

October 16, 2025

Re: **Instructions For Completing Ballot and Notice of Meeting to Count Ballots**

TO ALL MEMBERS:

Enclosed please find a ballot for you to vote in connection with proposed Restated CC&Rs and Restated Bylaws. Copies of the documents have been provided to each owner. Please pay careful attention to the following instructions so your vote will count.

1. There is one ballot on which you may place up to two (2) votes, one (1) vote for or against the Restated CC&Rs and one (1) vote for or against the Restated Bylaws.
2. If you generally support the new documents but do not like one or more of the changes, there is a box for you to check to approve the documents *but with exceptions* which you can list by section number. If enough people disapprove any one section, so that it is not approved by the requisite percentage of the owners, then the document will pass but any disapproved section will be deleted prior to recordation. That way, we are not undermining the whole effort just because a small number of amendments are disfavored.
3. After you have placed your votes **do not sign the ballot**. Instead, place the completed ballot in the smaller of the two envelopes which are enclosed, the one marked "Ballot."
4. Once you have sealed the smaller envelope place that envelope inside the larger envelope which is addressed to the Association. Your name and address are pre-printed on this return envelope, if incorrect you can cross out the pre-printed information and write-in corrections. **YOU MUST SIGN THE LARGER ENVELOPE WHERE INDICATED IN ORDER FOR YOUR BALLOT TO COUNT.**
5. Seal the larger envelope and return it by mail or hand delivery to The HOA Election Guys, at 27472 Portola Pkwy #205-412, Foothill Ranch, CA 92610, who is acting as Inspector of Election.
6. To count, your completed ballot **must be received** by the Inspector not later than the close of business on December 9, 2025. If all owners have not returned their ballots by this deadline, the Inspector may extend the voting period to allow more owners to vote.
7. An open meeting will be held on December 10, 2015, at 6:00 pm, for the purpose of having the inspector of elections open and tally the ballots. Owners have a right to be present to observe. This meeting will be held over zoom, the zoom information will be available at: [www.TheHOAElectionGuys.com/shermanvillage](http://www.TheHOAElectionGuys.com/shermanvillage) The following physical location will be available with a device for members to access the zoom meeting:  
The Management Trust 12607 Hiddencreek Way, Suite R, Cerritos, CA 90703

Very truly yours,

Sherman Village Condominium Association



**SHERMAN VILLAGE CONDOMINIUM ASSOCIATION**

**BALLOT**

**Proposal:** To adopt proposed new, Restated CC&R's and Bylaws for Sherman Village, copies of which are enclosed with this ballot.

**Vote:** As a member of Sherman Village Condominium Association, I hereby cast my vote as follows:

**THE RESTATED CC&RS.**  
**[mark one box only]**

Approve Restated CC&Rs ☐

Approve Restated CC&Rs except disapprove following sections  
only [specify by section number] ☐

] \_\_\_\_\_

\_\_\_\_\_

Disapprove Restated CC&Rs ☐

**RESTATED BYLAWS**  
**[mark one box only]**

Approve Restated Bylaws ☐

Approve Restated Bylaws except disapprove following sections  
only [specify by section number] ☐

] \_\_\_\_\_

\_\_\_\_\_

Disapprove the Restated Bylaws ☐

To count, this ballot must be completed and returned to the inspector of elections, so it is received not later than December 9, 2025. To pass, the Restated CC&Rs must be approved by a majority of the voting power while the Restated Bylaws must be approved by a majority of a quorum. The Board reserves the right to extend the voting period if by the deadline there are members who have not returned their ballots. A copy of the election rules is enclosed with this ballot.

The rules governing this election may be found here: [www.TheHOAElectionGuys.com/shermanvillage](http://www.TheHOAElectionGuys.com/shermanvillage)



Recording Requested By And  
When Recorded Mail To:

Sherman Village Condominium Association  
c/o Kulik Gottesman Siegel & Ware LLP  
15303 Ventura Boulevard, Suite 1400  
Sherman Oaks, California 91403  
(310) 557-9200

Attn: Glen L. Kulik, Esq.

**AMENDED AND RESTATED DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**OF**

**SHERMAN VILLAGE**

A Condominium Project

[For Voting Purposes]

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, veteran or military status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. 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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**AMENDED AND RESTATED DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS**

This Restated Declaration of Covenants, Conditions and Restrictions for Sherman Village (“Declaration”) is made as of \_\_\_\_\_, 2025 by Sherman Village Condominium Association (“Association”) and all Members of the Association.

**PREAMBLE**

A. The Association is comprised of all Persons who own Units in that certain common interest development known as Sherman Village, located in the City and County of Los Angeles, State of California, more particularly described as:

Lot 1 of Tract No. 32058 in the County of Los Angeles, State of California, as per Map recorded in Book 1010, Pages 7 and 8 of Maps, in the office of the County Recorder of Los Angeles County.

B. The Association intends by this Declaration to revoke the document entitled Restated Declaration of Covenants, Conditions and Restrictions recorded on February 2, 1998, as Instrument No. 98-170289, and all amendments recorded thereafter including without limitation the First Amendment recorded October 7, 2003, as Instrument No. 03-2984717 and the Second Amended recorded May 4, 2017 as Instrument No. 20170496115. All such instruments are hereby extinguished and replaced by this Declaration.

C. The Association is a California nonprofit mutual benefit corporation formed to manage a common interest development within the meaning of Section 4080 of the Civil Code; and

D. This Declaration and all provisions hereof shall run with the land. It contains equitable servitudes as described in Section 5975(a) of the Civil Code. It is intended to:

- (i) Benefit and protect the Development.
- (ii) Benefit and protect the Owners and the Association.
- (iii) Run with the land and bind all Persons having, or hereafter acquiring at any time and in any manner, any right, title, or interest in any Unit or in the Development itself.
- (iv) Run with the land and bind all Residents, Guests and other Persons entering the Development at any time for any reason.

NOW, THEREFORE, the Association and the Members hereby adopt the following covenants, conditions, and restrictions.

## **ARTICLE 1**

### **DEFINITIONS**

**1.1 “Articles”** shall mean the Articles of Incorporation of the Association as amended from time to time.

**1.2 “Assessment”** shall mean any charge levied against a Unit in accordance with this Declaration or as permitted in Sections 5600, *et seq.* of the Civil Code.

**1.3 “Association”** shall mean the Sherman Village Condominium Association, a California nonprofit mutual benefit corporation.

**1.4 “Association Representatives”** shall mean the officers, directors, employees, Managers, Committee Members, and agents of the Association.

**1.5 “Balcony”** shall mean, individually and collectively, all balconies on the second and third floors of any Building or Unit which are accessible from within a Unit and are for the exclusive use of the Owner of that Unit.

**1.6 “Board” and “Board of Directors”** shall mean the Board of Directors of the Association whose members are elected by the Owners or otherwise appointed to fill a vacancy.

**1.7 “Building”** shall mean, individually and collectively, the three (3) residential buildings in the Development which contain Units.

**1.8 “Bylaws”** shall mean the Restated Bylaws of the Association as amended from time to time.

**1.9 “Common Area”** shall mean the entire Development except for the Units, as described in Section 4095 of the Civil Code. Except as described in Section 1.14 hereof, the Common Areas include, without limitation, all landscape and hardscape areas, exterior surfaces of the Buildings, roofs, driveway, parking garage, elevators, stairwells and stairs, Recreational Facilities, walls and fences, guest parking spaces, monument signs, intercom system, mechanical systems, and all structural elements of the Buildings, Units and Exclusive Use Common Areas.

**1.10 “Common Expenses”** shall mean all costs incurred by the Association in maintaining, repairing and replacing the Common Areas and managing and operating the Development and the Association, as estimated from time to time by the Board of Directors.

**1.11 “Condominium”** shall mean a condominium as defined in Sections 783 and 4125 of the Civil Code, located within the Development, consisting of (i) a separate fee estate in a Unit, (ii) an undivided interest in the Common Area, and (iii) membership in the Association.

**1.12 “Condominium Plan”** shall mean the Condominium Plan recorded for the Development before it was approved and built.

**1.13 “Declaration”** shall mean this Restated Declaration of Covenants, Conditions and Restrictions as amended from time to time.

**1.14 “Development”** shall mean the entire common interest development known as Sherman Village, located at 13331 Moorpark Street, Sherman Oaks, California 91423, which is a “Condominium Project” within the meaning of Section 4125 of the Civil Code consisting of Common Areas, Exclusive Use Common Areas, and Units.

**1.15 “Exclusive Use Common Area”** shall mean that portion of the Common Area reserved for the exclusive use of one Owner or Unit as generally described in Section 4145 of the Civil Code. Without limitation, the following shall constitute the Exclusive Use Common Area of an Owner: (i) each Balcony and Patio and all components thereof including the surface of the floors, the planter walls and fences enclosing a Patio, and the drains, trellis, railings, doors, framing, awnings, lighting and other fixtures, (ii) the parking garages and parking spaces, storage sheds and electrical vehicle charging stations in the garages which are deeded or otherwise assigned to or used by one Owner, (iii) skylights and all components including framing, casings and track features, (iv) chimneys and chimney flues, (v) those sections of pipe and wiring, wherever located, which serve the one Unit only, (vi) all mechanical equipment, switches, ducts, drains, condensation and HVAC lines, controls, and valves wherever located which serve the one Unit only, (vii) the doors which provide access to a Unit, Balcony, or Patio and all items associated with the doors including screens, handles, hinges, and other hardware, and (viii) the windows of the Unit and all items associated with the windows, including without limitation the glass, framing, sealing, screens, and caulking on the interior and exterior, which serve the one Unit only.

**1.16 “Governing Documents”** shall mean those documents identified in Section 4150 of the Civil Code, including this Declaration, the Bylaws, the Articles, and the Rules, as they may be amended from time to time.

**1.17 “Guest”** shall mean any Person who enters the Development at any time at the request or for the benefit of an Owner or Resident but who does not reside in the Development. Without limitation, the term “Guest” will include collectively the Owner or Resident’s invitees, visitors, social guests, contractors, employees, and service providers.

**1.18 “Improvements”** shall mean the Buildings and all Units, structures, landscaping, hardscape, and other physical components now or hereafter constructed in the Development.

**1.19 “Manager”** shall mean any Person employed by the Association to oversee the operation, maintenance, and management of the Development. The term shall refer collectively to any management company or on-site manager who is hired to provide management services to the Association.

**1.20 “Member”** shall mean each Owner who by reason of his or her record title ownership of a Condominium holds a membership in the Association.

**1.21 “Mortgage”** shall mean any mortgage, deed of trust or other security device encumbering all or any portion of the Development or any Condominium.

**1.22 “Owner”** shall mean the Person in whom fee title to a Unit is vested as shown in the Official Records of the Los Angeles County Recorder, whose records are deemed conclusive as to ownership. If title is vested in the name of an entity, the trustee(s) of the trust, president of the corporation, managing member(s) of the limited liability company, and general partner(s) of the partnership, will be the only Persons who may exercise the rights of ownership for that Unit unless otherwise provided by law.

**1.23 “Patio”** shall mean, individually and collectively, all patios on the first floor of a Building, which are intended to be for the exclusive use of the Owner of that Unit.

**1.24 “Person”** shall mean a natural person and/or an entity of any kind and shall include (unless the context suggests otherwise) an Owner.

**1.25 “Recreational Facilities”** shall mean the Improvements in the Development that are now or hereafter used by Owners and Residents primarily for recreation, sports, games, and similar activities. At the time this Declaration is recorded, the Recreational Facilities include two (2) swimming pools, a hot tub, a gym, a sauna, a recreation room, and bathrooms.

**1.26 “Regular Assessment”** shall mean the monthly dues levied by the Association under Section 5600(a) of the Civil Code against the Owners and their Units to pay for the Common Expenses.

**1.27 “Reserves” or “Reserve Accounts”** shall mean those monies set aside in a separate account for the purpose of repairing, replacing, restoring, or maintaining the major components of the Development in accordance with the provisions of this Declaration.

**1.28 “Resident”** shall mean all Persons residing in a Unit, which may include, if applicable, the Owner and his or her tenants, occupants, and family members. For purposes of this Declaration, a Resident is a person who treats the Unit as his, her or its primary residence or a person or pet who sleeps in the Unit for more than 120 consecutive days or 150 days total in any calendar year.

**1.29 “Rules”** shall mean the rules and regulations, including architectural guidelines, adopted, and amended from time to time in accordance with Section 4340, *et seq.* of the Civil Code.

**1.30 “Special Assessment”** shall mean all Assessments other than Regular Assessments, which may be levied against all Owners as specified in Section 5600(a) of the Civil Code. The term shall also refer to a fine or charge against an Owner because of his or her noncompliance with the Governing Documents or to reimburse the Association for an expense it incurred due to the acts or omissions of an Owner.

**1.31 “Unit”** shall include all elements of a Condominium which are not owned in common with other Owners. There are a maximum of 118 Units. The boundaries of each Unit are the interior unfinished surfaces of the perimeter walls, doors, windows, floors, and ceilings, and all airspace, improvements, fixtures, drywall, appliances, switches, valves, cabinetry, doors, and walls inside

those boundaries.

**1.32 “Voting Power”** shall mean 118 votes, one for the Owners of each Unit in the Development.

**1.33 Definition of Other Terms.** Unless the context clearly requires otherwise, all other terms used in the Governing Documents are intended to be defined as set forth in Sections 4075, *et seq.* of the Civil Code.

## **ARTICLE 2**

### **OWNERSHIP RIGHTS AND LIMITATIONS**

Each Owner, by virtue of his or her membership in the Association, is entitled to certain rights and benefits described below in this Article 2. The rights and benefits are subject to limitations, however, as listed in Section 2.12 and elsewhere in the Governing Documents.

**2.1 Right to Membership in Association.** All Owners shall automatically be deemed Members of the Association and shall be entitled to the rights and benefits of membership subject to the limitations contained in the Governing Documents.

**2.2 Right to Interest in Common Area.** Each Member owns, as a tenant-in-common with all other Members, an equal, 1/118 undivided percentage interest in the Common Area.

**2.3 Right to Parking.** Each Owner has the right to the exclusive use of those spaces in the parking garage that have been assigned to that Owner.

**2.4 Right of Access.** Each Owner shall have a nonexclusive easement over all portions of the Development to reach his or her Unit, to access and/or maintain and repair his or her Unit and Exclusive Use Common Area, and to receive internet service.

**2.5 Right to Structural Support.** Each Owner has a nonexclusive easement for ingress, egress, and support over, across and through the Common Area for the structural support of his or her Unit and Exclusive Use Common Area.

**2.6 Right to Vote.** Each Owner has the right to vote in all Association elections as provided in Section 5100, *et seq.* of the Civil Code and the Bylaws. Each Owner is entitled to one (1) vote per Unit owned, as described in the Bylaws.

**2.7 Right to Inspect Records.** Each Owner has the right to inspect records of the Association as provided in Section 5200, *et seq.* of the Civil Code and the Bylaws.

**2.8 Right to Use and Quiet Enjoyment.** Each Owner has a right to the exclusive use and quiet enjoyment of his or her Unit and Exclusive Use Common Area, subject to the limitations contained in the Governing Documents.

**2.9 Right to Peaceful Assembly.** Each Owner has a right to peacefully assemble in his

or her Unit and in the Common Areas with other Members, Residents, and their Guests, during reasonable hours and in a reasonable manner, for the purposes specified in Section 4515 of the Civil Code. This includes the right to canvass or petition other Owners, Residents and the Board on issues related to the Development or the governance, management and operation of the Association. Further, Owners and Residents may use social media and other online sources to discuss issues of concern to Members and Residents. However, the Association is not required to allow anyone to use the Association's website for this purpose.

