice of Violation. Any notice given by the Association to a Member shall comply with *Civil Code* section 5855 and, at a minimum, set forth a brief description of the act or omission constituting the alleged violation of the Governing Documents; a reference to the specific Governing Document provision or provisions alleged to have

been violated; if applicable, a statement that the Member may request a hearing by the Board; the date, time, and location of any hearing called by the Board; and any sanction, disciplinary action, or other enforcement action being contemplated by the Board.

- 12.11.2 Delivery of Notice. Any notice may be given by any method provided for in *Civil Code* section 4040; *provided, however*, that (i) if notice is given by mail, it shall be sent postage prepaid by United States first-class mail and/or by certified mail, return-receipt requested; and (ii) if given by the Association to a Member, it shall be sent to the most recent address for the affected Member as shown on the records of the Association. Pursuant to *Civil Code* section 4050, if sent by United States mail, such notice shall be deemed delivered upon deposit in the United States mail, postage prepaid. If such notice is sent by electronic means, delivery is complete at the time of the transmission, as set forth in *Civil Code* section 4050.
- 12.11.3 Owner's Address for Notice. It shall be each Owner's responsibility to notify the Association in writing of any change in the Owner's address for the purpose of receiving notices from the Association. The fact that a different address appears on correspondence to the Association from an Owner shall not constitute such written notice, unless it is expressly stated that such address is a change of address for the purpose of receiving notice from the Association. Upon transfer of title to a Condominium, the transferee shall be responsible for notifying the Association of such transfer. The notification shall set forth the address of the Condominium, the names of the transferee and the transferor, and the date of sale or other transfer. Prior to receipt of such notification, any and all communications required or permitted to be given by the Association or the Board to the Owner of the Condominium shall be deemed to be duly made and given to the transferee if duly and timely made and given to the person shown as the Owner of the Condominium and at the address in the Association's records.
- 12.11.4 Notice to Co-Owners or Residents. Unless otherwise provided by law, when a Unit is owned by two (2) or more co-Owners or is occupied by two or more Residents, notice to one (1) Owner or to one (1) Resident shall be deemed notice to all Owners or to all Residents, as the case may be.
- 12.12 Hearing Called by the Board; Executive Session; Open Meeting. To the extent required by *Civil Code* section 5855, whenever the Board determines to conduct a hearing, it shall notify the affected Owner(s) and/or Resident(s) in writing by Individual Delivery, at least ten (10) days before the Board meeting at which the matter will be considered. If the matter concerns Member discipline or the imposition of sanctions, the Board shall meet in executive session if requested by

the Member, unless (and then only to the extent) applicable law requires that certain actions by the Board be conducted at an open meeting of the Board, such as *Civil Code* section 5673 concerning a decision to record a lien for delinquent Assessments. If the matter concerns compliance with architectural approval requirements, the hearing shall be conducted in open meeting pursuant to *Civil Code* section 4765. In the Board's discretion, other interested person(s) may attend a hearing and may present information relevant to the subject matter of the hearing. If a notified Owner or Resident fails to attend a noticed hearing, the Board may nevertheless conduct its deliberations and make a determination based on its own investigation and any other information supplied to it that the Board deems reasonably reliable.

12.13 Owner's Request for Hearing. An Owner who has received a notice of violation sent pursuant to Section 12.10 ("Written Notice of Violation") or a notice of corrective action sent pursuant to Section 12.15 ("Enforcement by Association in Emergency Situations") or as otherwise provided in the Governing Documents, may request a hearing before the Board by submitting a written request to the Board. If an Owner requests a meeting to discuss a payment plan for a past due debt owed to the Association, the meeting shall be scheduled and conducted as provided in Section 8.15.3 ("Owner's Right to Discuss Payment Plan"). If the Owner is requesting a hearing concerning a notice of violation sent pursuant to Section 12.10 or a notice of corrective action sent pursuant to Section 12.15, the request for hearing must be submitted within ten (10) days after the date of such notice. The Board shall schedule a hearing at its next regular meeting that is at least five (5) days after its receipt of an Owner's request for hearing or, in the Board's discretion, at another time agreed by the Board and the Owner. Hearings shall be conducted in executive session or at an open meeting as provided in Section 12.12 ("Hearing Called by the Board; Executive Session; Open Meeting").

12.14 Notice of Hearing Decisions. Within fifteen (15) days after a hearing is conducted, the Board shall notify the Owner or Resident in writing as to its decision. If the Board decides to impose sanctions, the notice shall describe the sanctions imposed and, if applicable, their effective dates.

12.15 Enforcement by Association in Emergency Situations.

12.15.1 Definition of Emergency Situation. For purposes of this Section 12.15, the following shall constitute emergency situations:

- (i) an immediate and unreasonable infringement of or threat to the safety or peaceful enjoyment of Residents of the Project,
- (ii) a traffic or fire hazard,
- (iii) a threat of material damage to or destruction of the Project or any portion thereof,

- (iv) a violation of any provision of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether the violation has occurred (such as parking violations).

