

MENDOCINO MANAGEMENT ASSOCIATION No. 1
DECLARATION OF COVENANTS, CONDITIONS, & RESTRICTIONS (CC&Rs)
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RESTATED AND AMENDED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

This RESTATED AND AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration") shall be effective upon recordation with the San Diego County Recorder's Office, State of California. This Declaration restates, amends and supersedes in its entirety that certain "DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS", executed by AVCO COMMUNITY DEVELOPERS, INC. as Declarant, recorded on June 9, 1971, as Document 1971-121306 in the San Diego County Recorder's Office, State of California and that certain "FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS", executed by AVCO COMMUNITY DEVELOPERS, INC., recorded on September 17, 1971, as Document 1971-211325, in the San Diego County Recorder's Office, State of California.

This Declaration affects and concerns that certain real property in the City of Chula Vista, County of San Diego, State of California (herein "[Property](#)"), which is more particularly described as follows:

"Lots 1 through 200 and Lots A through J of Brandywine Unit No. 1 according to Map thereof No. 6958 recorded in the Office of the County Recorder of San Diego County, California, on June 7, 1971."

The Owners of the [Property](#) hereby desire and intend that the Property shall be held, sold, conveyed and used subject to the covenants, conditions, restrictions, rights, reservations, limitations, easements and equitable servitudes set forth herein for the purpose of preserving and protecting the value and desirability of the Property pursuant to a general plan of ownership for the benefit of the Owners of the Property, or any portion thereof, which shall run with the Property and be binding on all parties having any right, title or interest in the Property, or any part thereof, and their heirs, successors and assigns in accordance with the superseding provisions of this Declaration.

ARTICLE I: DEFINITIONS

Section 1.1 "Articles" means the Articles of Incorporation of the Mendocino Management Association No. 1, filed in the Office of the Secretary of State of California, on June 8, 1971, as such Articles may be amended from time to time.

Section 1.2 "Association" means the MENDOCINO MANAGEMENT ASSOCIATION NO. 1, a California nonprofit mutual benefit corporation, and its successors and assigns.

Section 1.3 "Board" means the Board of Directors of the [Association](#), as the same may be elected or appointed to serve from time to time.

Section 1.4 "Bylaws" means the Restated and Amended Bylaws of the [Association](#) as the same may be amended from time to time.

Section 1.5 "Common Area" shall mean all of the real property owned by the [Association](#) for the common use and enjoyment of the Owners which is described as:

"Lots G through I of Brandywine Unit No. 1 according to Map thereof No. 6958 filed in the office of the County Recorder of San Diego County, California on June 7, 1971"

Section 1.6 "Declaration" means this Restated and Amended Declaration of Covenants, Conditions and Restrictions applicable to the real property ("Property") comprising the Mendocino Planned Development recorded in the Office of the San Diego County Recorder's Office, State of California, including any amendments thereto as may be adopted and recorded from time to time.

Section 1.7 "Governing Documents" shall mean the [Articles of Incorporation](#), [Bylaws](#), [Declaration](#) and adopted [rules and regulations](#) of the [Association](#) which govern the operation of the [Project](#) and the affairs of the Association.

Section 1.8 "Lot" means any plot of land shown on any recorded subdivision map of the [Property](#) with the exception of the [Common Area](#). As herein used, "Lot" may also include the building structure and its living space situated on a Lot.

Section 1.9 "Member" means those [Persons](#) entitled to membership in the [Association](#) as provided in the [Bylaws](#) or this [Declaration](#).

Section 1.10 "Mortgage" means a mortgage or deed of trust encumbering a [Lot](#) or any other portion of the [Property](#). "First Mortgage" means a Mortgage that has priority over all other Mortgages encumbering the same Lot or other portion of the Property. "Mortgagee" means a person for whose benefit a Mortgage is made and includes the beneficiary of a deed of trust and any guarantor or insurer of a Mortgage. "Mortgagor" means a person who mortgages his, her, or its property to another (i.e. the maker of a Mortgage), and shall include the trustor of a deed of trust.

Section 1.11 "Owner" means the record owner, whether one (1) or more [Persons](#), of any [Lot](#) as defined herein, including contract sellers and holders of fee

simple title, a life estate or an estate for years, but excluding Persons or entities having any interest merely as security for the performance of an obligation.

Section 1.12 "Person" means a natural person, a corporation, a partnership, a trustee, or other legal entity.

Section 1.13 "Property" means the real property [described above](#) in this Declaration. The [Property](#) is a Planned Development.

Section 1.14 "Project" means the entire parcel of [Property](#), including all structures and improvements erected thereon comprised of [Separate Interests](#) and [Common Areas](#) as described in this Declaration.

Section 1.15 "Separate Interest" means an individual [Lot](#) as defined in this Declaration.

ARTICLE II: THE PROPERTY

Section 2.1 Lots. Each of the individually owned [Lots](#) are separately shown, numbered and defined in the recorded Map No. 6958 [as described above](#). Each Lot has appurtenant thereto the exclusive right and easement to use and enjoy the [Common Area](#).

Section 2.2 Common Area. The [Common Area](#) includes Lots G through I as shown and defined in the recorded Map No. 6958 [as described above](#). The Common Areas are owned by the [Association](#) for the common use and enjoyment of the [Owners](#).

Section 2.3 Prohibition Against Severance. Any conveyance, judicial sale, or other voluntary or involuntary transfer of a [Lot](#) includes all interests and appurtenances as shown in the original deed of conveyance thereto and a membership interest in the [Association](#). Any transfer that attempts to sever those component element interests shall be null and void.

Section 2.4 Notice of Lease or Transfer. The [Association](#) shall be notified in writing by the [Owner](#) upon the lease or rental of a [Lot](#) specifying the name of the lessee or tenant together with such other information as may be reasonably requested by the Association. In the event of a sale or other transfer of ownership of a Lot, the new owner shall promptly notify the Association, in writing, specifying the name and address of the new Owner, together with such other information as may be reasonably requested by the Association. The Association may charge the Owner a reasonable fee to update its records regarding any such lease, rental or transfer of any Lot.

Section 2.5 Access Easements. The [Association](#), together with its agents, employees, contractors or representatives shall have the right, after reasonable notice (not less than 24 hours except in emergencies) to the [Owner](#) thereof, to enter any [Lot](#), or any portion thereof, for the purpose of performing repairs, maintenance, restoration, reconstruction or similar activities within the responsibility of the Association for the benefit of the [Common Area](#) or for the benefit of the Owners in common regarding all or a portion of the [Property](#). Any such entry shall be made with

as little inconvenience to the **Owner**, or occupants of the **Lot**, as practicable and any damages or loss caused thereby shall be repaired or replaced at the expense of the **Association**.