**2.10 Utility Rights.** Each Owner shall have an easement for access through all parts of the Development to maintain any sections of utility lines for sewer, storm drains, water, electricity, gas, telephone, television, and air conditioning that exclusively serve his or her Unit. To the extent such elements are not maintained or repaired by a governmental agency or utility company, it shall be the duty of the Owner to maintain, repair and replace such sections wherever located and Owner shall have a nonexclusive easement over all areas of the Development for the purpose of meeting this duty.

**2.11 Encroachment.** If, at the time this Declaration is adopted, any part of a Unit encroaches upon the Common Area by inadvertence and without intent of the Owner or his or her predecessors, a valid easement exists for the encroachment and for the maintenance of same so long as there is no serious threat of injury or damage to other Owners or the Association. Likewise, if any part of the Common Area encroaches or hereafter encroaches upon any Unit, a valid easement exists in the Association's favor for the maintenance of same.

**2.12 Limitations.** The rights described above in this Article 2 and elsewhere in the Governing Documents are subject to the following limitations:

- a. ***Suspension of Rights.*** An Owner's right to use the Common Areas (other than for ingress and egress), and to receive nonessential services from the Association, may be suspended under the circumstances and according to the procedures described elsewhere in the Governing Documents.
- b. ***No Separation of Interests.*** An Owner's Unit and Exclusive Use Common Area, percentage interest in the Common Areas, membership in the Association, and easements, shall not be separated or separately conveyed. Any conveyance of a Unit shall be deemed to automatically include fee title to the Unit and all these rights and interests whether mentioned or omitted in the deed.
- c. ***Prohibition Against Partition.*** Neither the Association nor any Person acquiring an interest in the Development may seek judicial partition except as allowed, if at all, in Section 4610 of the Civil Code and in this Declaration.
- d. ***Delinquencies.*** Any person who acquires a Unit by any means shall be bound by the restrictions in this Declaration but shall not be entitled to the rights, benefits, and privileges of Membership, if at the time of acquisition any former Owner of that Unit has failed to pay any portion of his or her Assessments due under this Declaration to the Association and the debt remains unpaid. If and only when someone pays the



prior debt in full shall the new Owner become entitled to receive the rights, benefits, and privileges of membership.

- e. ***Health and Safety.*** The right of the Association to impose reasonable restrictions and conditions on use of the Common Areas to protect the health and safety of the Owners, Residents, and guests, and to protect the Common Areas from damage or premature deterioration.
- f. ***Rules.*** The right of the Association to adopt, and to modify from time to time, Rules pursuant to Section 4340, *et seq.* of the Civil Code.
- g. ***Limit Visitors.*** The right of the Board to (i) limit the number of Guests, including without limitation contractors and service providers, who may enter the Development at any given time, and (ii) bar any Guest from entering the Development for a period up to three (3) years, if, following a hearing, the Board determines that the Person has violated the Governing Documents or otherwise presents a serious threat to the health, safety, welfare or quiet enjoyment of the Owners or Residents; provided, however, if the threat of physical harm or major property damage, is immediate and serious, the Board may ban a person immediately although a hearing shall follow as soon as reasonably possible.
- h. ***Governing Documents.*** Any other restrictions and limitations contained in the Governing Documents.

### **ARTICLE 3**

#### **ASSOCIATION RIGHTS AND DUTIES**

The Association, acting alone or through Association Representatives, has the sole and exclusive right to manage and operate the Development. It shall have the powers, rights, and duties which are specified below in Article 3.

**3.1 General Powers.** The Association shall have all the powers of a nonprofit mutual benefit corporation organized and operating pursuant to Section 7000, *et seq.* of the Corporations Code. Without limiting the foregoing, the Association shall act in conformance with, and subject to the limitations contained in, the Governing Documents.

**3.2 Specific Powers.** The Association shall have full authority to do the following acts:

- a. ***Levy and Collect Assessments.*** Impose and collect Regular and Special Assessments on the Members pursuant to Section 5600, *et seq.* of the Civil Code, to defray the cost of paying the budgeted gross annual expenses of the Association and any other legitimate expenses which the Board deems prudent in the management and operation of the Association or the Development.
- b. ***Purchase Insurance.*** Purchase and maintain in effect those forms of insurance required under this Declaration or otherwise deemed prudent by the Board.

- c. ***Adopt Rules.*** Adopt, amend, delete, and add Rules in accordance with the procedures described in Section 4340, *et seq.* of the Civil Code. When adopted, the provisions of the Rules will have the same force and effect as though set forth in this Declaration.
- d. ***Impose Sanctions.*** Impose discipline in the form of sanctions, including fines and a suspension of rights and privileges, as described elsewhere in this Declaration.
- e. ***Make or Settle Claims.*** Institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings, and to seek injunctive, equitable, declaratory, or monetary relief, in its own name as the real party in interest and without joining the Owners as described in Section 5980 of the Civil Code.
- f. ***Borrow Money.*** Borrow money as may be needed in the discharge of its powers and duties, except that any loan in an amount exceeding ten percent (10%) of the budgeted annual gross expenses of the Association in that fiscal year must be approved in advance by a majority of a quorum of the Owners.
- g. ***Right of Entry.*** Enter any Unit or Exclusive Use Common Area, in the presence of the Owner where reasonably possible, for the purpose of (i) maintaining, repairing or replacing the Common Areas, (ii) performing other maintenance, repairs, or replacements which the Association is permitted to perform under this Declaration, (iii) abating any actions or conditions which are illegal, unauthorized, or a nuisance, and (iv) investigating to determine the condition of any part of the Development or if the Governing Documents are being violated. Except in the case of an emergency, entry shall be preceded by at least forty-eight (48) hours' written notice to the Owner which may be given, without limitation, by email or facsimile. No Person entering a Unit under the authority granted in this paragraph will be liable for trespass.
- h. ***Admission and Other Fees.*** Charge reasonable admission, security deposit, and other fees for the extraordinary use of the Common Areas.
- i. ***Enforce Governing Documents.*** Enforce the Governing Documents by any means provided in this Declaration or the Rules or under California law.
- j. ***Contract for Goods and Services.*** Contract for goods and services as reasonably required to protect, manage, and operate the Association and the Development including without limitation contracts for Common Area utility services, insurance, management services, accounting services, legal services, security services, maintenance and repairs, gardening and landscape services, supplies, and all other expenses reasonably required for the Association to perform its powers and duties under the Governing Documents. The length of any such contract shall not exceed one (1) year; provided, however, if the Board adopts a formal resolution stating that the best interests of the Association are served by entering into a contract for a longer period not to exceed a maximum length of five (5) years, a contract for water, power,

trash collection, insurance, internet or cable/satellite television may exceed one (1) year.

- k. ***Pay Taxes.*** File tax returns and pay taxes levied against it by virtue of its corporate existence and its operations.
- l. ***Corporate Standing.*** The Association shall have the power to prepare and file documentation and pay such expenses as are required to maintain its corporate status in good standing.
- m. ***Capital Expenditures.*** The Board may make capital improvements to the Common Area provided that any expenditure which exceeds an aggregate of ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year must be approved in advance by a majority of a quorum of the Owners. However, the Association may use its reserves and insurance proceeds recovered for the purpose for which those funds were earmarked without regard to the above limitations as allowed under California law.
- n. ***Own and Sell Real Property.*** The Association may acquire title to real property by foreclosure on a Unit or otherwise and it may sell that real property, or any Association personal property, in its discretion.
- o. ***Miscellaneous.*** The Association shall have the power to incur expenses, subject to the limitations in this Declaration, to promote health, safety, security, management, operations, and enhancement of the Development.

**3.3 Access for Maintenance and Repairs.** If the Association needs to access an Owner's Unit or Exclusive Use Common Area to maintain or repair portions of the Development that it has a duty or right to maintain and repair, it shall have an easement do so and there will be no trespass. If a wall or ceiling must be opened to perform maintenance or repairs, the Association will be responsible for closing the wall or ceiling and replacing drywall when the work is finished but will not be responsible for wall coverings, painting, moldings, or other finish work; provided, however, that if the repair is ultimately determined to be the responsibility of the Owner, the Owner shall be responsible for reimbursing the Association for the cost of the repair including the expense incurred in closing walls and ceilings and replacing drywall.

**3.4 Board of Directors.** The affairs of the Association shall be managed, and its duties and powers performed, by a Board of Directors whose members are elected or appointed as provided in the Bylaws.

**3.5 Committees.** The Board may form committees as it deems prudent from time to time or as otherwise directed in the Governing Documents to assist in performing discrete functions. Each committee shall report to the Board and consist of at least one (1) Board member. No committee shall have decision-making authority unless it meets the criteria contained in Section 7212 of the Corporations Code. In addition, the President and Manager may participate as *ex officio* members of each committee.

**3.6 Meetings.** The Association shall conduct an Annual Meeting of the Members each year, as provided in the Bylaws, to elect directors and conduct any other legitimate business which may be raised at the meeting.

**3.7 Limitation of Liability.** In the absence of gross negligence, or willful misconduct, by the Association or Association Representatives, neither the Association nor any Association Representative shall be liable for (a) any act or omission, (b) failure to provide any service or perform any duty or function, or (c) injury or damage to persons or property from any cause, including, without limitation, electricity, water, rain, dust or sand that may leak or flow from outside any Unit or Exclusive Use Common Area. In addition, and without limiting the foregoing, officers and directors are entitled to the protections afforded by Section 5800 of the Civil Code.

**3.8 Indemnification.** The Association shall indemnify, defend, and hold harmless each Association Representative against all expenses, liabilities, judgments, claims, demands, attorneys' fees, and costs reasonably incurred by such person in connection with any proceeding to which he or she may be a party by reason of his or her representative relationship with the Association. No such obligations exist, however, where the person is determined under Section 7237 of the Corporations Code or any successor statute to have acted in bad faith in the performance of his or her duties or in the case of a criminal proceeding, had reasonable cause to believe his or her conduct was unlawful.

#### **ARTICLE 4** **MAINTENANCE OBLIGATIONS**

The Development shall be maintained in good condition to preserve property values, the quiet enjoyment of the Residents, and the right of each Owner to the full use and occupancy of his or her Unit. The respective rights and duties of the Association and the Owners in relation to maintenance of the Development are described in this Article 4.

**4.1 Maintenance by Owners.** Every Owner shall at his or her sole expense:

- a. Maintain, repair, and replace his or her Unit so it is in good, clean, safe, and sanitary condition.
- b. Maintain, repair, and replace his or her Exclusive Use Common Area so it is in good, clean, safe, and sanitary condition.
- c. Treat and repair his or her Unit and Exclusive Use Common Area in the event that water damage, dry rot, mold, mildew, fungus or other similar conditions are found therein from any source.
- d. Eradicate termites, rodents, insects, and other pests and infestations when they are discovered in the Unit or Exclusive Use Common Area.

**4.2 Maintenance by the Association.** The Association shall, at its sole expense:

- a. Maintain, repair, and replace the Common Areas, including without limitation the Recreational Facilities, so they are in good, clean, safe, and sanitary condition.
- b. Treat and repair the Common Area when mold, mildew, fungus, or other similar conditions are discovered.
- c. Eradicate termites, rodents, insects, and other pests and infestations discovered in the Common Area.
- d. The duties described in this Section 4.2 pertain to the Common Areas not including the Exclusive Use Common Areas which are the responsibility of the Owners.
- d. Nothing contained in Sections 4.1 or 4.2 shall preclude the Association from voluntarily undertaking an occasional large maintenance, repair, replacement or improvement project on behalf of all or a significant percentage of the Owners or Units, when the Board concludes that uniformity or timeliness in completing the work is crucial.

**4.3 Shared Maintenance.** If any Exclusive Use Common Areas that are shared by two (2) Owners require maintenance, repair, or replacement, each such Owner shall pay an equal share of the cost.

**4.4 Liability for Damage to Common Area.** Each Owner is liable to the Association for any damage to the Common Area caused by (i) his or her acts or omissions, (ii) the acts or omissions of his or her Residents and Guests, and (iii) any condition originating in his or her Unit or Exclusive Use Common Area.

**4.5 Liability for Damage to Other Owners.** Each Owner is liable to all other Owners for any damage to their Units or Exclusive Use Common Areas caused by (i) his or her acts or omissions, (ii) the acts or omissions of his or her Residents and Guests, and (iii) any condition originating in his or her Unit or Exclusive Use Common Area.

**4.6 Liability for Water Damage or Mold.** If a water leak occurs in the Development, from the roof, the pipes, or otherwise, the following restrictions will apply.

- a. In the event there is water damage or mold originating from a condition in the Common Area, the Association shall be required to repair the cause of the leak and any damage to or mold in the Common Area. However, in the absence of gross negligence, or willful misconduct, by the Association or Association Representatives, the Owner (and not the Association) shall be responsible for repairing all mold and other damage to his or her Unit and Exclusive Use Common Area and to the contents, improvements, furnishings, decorations, fixtures and personal property of the Owner or Resident.
- b. The Association is not, under any circumstances, responsible for water damage or mold anywhere in the Development that originates from an Owner's Unit or

Exclusive Use Common Area, or from the act or omission of an Owner or his or her Residents and Guests; and

- c. If an Owner or Resident is damaged or injured by the act or omission of another Owner (or the latter's Residents or Guests), or from a condition originating in another Owner's Unit or Exclusive Use Common Area, he or she shall make a claim to his or her own insurance carrier or to the Owner who is responsible. No claim shall be submitted to the Association or the Association's insurance carrier unless the Association is legally responsible for the damage under Sections 3.7 or 4.6 of this Declaration.

**4.7 Liability for Theft.** In the absence of gross negligence or willful misconduct by the Association or Association Representatives, neither the Association nor any Association Representative shall be liable to any Person for theft of or injury to any article, property, vehicle, or thing which may be kept by such Owner, Resident or Guest in any part of the Development.

**4.8 Association's Right to Make Repairs.** If an Owner fails, in the Board's opinion, to adequately maintain, repair or replace his or her Unit or Exclusive Use Common Area, or any elements thereof, the Association may, after giving not less than fourteen (14) calendar days written notice to the Owner (except in the case of an emergency), enter the Unit or Exclusive Use Common Area and make the necessary repairs or perform maintenance on the Owner's behalf. In such event, (i) Owner shall reimburse the Association for all costs incurred and should Owner fail to do so the Association may impose a Special Assessment on the Owner for the cost which shall be enforceable by any means available under this Declaration or California law, and (ii) the Association and Association Representatives will not be liable for trespass.

**4.9 Relocation.** If the Association is obligated or permitted to perform maintenance, repairs, or replacements under this Declaration, which requires one (1) or more Owners to relocate temporarily so the work can be performed, the provisions of Section 4775(b) and 4785 of the Civil Code will apply.

## **ARTICLE 5**

### **ASSESSMENTS**

The purpose of Assessments is to fund the Association so it may perform the rights and duties that are assigned to it in the Governing Documents and under California law. Assessments shall be calculated, levied, and collected by the Association in the manner described below in this Article 5.

**5.1 Budget.** The Association shall prepare each year a pro forma operating budget consisting of those items specified in Section 5300(b) of the Civil Code. A copy of the budget shall be distributed annually to the Owners not less than thirty (30) days or more than ninety (90) days before the beginning of the Association's fiscal year. In lieu of distributing the budget, the Board may elect to distribute a summary thereof with written notice that the actual budget is available at the Association's business office and that copies will be provided free of charge upon request.