12.15.2 Immediate Corrective Action. Notwithstanding any other provisions of the Governing Documents, under circumstances that constitute an emergency, the Board or its duly-authorized agents may undertake immediate corrective action. The Board shall promptly thereafter send written notice of the corrective action to the affected Owner including notice of any Reimbursement Assessment assessed to the Owner for costs incurred by the Association in connection therewith. If the Owner requests a hearing pursuant to Section 12.13 ("Owner's Request for Hearing"), enforcement of any Reimbursement Assessment imposed by the Board shall be held in abeyance and shall be pursued only if affirmed by the Board at the hearing.

12.16 Internal Dispute Resolution.

12.16.1 Fair, Reasonable, and Expeditious Procedure. The provisions of Article 7 ("Architectural Approval") and of Section 12.9 ("Investigation of Complaints") through Section 12.15 ("Enforcement by Association in Emergency Situations") are intended to provide a fair, reasonable, and expeditious procedure for resolving disputes between the Association and any Member that are subject to *Civil Code* sections 5900 through 5920 (which apply to, among other things, enforcement of applicable provisions of the *Corporations Code* and enforcement of the Governing Documents). The above-referenced provisions of the Declaration shall constitute the Association's "internal dispute resolution" process as required by *Civil Code* section 5905.

12.16.2 Statutory Default Procedures. If the Association fails to comply with the Association's internal dispute resolution process, then the Association and the affected Member shall abide by the statutory default procedures provided in *Civil Code* section 5915, or successor statute. Any resolution so agreed upon by the parties thereto, that is not in conflict with the law or the Governing Documents, shall bind the parties and shall be judicially enforceable as provided in *Civil Code* section 5910.

12.16.3 Alternative Dispute Resolution May Also Apply. If (a) the subject matter of the dispute (including, among other things, enforcement of applicable provisions of the *Corporations Code* and enforcement of the Governing Documents) and the remedy sought (including certain kinds of declaratory, injunctive, or writ relief, which may be in conjunction with certain limited monetary relief, but excluding small claims actions

and excluding Assessment disputes) are subject to *Civil Code* sections 5925 through 5965 and (b) the Association and the affected Member do not agree on a resolution through the foregoing internal dispute resolution process provided for in Section 12.16.1 ("Fair, Reasonable, and Expeditious Procedure"), then no party to the dispute may pursue a civil remedy that is subject to *Civil Code* sections 5925 through 5965, without first complying with the "alternative dispute resolution" (hereinafter, "ADR") procedures set forth in that statute and referenced in Section 12.17 ("Alternative Dispute Resolution Before Initiating Lawsuit").

- 12.16.4 Annual Description of Internal Dispute Resolution Process. The Association shall annually provide the Members with a description of the internal dispute resolution process required by *Civil Code* section 5920 as part of the annual policy statement prepared pursuant to *Civil Code* Section 5310. Such description may consist of a copy of Article 7 ("Architectural Approval") and Section 12.9 ("Investigation of Complaints") through this Section 12.16 ("Internal Dispute Resolution").

12.17 Alternative Dispute Resolution Before Initiating Lawsuit.

- 12.17.1 Annual Summary. As provided in *Civil Code* section 5965, the Association shall annually provide to its Members a summary of the provisions concerning ADR contained in *Civil Code* sections 5925 through 5965 as part of the annual policy statement prepared pursuant to *Civil Code* section 5310. Such summary may consist of a copy of this Section 12.17.1. Such summary shall include the following language:

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

- 12.17.2 When ADR Applies. The requirements of this Section 12.17 apply to civil action or proceedings as defined in *Civil Code* section 5925(b) when the remedy sought is solely for declaratory, injunctive, or writ relief or if for the foregoing relief in conjunction with monetary damages not in excess of the jurisdictional amount for a small claims action as stated in *California Code of Civil Procedure* sections 116.220 and 116.221, all as provided in *Civil Code* section 5930(b). *Civil Code* sections 5925 through 5965 apply to disputes between Members as well as to disputes between the Association and a Member. The ADR requirements of this Section 12.17 do not apply to Assessment disputes or to an action in small claims court.

- 12.17.3 Statutory ADR Process. In accordance with *Civil Code* sections 5925 through 5965, the Association or a Member may not file an “enforcement action” as defined in the statute unless the parties have endeavored to submit their dispute to “alternative dispute resolution” as the term is defined in *Civil Code* section 5925(a) and as the process is specified in *Civil Code* sections 5935, 5940, and 5945.
- 12.18 Non-waiver of Enforcement. Failure to enforce any provision of the Governing Documents at any time shall not be deemed a waiver of the right to do so thereafter with respect to the same or any other violation of any provision of the Governing Documents.
- 12.19 Costs and Attorney Fees. In an action to enforce the Governing Documents, the prevailing party shall, to the fullest extent permitted by law, including *Civil Code* section 5975, be entitled to recover the full amount of all costs including attorney fees incurred in responding to and/or in enforcing any Governing Document provision. Without limiting the generality of the foregoing, in the event an Owner pursuant to *Civil Code* section 4605 brings a civil action for violation of *Civil Code* section 4600 (concerning the granting of exclusive use of a portion of the Common Area to a Member) or pursuant to *Civil Code* section 4955, a civil action for violation of the Common Interest Open Meeting Act (*Civil Code* sections 4900 through 4955) if the Association shall prevail in any such action, the Association shall be entitled to recover reasonable attorney fees except to the extent prohibited by law. The remedies of the prevailing party to recover the amount of such costs, expenses, and attorney fees shall include, but shall not necessarily be limited to, the imposition of a Reimbursement Assessment.