Section 2.6 Architectural Control. No building or other structure or improvement shall be erected, placed or altered upon any portion of the **Property** until the complete plans and specifications therefor have been approved in writing by the **Board**, or its Architectural Committee. The Board may adopt procedures and requirements as it deems appropriate for the processing and approval (or disapproval) of **Owner's** applications for exterior alterations or improvements upon any **Lot**. All exterior alterations or improvements must comply with all applicable building codes, laws and ordinances. The Board shall have the sole discretion to determine if any proposed alteration or improvement is in harmony in all respects with **Property** and whether the same shall be approved or disapproved.

ARTICLE III: THE ASSOCIATION

Section 3.1 Membership. Every **Owner**, upon becoming an Owner of a **Lot**, automatically becomes a member of the **Association**. Ownership of a **Lot** is the sole qualification for membership. Each **Member** has the rights, duties, privileges, and obligations as set forth in the **Governing Documents**. Membership automatically ceases when the Owner no longer holds an ownership interest in a **Lot**. All memberships shall be appurtenant to the **Lot** conveyed, and cannot be transferred, assigned, conveyed, hypothecated, pledged or alienated except as part of a transfer of the Owner's entire ownership interest, and then only to the transferee. Any transfer of the Owner's title to his or her **Lot** automatically transfers the appurtenant membership to the transferee.

Section 3.2 Powers and Duties. The **Association's** powers and duties shall be as set forth in its **Articles** and in its **Bylaws**, as the same may be amended from time to time, which are incorporated herein in full by this reference, or as otherwise expressly provided in this **Declaration**.

ARTICLE IV: ASSESSMENTS AND COLLECTION PROCEDURES

Section 4.1 Covenant to Pay Assessments. Each **Owner** by acceptance of a deed (or other conveyance) of one or more **Lots** (whether or not expressly stated in such deed or conveyance) thereby covenants and agrees to pay the **Association** regular assessments, special assessments and special individual assessments as shall be established pursuant to the provisions of this **Declaration**.

Section 4.2 Owner's Personal Obligation for Assessments. Regular and special assessments and any late charges, interest, costs of collection, including attorney fees as provided in this Article, or as provided in any superseding statute, shall be a personal debt of the **Owner** of the **Lot** at the time the assessment or other sums are levied and each Owner promises to pay such amounts to the **Association**. The Owner may not waive or otherwise escape liability for these assessments, or other charges, by non-use of the **Common Area** or abandonment of the Owner's **Lot**.

Section 4.3 Creation of Assessment Lien. All regular and special assessments, together with late charges, interest, costs of collection, including attorney fees, shall be a charge on the individual **Lot** and shall be a continuing lien

upon the **Lot** against which the assessment is made from and after the time the **Association** causes to be recorded a **Notice of Delinquent Assessment** pursuant to the provisions of Civil Code § 1367, or its comparable superseding statute.

Section 4.4 Assessment Roll. The **Association** shall maintain, and update as necessary, an assessment roll for every **Lot** subject to assessment hereunder, reflecting the name and address of each **Owner**, together with all regular assessments, special assessments and special individual assessments levied against each **Owner** and his or her **Lot** and the amount of such assessments which have been paid or which remain unpaid.

Section 4.5 Amount and Purpose of Assessments. The **Association** shall levy regular and special assessments sufficient to perform its obligations subject to the provisions of this Article or applicable law. The assessments levied by the **Association** shall be used exclusively to promote the operation, repair, replacement, improvement and maintenance of the **Property** and to discharge any other obligations of the **Association** as provided in the **Governing Documents** or by law.

Section 4.6 Regular Assessments. Regular assessments shall be established annually by the **Board** based on the pro forma operating budget and the reserve account(s) allocations and funding of the **Association**. Any increase or decrease in regular assessments shall be allocated equally (in the same dollar amount) to each **Lot**. Each **Owner** is obligated to pay regular assessments in equal monthly installments on or before the first day of each month, unless the **Board** adopts an alternate method of payment.

Section 4.7 Special Assessments. If the **Board** determines that the amount to be collected from regular assessments will be inadequate to defray the expenses for the year because of the cost of any construction, unexpected repairs or replacements of capital improvements upon the **Common Area**, or any other reason, it shall make a special assessment for the additional amount required, subject to membership approval, in accordance with the provisions of this Article.

Section 4.8 Limitation on Assessment Increases.

A. Increase Approvals. The **Board** shall not impose a regular assessment that is more than twenty percent (20) greater than the regular assessment for the **Association's** preceding fiscal year OR impose a special assessment which in the aggregate exceeds five percent (5) of the budgeted gross expenses of the **Association** for that fiscal year without the approval of **Owners** constituting a quorum and who cast a majority of the votes at a meeting or election of the **Association** duly called for that purpose. The "quorum" for purposes of this section means more than fifty percent (50) of the **Owners** of the **Association**. However, this section does not limit assessment increases for emergency situations. An "emergency situation" for purposes of this section means any of the following;

- 1) An extraordinary expense required by a court order; or
- 2) An extraordinary expense necessary to repair or maintain the **Property** or any part of it which the **Association** is responsible where a threat to personal safety on the **Property** is discovered; or
- 3) An extraordinary expense necessary to repair or maintain the **Property** or any part of it for which the **Association** is responsible that could not have

been reasonably foreseen by the **Board** in preparing the pro forma operating budget under Civil Code Section 1365 (or its comparable superseding statute). However, prior to the imposition or collection of an assessment under this subdivision, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment.

B. Notice of Assessment Increases. The **Association** shall provide notice by first-class mail to the **Owners** of any increase in the regular assessment, or of a special assessment, not less than thirty (30) days nor more than sixty (60) days prior to the date the increased assessment shall become due.

C. Compliance with Financial Statement Requirements. Annual increases in regular assessments for any fiscal year shall not be imposed unless the **Board** has complied with the "Financial Documents" provisions of subdivision (a) of Civil Code Section 1365 (or its comparable superseding statute) with respect to that fiscal year OR has obtained the approval of a majority of a quorum of the **Owners** at a meeting or election of the **Association** conducted for that purpose in accordance with the **Bylaws**.

Section 4.9 Special Individual Assessments. The **Board** may impose a special individual assessment or assessments against an **Owner**, provided the Owner has been afforded the notice and opportunity for hearing as specified in Article III, Section 3 of the **Bylaws**, for the following:

1) Damage to Common Area. In the event that any damage to, or destruction of, any portion of the **Common Area**, including any other portion of the **Property** which the **Association** is obligated to maintain or repair is caused by the willful misconduct or negligent act or omission of any **Member**, or the Member's family, tenants, guests, employees, contractors, agents or invitees, the **Board** may cause the same to be repaired or replaced, and all costs and expenses incurred shall be assessed against such **Owner/Member** as a special individual assessment.