**5.2 Regular Assessments.** Each Owner shall pay dues to the Association monthly. These dues, known as Regular Assessments, shall be levied by the Board each year to pay the anticipated operating expenses reflected in the budget described in Section 5.1.

- a. **Limitation.** The amount of any increase in Regular Assessments imposed by the Board from one fiscal year to the next shall not exceed the twenty percent (20%) limit contained in Section 5605(b) of the Civil Code without a vote of the Owners as specified in that statute.
- b. **Assessment Schedule.** Regular Assessments shall be allocated to and paid in equal amounts by the Owners of each Unit.
- c. **Payable Monthly.** The Regular Assessment shall be payable by all Owners in twelve (12) equal monthly installments. Each such payment is due on the first day of the calendar month and will automatically be deemed delinquent if not received by the Association by the 15<sup>th</sup> day of the calendar month. No portion of any Assessment is refundable if a person ceases to be an Owner in the middle of a month.
- d. **Written Notice.** Any increase in Regular Assessments shall be made by written notice to each Owner at least thirty (30) days in advance of the first payment due.
- e. **Modification.** The Board may modify the Regular Assessment during the fiscal year if necessary to conform to a revised estimate of costs and expenses, provided the total increase for that year does not exceed twenty percent (20%) of the budgeted gross expenses of the prior year as proscribed in Section 5605(b) of the Civil Code.

**5.3 Special Assessments to All Owners.** In addition to the Regular Assessments, the Board of Directors may levy during any fiscal year Special Assessments needed to pay for capital improvements or unanticipated expenses.

- a. **Limitation.** The amount of any Special Assessments imposed by the Board against all Owners in any fiscal year shall not exceed the five percent (5%) limitation contained in Section 5605(b) of the Civil Code without a vote of the Owners as specified in that statute.
- b. **Payment Schedule.** Special Assessments shall be allocated to and paid in equal amounts by the Owners of each Unit.
- c. **Timing of Payment.** The Special Assessment shall be payable by the Owners when and as directed by the Board or as approved by the vote of the Owners.
- d. **Written Notice.** A Special Assessment against all Owners shall be made by written notice to each Owner at least thirty (30) days in advance of the first payment due and shall be payable in the manner specified in the notice.

**5.4 Special Assessment to Individual Owner.** The Board may levy against any

individual Owner a Special Assessment for the following purposes:

- a. **Owner Damage.** Reimbursement for expenses incurred by the Association for damage to the Common Area caused by the Owner or his or her Residents or Guests, or by a condition originating in the Owner's Unit.
- b. **Unit Repairs.** Reimbursement of expenses incurred by the Association for repairs made by the Association to the Owner's Unit or Exclusive Use Common Area as permitted in Section 4.8 above.
- c. **Noncompliance.** As a fine for noncompliance as provided in Sections 10.4 and 10.6 of this Declaration, or for reimbursement of legal fees and other expenses incurred in bringing an Owner into compliance with the Governing Documents, whether a lawsuit is filed or not.
- d. **Written Notice.** A Special Assessment under this section shall be made by written notice to the Owner who shall have thirty (30) days, or longer as directed by the Board, to pay the Assessment.

**5.5 Emergency Assessments.** The Board may, in emergency situations, impose a Regular or Special Assessment without regard to the limitations stated in Sections 5.2(a) and 5.3(a) of this Declaration. An emergency exists in the following circumstances:

- a. **Order of Court.** An expense required by an order of a court of competent jurisdiction.
- b. **Threat to Personal Safety.** An extraordinary expense necessary to repair or maintain the Development or any part of it for which the Association is responsible where a threat to personal safety in the Development is discovered.
- c. **Unforeseen Expenses.** An extraordinary expense necessary to repair or maintain the Development or any part of it for which the Association is responsible and could not have been reasonably foreseen by the Board of Directors in preparing and distributing the pro-forma operating budget. However, prior to imposition or collection of an Assessment under this subsection, the Board of Directors shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the Owners with the notice of Assessment.

**5.6 Deposit of Assessments.** All sums received by the Association from Assessments, shall be promptly deposited into an FDIC insured checking or savings account in a financial institution selected by the Board of Directors, which account shall be clearly designated in the Association's name as the "Common Funds" or "Operating Account" of the Association:

- a. **Exclusive Control.** The Board shall have exclusive control of the accounts and shall



keep accurate records thereof. All checks written in the name of the Association shall be signed or approved in advance by those Association Representatives who are specified in the Bylaws.

- b. **Commingling.** The Association shall maintain separate accounts for its operating funds and its reserves, and no funds from those separate accounts shall be commingled at any time.
- c. **Interest.** No Owner shall have the right to receive interest on any such funds deposited.

**5.7 Reserves.** The Association shall place funds in a Reserve Account to pay for anticipated long-term maintenance, repair, and replacement of major components of the Common Area. Money collected to fund the Reserve Account shall:

- a. **Segregated.** Be received in trust by the Board, set aside and segregated from the other Common Funds and not commingled with any other Association account.
- b. **Invested.** Be invested with prudence and in accordance with fiduciary obligations owed to the Association in accounts or other instruments which are FDIC insured or backed by the full faith and credit of the United States government.
- c. **Restricted Use.** Be used for the sole purposes described in Section 5510 of the Civil Code.
- d. **Two Signatures.** Be withdrawn, transferred or utilized only upon the signature of two (2) directors who should be the President and Treasurer unless they are unavailable.
- e. **Temporary Transfers.** The Board may authorize the temporary transfer of money from a Reserve Account to the general Operating Account to meet short-term cash flow requirements or other expenses; provided there is compliance with the provisions of Section 5515 of the Civil Code.
- f. **No Reimbursement.** Contributions to Reserves are not refundable to individual Owners when they cease to be Members of the Association.

**5.8 Delinquencies.** Any Assessment made in accordance with this Declaration shall be the separate debt of the Owner against whom it is levied. In the event an Owner defaults in the payment of a Regular or Special Assessment, the following consequences shall or may occur:

- a. **Late Charge.** Each delinquent Assessment payment shall be assessed one (1) late charge of ten percent (10%).
- b. **Interest.** Delinquent Assessments and all late charges and collection costs shall bear interest at the maximum rate permitted by Section 5650 of the Civil Code. Interest

shall commence thirty (30) days after the Assessment becomes due.

- c. ***Acceleration.*** At the Board's election the total Regular Assessment due to be paid by the delinquent Owner during that fiscal year may be accelerated in which case the total annual Regular Assessment will be due and payable immediately by that Owner.
- d. ***Assignment of Rents.*** Any delinquent Owner who is receiving rent or any other payment for his or her Unit will be deemed to have assigned to the Association the right to collect all such income to pay that Owner's past due Assessments or fines including the late charges, collection costs, and interest. Upon notice from the Association to the tenant with a copy to the Owner, the tenant shall pay to the Association, rather than to the Owner, all rent and other income until such time as the delinquent sums are paid in full. If the tenant fails to comply, he or she shall become jointly and severally liable to the Association for the amount of money which should have been paid to the association under this subparagraph (d) but was not.

**5.9 No Offsets.** No offsets shall be permitted against any Assessments levied pursuant to this Declaration, for any reason, including without limitation, (i) a claim that the Association is not properly exercising its duties and powers, (ii) a Member has made or elects to make no use of a particular portion of the Common Area; (iii) any construction or maintenance for which the Association is responsible has not been performed; or (iv) any construction or maintenance for which the Association is responsible has not been performed to a Member's satisfaction.

**5.10 No Waiver of Use.** No Owner of a Unit may exempt himself or herself from liability for Assessments duly levied by the Association, nor release the Unit owned by him or her from the liens and charges thereof, by waiver of the use and enjoyment of the Common Area and the facilities thereon or by abandonment of his or her Unit.

**5.11 Waiver of Homestead.** With respect to liens created pursuant to this Article, each Owner waives to the fullest extent permitted by law the benefit of any homestead or exemption or redemption laws of the State of California. Each Owner shall be estopped to raise homestead or any other exemption or redemption in any action or proceeding to enforce or foreclose such liens.

## **ARTICLE 6**

### **ASSESSMENT LIENS**

The Association has a duty to collect Assessments from each Owner according to the procedures described in the Governing Documents. When an Owner fails or refuses to pay his or her Assessments, the Association may exercise the powers described below in this Article 6 to collect the delinquent sums.

**6.1 Enforcement of Assessments.** The Association may collect delinquent Assessments by: (i) suing the Owner on the debt, or (ii) establishing a lien against the Owner's Unit and foreclosing on the lien through judicial or non-judicial proceedings. The filing of a suit and obtaining judgment thereon does not waive the Association's right to record a lien against the Unit for the

delinquent Assessment.

**6.2 Recording a Lien.** A delinquent Assessment, together with all related late charges, interest, costs, and attorneys' fees, shall become a lien on the Unit upon the recordation of a "Notice of Delinquent Assessment" in the Office of the Los Angeles County Recorder. Before the lien is recorded, the Association must comply with the procedural and notice requirements of Section 5660, *et seq.* of the Civil Code. Once the lien is recorded, it will be deemed to include any additional Assessments and related charges that subsequently accrue and are not paid. The recording of a second, updated lien is unnecessary.

**6.3 Foreclosing on a Lien.** If the Association elects to enforce a delinquent Assessment by foreclosure on a lien, as described in Section 6.1 above, it shall proceed with the foreclosure in the manner described in Section 5700, *et seq.* of the Civil Code.

**6.4 Additional Remedies.** The remedies specified in this Article shall be in addition to any other rights and remedies which the Association may have under local, state or federal laws or in the Governing Documents.

## **ARTICLE 7**

### **BUDGETS, RESERVES AND FINANCIAL STATEMENTS**

The Association has a duty to receive, protect, and account for Assessments paid by the Owners, and other sums collected, in a prudent, responsible manner. In meeting this duty, the Board shall do the following as described below in Article 7.

**7.1 Review of Accounts.** The Board of Directors shall conduct a monthly review of the following materials as required by Sections 5500 and 5501 of the Civil Code. The review can be conducted by the entire Board or alternatively by a subcommittee of the Board consisting of the Treasurer and one (1) other director, so long as the review is later ratified at the next open Board meeting and the ratification is reflected in the minutes.

- a. ***Operating Accounts.*** A current reconciliation of the Association's Operating Accounts.
- b. ***Reserve Accounts.*** A current reconciliation of the Association's Reserve Accounts.
- c. ***Actual to Budget.*** The current year's actual revenues and expenses compared to the current year's budget.
- d. ***Bank Statements.*** The most current statements prepared by the financial institution where the Association has its Operating and Reserve Accounts.
- e. ***Income and Expense Statements.*** The income and expense statement for the Association's Operating and Reserve Accounts.
- f. ***Check Register.*** The check register, monthly general ledger, and delinquent

assessment receivables report.

**7.2 Annual Budget Report.** The Board shall prepare and distribute annually to all Owners not later than thirty (30) days before the end of the fiscal year, an Annual Budget Report containing those items which are listed in Section 5300(b) of the Civil Code. The Assessment and Reserve Funding Disclosure Summary form required by Section 5570 of the Civil Code shall accompany the Annual Budget Report.

**7.3 Annual Policy Statement.** The Board shall prepare and distribute each year to all Owners, not later than thirty (30) days before the end of the fiscal year, an Annual Policy Statement which shall contain those items required by Section 5310(a) of the Civil Code.

**7.4 Annual Review.** In any year in which the Association's income exceeds \$75,000, the Board shall conduct, on an annual basis, an audit or review of the financial statement of the Association in accordance with generally accepted accounting principles, by a licensee of the State Board of Accountancy. A copy of the audit or review shall be distributed to the Owners within one hundred twenty (120) days after the close of each fiscal year.

**7.5 Reserve Study.** At least once every three (3) years as required by Section 5550 of the Civil Code, the Board shall cause a study of the Reserve account to be performed.

## **ARTICLE 8**

### **ARCHITECTURAL CONTROL**

It is the Association's duty to exercise architectural control over all improvements constructed or installed in the Development. To meet this duty, the Association shall act in accordance with the following regulations as well as those contained in the Rules.

**8.1 Right to Decorate.** Each Owner shall have the exclusive right at his or her sole expense to paint, repaint, tile, wax, paper or otherwise furnish and decorate the interior surfaces of the walls, partitions, ceilings, and doors on the inside of his or her Unit. Each Owner may furnish his or her Unit as he or she sees fit provided such furnishings do not cause a threat of damage or injury to any other Owner or Unit or violate any noise restrictions contained in the Governing Documents.

**8.2 Architectural Committee.** The Architectural Committee ("Committee") shall consist of all the directors unless, in any given year, the Board appoints a separate, independent committee comprised of three (3) persons at least one of whom shall be a director. The Committee may consult as needed with experts including licensed professionals. All requests for the Association to approve any work, remodeling or construction as required in this Article, or elsewhere in this Declaration, shall be submitted in writing to the Committee.

**8.3 Prior Approval.** No repair, alteration, construction, addition or remodeling may commence within any Unit or Exclusive Use Common Area until the prior written approval of the Committee has been given, if such work is related to or could potentially affect the Common Areas, other Owners and/or their Units, including without limitation the following: (i) The electrical,

HVAC, or plumbing systems of any Unit or the Common Areas, (ii) the resistance of any Unit or other part of the Development to water intrusion, (iii) the foundation or structural integrity of any Unit, Exclusive Use Common Area, or Common Area, (iv) the exterior uniform appearance of the Building or the Development, (v) the level of noise transference or vibration to another Unit, Exclusive Use Common Area, or Common Area, (vi) the right to quiet enjoyment of any other Owner, or (vii) the right of any other Owner to the full ownership, occupancy, and use of his or her Unit.

**8.4 Exceptions.** It is unnecessary for an Owner to apply for approval of work within the scope of Section 8.1, provided, however, Owner shall notify the Manager before the work commences so that appropriate procedures can be followed to protect the Building and ensure that other Owners are not unduly inconvenienced during the project.

**8.5 Procedure for Submitting Application.** Any Owner seeking approval from the Committee shall do the following:

- a. **Plans.** If the work to be performed legally requires a permit, the Owner shall submit plans and specifications prepared by a licensed professional along with any other documentation required by the Committee as part of the review process. If a permit is not required, the Owner shall submit a sketch or diagram containing sufficient detail to allow the Committee to make an informed decision on whether to approve the application.
- b. **Construction Agreement.** If required by the Committee or the Board, sign a written construction agreement supplied by the Association.
- c. **Structural Support.** If structural support of any Building, Unit, or Common Area could possibly be impacted, provide a certificate by a structural engineer licensed in the State of California stating that the alteration will not result in any negative structural impact on any part of the Development.
- d. **Security Deposit.** If requested by the Committee, pay a refundable security deposit in an amount to be set by the Board.
- e. **Consultant.** If a consultant is deemed to be needed by the Committee to review and understand an application, the Board shall select the consultant fully and fairly. The Owner shall, during the application process, pay the fee charged by the consultant, which fee shall be paid in full as part of any approval given.

**8.6 Decisions.** Decisions by the Committee shall be sent to the Owner in writing:

- a. **Explanation.** If the Committee disapproves of an application in whole or in part, it shall specify the reasons for the disapproval in writing.
- b. **Timing.** The Committee shall act diligently in processing and deciding all applications and shall attempt to send a notice of its decision within forty-five (45)

days from the date the application and all requested supporting documentation has been furnished to the Committee.