ARTICLE 13 AMENDMENT

- 13.1 Required Approval. This Declaration may be amended by the affirmative vote of Members representing at least a majority of the Total Voting Power of the Association; *provided, however,* that, upon advice of legal counsel licensed to practice law in the State of California including the drafting by legal counsel of appropriate amendatory provisions, the Board shall have the authority without the requirement of the Members’ approval to amend any provision of the Declaration (i) to resolve any conflict between the Declaration and applicable law which may arise due to the enactment or amendment of a statute or due to a development in applicable case law or (ii) to conform the provisions of the Declaration to changes in applicable statutory law that impose requirements that are non-discretionary in nature.
- 13.2 Amendment Must Be Recorded. Any amendment of the Declaration shall be signed and acknowledged by the duly-authorized officer(s) of the Association and recorded in the Office of the County Recorder.

- 13.3 Presumption of Validity. There will be a presumption subsequent to the recording of an amendment to this Declaration pursuant to Section 13.2 ("Amendment Must Be Recorded") that all votes and consents required to pass the same pursuant to Section 13.1 ("Required Approval") were duly obtained in accordance with the Governing Documents and applicable law. Such presumption may be rebutted by an action commenced within one (1) year from the date the amendment is recorded. In the absence of any such action, such presumption shall thereafter become conclusive.

ARTICLE 14 GENERAL PROVISIONS

- 14.1 Headings. The headings used in this Declaration are for convenience only and are not to be used in interpreting the meaning of any of the provisions of this Declaration, or otherwise.
- 14.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision hereof shall not invalidate any other provisions hereof.
- 14.3 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of fostering a plan of community ownership and occupancy and of management of the Project for the benefit of the community.
- 14.4 Amendment to Referenced Statutes; Time for Performance. References in the Declaration to particular statutes, including sections of the *Civil Code* or the *Corporations Code*, shall be deemed to include any successor statute and any amendments to existing or successor statutes. Whenever this Declaration states a time for the performance of any act by the Association which by law (as it may exist from time to time) must be performed at or within a specified time, the time for the performance of such act shall be deemed to be the widest timeframe permitted under then-applicable law.
- 14.5 Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires.
- 14.6 Exhibits. All exhibits attached to this Declaration are incorporated by this reference as though fully set forth herein.
- 14.7 Power of Attorney. To the extent necessary to carry out and enforce the provisions of this Declaration, an irrevocable power of attorney coupled with an interest is granted to the Association by the Owners and each of them.

- 14.8 Term. The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges, and equitable servitudes contained in this Declaration shall run with and shall benefit and burden all of the real property subject to this Declaration, including without limitation the Units and Common Areas, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors and officers, and their respective agents and successors in interest, for a term of ten (10) years from the date of recordation of this Declaration and thereafter the term shall be automatically extended for successive periods of ten (10) years each, unless within the six (6) months prior to the expiration of the initial ten-year term or within six months prior to the expiration of any ten-year extension period a written instrument, approved by Owners entitled to vote and holding at least a majority of the Total Voting Power of the Association, terminating the effectiveness of this Declaration shall be recorded in the Office of the County Recorder of Monterey County, State of California.

IN WITNESS WHEREOF, we, the Members of HACIENDA CARMEL COMMUNITY ASSOCIATION, pursuant to the requisite approval, and by means of the signatures of the President and the Secretary, do hereby affirm, approve, and adopt the foregoing Third Amended and Restated Declaration of Covenants, Conditions and Restrictions of Hacienda Carmel Community Association, which Third Amended and Restated Declaration of Covenants, Conditions and Restrictions shall be recorded with the County Recorder of Monterey County, State of California.