2) Expenses for Member Compliance. In the event that the **Association** incurs any costs or expenses, including attorney fees, to accomplish a) collection of delinquent assessments, or other authorized charges or fees; or b) to enforce the **Owner's** obligation to repair, maintain or replace any portion of the **Property** that the Owner is responsible to maintain under the **Governing Documents** which the Owner has failed to complete in a timely manner after demand to do so; or c) to bring the Owner and/or his or her family, tenants, guests, employees, contractors, agents or invitees into compliance with any provision of the **Governing Documents**, then the amount incurred by the **Association** to enforce such compliance, together with all costs of collection or enforcement, including monetary penalties and reasonable attorney fees shall be assessed and charged solely to and against the Owner as a special individual assessment.

3) Expenses Required to Maintain Lot. If any **Lot** is maintained in such a manner as to constitute a nuisance, fire or safety hazard, or any other similar reason, the **Association** shall have the right to enter and abate or correct the offensive or hazardous condition(s) and the costs and expense of such action may be

imposed as a special individual assessment against the offending **Owner** and the Owner's **Lot**

4) Limitation on Right to Lien. Special individual assessments imposed incident to the enforcement and collection of assessments, including late charges, interest, costs of collection, title reports, recording or court filing fees, attorney fees, and the like OR to reimburse the **Association** for the costs incurred to repair damage to the **Common Area** for which a **Member**, or the Member's family, guests, tenants, or invitees is responsible, shall be subject to a **Notice of Delinquent Assessment (Lien)** and enforceable in any manner permitted by law as provided in Civil Code Section 1367 (or its comparable superseding statute). Special individual assessments imposed solely as a disciplinary measure, such as monetary penalties, to enforce compliance with the **Governing Documents** may not be characterized or treated as an assessment and the same shall not become a lien against the **Owner's Lot** or **Separate Interest**.

Section 4.10 Enforcement of Assessments.

A. Delinquent Assessments, Late Charges, etc. Regular assessments, special assessments and special individual assessments, shall be delinquent fifteen (15) days after they become due. If an assessment is delinquent the **Association** may recover all of the following:

1) Reasonable costs incurred in collecting the delinquent assessments, including reasonable attorney's fees; and

2) A late charge not exceeding ten percent (10) of the delinquent assessment or ten dollars (\$10.00), whichever is greater (a late charge shall be imposed only once for the same delinquent assessment); and

3) Interest on all sums imposed in accordance with this Article (including assessments, late charges, costs of collection including attorney's fees) at an annual rate not to exceed twelve percent (12), commencing thirty (30) days after the assessment and other authorized amounts become due.

B. Notice of Delinquent Assessment (Lien). Before the **Association** may place a lien on the **Separate Interest** (i.e. **Lot**) of an **Owner** to collect a debt which is past due, the Association shall notify the Owner in writing by certified mail of the fee and penalty procedures of the Association, provide an itemized statement of the charges owed by the owner, including items on the statement indicate the principal owed, any late charges and the method of calculation, any attorney's fees, and the collection practices used by the Association, including the right of the Association to the reasonable costs of collection. The amount of regular or special assessments, plus any costs of collection, including attorney fees, late charges and interest assessed in accordance with this Article shall be a charge and continuing lien on the Owner's Lot from and after the time the Association causes to be recorded in the Official Records of the San Diego County Recorder's Office a Notice of Delinquent Assessment (Lien) [also referred to herein as "assessment lien"], which shall state the name of the owner(s) of record of the Lot, the amount of the delinquent assessments, plus costs of collection, including attorney fees, late charges and interest, a legal description of the Lot against which the charges have been levied, and, in order for the lien to be enforced by non judicial foreclosure, the name and address of the trustee authorized

by the Association to enforce the lien by sale. The Notice of Delinquent Assessment (Lien) shall be signed by the person designated by the Association for that purpose, or if no one is designated, by the president of the Association. A copy of the Notice of Delinquent Assessment (Lien) shall be mailed in the manner (i.e. by registered or certified mail, postage prepaid) set forth in Civil Code Section 2929b (or its comparable superseding statute), to all record owners of the owner's interest in the common interest development (**Project**) not later than 10 calendar days after recordation. Upon payment of all sums specified in the Notice of Delinquent Assessment (Lien), the **Association** shall cause to be recorded a further notice stating the satisfaction and release of the lien thereof. Payments by the **Owner** toward the debt owed shall be first applied to the principal owed, and only after the principal owed is paid in full shall such payments be applied to interest or collection expenses. The lien created by the recordation of the Notice of Delinquent Assessment shall be prior to all other liens recorded subsequent thereto; except for (a) the lien or charge of any first **Mortgage** of record made in good faith and for value, provided that such subordination shall apply only to the assessments which have become due or payable prior to the transfer of such property pursuant to the exercise of a power of sale or judicial foreclosure involving a default under such first Mortgage or deed of trust, or other prior encumbrance, or (b) any taxes, bonds or other such levies which are made superior thereto by law.

C. Lien Enforcement Remedies. After the expiration of thirty (30) days following the recording of the **Notice of Delinquent Assessment (Lien)**, the lien created by the recordation of a Notice of Delinquent Assessment (Lien) may be enforced in any manner permitted by law, including sale by the court (i.e. judicial enforcement), sale by the trustee designated in the Notice of Delinquent Assessment (Lien) [non judicial foreclosure] or sale by the trustee substituted pursuant to Section 2934a of the California Civil Code (or its comparable superseding statute). Any sale by the trustee shall be conducted in accordance with the provisions of Civil Code Sections 2924, 2924b and 2924c (or their comparable superseding statutes) applicable to the exercise of powers of sale in mortgages and deeds of trust. Nothing in this Article, or subdivision (a) of Section 726 of the California Code of Civil Procedure shall prohibit an action against the **Owner** on the Owner's personal obligation to pay assessments to recover the sums for which a lien is created pursuant to Section 1367 of the Civil Code (or its comparable superseding statute) or shall prohibit the **Association** from taking a deed in lieu of foreclosure.

D. Enforcement of the Owner's Personal Obligation to Pay Assessments. The **Association** may initiate a legal action against the **Owner** personally obligated to pay the delinquent assessments or other authorized amounts owing to the Association as authorized in this Article.

Section 4.11 Statement of Delinquent Assessment. The **Association** shall, upon written request by any **Owner**, provide the Owner with a statement specifying the amount of assessments levied against the Owner's **Lot** that are unpaid and delinquent on the date of the statement and the amount of late charges, interest, costs of collection including attorney's fees as of the date of the statement that are or may be made a lien on the Owner's Lot. The Association may charge the Owner a reasonable fee to cover its costs to prepare, reproduce and distribute the statement required by this Section.