- c. **Criteria.** In making a decision, the Committee may consider (i) its subjective belief that the plans are or are not consistent with the general design, construction, appearance, and harmony of other Improvements in the Development, (ii) precedents, or lack thereof, for the work the Owner wishes to perform, (iii) the long-range aesthetic goals of the community even if such goals depart from or conflict with prior precedents, (iv) compliance with the standards contained in the Governing Documents, (v) the impact on other Owners and Residents, and (vi) the impact on the property values, safety, quiet enjoyment, and full use of other Units and Exclusive Use Common Areas in the Development.
- d. **Board Intervention.** If, after a decision is made by the Committee approving an application, the Board concludes that the decision was in direct violation of the Association's Governing Documents, or of local or state laws, the Board can intervene and reverse the decision even if the Owner relied on the Committee's approval.

**8.7 No Liability for Approval.** By approving an application, the Board, Committee and Association are not representing to the Owner that what he or she plans is prudent, safe, or legal. The approval shall not (i) relieve the Owner of the duty to satisfy the terms of the Governing Documents and of all applicable laws, statutes, regulations, and codes; (ii) provide a defense to a legal action by the Association, or (iii) give rise to any liability on the part of the Association, the Board, the Committee, or their representatives.

**8.8 Compliance with Laws.** It is the Owner, and not the Association, who must ensure that the final product meets all applicable laws and regulations, is free of defects, meets all provisions of the Governing Documents, and does not disturb the quiet enjoyment of any other Owner.

**8.9 Conduct of Construction.** During any construction Owner shall use best efforts to minimize inconvenience to other residents of the Development. To accomplish this goal the following restrictions will apply in addition to any others contained in the Rules:

- a. Construction activities shall be limited to the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday. No work may take place on Saturdays, Sundays or national holidays.
- b. The maximum number of Units in any one (1) Building which may be under major construction at the same time is three (3). The Committee will decide if the work constitutes "major construction" for purposes of this Section 8.9(b).
- c. Under no circumstances may any construction project last longer than six (6) months, although in each instance the Board may shorten or extend this period in the Rules or in the construction agreement described in Section 8.5(b) above.

- d. No more than two (2) vehicles per Unit related to construction activities in that Unit shall be parked in the Development at the same time.
- e. All work that requires approval under Section 8.3 above shall be performed by licensed contractors only who have in effect comprehensive general liability insurance.

**8.10 Notice of Completion.** For any project that required approval under this Article 8, the Owner shall deliver a written Notice of Completion to the Association when the project is finished. The notice shall state that the work is fully completed, was completed in accordance with the plans approved by the Committee, and the date of completion. The notice shall be accompanied by documentation establishing that the City has issued its final unconditional approval of the work.

**8.11 Acoustical Limitations/Hard Surface Flooring.** In the event an Owner is permitted to make any change or alteration under this Article 8 that might increase the level of sound transference to another Unit, Exclusive Use Common Area, or the Common Area, that Owner shall take all such measures at his or her expense to guarantee that the final product achieves a sound rating that exceeds all legal requirements and does not disturb the quiet enjoyment of any other Owner or Resident. In addition, if permission is granted to install any hard surface flooring in a Unit which is situated in whole or in part above any other Unit, the following rules will apply:

- a. ***New Installations.*** Hard surface flooring may be installed or replaced only with the prior written approval of the Board. If approval by the Board is given, the final product must achieve, in each room in which the flooring was installed or replaced, a sound rating that is not worse than 52 decibels for both airborne and impact noise measured by Impact Insulation Class and Sound Transmission Class tests (or updated equivalent tests customarily used by acoustical engineers in Los Angeles County).
- b. ***Submission of Report(s).*** Within twenty (20) days after new flooring is installed or existing flooring is replaced, Owner shall cause all such flooring to be tested for airborne and impact noise by an acoustical engineer approved by the Association. The Owner of the Unit below the flooring shall cooperate in facilitating the tests. A written report from the engineer showing impact and airborne sound test results shall be promptly submitted to the Board showing the flooring as installed meets or exceeds the 52-decibel standard contained in Section 8.11(a) or fails to do so.
- c. ***Failure to Meet Standards.*** If for any reason the flooring did not in any room satisfy the 52-decibel standard, the flooring in that room shall be covered with permanently affixed, good quality carpet and pad approved by the Board, or removed, at the board's direction, within thirty (30) days of the date the Board gives such directive.
- d. ***Noncompliance.*** If the Board gives a directive to cover or remove the flooring as specified above and Owner fails to comply within twenty (20) days, then in addition to the right of the Association to obtain injunctive relief compelling compliance with the directive and the Declaration, a fine of Two Hundred Fifty Dollars (\$250) per day will be imposed against the Owner until he or she fully complies with the directive

and provides proof of same satisfactory to the Committee.

- e. ***Association not Responsible.*** In approving the installation of hard surface flooring in any given instance the Association is not warranting or guaranteeing that the flooring, once installed, will meet the standards specified in subsections (a) and (b) above. In electing to install such floors it is the Owner who bears the full risk that the floors will not meet the standard and will have to be covered or removed.
- f. ***Grandfathered.*** Any hard surface flooring that was installed prior to the date this Declaration is recorded will be grandfathered if there was compliance with the Governing Documents in effect at the time the flooring was installed.
- g. ***Disputes Between Owners.*** If flooring is tested and it meets or exceeds the 52-decibel standard set forth in subdivision (a) above, the Association shall take no action against the Owner who installed the floors. However, this will not preclude the Owner of the Unit below from making a claim against the Owner who installed the floors that they constitute a nuisance as defined in Section 9.15 of this Declaration. No such claim or legal action shall include the Association as a party.

**8.12 Mechanic's Liens.** Each Owner shall indemnify, defend, and hold harmless the Association and Association Representatives from and against any damage, loss, attorneys' fees, costs, claims, injuries, liabilities, judgments, or awards caused in whole or in part by the recordation of a mechanic's lien against any part of the Development or another Owner's Unit. In the event a mechanic's lien is filed, the Owner shall promptly take all steps needed to cause the removal of the mechanic's lien.

**8.13 Record Keeping.** The Committee shall prepare and retain a written record of all submissions made for its approval together with all decisions by the Committee for each such submission.

**8.14 Appeals.** If the decision disapproving an application is made by a body comprised of less than the full Board, any Owner who wishes to appeal the disapproval may do so under Section 4765 of the Civil Code by submitting a request, in writing, to the Board in care of the Manager which request must be received not later than fifteen (15) days following the date of the notice of disapproval. If such an appeal is requested, it will be considered by the Board at a hearing which is open to the membership unless the Owner requests to meet in executive session. In the event an appeal is timely submitted the Board shall issue a written decision within fifteen (15) days following the date of the hearing and its decision will be final and binding.

**8.15 Adoption of Rules.** The Board may adopt in the Rules further guidelines, procedures, and regulations pertaining to the exercise of architectural control within the Development.

## ARTICLE 9



## **USE RESTRICTIONS**

Owners shall comply with the following restrictions in connection with the use of the Common Areas and of their Units and Exclusive Use Common Areas. These restrictions are intended to preserve and enhance the safety and security of the Development, the value of the Development and the Units, and the quiet enjoyment of the Residents.

**9.1 Alteration of Common Area.** No Owner may do anything to or alter the Common Area without the prior written approval of the Board of Directors whose approval may be given, or refused, in its absolute discretion.

**9.2 Alteration of Separate Interests.** Prior to commencing any work in a Unit or Exclusive Use Common Area which requires approval by the Architectural Committee under Section 8.3 hereof, Owners shall comply with all requirements of Article 8 and of the Governing Documents generally.

**9.3 Balconies and Patios.** Owners are responsible for waterproofing their Balconies and Patios and for any water leakage through the flooring that causes damage to the Common Area or another Owner. A Balcony or Patio may be furnished as the Owner wishes subject to limitations contained in the Rules. The Board may cause the removal of any furnishings or decorations that it finds are too heavy, are unsightly, are inconsistent with the uniform appearance of the Building, or pose a potential threat to cause damage or injury to others.

**9.4 Barbecues; Exterior Fires.** There shall be no exterior fires whatsoever except for use of gas or electric barbecues that comply with all local ordinances on a Balcony or Patio only. No barbecue can be used, even in permitted areas, if the smoke or fumes disturb another Resident and there is a complaint.

**9.5 Drilling; Mining Operations.** The use of any portion of the surface of the Development for drilling operations, mining or quarrying of any kind, including, but not limited to, oil well drilling and drilling for water are prohibited.

**9.6 Electric Vehicle Charging Stations.** Owners may install an electric charging station only with the prior written approval of the Architectural Committee and in a manner consistent with Section 4745 of the Civil Code and the Rules. When the Unit is later sold, the new Owner shall be solely responsible for the maintenance and repair of the charging station and for any damage or injury caused by the charging station. Owners shall be responsible for installing their own meter, submeter, trickle cell charger, or other device to keep track of their electricity use and for paying all electricity charges associated with the charging station.

**9.7 Electrical Wires and Equipment.** No Owner may install, attach, or hang any equipment or wiring for electrical installations, machines, air conditioning units in any portion of the Common Area except as approved in writing in advance by the Architectural Committee. No Common Area outlet or power source may be used by an Owner or Resident without prior written Board approval

**9.8 Filming Activities.** No Owner shall allow a Unit or any other part of the Development to be used for commercial filming or photography purposes except with the prior written approval of the Board or as otherwise allowed in the Rules. This shall not prohibit filming or photography by or at the request of a licensed real estate broker to market the Unit.

**9.9 Flammable Materials.** Under no circumstances may explosives, fireworks, or highly flammable materials such as gasoline, kerosene, oil, oil-based paints, or solvents be stored by Owners anywhere in the Development. Nothing contained in this paragraph shall prohibit Owners from keeping in their Unit normal household products including cleaning and barbeque supplies, provided they are stored in a safe manner.

**9.10 Garage Sales.** No rummage sales, garage sales, estate sales, or flea markets of any kind shall be permitted unless allowed in the Rules or otherwise approved in writing in advance by the Board.

**9.11 Harassment.** Owners and Residents shall not threaten, intimidate, berate, harass, embarrass, or act in a menacing manner towards any Association Representative or Member of the Association.

**9.12 Increasing Insurance Rates.** Nothing shall be done or kept by any Owner or Resident which increases the cost or scope of insurance for any other Owner or the Association, or results in the cancellation of any insurance policy. If, by reason of any act or omission by an Owner or Resident, the cost of insurance on any policy normally purchased by the Association is increased, that Owner shall reimburse the Association for the cost of any such increase which cost shall become a Special Assessment against his or her Unit.

**9.13 Insurance.** Each Owner, and not the Association, shall have the continuing duty to insure his or her separate interests and purchase at his or her sole expense (i) General liability insurance with limits of not less than Two Hundred Fifty Thousand Dollars (\$250,000) per occurrence, (ii) "Walls In" property insurance covering his or her Unit and Exclusive Use Common Area from losses and property damage to all improvements, betterments, cabinetry, appliances, fixtures, flooring, decorations, personal property, furnishings, furniture, and all other tangible items, (iii) Earthquake Insurance covering his or her Unit and Exclusive Use Common Area, (iv) Loss Assessment insurance with limits that are not less than \$50,000, and (v) Any other policy of insurance which the Owner feels is reasonably necessary to protect his or her separate interests.

**9.14 Leasing Restrictions.** All Units which are non-owner-occupied shall conform to the following restrictions:

- a. ***Maximum Number of Rentals.*** No more than 25% of the Units in the Development may be leased at any one time. The Board shall establish a waiting list and other procedures in the Rules if more Owners want to lease a Unit.
- b. ***Lease Term.*** No Owner is permitted to lease his or her Unit for a term of less than thirty (30) days or the longest term permitted by law. Without limiting this provision, Units may not be leased for transient or hotel-like use.

- c. ***Submit Information.*** Any Owner who wishes to lease his or her Unit shall deliver in writing to the Manager, which must be *received* not later than 10 business days before the effective date of the lease, (i) the name, address, phone number, and email address of the tenant and the name of each person who will be living in the Unit with the tenant, (ii) the name and contact information of a person to reach in the event of an emergency, and (iii) a copy of the lease (with financial terms redacted). The Association will have 5 business days from the date the Manager *received* the application to disapprove the lease but only if the lease would violate the rental cap or minimum lease term specified in subparagraphs (a) or (b) above or would violate other legal provisions of the Governing Documents.
- d. ***Lease Addendum.*** All leases must be in writing and contain an addendum (“Lease Addendum”), provided by the Association, which is to be signed by the new Resident and the Owner and returned to the Manager prior to the move-in. The Lease Addendum will require that the tenants adhere to the Governing Documents and provide that the Association may evict them if they fail to do so. The Lease Addendum may also contain such other provisions as the Board deems reasonable.
- e. ***Indemnity.*** Whenever a Unit is non-owner occupied, the Owner agrees to indemnify, defend, and hold harmless the Association, Association Representatives, and other Members from all attorneys’ fees, costs, debts, liabilities, losses, damages, or injuries caused by the tenant or arising from the lease or the landlord/tenant relationship.
- f. ***Use of Common Area.*** When any Unit is non-owner occupied the Residents shall have the exclusive right to use the Common Area and receive whatever services would otherwise be provided to the Owner of that Unit. The Owner will not have those rights or receive those services until he or she re-takes possession of the Unit.
- g. ***Subleasing.*** No subleasing or assignment of a lease is permitted at any time for any reason.
- h. ***Unlawful Detainer to Enforce Rules.*** Owners shall provide their tenants with copies of the Governing Documents before the latter takes possession of the Unit. Owners shall be responsible for ensuring that tenants adhere to the Governing Documents including this Section 9.14. In the event of a breach by a tenant, the Association may give notice to the Owner who shall have ten (10) days to cause the breach to be fully remedied. If the breach is not corrected within that period, the Owner and Resident shall be subject to fines and other disciplinary action by the Association. If the breach is not cured within twenty (20) days of the date of the notice, the Association shall have the right to instruct the Owner to file an unlawful detainer action to evict the lessee/occupant. If the Owner fails to take such action within fifteen (15) days, then the lease or other written occupancy agreement shall be deemed assigned by the

Owner to the Association so that the Association may commence unlawful detainer proceedings in its own name against the Resident.

- i. ***Sanctions for Noncompliance.*** The following fines will be imposed for any violation of this Section 9.14 despite any other provision of the Governing Documents to the contrary:
  - (i) In the event Section 9.14(a) or (b) is violated, the Owner shall pay a fine of Five Thousand Dollars (\$5,000). The Association will give notice of the violation to the Owner who will have fourteen (14) days from the date of the notice to correct the violation and prove same to the Association's satisfaction. If the violation is fully corrected in a timely manner, the fine will be reduced to Five Hundred Dollars (\$500). If the violation is not timely correct, then in addition to the Five Thousand Dollars (\$5,000) fine, an additional fine of Two Hundred Fifty Dollars (\$250) for each day thereafter may be imposed against the Owner until the violation is fully cured; and
  - (ii) In the event a Resident takes possession of the Unit before there has been compliance with Section 9.14(c) or (d), a fine of Two Thousand Five Hundred Dollars (\$2,500) shall be imposed against the Owner. If the violation is not cured within seven (7) calendar days following written demand by the Association, a fine of Two Hundred Fifty Dollars (\$250) per day thereafter will accrue until there is full compliance.
- j. ***Move-In Fees.*** To defray the actual expense incurred by the Association in facilitating moves into and out of the Development by non-owner occupants (including the cost of wear and tear to the Common Areas), the Board may impose a Special Assessment on the Owner for each transfer of occupancy. The amount of the fee shall be set by the Board each year but shall not exceed Two Hundred Fifty Dollars (\$250) or the sum charged by the Manager to the Association, whichever is greater.
- k. ***Definitions.*** For purpose of this Section 9.14, the term "lease" shall refer to any arrangement under which the Unit is non-owner occupied, whether rent is being paid or not, and (ii) the term "tenant" shall refer to any Person living in or utilizing a Unit that is non-owner occupied.