DATED: 11/2, 2021

HACIENDA CARMEL COMMUNITY
ASSOCIATION, a California nonprofit
mutual benefit corporation


Arthur Ahlene Sutton, President


David Edmund Delwiche, Secretary

EXHIBIT A

(Recital Paragraphs B, F, G, Section 3.1)

Legal Description of the Property Comprising the Project Subject to This Declaration

Real property situate in the County of Monterey, State of California described as follows:

PARCEL 1:

That certain real property situate in Lot 11, Hatton Partition, Rancho Canada de la Segunda, County of Monterey, State of California, particularly described as follows:

BEGINNING at the southwesterly corner of Lot 11, said corner being South 77° 30' East, 75.0 feet from Station CS-16, of the boundary survey of Rancho Canada de la Segunda, as said Lot 11, said Station CS-16, and said boundary are shown on that certain map entitled, "Partition Map of Hatton Property in Rancho Canada de la Segunda," a copy of which map is attached to certified copy of order granting consent to partition recorded March 17, 1927, and filed in Volume 109, Official Records of Monterey County, California, at page 1; thence from said point of beginning and following the westerly line of said Lot 11

(1) North 812.68 feet to the approximate centerline of the high water channel of the Carmel River as now existing (1952); thence leaving said westerly line and following said approximate centerline of the Carmel River

(2) N. 75° 14' E., 411.40 feet; thence

(3) S. 81° 59' E., 474.10 feet; thence

(4) S. 69° 04' E., 551.60 feet (at 488.60 feet, the southwesterly corner of that certain 10.37 acre tract of land conveyed from Frank D. and Irene H. Hatton to George M. and Jennie E. Dollar by a deed recorded September 8, 1943, in Volume 809, Official Records of Monterey County, at page 112); 551.60 feet; thence along the southerly line of said 10.37 acre tract of land

(5) N. 86° 11' E., 541.60 feet, to the southeasterly corner of said 10.37 acre tract of land, said corner being the southwesterly corner of that certain 9.54 acre tract of land conveyed from R.A. Densmore to James F. and Dorothy Rodgers Fisher by a deed dated June 2, 1947, and recorded June 5, 1947, in Volume 980, Official Records of Monterey County at page 408; thence, following the southerly line of said 9.54 acre tract of land

- (6) N. 85° 51' E., 410.40 feet; thence
- (7) S. 71° 39' E., 267.04 feet (at 88.00 feet leave said line of said 9.54 acre tract of land) 267.04 feet; thence
- (8) S. 52° 36' 30" E., 266.71 feet, to the northeasterly corner of that certain 0.470 acre tract of land described as Parcel C in that certain joint tenancy deed (quitclaim) from Frank and Mary E. Smith to Arthur C. and Martha K. Oppenheimer dated February 14, 1948, and recorded March 18, 1948, in Volume 1045, Official Records of Monterey County, California, at page 208; thence, following the northerly line of said 0.470 acre tract and the westerly prolongation thereof
- (9) N. 80° 29' 30" W., 701.44 feet (at 94.71 feet the most westerly corner of said 0.470 acre tract, said corner being the most easterly corner of that certain 0.231 acre tract of land described as Parcel 3 in that certain joint tenancy deed (quitclaim) from Arthur C. and Martha K. Oppenheimer to Frank and Mary E. Smith, dated February 14, 1948, and recorded March 18, 1948, in Volume 1045, Official Records of Monterey County, at page 213, at 392.96 feet the most westerly corner of said 0.231 acre tract of land, said corner being the most easterly corner of that certain 0.629 acre tract of land described as Parcel B in said quitclaim deed from Smith to Oppenheimer) 701.44 feet to a 2" iron pipe marked "SCL;" thence
- (10) S. 37° 29' W., 728.79 feet (at 591.83 feet the most southerly corner of said 0.629 acre tract, said corner being the most northerly corner of that certain 0.004 acre tract of land described as Parcel 2 in said quitclaim deed from Oppenheimer to Smith, at 606.35 feet the centerline of a right of way at 621.02 feet a 4"x4" post marked "ROW") 728.79 feet to a 2" iron pipe marked "SCM"; thence
- (11) S. 66° 29' W., 664.20 feet (at 4.96 feet the most westerly corner of said 0.004 acre tract of land, said corner being the most easterly corner of that certain 0.432 acre tract of land described as Parcel A in said quitclaim deed from Smith to Oppenheimer, at 461.26 feet the most westerly corner of said 0.432 acre tract of land, said corner being the most easterly corner of that certain 0.781 acre tract of land described as Parcel 1 in said quitclaim deed from Oppenheimer to Smith) 664.20 feet to a 2" iron pipe marked "SCN"; thence, following the southerly line of said 0.781 acre tract
- (12) N. 80° 03' W., 598.00 feet to a 2" iron pipe marked "SCO"; thence
- (13) N. 71° 03' W., 234.15 feet to a 4"x4" post; thence
- (14) N. 12° 28' 30" E., 19.67 feet, to the northwesterly corner of said 0.781 acre tract of land, said corner being a point on the southerly line of said Lot 11, as shown on said map; thence, following said southerly line of said Lot 11

(15) N. 77° 30' W., 253.40 feet to the point of beginning, containing 41.26 acres, more or less, and being a portion of said Lot 11, Hatton Partition.