Section 4.12 Transfer of Lot by Sale or Foreclosure. The following provisions shall govern the [Association's](#) rights to enforce its assessment collection remedies following the sale or foreclosure of a [Lot](#).

A. Except as provided in paragraph B below, the sale or transfer of any [Lot](#) shall not affect any [Notice of Delinquent Assessment \(Lien\)](#) duly recorded with respect to that Lot before the sale or transfer, and the [Association](#) can continue to enforce its lien by either judicial or nonjudicial foreclosure, or any other action permitted by law, in spite of the change in ownership.

B. The [Association's](#) assessment lien shall be extinguished as to all delinquent sums, late charges, interest, and costs of collection incurred before the sale or transfer of a [Lot](#) under a foreclosure or exercise of a power of sale by the holder of a prior encumbrance (but not under a deed-in-lieu of foreclosure). A "prior encumbrance" means any first mortgage or other mortgage or deed of trust or lien recorded before the Association's assessment lien.

C. No sale or transfer of a [Lot](#) as the result of a foreclosure, exercise of a power of sale, or otherwise, shall relieve the new [Owner](#) of that Lot from liability for any assessments thereafter becoming due for that Lot.

D. No sale or transfer of a [Lot](#) as the result of foreclosure, exercise of a power of sale, or otherwise, shall affect the [Association's](#) right to maintain an action against the foreclosed previous [Owner's](#) personal liability for assessments to collect all amounts due from the previous [Owner](#) prior to the sale or transfer.

ARTICLE V: USE RESTRICTIONS AND COVENANTS

Section 5.1 General. The use and enjoyment of the [Property](#) by [Owners](#) and their tenants, guests, invitees and other persons deriving rights from an Owner, are subject to all of the provisions of the [Association's](#) [Governing Documents](#). Each such person(s) shall comply with the provisions of this [Declaration](#) and the other [Governing Documents](#) and be subject to any enforcement actions in the event of a violation thereof as provided in the Association's [Governing Documents](#) or by law.

Section 5.2 Use of Common Area. the use and enjoyment of the Common Area and Common Facilities are subject to the following:

(a) The [Association](#) may designate portions of the [Common Area](#) for the exclusive use of less than all [Owners](#), provided that the designation is not inconsistent with the rights of any Owner;

(b) Each [Owner](#) is entitled to reasonable access to the [Common Area](#) for the purpose of maintaining those areas of the [Property](#) for which such Owner is responsible, subject to the consent of the [Association](#) and to any other conditions reasonably imposed by the Association;

(c) The [Association](#) shall have an easement in, to, and throughout the [Common Area](#) and the improvements thereon as may be necessary to perform its duties and exercise its powers as set forth in the [Governing Documents](#);

(d) Subject to the provisions of this [Declaration](#), each [Owner](#) has non-exclusive rights of ingress, egress, and support, if necessary, through the [Common Area](#). These rights are appurtenant to each [Lot](#), and the [Common Area](#) is subject to these rights;

(e) [Owner's](#) rights to use and enjoyment of the [Common Area](#) are subject to the restrictions set forth in this [Declaration](#);

(f) The [Association](#) may grant to third parties easements in, on and over the [Common Area](#) for the purpose of constructing, installing, or maintaining any utilities and services deemed appropriate in the discretion of the [Board](#), and each [Owner](#), in accepting the deed to his or her [Lot](#), expressly consents to these easements. No such easement may be granted if it would interfere with any exclusive easement or with any [Owner's](#) use, occupancy or enjoyment of a [Lot](#);

(g) An [Owner](#) who has leased, rented or sold his or her [Lot](#) to a contract purchaser shall be deemed to have delegated all of his or her rights to use and enjoy the [Common Area](#) to such persons who reside in the [Lot](#).

Section 5.3 Liability for Damage. Each [Owner](#) is liable to the [Association](#) for any damage to the [Common Area](#) or to Association-owned property caused by the [Owner](#) or the [Owner's](#) family, guests, employees, tenants, pets or invitees. In the case of joint ownership of a [Lot](#), the liability of co-owners is joint and several.

Section 5.4 Restrictions on Use. In exercising the right to occupy or use a [Lot](#) or the [Common Area](#) and its improvements, an [Owner](#) and the [Owner's](#) family, guests, employees, tenants, agents or invitees shall not do, permit or allow to be done any of the following:

(a) Occupy or use any [Lot](#), in whole or in part, for any purpose other than for non-commercial, private residential use. A [Lot](#) shall not be occupied by more individuals than permitted by zoning, government regulation or applicable law. Use of a [Lot](#) for "time-sharing" occupancy is expressly prohibited.

(b) Permit anything to obstruct the [Common Area](#) or interfere with the rights of other [Owners](#), or perform any act or permit any noise which may be or become an annoyance or nuisance to other [Owners](#), other than in accordance with reasonable rules established by the [Board](#).

(c) Perform any act or keep anything on or in any [Lot](#) or in the [Common Area](#) that would result in the cancellation of insurance on any [Lot](#) or on any part of the [Common Area](#) or that would cause an increase in the rate of insurance maintained by the [Association](#).

(d) Engage in any act or perform any activity in or about the [Property](#) which would be in violation of any statute, law, ordinance or governmental rule or regulation.

(e) Display any sign to the public view on or from any [Lot](#) or the [Common Area](#) without the prior written consent of the [Board](#), except that the [Owner](#) may post on his or her [Lot](#) a single "For Rent" or "For Sale" sign of reasonable dimensions and appearance as determined by the [Board](#) or as stated in the Rules and Regulations of the [Association](#).

(f) Construct, install or maintain any television or radio antennae, satellite dish, or similar installations in any **Lot**, except as may be permitted by law and then subject to the reasonable rules and regulations of the **Association** as provided in California Civil Code Section 1376, or its comparable superseding statute or Federal law.

(g) Permit any animals, reptiles, insects or birds of any kind to be raised, bred or maintained in any **Lot**, or any other portion of the **Property**, except no more than two (2) usual and ordinary household pets such as dogs, cats, birds, etc. being kept and maintained by the **Owner**-occupant in accordance with codes and ordinances of the City of Chula Vista. After the recordation of this Restated and Amended **Declaration**, the **Owner** of a **Lot** shall have the right to keep at least one (1) domesticated bird, cat, dog, aquatic animal kept within an aquarium. All such pets are subject to reasonable rules and regulations adopted by the **Association** as provided in California Civil Code Section 1360.5, or its comparable superseding statute.

(h) Alter, construct or remove anything from the **Common Area** or affix or attach anything thereto, including the exterior surfaces of the buildings and structures located thereon, or install any equipment, fixtures, or improvements of any kind thereto, except as may be provided by the prior written approval of the **Board** or in the Rules and Regulations of the **Association**.