**9.15 Nuisance.** The following conduct and conditions shall constitute a nuisance which is prohibited: (i) Any violation of the Governing Documents, (ii) all noxious, offensive, or illegal activities, and (iii) anything which threatens to cause or causes unreasonable annoyance, embarrassment, or disturbance to the Association or any other Owner or Resident, including without limitation noise or smoke. If there is disagreement over whether certain conduct or a particular condition constitutes a nuisance proscribed by this section, the Board shall be the final arbiter. Due to the subjective nature of many claimed nuisances, the Board may decline to become involved in disputes between Owners over their conduct towards one another. In such event the dispute will be resolved by the Owners only and shall not involve the Association in any resulting litigation,

arbitration, or mediation.

**9.16 Number of Units Owned.** No Owner shall be permitted to own more than three (3) Units at any one time. For purposes of this subsection, an Owner shall be deemed to own an interest in a Unit if title to the Unit is held (i) in his or her name, (ii) in the name of a trust in which the Owner or his or her spouse is a trustee or beneficiary, (iii) in the name of any other entity in which he or she, or his or her spouse, owns a ten percent (10%) or greater interest, or (iv) in the name of his or her spouse or child.

**9.17 Occupancy Restriction.** The maximum number of Persons who may reside in any Unit at any time shall not exceed two (2) Persons per full or three-quarters bathroom. The Association may require Owners to disclose in writing the names of the persons residing in the Unit at any given time.

**9.18 Obstruction of Common Areas.** No Owner may obstruct or interfere in the Association's management of, or the right of other Owners to free travel through, the Common Areas.

**9.19 Parking.** Each Owner shall have the exclusive use of the parking spaces assigned to his or her Unit. In addition to any parking regulations contained in the Rules, Owners shall comply with the following:

- a. Parking garages and spaces are for the parking of operable vehicles only and may not be used for any other purpose.
- b. No Owner may park any motor vehicle in the Common Area or in any area(s) other than in his or her allotted parking space(s).
- c. The parking spaces which are designated for guest parking are exclusively for parking by Guests. Owners and Residents may not park in those spaces for any reason. Further, no vehicle may be parked in guest parking for more than 24 hours without written approval from the Board.
- d. No vehicle may be parked in a manner that blocks another other vehicle or any entrance or exit.
- e. Vehicles may be parked in the Development only if they fit entirely within a garage or parking space.
- f. Regardless of size, no truck (other than a passenger truck such as a sport utility vehicle or a pickup truck with a manufacturer's rated payload capacity of one (1) ton or less), trailer, camper, boat, aircraft, recreational vehicle, or other similar vehicle shall be permitted to park in the Development at any time.

**9.20 Pets.** No animal, bird or reptile may live in the Development or in any Unit except for ordinary domesticated household pets. All such pets shall comply with the following restrictions

as well as those contained in the Rules:

- a. **Number.** No more than one dog or one cat, or one of each, may be in any Unit. Other usual, domesticated pets such as birds and fish are also allowed in reasonable numbers. Any pet that violates these restrictions at the time this Declaration is adopted will be grandfathered, assuming the pet was permitted under the Governing Documents which were in effect when that pet was acquired. When that pet dies or moves, however, he or she may not be replaced except by a pet that adheres to these restrictions.
- b. **No Commercial Use.** No animal or pet living in the Development may be bred for commercial purposes. All animals kept in a unit must be domesticated pets.
- c. **Removal.** Residents must control their pets so they do not make unreasonable noise, lunge at, or attack any person or other animal. After a hearing, the Board may cause the removal of any pet which in its subjective, good faith opinion is a threat to the quiet enjoyment, health, safety or welfare of any other Owner or Resident.
- d. **Liability/Indemnity.** All Owners are strictly liable for any damage or injury to persons or property caused by their pets. Further, each Owner shall indemnify, defend, and hold harmless the Association, Association Representatives, and other Residents, from all claims, obligations, liabilities, losses, injuries, damages, expenses, judgments, awards, attorneys' fees, and costs arising from or related to his or her pets.
- e. **Leash.** Dogs must always be kept on a leash when they are in the Common Area. The person holding the leash must have sufficient strength to control the dog.
- f. **Balcony/Patio.** No pet shall be placed or kept on a Balcony or Patio unless the Owner or a Resident is at home. If a dog barks while on a Balcony or Patio, the Board may direct that the dog be kept inside the Unit.
- g. **Litter.** Each Owner shall immediately remove and dispose of any litter left by his or her pet in the Common Areas or Exclusive Use Common Areas/
- h. **Visiting Pets.** Visiting pets are prohibited.

**9.21 Power Tools.** Power tools, welding equipment, or carpentry shops may be used only between the hours of 8:00 a.m. and 5:00 p.m. on weekdays only and never on Saturdays, Sundays, or national holidays.

**9.22 Residential Use.** All Units shall be occupied and used solely as a private single-family residence. However, the use of a Unit for limited "home office" purposes is permitted which means, at a minimum, that the business does not involve (i) the manufacture, production, assembly, sale, marketing, or storage of products or services from or in the Unit or Exclusive Use Common Area, (ii) any advertisements to the public listing the address of the Unit or mentioning the

Development, (iii) clients, employees (except for domestic help and caregivers) or customers visiting the Unit or Development, or (iv) any activity that presents a risk of danger, damage, or injury to any Owner, Resident or the Association. Further, any such home office use must be consistent with all federal, state, and local laws, ordinances, and zoning regulations. If there is any disagreement about whether certain conduct or a particular activity exceeds the scope of the limited home office use permitted by this section, the Board shall be the sole and final arbiter.

**9.23 Restricted Roof Access.** Owners, Residents and Guests may not go on the roof of any Building unless expressly authorized in writing in advance by the Board or Manager. If permission is granted, the Owner is responsible for any damage he or she causes to the roof and for damage caused by his or her Residents and Guests.

**9.24 Solar Panels.** No solar panels may be installed on the roof or in any other location in the Development except as permitted in Sections 714, 714.1 and 4746 of the Civil Code and with advance written approval from the Board of Directors.

**9.25 Selling or Leasing a Unit.** Whenever a Unit is for sale or lease the Manager shall be notified and the Owner and all agents and brokers shall comply with the provisions of the Rules. The Owner shall indemnify, defend, and hold harmless the Association, Association Representatives, and other Members from any loss, damage, injury, claim, liability, judgment, awards, attorney's fees or costs arising from all acts or omissions in connection with the effort to sell or lease the Unit.

**9.26 Signs.** Except in strict conformance with California law, including Sections 712, 713, 4705 and 4710 of the Civil Code, no Owner may display any sign, poster, banner, flag, decoration, notice, painting, or advertisement of any kind in the Development that is visible from any location outside the Unit.

**9.27 Smoking.** Smoking of any substance is prohibited anywhere in the Development, except as follows:

- a. Smoking is permitted inside a Unit or on the Owner's Balcony or Patio.
- b. However, if the smoke can be detected in the Common Areas, in another Owner's Unit, or on another Owner's Balcony or Patio, and there is a complaint, the smoker will be required to promptly make such modifications to his or her Unit, Patio, or Balcony as are necessary to ensure that the smoke cannot be detected by anyone outside the Owner's Unit.
- c. If the smoke continues to be detectable by another Resident, and there is a complaint, then no smoking is permitted inside the smoker's Unit and/or on the Balcony or Patio.

**9.28 Trash; Refuse.** Owners shall comply with all laws with respect to the disposal of trash, refuse, and other rubbish. Owners shall place their trash in trash chutes or authorized Common Area trash bins only and in no other location.

**9.29 Use of Contractors.** Owners may use vendors and contractors of their choice to perform work for them, subject to any limitations contained in the Governing Documents. The Association is not responsible for the acts or omissions of any vendor, contractor or worker who has been asked by the Owner or Resident to do work for him or her. The Board may ban any vendor, contractor or other worker from the Development as provided in Section 2.12(g) of this Declaration.

## **ARTICLE 10**

### **ENFORCEMENT OF GOVERNING DOCUMENTS**

The Association and all Owners, Residents and Guests are legally required to adhere to the provisions of the Governing Documents. In the event of noncompliance, the following rights and procedures shall apply.

**10.1 Standing to Enforce.** The Governing Documents may be enforced by any proceeding at law or in equity against the Person who has committed or is attempting to commit a violation. The only Persons who shall have standing in any proceeding to enforce the Governing Documents are the Association and any one or more Owners.

**10.2 Discretion on how to Enforce.** The Association is not obligated to impose sanctions or file a lawsuit for every infraction of the Governing Documents. Whether to impose sanctions or commence litigation in a specific instance is left to the good faith discretion of the Board acting in the best interests of the Association and the Members as a collective body.

**10.3 Suspension of Rights and Privileges.** The Board of Directors is authorized to suspend membership rights and privileges against any Owner who violates the Governing Documents, or if there is a violation by his or her Residents or Guests. Regardless of who commits the violation, any such suspension shall apply to the Owner and his or her Residents and Guests. Following are the rights which may be suspended: (i) Suspension of non-essential services provided by the Association, and (ii) suspension of right to use the Common Areas for any purpose other than for direct ingress and egress to and from a Unit. After a hearing, the foregoing rights and privileges will remain suspended for such period as directed by the Board which at a minimum shall be until the violation is cured (if the violation is continuing) and any fine imposed has been paid in full.

**10.4 Fines.** The Board of Directors is authorized to assess fines against any Owner who violates the Governing Documents, or if there is a violation by his or her Residents or Guests. In the case of ongoing violations, the fine may be imposed on a daily basis. The Board shall adopt a fine schedule in the Rules as described in Section 5850 of the Civil Code and adhere to that fine schedule except where, elsewhere in the Governing Documents, the amount of the fine is prescribed for a specific infraction.

**10.5 Hearings.** Before any fine or suspension may be imposed, the Board must conduct a hearing under Section 5855 of the Civil Code and notify the Owner of his or her right to attend. The hearing will be conducted as follows:

- a. **Privacy.** The Board shall convene a hearing in executive session to determine the facts and decide whether to impose any sanctions unless the Owner requests that the



hearing be held in an open meeting.

- b. **Notice.** Notice of the date, time and location of the hearing must be given to the Owner in writing by the means specified in Section 4040 of the Civil Code, not later than 10 calendar days prior to the date of the hearing.
- c. **Right to Be Heard.** At the hearing, the Owner has a right to be heard orally, in writing or both. He or she may be accompanied by an attorney or other representative but there is no duty to meet with such Person unless the Owner is also present. If the Owner fails for any reason to attend the hearing, the Board may convene the hearing anyway and decide the matter based on the information and documentation available to it.
- d. **Decision of Board.** After the hearing, the Owner will be excused, and the Board will deliberate in executive session (that day or on a subsequent date) to determine whether a violation has occurred and if so what sanctions to impose.
- e. **Notice of Decision.** Within 15 days after the Board decides the matter, Owner shall be notified in writing of the decision and the grounds for the decision.

**10.6 Fines Constitute Assessment.** Any fine imposed pursuant to this Declaration shall constitute a Special Assessment against the Owner. While such an Assessment may not be enforced by lien and foreclosure, it may be enforced by any other means available under this Declaration or as allowed by law.

**10.7 Cumulative and Simultaneous Remedies.** The exercise by the Association of the rights and remedies specified in this Declaration shall be non-exclusive and shall not limit the Association's right to resort to any other remedy available under California law which it may pursue either sequentially or simultaneously.

**10.8 Failure Not a Waiver.** Failure by the Board or any Owner to enforce the Governing Documents shall not be deemed a waiver of the right of such party to do so in the future for the same or a different violation.

**10.9 Remedy at Law Inadequate.** Any violation of the Governing Documents, except for nonpayment of Assessments, is deemed to be a nuisance which shall be enjoined upon application of the Association to an arbitrator or to any court of competent jurisdiction. In such circumstances, an action at law to recover damages is inadequate, the harm to the Association shall be deemed to be irreparable, and thus the violation shall be enjoined by a temporary restraining order, preliminary injunction, and permanent injunction.

**10.10 Dispute Resolution.** In the event a dispute arises between two Owners, or between an Owner and the Association, which is related to the Governing Documents or the management and operation of the Development, any party to the dispute may request internal dispute resolution ("IDR") in which case the provisions of Section 5915 of the Civil Code will apply. In addition, to the extent applicable, the parties must comply with the alternative dispute resolution procedures

contained in Sections 5925, *et seq.* of the Civil Code.

**10.11 Arbitration of Disputes.** All disputes arising from or related to the Governing Documents, the Development, or the operation of the Association, will be decided by binding arbitration. The arbitrator will be chosen by mutual agreement of the parties, or if they cannot agree, by a court of competent jurisdiction upon the petition of any party to the dispute. The parties will be entitled to take such discovery as they mutually agree or as ordered by the court at the request of any party. The initial cost of the arbitration will be split even by the two sides to the dispute but will be a recoverable cost to the prevailing party. If any party needs to obtain a temporary restraining order or preliminary injunction, such relief may be obtained in court but then the suit must be stayed and balance of the dispute determined in arbitration.

**10.12 Attorneys' Fees and Costs.** In any litigation or arbitration arising from or related to the Governing Documents or the management and operation of the Development or the Association, the prevailing party shall recover his, her, or its reasonable attorneys' fees and costs.

## **ARTICLE 11** **INSURANCE**

The Association shall always purchase and maintain in force and effect, as part of the Common Expenses, the policies of insurance which are described below in this Article 11.

**11.1 Types of Coverage.** The Association shall purchase the following:

- a. ***Property and Casualty Insurance.*** A policy of fire and casualty insurance naming as insureds the Association and any mortgagee of the Common Area, and containing the standard extended coverage and replacement cost endorsements, for the full insurable replacement cost (excluding foundations and excavation, but without deduction for depreciation) of the Common Areas up to and including the drywall against the following perils:
  - (i) Loss or damage by fire or other risks covered by the standard coverage endorsement.
  - (ii) Loss or damage from theft, vandalism, or malicious mischief.
  - (iii) At the Board's election and if economically feasible, loss or damage from earthquake.
  - (iv) Such other risks, perils or coverage as the Board of Directors may determine.

The policy or the endorsement shall, to the extent available, provide that the insurer issuing the policy agrees to abide by decisions of the Association made in accordance with the provisions of Article 12 of this Declaration as to whether to repair, reconstruct or restore all or any damaged or destroyed portion of the Common Areas.

For the sake of clarity, the Association is required to purchase what is commonly referred to as “bare walls” coverage only. It shall cover the Common Areas which are the Association’s duty to maintain, repair and replace, while the Owners are required to purchase insurance to cover their own Units, Exclusive Use Common Areas, and all improvements, fixtures, and betterments therein.