PARCEL 2:

The easterly 30 feet of lot numbered 8 and the westerly 30 feet of lot numbered 9 as said lot is shown on that certain map entitled "Tract No. 279 Descanso Oaks Estates, being a subdivision of a portion of Lot 11 of the Hatton Partition of the Rancho Canada de la Segunda, Carmel Valley, Monterey County, California," filed for record October 4, 1955, in the office of the County Recorder of the County of Monterey, State of California, in Volume 6 of Maps "Cities and Towns," at page 66.

PARCEL 3:

Certain real property situate in Lot 12, Hatton Partition, in Rancho Canada de la Segunda, County of Monterey, State of California, particularly described as follows:

Beginning at the southeasterly corner of Lot 12 of the Hatton Partition, as said corner and lot are shown on that certain map entitled "Partition Map of Hatton Property in Rancho Canada de la Segundo", a copy of which is attached to the certified copy of the orders granting consent to partition recorded March 17, 1927 in Volume 109, at page 1, Official Records of Monterey County, California, said point of beginning being also the southeasterly corner of that certain 4.768 acre parcel, as said corner and parcel are shown on that certain map entitled, "Record of Survey for Mary Hatton in Lot 12, Hatton Partition", recorded August 9, 1965 in Volume X-3 of Surveys, at page 220, Official Records of Monterey County, California; thence running along the east boundary of said lot and said parcel

- 1) North, 765.93 feet; thence leaving said east boundary and running along the westerly boundary of said parcel as shown on said map of survey
- 2) S. 58° 35' 40" W., 141.07 feet; thence
- 3) S. 39° 01' 50" W., 206.04 feet; thence
- 4) S. 20° 27' 45" W., 517.48 feet to the southwesterly corner of said parcel, as said corner being also a point on the southerly boundary of said Lot 12, thence along said southerly boundary
- 5) S. 85° 00' E., 359.21 feet; thence
- 6) S. 77° 30' E., 75.00 feet the point of beginning,

Excepting therefrom that portion of the property described in the deed from Mary S. Hatton, Natalie Branson, Janice Gladstone and Peter C. Hatton, to Carmel Sanitary District, recorded November 15, 1967 in Reel 531 of Official Records of Monterey County at page 87.

PARCEL 4:

A right of way for roadway and utilities purposes over a strip of land 60 feet wide, particularly described as follows:

Beginning at the most northerly corner of that certain 4.760 acre parcel, as said corner and parcel are shown on that certain map entitled "Record of Survey for Mary Hatton in Lot 12, Hatton Partition", recorded August 9, 1965, in Volume X-3 of Surveys, at page 220, Official Records of Monterey County, California, said corner being also a point on the east boundary of Lot 12, of the Hatton Partition, as said boundary and lot are shown on that certain map entitled "Partition of Map of Hatton Property in Rancho Canada de la Segunda", a copy of which is attached to the certified copy of the order granting consent to partition, recorded March 17, 1927 in Volume 109 at page 1, Official Records of Monterey County, California; thence running along said boundary

- 1) North, 958.72 feet to a point which bears South, 359.35 feet distant from the northeasterly corner of said Lot 12; thence leaving said boundary
- 2) West, 240.12 feet; thence
- 3) North, 397.61 feet to a point of intersection with the southerly line of that certain 2.81 acre parcel as described in deed from Howard Hatton and Mary S. Hatton to the County of Monterey, dated September 13, 1950, and recorded September 22, 1950 in Volume 1247 at page 350, Official Records of Monterey County, California; thence along said southerly line
- 4) N. 73° 50' 24" W., 62.47 feet; thence leaving said southerly line and running parallel with and 60.00 feet westerly of hereinabove described course (3)
- 5) South, 475.00 feet; thence running parallel with and 60.00 feet southerly of aforesaid course (2)
- 6) East, 240.12 feet; thence running parallel with and 60.00 feet westerly of aforesaid course (1)
- 7) South 935.35 feet to a point on the northwesterly boundary of said 4.768 parcel; thence leaving said parallel line and running along said northwesterly boundary
- 8) N. 58° 35' 40" E., 70.30 feet to the point of beginning.

PARCEL 5:

A RIGHT OF WAY FOR ROAD PURPOSES OVER A STRIP OF LAND 25.00 FEET WIDE LYING 12.50 FEET ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

BEGINNING AT POINT "A" HEREINABOVE MENTIONED AS LYING ON SAID COURSE (9) OF THE DESCRIPTION OF SAID 21.57 ACRE TRACT OF LAND, SAID POINT "A" BEING S. 37° 29' W., 606.35 FEET FROM SAID 2" IRON PIPE MARKED "SCL" THENCE

(1) S. 84° 03' 10" E., 400.65 FEET TO A POINT FROM WHICH A 4" X 4" POST ON THE SOUTHERLY LINE OF SAID RIGHT OF WAY BEARS S. 6° 13' 50" W., 12.50 FEET; THENCE

(2) S. 83° 29' 10" E., 914.52 FEET TO A POINT FROM WHICH A 4" X 4" POST ON THE SOUTHERLY LINE OF SAID RIGHT OF WAY BEARS S. 30' 50" W., 12.50 FEET; THENCE, CURVING TO THE RIGHT