(i) Allow any trailer, camper, mobile home, commercial vehicle, truck (other than a standard size pickup, van or recreational vehicle), boat, unlicensed or inoperable vehicles, or similar equipment to be kept or maintained upon any portion of the **Property**, except as may be provided by the prior written approval of the **Board** or in the Rules and Regulations of the **Association**.

(j) Permit any portion of the **Common Area** to be used for the sale or display of goods, wares, or merchandise or for any other commercial purpose except as may be provided by the prior written approval of the **Board** or in the Rules and Regulations of the **Association**.

(k) Allow any fence, rail or hedge over 36 inches in height to be placed in front of the set-back line on a **Lot**, as shown on the recorded Map No. 6958 for the subdivision. No fence, wall (except an existing retaining wall), rail or hedge shall be over 72 inches in height elsewhere on the **Lot**, except with the prior written consent of the **Board**, or its Architectural Committee.

(l) Make any change to the established drainage pattern over a **Lot** from adjoining or other **Lots**. In the event it is necessary to change the established drainage of a **Lot**, which requires the prior approval of the **Board**, or its Architectural Committee, the **Owner** shall make adequate provision for proper drainage thereafter.

Section 5.5 Lot Building Decoration and Alteration. Every **Owner** shall, at his or her sole cost and expense, maintain, repair, paint, paper, panel, plaster and finish the interior surfaces of the ceilings, floors, walls, window and door frames of the building structure on his or her **Lot** and improve or alter any improvements within the exterior surface of the perimeter walls of such building structure provided such improvement or alteration does not affect or impair the structural integrity of any

part of the **Property** and does not involve altering any part of the **Common Area**. All window or door coverings, and any other items visible from the exterior of the building structure, shall be governed by the Rules and Regulations of the **Association**.

Section 5.6 Leases. No **Owner** shall lease his or her **Lot** unless (1) the tenant uses the Lot solely as a private residence, (2) the lease is of the entire Lot and not a portion or portions of the Lot or the building structure situated on the Lot, (3) the lease is not for transient or hotel purposes, (4) the lease term is for a period of at least one year, (5) the lease expressly provides that the leasehold is subject to the **Governing Documents**, (6) the lease expressly provides that the leasehold may not be subleased or assigned, and (7) the Owner furnishes the **Association** a copy of the lease or an affidavit by the Owner certifying that the Lease fully complies with all of the provisions of this Section. The Owner shall promptly notify the Association on a form approved by the **Board** the names of all occupants of the Lot and such other information as the Association may reasonably require. The Owner shall covenant that in the event of any failure of the lessee or tenant to comply with the Governing Documents, the Owner shall take immediate action to ensure the default is cured, including eviction of the lessee or tenant, if necessary.

Section 5.7 Right of Entry. In the event of a violation of any provision of this Article, including without limitation, the failure to comply with a lawful written directive or order from the **Board** to correct such violation, the Board, including its agents and representatives shall have the right of entry into and upon any **Owner's Lot**, after proper notice and opportunity for hearing as provided in Article III, Section 3 of the **Bylaws**, in order to gain access to perform the subject matter of such directive or order, and the costs and expense of such performance shall be the personal obligation of the affected Owner. In addition, the **Association** may initiate any of the enforcement remedies as provided in this **Declaration** to obtain such compliance or right of entry.

Section 5.8 Architectural Control. The **Board** may appoint an architectural control committee which shall be comprised of at least one director and as many **Members** of the **Association** as may be determined by the Board from time to time. No **Owner** shall make any alteration or change to his or her **Lot**, or to any other portion of the **Property**, without full compliance with the Association's architectural guidelines and procedures or without the prior written approval of the Board, or its architectural control committee. The Board may adopt and publish such procedures and guidelines governing any architectural alterations or changes to any Lot within the Property as the Board deems reasonable and appropriate from time to time.

ARTICLE VI: MAINTENANCE AND REPAIR OF THE PROPERTY

Section 6.1 Maintenance by Association. The **Association** shall be responsible for the care, maintenance, repair, restoration and replacement of the **Common Area** and **property** owned by the Association. In addition, it shall provide exterior maintenance upon each **Lot** which is subject to assessment hereunder, as follows: paint, repair, replace and care for roofs, gutters, down spouts, exterior building surfaces, trees, shrubs, grass, walks, the carport wall mounted light fixtures (and replacement of light bulbs) and other exterior improvements. Such exterior maintenance shall not include glass surfaces, frames or hardware for exterior windows or doors.

In the event that the need for maintenance or repair to the **Common Area** or any other portion of the **Property** that the Association is obligated to maintain and repair is caused by the willful or negligent act of the **Owner**, or the Owner's family, guests, tenants or invitees, the cost of such maintenance or repairs shall be added to and become a special assessment against the Owner's **Lot** and shall also be the personal obligation of the Owner.

Section 6.2 Maintenance and Obligations of Owners. Each **Owner** shall keep clean and in good condition and repair and pay for the following items relating to the Owner's **Lot**:

(A) the glass doors and windows, whether interior or exterior, including the screens, frames, tracts of such doors and windows, together with the hardware or fixtures attached thereto;

(B) the interior areas of the building, including the interior surfaces of the doors, windows, walls, ceilings, floors thereof, and all appliances located within the exterior surface of the perimeter walls of the building;

(C) the plumbing, heating, ventilating and air-conditioning systems, if any, servicing the building, located within the exterior surface of the perimeter walls of the building;

(D) the wires, cables, etc. providing telephone or television service and all related equipment and fixtures thereto, located within the exterior surface of the perimeter walls of the building;

(E) if applicable, the planted area or patio area situated upon the **Lot** of the end units of the building structures;

(F) the cost of electricity for the operation of the carport photo-electric wall-mounted light which is connected to the electricity system of the **Owner's Lot**. No Lot Owner shall tamper with, disconnect or otherwise interfere with the operation or functioning these carport lights in any way or manner;

(G) every **Lot Owner** shall subscribe to and pay for the trash collection service contracted for by the City of Chula Vista, California;

(F) every Lot **Owner** shall keep trees or shrubs on his or her Lot topped or trimmed in accordance with the requirements and specifications of the **Association** in accordance with its rules and regulations.

ARTICLE VII: INSURANCE

Section 7.1 Fire and Casualty Insurance. The **Association** shall obtain and maintain a policy or policies for fire and casualty insurance with an extended coverage endorsement for the full insurable replacement value of the **Property** (excluding the contents of the living spaces) as determined from time to time by the **Board**. This insurance shall be maintained for the benefit of the Association, the **Owners**, and their **Mortgagees**, as their interest may appear as named insured; subject, however, to any loss payment requirements set forth in this **Declaration**.