- a. **General Liability.** An All-Risk general liability policy for full extended coverage with limits of not less than Five Million Dollars (\$5,000,000) per occurrence or any greater amount as determined by the Board from time to time in its best business judgment.
- b. **Directors and Officers Liability Insurance.** An Officers & Directors (“D&O”) liability policy covering errors and omissions of the Association Representatives, with limits of not less than Five Million Dollars (\$5,000,000) per occurrence or any greater amount as determined by the Board from time to time in its best business judgment.
- c. **Fidelity Bond/Fidelity Insurance.** Crime insurance, employee dishonesty insurance, a fidelity bond, or equivalent coverage against dishonest acts on the part of Association Representatives who handle or are responsible for handling the funds of the Association. The coverage shall also protect against computer fraud and funds transfer fraud. The coverage shall name the Association as beneficiary and shall be written in an amount which is equal to or greater than the minimum coverage required under Section 5806 of the Civil Code.
- d. **Workers Compensation.** The Association shall obtain workers’ compensation coverage in and for amounts satisfactory to the Board, to the extent required by law, for all employees of the Association, if any.
- e. **Other Insurance.** The Board shall have the discretion to obtain any other insurance, such as coverage for earthquakes and floods, as it deems prudent, to the extent it is available on commercially reasonable terms.
- f. **Premiums.** Insurance premiums shall be a Common Expense paid for by Assessments. Each Owner shall be responsible for payment of any deductible amount for any loss or damage to his or her Unit.
- g. **Board Representation.** Each Owner appoints the Board to act on behalf of the Owners in connection with all insurance matters arising from any insurance policy maintained by the Association.

**11.2 Owner’s Insurance.** Each Owner shall purchase and maintain, at his or her sole expense, the insurance described in Section 9.13 of this Declaration. The Owner’s policies shall contain a “waiver of subrogation clause” and shall be the primary policy for any claim for damages or loss of Owner’s property:

- a. **Failure to Maintain Insurance.** Owners who fail to procure and maintain the

insurance as required by this section shall be responsible for all damage to the Association or any other Owner caused by the failure to obtain or maintain such insurance.

- b. **Verification.** The Association shall have the right, but not the duty, to require each Owner to provide the Association, within 20 days of the Association's request, written proof in a form satisfactory to the Association that the Owner has complied with the requirements of this Section.

**11.3 Trustee for Policies.** The Association, acting through its Board of Directors, is hereby appointed trustee of the interests of all named insureds under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies as provided for in Section 11.1 of this Article shall be paid to the Board of Directors as trustee. The Board shall use all insurance proceeds to cover the loss for which the funds were paid. The Association is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers.

**11.4 Waiver of Claims Against Association and Others.** All insurance obtained by the Association shall be maintained by the Association for the benefit of the Association, the Owners and the Mortgagees as their interests may appear. As to each such policy which will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board, and agents and employees of each of the foregoing, with respect to any loss covered by that insurance, but only to the extent of insurance proceeds received in compensation for such loss.

**11.5 Making Claims to the Association's Insurance.** Only the Association, through its Board or designated agent, is authorized to present claims to any of the Association's insurance agents and carriers. Unless the law requires otherwise, Owners shall not make claims directly to any of the Association's insurance agents, insurers, or policies. In the event the Association incurs any cost or damage by an Owner's violation of this Section, the Association will levy a reimbursement Special Assessment against such Owner in the amount equal to all direct and indirect damages and expenses incurred by the Association.

**11.6 Insurance Policy Deductibles.** The Board shall have the power, in its sole discretion, to determine the amount of any deductible applicable to the insurance policies it purchases for the Association. In the event of a loss or damage to an Owner, Resident, Guest, or Unit covered by an Association insurance policy, the deductible will be paid by the Owner unless the Association is legally liable for the loss under Sections 3.7, 4.6 or 4.7 of this Declaration.

**11.7 Board's Authority to Revise Insurance Coverage.** The Board shall have the power to deviate from the insurance requirements contained in this Article in a manner that the Board, in its reasonable business judgment, considers to be in the best interests of the Association, where such coverage becomes unavailable, is only available on terms which the Board believes are commercially unreasonable, or if the Association lacks the funds to pay the premiums without placing the Association at serious financial risk. If the Board elects to materially reduce the coverage from the coverage required in this Article, the Board shall notify the Owners of the reduction in coverage and the reasons therefore as soon as reasonably possible.

## **ARTICLE 12**

### **DESTRUCTION OF IMPROVEMENTS**

If a casualty or other major event that results in destruction of the Development or serious damage to a significant portion thereof, the following regulations will apply.

**12.1 Common Area Damage.** In the event the Common Areas are substantially or completely destroyed by fire, earthquake or other casualty, the following will occur:

- a. ***Cost of Reconstruction.*** The Board shall determine the cost of repair and the amount of Reserves and insurance proceeds available for reconstruction. Estimates should be obtained from at least two (2) reputable licensed contractors.
- b. ***Automatic Reconstruction.*** If the estimated cost of repair or replacement is no more than three (3) times the amount of the total Budget of the Association for the fiscal year in which the casualty occurs, it shall be the duty of the Board, without a vote of the membership, to cause the Common Area to be repaired or rebuilt to substantially the same condition as existed prior to the damage (subject to any increased building standards then in effect) utilizing Reserves, insurance proceeds, Operating Funds, loans (if feasible) and Special Assessments. The Board shall have the authority, without a vote of the membership, to levy an emergency Special Assessment against the Owners to provide any additional funds needed to complete the project or may otherwise borrow the necessary funds on commercially reasonable terms.
- c. ***Membership Approval.*** If the estimated cost of repair or replacement is greater than the formula described in subparagraph (b) above, a membership vote will be taken. The Common Areas shall be repaired or rebuilt utilizing Reserves, insurance proceeds, Special Assessments and loans (if feasible) unless seventy-five percent (75%) of the membership votes not to do so. A vote not to repair or rebuild shall be subject to the rights of first mortgage holders.
- d. ***Decision Not to Rebuild.*** In the event the membership votes not to rebuild the Common Areas, it shall record a certificate (and any other required governmental notices) announcing the Association's intention not to repair or rebuild the Common Area. Upon recordation of the certificate, the right of partition suspended by this Declaration shall be revived. In such event, after all legitimate Association expenses are paid, the balance of any Reserves and insurance proceeds shall be distributed to each Member in equal amounts, subject to the rights of all first mortgage holders.

**12.2 Right of Entry to Assess Damage and Make Repairs.** If repairs or replacements are necessary under this Article 12, representatives of the Association may enter any Unit or Exclusive Use Common Area to make repairs or assess damage upon reasonable notice to the Owner.

**12.3 Negotiations with Insurer.** The Board shall have authority to negotiate in good faith with representatives of the insurer of the totally or partially destroyed Common Area, and to settle

with the insurer for less than full insurance coverage if the Board concludes a settlement is prudent. Any settlement made by the Board in good faith shall be binding upon all Owners.

**12.4 Unit Damage.** To the extent not covered by insurance, the restoration and repair of any damage caused by fire, water intrusion, earthquake, or other casualty, to any Unit or Exclusive Use Common Area, as well as damage to the personal property, furniture, furnishings, decorations, fixtures, and improvements in the Unit, shall be made by and at the sole expense of the Owner. However, if the Association has earthquake, flood or fire insurance, and only to the extent it covers betterments, fixtures, cabinetry and improvements within a Unit, if at all, those proceeds shall be used for such repairs.

### **ARTICLE 13** **CONDEMNATION**

**13.1 Common Area Awards.** If an eminent domain action is brought to condemn all or any portion of the Common Areas, the Association shall represent the Owners in all proceedings, negotiations, or settlements. Awards for the acquisition of Common Area shall be paid to the Board, as trustee, for distribution to the Owners, each in proportion to his percentage of ownership of the Common Area subject to (i) the rights of lenders, and (ii) recoupment of all delinquent Assessments from any Owner in default at the time of condemnation.

**13.2 Unit Awards.** In the event all or any portion of a Unit is condemned, the award made for such taking shall be payable to the respective Owners of the Units subject to the rights of lenders and the duty to pay to the Association any delinquent Assessments.

**13.3 Revision of Documents.** In the event of any condemnation of a part of the Development, the Board shall, as soon as practicable, cause to be prepared, filed and/or recorded a revised subdivision map, Condominium Plan and/or other documents, reports, schedules or exhibits necessary to show the changed or altered status of the Development.

**13.4 Status of Membership.** In the event a Unit is taken in condemnation, that Unit shall cease to be part of the Development, the Owner shall cease to be a Member of the Association, and the undivided interest in Common Area appurtenant to that Unit shall automatically become vested in the Owners of the remaining Units in proportion to their respective undivided interests in the Common Area.

### **ARTICLE 14** **PARTITION AND SEVERANCE**

**14.1 Right of Partition.** In accordance with the provisions of Section 4610 of the Civil Code, the right of partition of the Common Area is hereby suspended and no proceeding shall be brought for the partition of said Common Area, except as provided by law or as expressly stated in this Declaration.

**14.2 Power of Attorney to Sell.** Each Owner does hereby grant to the Association an irrevocable power of attorney coupled with an interest, to sell the entire Development for the benefit

of the Owners, which power of attorney shall be binding upon all such Owners, but it shall be exercisable only upon the occurrence of one (1) of the conditions set forth in Section 4610(b) of the Civil Code. In all instances the partition must be approved by a majority of the Voting Power of the Association. If these conditions are met, there should be recorded in the office of the County Recorder a certificate executed by the President and Secretary of the Association stating that the power of attorney is properly exercisable.

**14.3 Proceeds of Partition Sale.** Whenever an action is brought for the partition by sale of the Development, as provided in the Governing Documents, each Owner shall share in the proceeds of such sale in proportion to the relative value of his or her Unit and Exclusive Use Common Area. Each Owner hereby expressly waives any requirement of law which might be construed as requiring that such proceeds be shared in a different manner, including Section 4610 of the Civil Code or any similar statute then in effect.

**14.4 Prohibition Against Severance.** No Owner shall have the right to sever his Unit or Exclusive Use Common Area from his undivided interest in the Common Area.

## **ARTICLE 15**

### **RIGHTS OF MORTGAGEES**

**15.1 Priority.** Notwithstanding any other provision of this Declaration, no amendment or violation of this Declaration shall operate to defeat or render invalid the rights of the Beneficiary under any Deed of Trust upon a Condominium made in good faith and for value, provided that after the foreclosure of any such Deed of Trust such Condominium shall remain subject to this Declaration, as amended. Notwithstanding any and all provisions of this Declaration to the contrary, in order to induce The Mortgage Corporation (“TMC”), the Government National Mortgage Association (“GNMA”) and the Federal National Mortgage Association (“FNMA”) to participate in the financing of the sale of Condominiums within the Project, the following provisions are added hereto (and to the extent these added provisions, pertaining to the rights of Mortgagees, TMC, FNMA, GNMA, VA and FHA, conflict with any other provisions of this Declaration or any other of the Restrictions, these added restrictions shall control):

- a. Each holder, insurer and guarantor of a first Mortgage encumbering any Condominium, upon filing a written request for notification with the Board, is entitled to written notification from the Association of any default by the Mortgagor of such Condominium in the performance of such Mortgagor’s obligations under the Restrictions, which default is not cured within thirty (30) days after the Association learns of such default. For purposes of this Declaration, “first Mortgage” shall mean a Mortgage with first priority over other Mortgages or Deeds of Trust on a Condominium, and “first Mortgagee” shall mean the holder of a first Mortgage.
- b. Every Owner, including every first Mortgagee, who obtains title to such Condominium pursuant to the remedies provided in such Mortgage, or pursuant to foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any “right of first refusal.”

- c. Each first Mortgagee of a Mortgage encumbering any Condominium which obtains title to such Condominium, pursuant to judicial foreclosure or the powers provided in such Mortgage, shall take title to such Condominium free and clear of any claims for unpaid assessments or charges against such Condominium which accrued prior to the time such holder acquires title to such Condominium.
- d. Unless at least sixty-seven percent (67%) of the first Mortgagees (based upon one (1) vote for each Mortgage owned) or sixty-seven percent (67%) of the Owners (other than Grantor) have given their prior written approval, neither the Association nor the Owners shall:
  - (1) by act or omission seek to abandon or terminate the Property; or
  - (2) change the method of determining the obligations, assessment dues or other charges (other than the Special Assessments or late charges imposed by the Board in accordance with the provisions of this Declaration) which may be levied against any Owner, or the method of allocating distributions of hazard insurance proceeds or condemnation awards; or
  - (3) partition or subdivide any Condominium Unit; or
  - (4) by act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Common Property. (The granting of easements for public utilities or for other purposes consistent with the intended use of the Common Property under this Declaration shall not be deemed a transfer within the meaning of this clause); or
  - (5) by act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of the Common Property of the Property; or
  - (6) fail to maintain or cause to be maintained Fire and Extended Coverage on insurable Common Areas as required by this Declaration; or
  - (7) use hazard insurance proceeds for losses to any condominium property (i.e., Improvements to the Units or Common Property) for other than the repair, replacement or reconstruction of such condominium property, subject to the other provisions of this Declaration.
- e. All holders, insurers and guarantors of first Mortgages, upon written request, shall have the right to (1) examine the books and records of the Association during normal business hours, (2) require from the Association the submission of annual audited financial reports and other financial data, (3) receive written notice of all meetings of the Owners, and (4) designate in writing a representative to attend all such meetings.
- f. All holders, insurers and guarantors of first Mortgagees, upon written request, shall



be given thirty (30) days' written notice prior to the effective date of (1) any proposed material amendment to the Restrictions or Condominium Plans; (2) any termination of an agreement for professional management of the Property following any decision of the Owners to assume self-management of the Project; an (3) any proposed termination of the Property.

- g. The Common Property Reserve Fund must be funded by regularly scheduled monthly, quarterly, or semi-annual payments rather than by large special assessments.
- h. The Board shall secure and cause to be always maintained in force a fidelity bond for any Person handling funds of the Association, including, but not limited to, employees of the professional Manager.
- i. In addition to the foregoing, the Board may enter into such contracts or agreements on behalf of the Association as are required in order to satisfy the guidelines of the VA, FHA, TMC, the FNMA or the GNMA or any similar entity, so as to allow for the purchase, guaranty or insurance, as the case may be, by such entities of first Mortgages encumbering Condominiums. Each Owner hereby agrees that it will benefit the Association and the membership of the Association, as a class of potential Mortgage borrowers and potential sellers of their residential Condominiums, if such agencies approve the Property as a qualifying subdivision under their respective policies, rules and regulations, as adopted from time to time. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage encumbering a Condominium.
- j. Each Owner hereby authorizes the first Mortgagee of a first Mortgage on his Condominium to furnish information to the Board concerning the status of such first Mortgage and the loan which it secures.
- k. When professional management has been previously required by a holder, insurer, or guarantor of a first Mortgage, any decision to establish self-management by the Association shall require the approval of sixty-seven percent (67%) of the voting power of the Association and the holders of fifty-one percent (51%) of the first Mortgages of Condominiums in the Project.
- l. All intended Improvements in any Phase of Development other than Phase 1 shall be substantially completed or the completion of such Improvements shall be secured by a bond or other arrangement acceptable to the California Department of Real Estate prior to the first Close of Escrow for the sale of a Condominium in such Phase. All such improvements shall be consisting with the Improvements in Phase 1 in terms of quality of construction.

## ARTICLE 16

## **AMENDMENTS**

**16.1 Amendment.** This Declaration may be amended or restated by the affirmative vote of a majority of the Voting Power of the Association. Any amendment or restatement adopted under this Article shall be recorded in the office of the Los Angeles County Recorder and shall be effective upon recordation.

**16.2 Confirmation of Approval.** A certificate signed and sworn to by two (2) officers of the Association that the requisite number of Owners have either voted or consented in writing to any amendment, when recorded, shall be conclusive evidence of such fact.

## **ARTICLE 17** **MISCELLANEOUS**

**17.1 Term.** The provisions of this Declaration shall continue in effect for a term of fifty (50) years from the date of execution. Thereafter, the Declaration will be automatically extended for successive periods of ten (10) years each until the Members terminate it by the vote or written consent of Owners constituting seventy-five percent (75%) of the total voting power. Such termination shall be effective only if the vote occurs within the twelve (12) month period prior to expiration of the term or any extension thereof.