(3) 149.71 FEET ALONG THE ARC OF A TANGENT CURVE THE CENTER OF WHICH BEARS S. 6° 30' 50" W., 120.98 FEET (LONG CHORD BEATS S. 48° 02' 10" E., 140.33 FEET) TO A POINT OF REVERSE CURVATURE FROM WHICH A 4" X 4" POST ON SAID SOUTHERLY LINE BEARS S. 77° 24' 50" W., 12.50 FEET; THENCE CURVING TO THE LEFT

(4) 144.59 FEET ALONG THE ARC OF A TANGENT CURVE THE CENTER OF WHICH BEARS N. 77° 24' 50" E., 172.54 FEET (LONG CHORD BEATS S. 36° 35' 35" E., 140.39 FEET) TO A POINT ON THE CENTERLINE OF THAT CERTAIN RIGHT OF WAY 20 FEET WIDE CONVEYED FORM RANCHO SAN CARLOS, A CORPORATION, TO FRANK D. HATTON, BY A DEED DATED JULY 18, 1928 AND RECORDED JULY 28, 1928 IN VOLUME 161, OFFICIAL RECORDS OF MONTEREY COUNTY, CALIFORNIA, AT PAGE 10, SAID POINT BEING THE EASTERLY TERMINAL POINT OF THE CENTERLINE OF THE RIGHT OF WAY NOW BEING DESCRIBED AND THE POINT OF BEGINNING OF THE DESCRIPTION OF THE CENTERLINE OF THE RIGHT OF WAY NEXT HEREINAFTER DESCRIBED.

PARCEL 6:

A RIGHT OF WAY FOR ROAD PURPOSES OVER A STRIP OF LAND 20.00 FEET WIDE, LYING 10.00 ON EITHER SIDE OF THE FOLLOWING DESCRIBED CENTERLINE, AND BEING A PORTION OF SAID RIGHT OF WAY 20.00 FEET WIDE CONVEYED BY SAID DEED FROM RANCHO SAN CARLOS INC. TO FRANK D. HATTON:

BEGINNING AT SAID EASTERLY TERMINAL POINT OF THE CENTERLINE OF SAID RIGHT OF WAY 25.00 FEET WIDE HEREINBEFORE DESCRIBED; THENCE, FOLLOWING THE CENTERLINE OF SAID RIGHT OF WAY 20.00 FEET WIDE CONVEYED BY SAID DEED

(1) N. 4° 46' E., 81.20 FEET; THENCE

(2) 11° 51' E., 93.30 FEET; THENCE

(3) N. 12° 17' E., 151.70 FEET, TO A POINT ON THE CENTERLINE OF THE BRIDGE FORMERLY OWNED BY GEORGE GORDON MOORE OVER THE CARMEL RIVER FROM WHICH POINT A CROSS ON THE DOWNSTREAM HANDRAIL OF SAID BRIDGE BEARS N. 54° 45' W., 9.20 FEET, AND A CROSS ON THE UPSTREAM HANDRAIL BEARS S. 54° 45' E., 9.20 FEET, AND STATION CS-12 BEARS N. 54° 45' W., 901.20 FEET, SAID STATION BEING SHOWN ON SAID MAP ENTITLED "PARTITION MAP OF HATTON PROPERTY IN RANCHO CANADA DE LA SUGUNDA" SAID POINT ON SAID BRIDGE BEING THE POINT OF BEGINNING OF THE DESCRIPTION OF SAID RIGHT OF WAY IN SAID DEED; THENCE

(4) N. 12° 30' E., 40.05 FEET, TO A POINT ON THE NORTHERLY BOUNDARY OF RANCHO EL POTRERO DE SAN CARLOS AS SAID BOUNDARY IS DESCRIBED IN THAT CERTAIN DEED CONVEYING A PORTION OF SAID RANCHO FROM CARL H. ABBOTT, COMMISSIONER, TO GERALD F. HERRMAN, GEORGE BLISS HERRMANN, EDITH R. SPIKER AND HAROLD BLISS RUCKER, DATED MAY 31, 1939 AND FILED JUNE 1, 1939 IN VOLUME 620, OFFICIAL RECORDS OF MONTEREY COUNTY, CALIFORNIA, AT PAGE 213, SAID POINT ON SAID BOUNDARY BEING MORE PARTICULARLY N. 49° 56' W., 567.94 FEET, FROM A 4" X 4" POST MARKED "SCJ" AT A CORNER IN SAID BOUNDARY, AND SAID POINT BEING ALSO N. 12° 30' E., 7.45 FEET FROM THE CENTER POINT OF THE CENTER PIER OF SAID BRIDGE.

PARCEL 7:

A RIGHT OF WAY FOR ROAD PURPOSES OVER ALL OF THAT CERTAIN 1.2 ACRE PARCEL OF LAND DESCRIBED IN THAT CERTAIN DEED FROM FRANK D. HATTON TO RANCHO SAN CARLOS INC., DATED JULY 18, 1928 AND RECORDED JULY 28, 1928 IN VOLUME 161, OFFICIAL RECORDS OF MONTEREY COUNTY, CALIFORNIA AT PAGE 6.