Section 7.2 General Liability Insurance. The Association shall obtain and maintain a policy or policies insuring the Association, Owners' and the Owners' family, relatives, tenants, agents, employees, guests and invitees against any liability for bodily injury, death, and property damage arising from the acts and omissions of the Association and its Members with respect to the Common Area. The limits of liability must be at least in the minimum amount of limits of coverage as specified in California Civil Code Section 1365.9 (or its comparable superseding statute). The limits and coverage shall be reviewed at least annually by the Board and increased or decreased in its discretion subject to the provisions of this Article.

Section 7.3 Directors and Officers Liability Insurance. The Association shall obtain and maintain directors' and officers' liability insurance providing coverage for negligent acts, errors or omissions, with at least the minimum amount of limits of coverage as specified in California Civil Code Section 1365.7 (or its comparable superseding statute)

Section 7.4 Other Association Insurance. The Association shall obtain and maintain workers compensation insurance as may be necessary to comply with any applicable law or statute. The Association shall obtain and maintain fidelity bond coverage naming as insureds the Association and all persons or entities handling or having access to the funds of the Association in an amount at least equal to the total funds of the Association, including reserves. The Board may, in its discretion, obtain and maintain such other insurance as it deems reasonable and necessary from time to time.

Section 7.5 Association as Trustee for Policies. The Association is hereby appointed and shall be deemed trustee of the interests of all insureds under the policies of insurance purchased and maintained under this Article by the Association. All insurance proceeds under any of these policies shall be paid to the Association as Trustee. The Association shall use the proceeds for the repair or replacement of the property for which the insurance was carried or for the purposes described in the policies. The Association, as Trustee, is authorized to negotiate loss settlements and to compromise and settle any claims or enforce any claim by any lawful action or proceeding and to execute loss claim forms or releases, in regard to such policies.

Section 7.6 Owner's Individual Insurance. Each Owner shall separately insure his or her personal property and the contents of the building situated on his or her Lot against property damage or casualty loss. In addition, each Owner shall obtain and maintain personal liability insurance for his or her Lot, provided that the insurance contains a waiver of subrogation rights by the carrier as to the other Owners, the Association, and the First Mortgage of the Owner's Lot.

ARTICLE VIII: DAMAGE OR DESTRUCTION

Section 8.1 Duty to Restore and Replace. If any of the improvements within the Property, whether a portion of the Common Area or the building structures situated on the individual Lots, are destroyed or damaged, the Association shall restore and replace those destroyed or damaged improvements using the proceeds of insurance maintained by the Association in accordance with the Governing Documents and Article VII of this Declaration, subject to the provisions of this Article.

Section 8.2 Proceeds For Automatic Restoration and Repair. If the proceeds of any insurance maintained for the reconstruction or repair of the **Property** are equal to at least 85 of the estimated cost of restoration or repair, the **Association** shall use the insurance proceeds for that purpose, and levy a Special Assessment or obtain the necessary additional funds from another available source, and have the **Property** repaired, restored or rebuilt, unless the **Owners** by a vote or written consent of not less than 67 of the total voting power of the Association object to such proposed repair, restoration or rebuilding within ninety (90) days of the damage or destruction.

Section 8.3 Approval by Owners of Special Assessments. If the proceeds of any insurance maintained by the **Association** for the repair or reconstruction of the **Property** are less than 85 of the estimated costs of such repair or restoration, then any repair or restoration work must be authorized by the vote or written consent of at least 67 of the total voting power of the Association. This authorization shall be given within 120 days of the damage or destruction, and shall authorize the Association to levy a Special Assessment to provide the necessary funds in excess of the amount of any insurance proceeds available for that purpose.

Section 8.4 Election Not To Rebuild. Upon the election not to rebuild, the **Association**, as soon as reasonably possible and as agent for the **Owners**, shall execute and record a certificate stating that the Association will not rebuild and shall sell the entire **Property** on terms acceptable to the Association and free from the effect of this **Declaration**, which shall terminate upon the sale of the **Property**. The net proceeds from such sale (and any insurance proceeds not assigned to the purchaser) shall then be distributed to the **Owners** and their respective **Mortgagees** proportionately according to the respective fair market values of the **Lots** as of the moment immediately preceding the damage or destruction as determined by an independent appraisal. That appraisal shall be performed by an independent appraiser selected by the Association who must be a member of, and apply the standards of, the Society of Real Estate Appraisers or another nationally recognized appraiser organization.

Section 8.5 Association As Power of Attorney. Each of the **Owners** irrevocably appoints the **Association** as attorney-in-fact and irrevocably grants to the Association full power in the name and stead of such Owner to sell the entire **Property**, and to execute deeds and conveyances to it for the benefit of all **Owners** when the Association has been authorized to sell of the **Property** under this Article. The power of Attorney shall (1) be binding on all **Owners**, whether they assume the obligations under this **Declaration** or not; (2) be exercised by a majority of the **Board** subject to obtaining the prior approval by a vote or written consent of the **Owners** representing at least 67 of the total voting power of the Association; and (3) be exercised only after recordation with the County Recorder of San Diego County of a certificate executed on behalf of the Association that the power of attorney is properly exercised under the authority of this Declaration. The certificate shall be conclusive evidence of the proper exercise of the power of attorney in favor of any person relying on it in good faith.

ARTICLE IX: EMINENT DOMAIN

Section 9.1 Definition of Taking. As used in this Article, "taking" means condemnation by any governmental agency having the power of eminent domain or sale under threat of the exercise of that power.

Section 9.2 Sale to Condemning Authority. If a governmental agency proposes to condemn all or a portion of the **Property**, the **Association** may sell all or a portion of the **Property** to the condemning authority if all **Owners** and **Mortgagees** consent in writing to the sale. Any such sale shall be made by the Association in the capacity of attorney-in-fact for the **Owners**, acting under an irrevocable power of attorney which each **Owner** grants to the **Board**. The sales price shall be any amount deemed reasonable by the **Board**.