**17.2 Liberal Construction.** The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the use, operation and maintenance of the Development.

**17.3 Number.** Whenever the context requires, the singular number includes the plural, the plural includes the singular.

**17.4 Gender.** This document is intended to be gender neutral. Any reference in the document to a specific gender shall be deemed to apply to all genders and to the neutral.

**17.5 Severability.** The provisions of this Declaration are severable from one another. If any provision is found to be invalid, illegal or unenforceable it shall not affect the validity, legality and enforceability of the remaining provisions.

**17.6 Reference to Owners.** Although restrictions in this Declaration may from time to time refer only to the Owners, each such restriction shall also be binding on all Residents, Guests, and other people entering the Development.

**17.7 Conflicting Provisions.** In the case of any conflict between the Governing Documents, the order of priority shall be as described in Section 4205 of the Civil Code.

**17.8 No Public Rights in the Development.** Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any portion of the Development to the public or for any public use or purpose whatsoever.

**17.9 Successors and Assigns.** This Declaration shall inure to the benefit of and be binding upon the Owners, and their respective heirs, personal representatives, grantees, lessees, licensees, successors, and assigns.

**17.10 Reference to Statutes.** If, after adoption of this Declaration, the legislature rearranges or renumbers relevant provisions of the Civil Code or the Corporations Code, such that any specific code number referenced herein is changed, the Board, without a vote of the Owners, may amend this Declaration to reflect the change.

**17.11 Notices.** Any communication or notice permitted or required herein shall be delivered as provided in this Declaration. The notice shall be in writing and served by any means specified in Section 4040 of the Civil Code. If mailed or personally delivered, the notice shall be addressed as follows:

To an Owner:	To street address of his or her Unit or such other address as the Owner may from time to time designate in writing to the Association
To the Association:	To the Association at the address of its Manager
To the Manager:	To the person by name at the address of the Manager

### **CERTIFICATION**

The undersigned President and Secretary of the Association hereby certify that this Declaration was duly adopted as of \_\_\_\_\_, 2025 by the affirmative vote of the Owners in an election that was conducted in accordance with Section 5100 *et seq.* of the Civil Code and the Association's Bylaws and Election Rules.

### **SHERMAN VILLAGE CONDOMINIUM ASSOCIATION**

By: \_\_\_\_\_  
President

Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Secretary

Print Name: \_\_\_\_\_



**RESTATED BYLAWS**

**OF**

**SHERMAN VILLAGE**  
**CONDOMINIUM ASSOCIATION**

**[A California Non-Profit Mutual Benefit Corporation]**

[For Voting Purposes]

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# **RESTATED BYLAWS**

## **ARTICLE 1 INTRODUCTION**

**1.1 Name.** The name of the corporation is Sherman Village Condominium Association.

**1.2 Location.** The Association will have its principal business office at the location of the Management Company, or, if there is no Management Company, at the location of the Development at 13331 Moorpark Street, Sherman Oaks, California 91423.

**1.3 Corporate Status.** The Association operates as a non-profit mutual benefit corporation according to the provisions of Sections 7000 *et seq.* of the California Corporations Code and Section 4000 *et seq.* of the California Civil Code.

**1.4 Definitions.** All terms used in these Bylaws shall be defined as set forth in Article 1 of the Declaration, or, if a term is not defined in the Declaration, in accordance with the definitions contained in Section 4075 *et seq.* of the California Civil Code.

**1.5 Prior Bylaws Extinguished.** All Bylaws and Bylaw Amendments that were in effect prior to the date hereof are deemed extinguished and replaced by this document.

## **ARTICLE 2 MEMBERSHIP IN THE ASSOCIATION**

**2.1 Membership.** Each Person who is an Owner is automatically a Member of the Association.

**2.2 Proof of Membership.** Proof of membership in the Association shall consist of a recorded deed only showing that the Person is the record title owner of a fee interest in a Unit. Persons who hold only a security interest in a Unit or in the Common Areas are not Members.

**2.3 Persons Who May Exercise Membership Rights.** If the Owner is other than a natural person, unless otherwise required by law, only the president of the corporation, trustee(s) of the trust, general partner(s) of the partnership, or managers of the limited liability company will be permitted to exercise the rights of membership for the entity. To prove that a person holds one of the foregoing positions (if it is not clear on the face of the deed), he or she must submit a document that has been filed with the Secretary of State of the state where the entity was formed, if the Owner is a corporation or limited liability company; or, in the case of a trust or partnership, the official trust instrument or partnership agreement showing the person's position must be produced.

**2.4 Membership Rights.** Each Owner will be entitled to the membership rights and benefits that are described in the Governing Documents or afforded by California law.

**2.5 Suspension of Membership Rights.** An Owner's membership rights and privileges (other than voting rights) may be suspended by the Board after a hearing as described in Section 5855 of the Civil Code, if the Owner is found to have violated any provision of the Governing Documents.

**2.6 Termination of Membership.** Membership in the Association automatically terminates when the Member no longer holds a recorded fee title interest in a Unit.

### **ARTICLE 3** **MEMBERSHIP MEETINGS**

**3.1 Location.** All meetings of the Members must be held at the Development, or if a larger room is needed, at a location as close as reasonably possible to the Development. A Membership Meeting may be held electronically if the requirements of Section 5510(f) of the Corporations Code have been met.

**3.2 Annual Meetings.** The Association must conduct at least one (1) meeting of the Members in each calendar year, known as the Annual Meeting, for the purpose of electing directors and conducting any other legitimate business. The Board will set the date and time for the Annual Meeting, which should be held in the same month each year if feasible but in no event more than fifteen (15) months from the date of the last Annual Meeting.

**3.3 Special Meetings.** In addition to the Annual Meeting, Members may also meet on other occasions during the year as needed. These meetings are called Special Meetings. A Special Meeting may be convened by the President, a majority of the directors, or Members constituting at least five percent (5%) of the Voting Power of the Association.

**3.4 Notice of Annual and Special Meetings.** Notice of all Annual and Special Meetings must specify the date, time and location of the meeting and shall be given as follows:

- a. ***Meetings Called by the Board.*** For meetings called by the President or the Board, written notice must be given to all Owners not less than ten (10) days nor more than ninety (90) days before the date of the meeting; provided, however, if a vote of the Members will be taken at the meeting under Section 5100 *et seq.* of the Civil Code, at least sixty (60) days' notice of the meeting is required if the vote will be to elect or recall directors and at least thirty (30) days' notice is required for any other election.
- b. ***Meetings Called by Members.*** If a Special Meeting is called by the Members as permitted in Section 3.3, above, a request must be submitted to the Board in the form of a written petition signed by Members owning at least five percent (5%) of all the Units and specifying the nature of the business to be transacted. If the signatures are reasonably determined by the Board to be genuine, the Board shall, within twenty (20) days of receipt of the petition, serve notice of the meeting, which shall be not less than thirty-five (35) days or more than one-hundred-fifty (150) days following initial receipt of the petition. If a vote is to be taken under Section 5100 *et seq.* of the Civil Code, at least sixty (60) days' notice of the meeting is

required when the vote will be to elect or recall directors and at least thirty (30) days' notice is required for any other election.

- c. ***Manner of Giving Notice.*** Notice of an Annual Meeting or Special Meeting shall be given by any means permitted in Sections 4040 or 4045 of the Civil Code, which may include: (i) first class, registered, certified, express, or overnight mail; (ii) personal delivery to the Members; (iii) email, facsimile, or other electronic delivery, but only if an Owner has consented in writing to that method of delivery; or (iv) posting the printed Notice document in a prominent location that is accessible to all Members, if the location has been designated for the posting of general notices by the Association in the Annual Policy Statement that is distributed annually to the Owners as provided by law.

**3.5 Quorum.** A majority of the Voting Power of the Association, represented in person or by ballot, shall constitute a quorum at all meetings of the Members. If a meeting is adjourned for lack of a quorum, the quorum at the adjourned meeting will be one-third (1/3) of the Voting Power; provided, however, if an Annual Meeting is adjourned, the quorum at the adjourned meeting will be 20% provided the requirements of Section 5115(d)(2) and (3) are met. Nothing contained in this Section is intended to affect the number of affirmative votes that are required to pass a particular measure under California law or the Governing Documents.

**3.6 Adjourned Meetings.** Any meeting of the Members may be adjourned by the officer who was to preside over the meeting or by the Members present, whether or not they constitute a quorum. An adjournment shall be to a time not less than five (5) days or more than thirty (30) days from the date of the original meeting. Notice of the adjourned meeting must be given to all Owners in any manner permitted in Sections 4040 or 4045 of the Civil Code.

**3.7 Parliamentary Procedure.** All membership meetings will be conducted in accordance with the provisions of Robert's Rules of Order, or, in the Board's discretion, any other commonly accepted rules of parliamentary procedure.

**3.8 Minutes of Meetings.** The Association shall prepare and retain minutes of all membership meetings conducted under this Article 3. The minutes of any membership meeting must be made available for inspection and copying by the Members.

## **ARTICLE 4**

### **MEMBERSHIP ELECTIONS**

**4.1 Manner of Conducting Elections.** Elections held by the Association will conform to the requirements of Section 5100 *et seq.* of the Civil Code if they are for a purpose specified in Civil Code Section 5100(a). No proxies are allowed in any election. Nominations from the floor and write-in candidates will not be permitted in any election to select directors.

**4.2 Election Rules.** The Board shall adopt Election Rules as required by Section 5105(a) of the Civil Code. The Election Rules shall not be inconsistent with any lawful provision of these Bylaws or the Declaration. Once adopted, the provisions of the Election Rules shall have the same force and effect as though they are set forth in these Bylaws. The Election Rules will

address, at a minimum, the items listed in Section 5105(a) of the Civil Code.

**4.3 Elections Conducted Without a Meeting.** Other than an election to select directors, any action that may be taken at a meeting of Owners may be taken without a meeting if it is conducted electronically according to California law or if the Association distributes a written ballot to every Member and the requirements of the Election Rules and Section 7513 of the Corporations Code are followed. The envelopes shall be opened and the votes counted by the Inspector of Elections at an open Board or membership meeting.

**4.4 Uncontested Elections/Vacancies.** If an election is uncontested, the Association may dispense with the election for that year and the nominees may be declared elected by acclamation, provided the requirements of Section 5103 of the Civil Code have been met. If there is a vacancy on the Board after the nominations are closed, the directors shall appoint a qualified Member to fill the vacant seat after the election is conducted.

**4.5 Qualification and Disqualification of Directors.** The qualifications to run for the Board shall be established in the Election Rules. After an election, a director will be declared disqualified from continuing to serve on the Board if he or she would no longer qualify to run for the Board under the Election Rules, or if he or she (a) misses more than three (3) consecutive meetings or more than four (4) meetings total in any calendar year, (b) is arrested or convicted of a felony that prevents the Association from obtaining or maintaining fidelity bond (or equivalent) insurance, or (c) is determined by the unanimous decision of the remaining directors to have breached the confidentiality of any subjects, discussions or records that Members do not have a right to know or see under Sections 5200 *et seq.* or Section 4935 of the Civil Code.

**4.6 Voting Rights.** In all other elections held by the Association, each Owner may cast one (1) vote per Unit owned; provided, however, no more than one (1) vote per Unit is permitted no matter the number of co-owners of that Unit. When there are co-owners, the first ballot that is submitted for that Unit will be the one counted, and it will be conclusively presumed that the Person casting the vote did so with authorization from his or her co-owners. If two (2) or more Units have been legally combined, the Owner shall have one (1) vote. Notwithstanding the foregoing, in any election to choose directors, the Owner may cast one (1) vote for each opening on the Board to be filled but may not cast more than one (1) vote for any one candidate. Cumulative voting is not permitted in any election.

## **ARTICLE 5**

### **BOARD MEETINGS**

**5.1 Business Conducted at Meetings Only.** The Board shall not conduct business or make decisions on any item outside of a Board meeting for which notice, and an agenda, have been provided to the Owners in a timely manner, except in an emergency. For the purposes of the Governing Documents, a Board meeting is (a) any congregation, at the same time and place, of a sufficient number of directors to establish a quorum of the Board, to hear, discuss or deliberate upon any item of business that is within the authority of the Board, (b) a video or telephone meeting as permitted in Section 5.8 hereof, or (c) a meeting conducted by email provided the requirements of Section 5.9 hereof are met.

**5.2 Place of Meetings.** All Board meetings shall be held at the Community Center unless the meeting is conducted by the means described in Sections 5.7 or 5.8 of these Bylaws or the Board decides there is a good faith business reason to hold the meeting elsewhere.

**5.3 Meeting to Appoint Officers.** As soon as practicable following a vote to elect directors, and after complying with the notice requirements in these Bylaws, the Board shall hold a Regular Meeting for the purpose of appointing officers.

**5.4 Regular Meetings.** Regular Meetings of the Board of Directors shall be held no less frequently than once per month. The Board may occasionally dispense with a monthly Regular Meeting if there is no business that needs to be transacted at the time or if a quorum of the directors cannot be reached.

**5.5 Special Meetings.** Special Meetings of the Board of Directors may be attended by the Owners and may be called for any reason by the President or by any two (2) directors other than the President.

**5.6 Executive Session Meetings.** The Board may meet in Executive Session, outside the presence of the Owners, to discuss and vote upon (i) litigation in which the Association is or is likely to become a party, (ii) matters related to the formation of contracts with third parties, (iii) Member discipline, (iv) personnel matters, and (v) unless the Owner requests that it be done in an open meeting, when the Board meets with an Owner to discuss delinquent Assessments, a payment plan, or to conduct a disciplinary hearing that could result in the imposition of sanctions. The Board may also meet in Executive Session to the extent otherwise permitted by law. Matters discussed in Executive Session will remain confidential but must be generally noted in the minutes of the next Regular Meeting of the Board.

**5.7 Emergency Meetings.** The Board may meet in an emergency session, without notice to the Owners or with notice that is less than that specified in Section 5.10, below, if an emergency exists as defined in Section 4923 of the Civil Code.

**5.8 Meetings Conducted by Telephone or Video.** A Board meeting may be conducted where a sufficient number of directors to establish a quorum of the Board, in different locations, are connected by electronic means through audio, video, or both. All directors participating in the meeting must be able to hear one another as well as Members of the Association speaking on matters before the Board. The notice of an electronic meeting must contain the following: (i) Clear technical instructions on how to participate by video or telephone, (ii) the phone number and email address of a person who can provide technical assistance with the process to the owners before and during the meeting, and (iii) A reminder that a Member may request individual delivery of meeting notices, with instructions how to do so. Any vote taken by the Board at an electronic meeting shall be conducted by roll call. Notwithstanding the foregoing, for any electronic meeting the purpose of which is for the inspector of elections to count ballots, the written notice must designate a physical location for owners to attend the meeting where at least one person appointed by the Board will be present.

**5.9 Meetings Conducted by Email.** The Board may not conduct a meeting via a series of emails, except in the case of an emergency as defined in Section 4923 of the Civil Code. All

directors must agree in writing in advance that such an emergency exists and must consent to conducting the Emergency Meeting by email or otherwise in writing. The consents must be retained in perpetuity with the minutes of the meeting. The consents may be given by email.

**5.10 Notice of Meetings and Agenda.** Written notice of the time and place of any meeting of the Board, and a written agenda of the business to be considered at the meeting, must be given to all Owners in the manner permitted under Sections 4040 or 4045 of the Civil Code, as follows:

- a. For a Regular or Special Meeting, at least four (4) calendar days prior to the meeting, except in the case of an emergency;
- b. For an Executive Session Meeting, at least two (2) calendar days prior to the meeting, except in the case of an emergency; and
- c. For an Emergency Meeting, no notice is required.