EXHIBIT B

(Section 8.7.2)

Allocation of Annual and Special Assessments

Unit #	Percentage	Unit Size
1	0.39%	K
2	0.33%	2+1
3	0.33%	2+1
4	0.33%	2+1
5	0.37%	2+2
6	0.37%	2+2
7	0.33%	2+1
8	0.33%	2+1
9	0.33%	2+1
10	0.37%	2+2
11	0.29%	1+1
12	0.29%	1+1
13	0.29%	1+1
14	0.29%	1+1
15	0.29%	1+1
16	0.29%	1+1
17	0.29%	1+1
18	0.22%	S
19	0.22%	S
20	0.22%	S
21	0.33%	2+1
22	0.29%	1+1
23	0.22%	S
24	0.22%	S
25	0.29%	1+1
26	0.39%	K
27	0.29%	1+1
28	0.29%	1+1
29	0.29%	1+1
30	0.29%	1+1
31	0.29%	1+1
32	0.29%	1+1
33	0.22%	S
34	0.22%	S
35	0.22%	S
36	0.29%	1+1
37	0.29%	1+1
38	0.29%	1+1
39	0.29%	1+1
40	0.29%	1+1

41	0.29%	1+1
42	0.29%	1+1
43	0.37%	2+2
44	0.37%	2+2
45	0.37%	2+2
46	0.37%	2+2
47	0.22%	S
48	0.22%	S
49	0.22%	S
50	0.29%	1+1
51	0.37%	2+2
52	0.33%	2+1
53	0.33%	2+1
54	0.33%	2+1
55	0.39%	K
56	0.29%	1+1
57	0.29%	1+1
58	0.29%	1+1
59	0.29%	1+1
60	0.29%	1+1
61	0.29%	1+1
62	0.37%	2+2
63	0.37%	2+2
64	0.37%	2+2
65	0.37%	2+2
66	0.22%	S
67	0.22%	S
68	0.22%	S
69	0.29%	1+1
70	0.37%	2+2
71	0.33%	2+1
72	0.33%	2+1
73	0.33%	2+1
74	0.37%	2+2
75	0.37%	2+2
76	0.33%	2+1
77	0.33%	2+1
78	0.33%	2+1
79	0.37%	2+2
80	0.37%	2+2
81	0.33%	2+1
82	0.33%	2+1
83	0.33%	2+1
84	0.37%	2+2
85	0.37%	2+2
86	0.33%	2+1
87	0.33%	2+1
88	0.33%	2+1
89	0.37%	2+2
90	0.37%	2+2

91	0.33%	2+1	
92	0.33%	2+1	
93	0.33%	2+1	
94	0.37%	2+2	
95	0.29%	1+1	
96	0.29%	1+1	
97	0.29%	1+1	
98	0.29%	1+1	
99	0.29%	1+1	
100	0.29%	1+1	
101	0.37%	2+2	
102	0.37%	2+2	
103	0.37%	2+2	
104	0.37%	2+2	
105	0.22%	S	
106	0.22%	S	
107	0.22%	S	
108	0.29%	1+1	
109	0.29%	1+1	
110	0.22%	S	
111	0.22%	S	
112	0.22%	S	
113	0.37%	2+2	
114	0.37%	2+2	
115	0.37%	2+2	
116	0.37%	2+2	
117	0.37%	2+2	
118	0.33%	2+1	
119	0.33%	2+1	
120	0.33%	2+1	
121	0.37%	2+2	
122	0.40%	K	
123	0.37%	2+2	
124	0.37%	2+2	
125	0.37%	2+2	
126	0.40%	K	
127	0.37%	2+2	
128	0.37%	2+2	
129	0.37%	2+2	
130	0.39%	K	
131	0.37%	2+2	
132	0.37%	2+2	
133	0.41%	K	
134	0.40%	K	
135	0.37%	2+2	
136	0.37%	2+2	
137	0.37%	2+2	
138-139	0.43%	K	double unit was 2 studios
140	0.29%	1+1	
141	0.29%	1+1	

142	0.29%	1+1	
143	0.40%	K	
144	0.37%	2+2	
145	0.37%	2+2	
146	0.37%	2+2	
147	0.40%	K	
148	0.37%	2+2	
149	0.37%	2+2	
150	0.40%	K	
151	0.29%	1+1	
152	0.29%	1+1	
153	0.29%	1+1	
154-155	0.57%	K	double unit was 2 1+1
156	0.29%	1+1	
157	0.40%	K	
158	0.37%	2+2	
159	0.37%	2+2	
160	0.37%	2+2	
161	0.40%	K	
162	0.37%	2+2	
163	0.37%	2+2	
164	0.42%	K	
165	0.40%	K	
166	0.37%	2+2	
167	0.37%	2+2	
168	0.37%	2+2	
169	0.40%	K	
170	0.37%	2+2	
171	0.37%	2+2	
172	0.37%	2+2	
173	0.22%	S	
174	0.22%	S	
175	0.29%	1+1	
176	0.29%	1+1	
177	0.29%	1+1	
178	0.40%	K	
179	0.37%	2+2	
180	0.37%	2+2	
181	0.40%	K	
182	0.40%	K	
183	0.37%	2+2	
184	0.37%	2+2	
185	0.40%	K	
186	0.40%	K	
187	0.37%	2+2	
188	0.37%	2+2	
189	0.40%	K	
190	0.40%	K	
191	0.37%	2+2	
192	0.37%	2+2	