Section 9.3 Total Sale or Taking. A total sale or taking occurs when (a) there is a permanent taking or sale to a condemning authority by the **Association** of an interest in all or part of the **Common Area** or all or part of one or more **Lots**, which substantially and adversely affects the ownership, operation, and use of the **Property** as a whole in accordance with the provisions of this **Declaration**; and (b) 120 days have passed since the effective date of the taking and the **Owners** whose **Lots** remain habitable after the taking ("Remaining Lots") have not by affirmative vote of a majority of their entire voting interest approved the continuation of the **Property** and the repair, restoration, and replacement to the extent feasible of the **Common Area** and the **Remaining Lots**. Within 60 days after the effective date of any sale or taking which in the opinion of the **Board** would constitute a total sale or taking, the **Board** shall call a special meeting of the **Members** to determine whether or not the **Owners** of the **Remaining Units** will continue the **Property** as provided in this Section. If there is a total sale or taking, the **Board** shall distribute the proceeds of the total sale or taking and the proceeds of any sale pursuant to a partition action, after deducting all incidental fees and expenses related to the taking or partition, to all **Owners** and their **Mortgagees** in accordance with the court judgment or the agreement between the condemning authority and the **Association**, if any such judgment or agreement exists. In all other cases, the proceeds shall be distributed among the **Owners** and their respective **Mortgagees** according to the relative values of the **Lots** affected by the condemnation as determined by independent appraisal. That appraisal shall be performed by an independent appraiser selected by the **Association** who must be a member of, and apply the standards of, the Society of Real Estate Appraisers or other nationally recognized appraiser organization.

Section 9.4 Partial Sale or Taking. A partial sale or taking occurs if there is a sale or taking that is not a total sale or taking as defined in **Section 9.3 above**. The proceeds from any such sale or taking shall be disbursed in the following order of priority, which shall be incorporated into any court judgment or condemnation or agreement between a condemning authority and the **Association**:

(A) To the payment of related fees and expenses.

(B) To **Owners** of **Lots** that have been sold or taken and their respective **Mortgagees**, as their interests may appear, in an amount up to the fair market value of the **Lot(s)** as that value is determined by the court in the condemnation proceeding or, in the absence of such determination, by an appraiser selected in the manner described herein. Such a payment shall immediately terminate the recipient's status as an **Owner**, and the **Board**, acting as the attorney-in-fact of the remaining **Owners**, shall amend this **Declaration** and any other documents, as appropriate, to delete the

sold or taken Lots from the Property. Each Owner whose interest is terminated pursuant to this Section shall, at the request and expense of the Association, execute and acknowledge any deed or other instrument that the Association deems necessary to evidence the termination.

(C) To the payment of severance damages to First Mortgagees of record of remaining Lots affected by the partial sale or taking, to the extent that such Mortgagees can prove that their security has been impaired by the taking.

(D) To the repair, restoration, and replacement of the Common Area and any portions of the Remaining Lots that the Owners are not obligated to restore, to the extent feasible.

ARTICLE X: MORTGAGEES

Any Lot Owner may encumber his or her Lot by deed of trust or Mortgage. The beneficiary of the deed of trust or the Mortgagee of a Mortgage is referred to in this paragraph as a "lender". A breach of any of the provisions of this Declaration shall not affect or impair the lien or charge of any bona fide deed of trust or Mortgage made in good faith and for value encumbering any of the Lots. A lender who acquires title by foreclosure or deed in lieu of foreclosure shall not be obligated to cure any breach of this Declaration which is noncurable or of a type which is not practical or feasible to cure. It is intended that any loan to facilitate the resale of any Lot after foreclosure or deed in lieu of foreclosure is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other lenders. All liens created by this Declaration, including but not limited to, those based on any regular or special assessment for the payment of money, shall be subordinate to the lien created by any bona fide first deed of trust or first Mortgage of record, provided, however, a lender shall be liable for all such assessments accruing during the actual period of time the lender holds title to a Lot. This liability of assessments on the part of a lender is on a pro-rata basis with the pro-rata period commencing on the date the lender acquires title and ending upon the date of transfer of title to any Lot, whereupon the liability will attach to the transferee. No amendment to this Declaration shall affect any lender to the extent it defeats the lender's then priority position with respect to its lien or which would otherwise adversely affect the lender's position prior to the amendment, unless the approval in writing is obtained from the lender. Any other amendment to this Declaration, which does not adversely affect the position of lenders, adopted in accordance with Article XII of this Declaration, shall not require approval of the lenders. Lenders, upon written request to the Association for such special notice, shall be given notice of any proposed amendments to this Declaration. Lenders may attend any regular or special meetings of the Members, or of the Board, concerning any matter relating to their position as a lender. All applicable Fire and Casualty Insurance and extended coverage insurance policies maintained by the Association concerning the Property shall contain loss payable clauses naming the lenders of record of any first deed of trust or first Mortgage, as their interest may appear, as may be required by such lenders.

ARTICLE XI: ENFORCEMENT

Section 11.1 Right to Enforce. The Association or any Owner may enforce, by any proceeding at law or in equity, any or all covenants, conditions or restrictions imposed by or pursuant to this Declaration. Each Owner has a right of action against

the Association or any other **Owner** for failure to comply with the provisions of the **Governing Documents** or with the decisions of the Association which are made pursuant to the authority granted the Association under the Governing Documents.

Section 11.2 Remedies at Law Inadequate. Except for the non-payment of any assessment or an action at law for the recovery of a money judgment, it is expressly declared hereby that the remedy at law to recover damages for the breach, default or violation of any of the covenants, conditions, restrictions or other equitable servitudes contained in this **Declaration** are inadequate and that the failure of any **Owner** or the Owner's family, tenant, occupant or user of any **Lot** or the Common Area or its facilities, to comply with any provision of the **Governing Documents** may be enjoined or abated by any appropriate action or proceeding by the **Association**, the **Board** or any Owner.

Section 11.3 Nuisance. Without limiting the generality of the other provisions of this Article, the result of every act or omission whereby any provision of this **Declaration** is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such result and may be exercised by the **Association**, the **Board** or any **Owner**.

Section 11.4 Cumulative Remedies, Etc. The respective rights and remedies provided by this **Declaration** or by law or in equity shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or effect the exercise, at the same or different times, of any other such rights or remedies for the same or different breach, default or violation of any provision of the Governing Documents. Moreover, the failure of the **Association**, or its **Board**, to bring an action to enforce any of the **Governing Documents** shall not constitute a waiver of the right to do so thereafter as may be appropriate under the circumstances.

Section 11.5 Costs and Attorney's fees. In any action or proceeding brought to enforce any of the provisions of this **Declaration**, or any of the other Governing Documents, the prevailing party (defined as the party in whose favor judgment is entered) as provided by statute (i.e. pursuant to California Civil Code Section 1354 (f) or its comparable superseding statute) shall be entitled to recovery of its costs of suit, including reasonable attorney's fees.

Section 11.6 Alternative Dispute Resolution. Before the filing of a civil action (other than to enforce collection of **Association** assessments or unless otherwise exempted by California Civil Code Section 1354, below), the Association or an **Owner** must first endeavor to submit their dispute to a form of alternative dispute resolution such as mediation or arbitration in accordance with the provisions and requirements of California Civil Code Section 1354 (or its comparable superseding statute).