**5.11 Matters Addressed at Meetings.** Except for an emergency, defined in Section 5.12, below, the directors may not discuss or take action on any item that was not reflected on the agenda distributed to the Owners as required in Section 5.10, above. Before discussing any item on the agenda, the presiding officer will announce the item. Notwithstanding the foregoing, the Board may do the following during a meeting even if not reflected on the agenda:

- a. Provide factual information to the Manager or other agents;
- b. Direct the Manager or other agents to place a matter of business on a future agenda; and
- c. Direct the Manager or other agents to perform necessary administrative tasks.

**5.12 Discussion of Items Not on Agenda.** Notwithstanding Section 5.11 hereof, the Board may take action on any item of business not appearing on the agenda referenced in Section 5.10 under any of the following conditions only:

- a. Upon a determination made by a majority of the directors present at the meeting that an emergency situation exists. An emergency situation exists if there are circumstances that could not have been reasonably foreseen by the Board, that require immediate attention and possible action by the Board, and that, of necessity, make it impracticable to provide notice.
- b. Upon a determination made by the Board by a vote of two-thirds (2/3) of the directors present at the meeting, or, if less than two-thirds (2/3) of the total directors are present at the meeting, by a unanimous vote of the directors present, that there is a need to take immediate action and that the need for action came to the attention of the Board after the agenda was distributed.

- c. The item appeared on an agenda that was distributed for a prior meeting of the Board of Directors that occurred not more than thirty (30) calendar days before the date that action is taken on the item and, at the prior meeting, action on the item was continued to the meeting at which the action is taken.

**5.13 Quorum.** A majority of the authorized number of directors will constitute a quorum for the Board to transact business.

**5.14 Adjournment.** The president, or a majority of a quorum of the directors, may direct that a meeting be adjourned to another date and time. Notice of the new meeting date must be given to the Owners as required by law.

**5.15 Owners' Right to Attend Board Meetings.** Owners may attend any meeting of the Board except when the directors meet in private in Executive Session. No Owner who is not a director may participate in the meeting other than as an observer, unless expressly recognized by the presiding officer. However, the Board must set aside a reasonable amount of time at each meeting for an open forum during which questions and comments from the Owners in attendance are permitted. Non-Owners may not attend the meetings for any reason unless they are invited or permitted by the Board, and, if they are allowed to attend, they may not speak. Any person who unreasonably disrupts a meeting may be removed from the meeting at the good faith direction of the presiding officer.

**5.16 Minutes of Board Meetings.** The minutes, or a draft thereof, of any Board meeting, other than an Executive Session meeting, shall be available for inspection and/or copying by the Owners within 30 days of the date of the meeting. Minutes of Executive Session meetings are confidential and privileged and may not be disclosed to Owners or any Person other than the directors.

## **ARTICLE 6**

### **DIRECTORS**

**6.1 Powers.** All corporate powers of the Association will be exercised by or under the control of the Board of Directors. A certificate executed by a majority of the Board, or by the President and Secretary, shall be conclusive proof of all actions taken by the Board in the certificate. Without limitation, the Board will have the following powers:

- a. ***Operate and Maintain Common Area.*** To maintain, manage and operate the Common Area in a manner consistent with the Governing Documents and California law.
- b. ***Levy Assessments and Pay Debts.*** To levy Regular and Special Assessments on the Owners and to use the money collected to pay the operating expenses and other debts of the Association.
- c. ***Appoint Officers.*** To select, appoint and remove officers of the Association as prescribed in Article 7 of these Bylaws.

- d. ***Choose Employees and Vendors.*** To select, appoint and remove all Association vendors and employees, including, without limitation, the Manager, attorney, insurance broker and certified public accountant. The Board shall define the duties of employees and vendors consistent with California law and the Governing Documents, fix their compensation, and oversee their performance.
- e. ***Adopt Rules.*** To adopt Rules and Regulations as provided in Section 4340 *et seq.* of the Civil Code. Those Rules shall, without limitation, address the subjects listed in Section 4355(a) of the Civil Code. The Rules shall contain a schedule of fines as described in Section 5850 of the Civil Code and the Board shall have the power to impose those fines in response to any violation of the Governing Documents, provided the hearing requirements of Section 5855 of the Civil Code have been met.
- f. ***Enforcement.*** To enforce the Governing Documents and California law as the Board may deem proper to ensure that the Owners and Association are in compliance. All enforcement methods that the Board may lawfully pursue may be imposed sequentially or simultaneously at the Board's discretion.
- g. ***Distribute Assets.*** To fix, determine and name from time to time the beneficiary or beneficiaries to whom the assets of the Association shall be distributed upon liquidation or dissolution according to the Declaration. The assets so distributed shall be those remaining after satisfaction of all just debts and obligations of the Association and after distribution of all property held or acquired by the Association under the terms of a specific trust or trusts.
- h. ***Committees.*** To create such committees from time to time that are required or permitted under the Declaration. The board shall appoint, remove, and replace all committee members. Committees shall not have any decision-making authority unless they meet the requirements of Section 7212 of the Corporations Code.
- i. ***Miscellaneous.*** To conduct, manage and control the affairs and business of the Association as prescribed in the Governing Documents and California law

**6.2 Conflicts and Ethical Considerations.** Directors owe the duties of a fiduciary towards the Association. They may not commit an act of dishonesty or disloyalty towards the Association. The confidentiality of Executive Session discussions and private Association records and information may not be breached, nor may any director unilaterally purport to speak or act for the Association unless authorized by the Board. In addition:

- a. All conflicts of interest shall be strictly avoided and any potential conflict must immediately be disclosed to the entire Board.
- b. Directors are to act in a courteous, responsible and professional manner towards their fellow directors, other Members and Residents, and all Association vendors, contractors and employees.



- c. If, while serving on the Board, a director becomes engaged in a legal dispute or disagreement with the Association, he or she will be recused from participating in and being present during any Board meetings or other communications relative to that dispute or disagreement.

**6.3 Number of Directors.** The Board shall consist of five (5) directors, each of whom shall be a Member of the Association.

**6.4 Term of Office.** Each director will serve a term of two (2) years. The terms will be staggered so that one year three (3) directors will be elected, and the next year two (2) directors will be elected. There are no term limits.

**6.5 Resignation.** Any director may resign by giving written notice thereof to the Board or by giving verbal notice at a Board meeting. The resignation will be effective on the date of receipt of the notice or at any later time specified in the notice, and no formal acceptance is required. Once a resignation has been tendered, it may not be withdrawn or rescinded.

**6.6 Removal for Cause.** The Board shall declare vacant the office of a director who (i) has passed away or been declared of unsound mind by a final order of court, (ii) becomes disqualified from serving under Section 4.5, above, or the Election Rules, or (iii) is charged by authorities with commission of a felony.

**6.7 Removal Without Cause.** The entire Board or any individual director may be removed from office if a majority of the Voting Power of the Association votes in favor of removal. If one or more directors are removed, a new director or directors may be elected simultaneously.

**6.8 Vacancies.** A vacancy on the Board will be deemed to exist in case of the death, resignation or removal under Sections 6.5, 6.6 or 6.7, above, or disqualification under Section 4.5, above. Vacancies on the Board created other than by removal of the entire Board may be filled by a vote of the Owners or upon selection by a majority of the remaining directors, even if less than a quorum. Each director will hold office until the end of his or her term and until his or her replacement has been selected.

**6.9 Compensation of Directors.** No officer or director may be compensated (directly or indirectly) for any service he or she may render on behalf of the Association. However, directors and officers may be reimbursed for out-of-pocket expenses incurred in the performance of their duties. The Association will not enter into a business transaction or pay any director, or entity with whom the director is affiliated, for goods or services, unless full disclosure is made to all the Owners in writing and the Board reflects in its minutes why the Association has chosen to do business directly or indirectly with a director, including an explanation of why the transaction is in the best interest of the Association.

## **ARTICLE 7**

### **OFFICERS**

**7.1 Officers.** The officers of the Association shall include, at a minimum, a President, a Vice-President, a Secretary and a Treasurer. One director may not simultaneously hold more than one officer title unless there is a position that no other director is willing to perform. All officers must be Owners and members of the Board; provided, however, in the Board's discretion, it may appoint a person who is not an Owner to perform the duties of Treasurer.

**7.2 Appointment.** The officers of the Association shall be chosen annually by the Board. Each officer will serve at the pleasure of the Board until he or she resigns or is removed or replaced by the Board.

**7.3 Removal and Resignation.** Any person may be removed from his or her position as an officer, either with or without cause, by the vote of the other directors then in office. Any officer may resign his or her position by giving written notice to the President or to the Secretary or by giving verbal notice at any Regular or Special Meeting of the Board. Any such resignation shall take effect immediately or at any later time specified in the notice. The acceptance of such resignation shall not be necessary to make it effective.

**7.4 Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

**7.5 President.** The President shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision and direction over the affairs of the Association. The President shall be an ex-officio member of all Chartered Committees and shall have the general powers and duties of management usually vested in the office of the President of a corporation, and shall have other powers and duties as may be prescribed by the Board or these Bylaws. Unless another director is designated by the Board, the President shall be the person to act as liaison between the Board and the Association's Manager and legal counsel. In between meetings, the President, after consulting with other officers at his or her election, may make minor decisions for the Association that cannot reasonably await the next Board meeting. However, at the immediately following Board meeting, the matter shall be presented to the Board for its ratification and should be noted in the minutes.

**7.6 Vice-President.** In the absence or disability of the President, the Vice-President, if any, shall perform all duties of the President, and when so acting shall have the powers of, and be subject to all the restrictions upon, the office of President. The Vice-President shall have such other powers and perform such other duties as from time to time may be prescribed for him or her by the Board or in these Bylaws.

**7.7 Secretary.** The Secretary shall cause to be kept (i) a book of minutes of all meetings of the Board and the Members, and (ii) a membership list showing the names, Unit addresses, mailing addresses (if different), and email addresses of all Members of the Association. The Secretary shall cause to be given notice of all meetings of the Members and of the Board

required by the Bylaws or by law and shall have such other powers and perform such other duties as may be prescribed by the Board or by these Bylaws.

**7.8 Treasurer.** The Treasurer shall cause to be kept a correct accounting of the monies, properties and business transactions of the Association. The books of account shall at all reasonable times be open to inspection by any director or any Member. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He or she shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and directors, whenever they request it, an account of all of his or her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

## **ARTICLE 8**

### **INSPECTION OF RECORDS**

**8.1 Document Retention.** The Association must prepare and retain, at a minimum, (i) a Membership List containing the names, Unit addresses, mailing addresses (if different) and email addresses (if known) of all the Owners; (ii) minutes of all meetings of the Board and of the Members; (iii) copies of all executed contracts to which the Association is a party; (iv) all financial records reflecting all receipts, income and expenses of the Association; and (v) copies of written approvals given by the Architectural Committee. These records must be retained for at least the legally required period.

**8.2 Inspection of Records.** Owners have a right to inspect only the following books and records of the Association:

- a. The Membership List, provided, however:
  - (i) Owners have a right to opt out of having their information disclosed on the Membership List provided to another Owner by complying with Section 5220 of the Civil Code; and
  - (ii) All requests for a copy of the Membership List shall state the purpose for which the list is requested; and that request must be reasonably related to the requester's interest as a Member. The provisions of Section 5225 of the Civil Code shall apply.
- b. Minutes of all meetings of the Association and its Board of Directors, except for minutes of Executive Session meetings.
- c. Insurance policies that name the Association and/or its Board of Directors as beneficiaries.
- d. All financial statements, general ledgers, and other documents reflecting the Association's revenue, receipts and expenditures.

- e. All executed contracts in effect to which the Association is a party, not otherwise privileged under law.
- f. All Election Materials as defined in Section 5200 of the Civil Code (which must be retained for at least one year after the election).
- g. All other Association Records and Enhanced Association Records as those terms are defined in Section 5200 of the Civil Code.

**8.3 Limitations.** Except as otherwise mandated by law, the following is a nonexclusive list of the documents that are deemed confidential and not open for inspection by Members: personnel records, bids and proposals, individual Owner and Unit files (except the Member's own file), documents that may be redacted or withheld under Section 5215 of the Civil Code, records that relate to membership discipline, and minutes of Executive Session meetings of the Board.

**8.4 Procedures for Inspection.** Any Owner who wants to inspect and/or copy records of the Association shall so notify the Manager in writing, listing the documents subject to the request and stating the reason for the request. The Association will charge such costs, redact such information, and comply with the time parameters and other procedures, established in Sections 5205, 5210 and 5215 of the Civil Code.

**8.5 Procedure for Copying.** Any Owner may, at his, her or its expense, upon giving written notice to the Board as required by law, copy the records specified in Section 8.2, above, that the Owner has a legal right to copy. Alternatively, the Owner may request that the Association copy the records on his, her or its behalf; and, in such event, the Owner must tender the cost the Association may lawfully charge for the copies before they will be delivered to the Owner.

**8.6 Electronic Delivery.** In lieu of copying documents as provided in Section 8.5, above, Owners may ask to receive records by electronic transmission or machine-readable storage media so long as the records can be produced in a redacted format that does not allow the records to be altered. The cost of duplication shall be limited to the direct cost of producing a copy of the record in electronic format.

**8.7 Director's Right to Inspect.** Directors have a right at any reasonable time to inspect all books, records and documents of the Association and all property owned or controlled by the Association; provided, however, the Board may limit the right of any director to review ballots and other materials pertaining to an election in which the director was a candidate, or documents and other materials in connection with any dispute in which the director is or was a party adverse to the Association. The director who inspects such materials must maintain the confidentiality of any documents or the contents thereof that Owners do not have a right to see under these Bylaws or California law.

**8.8 Prospective Purchaser's Right to Inspect.** The Association must provide an Owner, for the purpose of disclosing to a prospective purchaser, such documentation and information that is required under Section 4525 of the Civil Code.

**ARTICLE 9**  
**MISCELLANEOUS**

**9.1 Fiscal Year.** The Association's fiscal year is January 1 of each year.

**9.2 Disbursement of Funds.** All checks and disbursements payable by the Association shall be signed by the Treasurer or if the Treasurer is absent, by the President or any other director authorized by the Board; provided, however, if the amount of the expenditure exceeds \$5000, it must be signed by two (2) directors who shall ordinarily be the President and Treasurer. If payments are processed electronically, they must be approved in advance by these same persons. All checks, transfers or disbursements from the Reserve Account shall be signed or approved by two (2) directors who shall be the President and Treasurer if they are available.

**9.3 Record Date.** The record date in connection with any meeting shall be the date on which notice of the meeting is first sent to the Owners. When an election is to be conducted, the record date is the date on which ballots are distributed to the Owners.

**9.4 Singular Includes Plural.** As used in these Bylaws, the singular shall include the plural and vice versa.

**9.5 Gender Neutral.** As used in these Bylaws, the masculine shall include the feminine and vice versa.

**9.6 Amendments.** These Bylaws may be restated or amended only by the affirmative vote of a majority of a quorum of the Owners.

Wherefore, the President and Secretary of the Association hereby certify that the foregoing Bylaws were approved by the affirmative vote of the Members as of \_\_\_\_\_, 2025.

SHERMAN VILLAGE CONDOMINIUM ASSOCIATION

By: \_\_\_\_\_  
President

Print Name: \_\_\_\_\_

By: \_\_\_\_\_  
Secretary

Print Name: \_\_\_\_\_