193	0.41%	K
194	0.22%	S
195	0.22%	S
196	0.22%	S
197	0.29%	1+1
198	0.40%	K
199	0.37%	2+2
200	0.37%	2+2
201	0.40%	K
202	0.40%	K
203	0.37%	2+2
204	0.37%	2+2
205	0.40%	K
206	0.40%	K
207	0.37%	2+2
208	0.37%	2+2
209	0.40%	K
210	0.40%	K
211	0.37%	2+2
212	0.37%	2+2
213	0.39%	K
214	0.42%	K
215	0.37%	2+2
216	0.37%	2+2
217	0.40%	K
218	0.40%	K
219	0.38%	K
220	0.37%	2+2
221	0.40%	K
222	0.37%	2+2
223	0.38%	K
224	0.37%	2+2
225	0.40%	K
226	0.37%	2+2
227	0.38%	K
228	0.37%	2+2
229	0.37%	2+2
230	0.37%	2+2
231	0.29%	1+1
232	0.22%	S
233	0.37%	2+2
234	0.37%	2+2
235	0.37%	2+2
236	0.40%	K
237	0.37%	2+2
238	0.37%	2+2
239	0.40%	K
240	0.37%	2+2
241	0.37%	2+2
242	0.37%	2+2

243	0.40%	K	
244	0.40%	K	
245	0.37%	2+2	
246	0.37%	2+2	
247	0.40%	K	
248	0.22%	S	
249	0.22%	S	
250	0.29%	1+1	
251	0.29%	1+1	
252	0.29%	1+1	
253	0.22%	S	
254	0.22%	S	
255	0.29%	1+1	
256	0.29%	1+1	
257	0.29%	1+1	
258	0.37%	2+2	
259	0.37%	2+2	
260	0.37%	2+2	
261	0.40%	K	
262	0.37%	2+2	
263	0.29%	1+1	
264	0.22%	S	
265	0.37%	2+2	
266	0.37%	2+2	
267	0.40%	K	
268	0.37%	2+2	
269	0.29%	1+1	
270	0.22%	S	
271	0.38%	K	
272	0.37%	2+2	
273	0.37%	2+2	
274	0.29%	1+1	
275-276	0.57%	K	double unit was 2 1+1
277	0.29%	1+1	
278	0.29%	1+1	
279	0.29%	1+1	
280	0.22%	S	
281	0.22%	S	
282	0.29%	1+1	
283	0.29%	1+1	
284	0.29%	1+1	
285	0.40%	K	
286	0.37%	2+2	
287	0.37%	2+2	
288	0.37%	2+2	
289	0.40%	K	
290	0.29%	1+1	
291	0.22%	S	
292	0.37%	2+2	
293	0.37%	2+2	

294	0.37%	2+2
295	0.37%	2+2
296	0.29%	1+1
297	0.22%	S
298	0.37%	2+2
299	0.37%	2+2
300	0.37%	2+2

100.00%

Studios .22%
 1B/1B .29%
 2B/1B .33%
 2B/2B .37%
 King .38% to .42%

Assessments are based on class of unit but may vary if there is additional sq. ft. in the unit (i.e. studio #33).

King size units have the most sq ft variations.

There are currently three units which are double units, and are so noted. They are charged two maintenance fees combined.

CERTIFICATE OF ACKNOWLEDGMENT

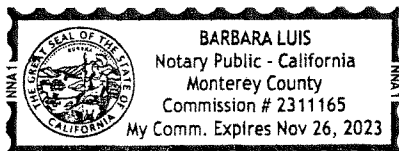
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF Monterey) ss.

On November 2, 2021 before me, Barbara Luis, Notary Public,
personally appeared **ARTHUR AHLENE SUTTON**, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within
instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~
authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(~~s~~) on the instrument the
person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the
instrument.

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

WITNESS my hand and official seal.



Signature (Seal)

CERTIFICATE OF ACKNOWLEDGMENT

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

STATE OF CALIFORNIA)
)
) ss.
COUNTY OF Monterey)

On November 2, 201 before me, Barbara Lwis, Notary Public,
personally appeared **DAVID EDMUND DELWICHE**, who proved to me on the basis of
satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~
authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the
instrument.

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

WITNESS my hand and official seal

Signature (Seal)