ARTICLE XII: ADOPTION, AMENDMENTS AND DURATION

Section 12.1 Adoption and Amendments. This Restated and Amended **Declaration** may be adopted and amended by an instrument in writing certifying that the written consent thereto has been obtained from the **Owners** of at least sixty-seven (67) of the **Lots** in the **Project** and which shall be executed and acknowledged by two (2) officers designated by the **Association** for that purpose ("Certification of Adoption"), and shall become effective upon recordation thereof in the Office of the County Recorder of San Diego County, California. Provided, however, any

subsequent amendment shall be subject to the provisions of [Article X](#) , entitled Rights of [Mortgagees](#), of this [Declaration](#).

Section 12.2 Duration. All of the provisions of this [Declaration](#) constitute covenants running with the land and enforceable equitable servitudes upon the [Property](#), and are binding on and inure to the benefit of all of the Property and all parties having or acquiring any right, title or interest in all or any part of the Property, including the heirs, executors, administrators and assigns for these parties and the Property shall continue to be held, conveyed, hypothecated, encumbered, leased, rented, occupied and used subject to all of the covenants, conditions, restrictions, declarations, limitations, rights, easements and reservations set forth in this Declaration, all of which are declared to be in the furtherance of a plan established for the purpose of enhancing and preserving the value, desirability, and attractiveness of the Property, and the same shall continue in effect for a term of fifty (50) years from the date of recordation of this Restated and Amended Declaration of Covenants, Conditions and Restrictions or for such additional term as may be provided in a duly approved and recorded amendment to this Declaration pursuant to [Section 12.1](#) of this Article.

ARTICLE XIII: GENERAL PROVISIONS

Section 13.1 Interpretation. The provisions of this [Declaration](#) shall be liberally construed and interpreted to effectuate its purpose of creating a uniform plan for the development and operation of the Mendocino Planned Development.

Section 13.2 Severance. Each of the provisions of this [Declaration](#) is independent and may be severed from the others, and the invalidity or partial invalidity or unenforceability of any one provision shall not affect the validity or enforceability of any other provision.

Section 13.3 Fair Housing. No [Owner](#) shall, either directly or indirectly, forbid or restrict the conveyance, encumbrance, rental, lease or occupancy of the Owner's [Lot](#) to any person on the basis of race, color, sex, religion, ancestry or national origin.

Section 13.4 Captions. All captions and titles used in this [Declaration](#) are intended solely for convenience of reference and shall not affect the interpretation or application of any of the terms or provisions of this [Declaration](#).

IN WITNESS WHEREOF, the undersigned hereby certify that this Declaration was adopted pursuant to a duly approved resolution of the Board of Directors of the Mendocino Management Association No. 1 and pursuant to the written consent of at least sixty-seven percent (67) of the [Members](#) representing the total voting power of the Mendocino Management Association No. 1, as verified and evidenced by our signatures below.

MENDOCINO MANAGEMENT ASSOCIATION NO 1
a California Nonprofit Mutual Benefit Corporation

By _____
its President

By _____
its Secretary

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

On _____, 200_, before me, _____
_____, Notary Public in and for said County and State, personally appeared ____
_____ [] personally known to me (or [] proved to me upon the basis
of satisfactory evidence) to be the person whose name is subscribed to the within
instrument and acknowledged to me that she/he executed the same in her/his
authorized capacity, and that by her/his signature on the instrument, the entity upon
behalf of which she/he executed this instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC

STATE OF CALIFORNIA)
) SS.
COUNTY OF SAN DIEGO)

On _____, 200_, before me, _____
_____, Notary Public in and for said County and State, personally appeared ____
_____ [] personally known to me (or [] proved to me upon the
basis of satisfactory evidence) to be the person whose name is subscribed to the
within instrument and acknowledged to me that she/he executed the same in her/his
authorized capacity, and that by her/his signature on the instrument, the entity upon
behalf of which she/he executed this instrument.

WITNESS my hand and official seal.

NOTARY PUBLIC

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RESTATED AND AMENDED BYLAWS
OF
MENDOCINO MANAGEMENT ASSOCIATION NO. 1

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RESTATED AND AMENDED BYLAWS
OF
MENDOCINO MANAGEMENT ASSOCIATION NO. 1

ARTICLE I: THE ASSOCIATION

Section 1.1. Name. The name of the corporation is MENDOCINO MANAGEMENT ASSOCIATION NO. 1, a California nonprofit mutual benefit corporation (“Association”). The principal office of the Association shall be located in the City of Chula Vista, County of San Diego, State of California.

Section 1.2. Applicability of Declaration. These Bylaws are adopted in conjunction with that certain Restatement of Declaration of Covenants, Conditions and Restrictions (“Declaration”) for the Mendocino Planned Development, and to the extent these Bylaws conflict with the provisions of the Declaration, the provisions of the Declaration shall govern and control the affairs of the Association and its Members.

ARTICLE II: DEFINITIONS

Section 2.1. “Association” shall mean and refer to the MENDOCINO MANAGEMENT ASSOCIATION NO. 1, a California nonprofit mutual benefit corporation, and its successors and assigns.

Section 2.2. “Board” shall mean and refer to the Board of Directors of the Association, as the same may be elected or appointed to serve from time to time.

Section 2.3. “Bylaws” shall mean and refer to these Bylaws of the Association as the same may be amended from time to time.

Section 2.4. “Common Area” shall mean all of the real property owned by the Association for the common use and enjoyment of the Owners which is described as:

“Lots G through I of Brandywine Unit No. 1 according to Map thereof No. 6958 filed in the office of the County Recorder of San Diego County, California on June 7, 1971”

Section 2.5. “Declaration” shall mean that certain Restatement of Declaration of Covenants, Conditions and Restrictions for the Mendocino Planned Development recorded in the Office of the San Diego County Recorder's Office, State of California, including any amendments thereto as may be adopted and recorded from time to time.

Section 2.6. “Governing Documents” shall mean the Articles of Incorporation, Bylaws, Declaration and adopted rules and regulations which govern the operation of the Project and the Association.

Section 2.7. “Lot” shall mean any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 2.8. “Member” shall mean those Persons entitled to membership in the Association as provided in the Declaration.

Section 2.9. “Owner” shall mean the record owner, whether one (1) or more Persons, of any Lot as defined herein, including contract sellers and holders of fee simple title, a life estate or an estate for years, but excluding Persons or entities having any interest merely as security for the performance of an obligation.

Section 2.10. “Person” shall mean a natural person, a corporation, a partnership, a trustee, or other legal entity.

Section 2.11. “Project” shall mean the entire parcel of real property, including all structures and improvements erected thereon comprised of Separate Interests and Common Areas as described in the Declaration.

Section 2.12. “Properties” shall mean all of the real property described in the Declaration, and any additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 2.13. “Separate Interest” shall mean a separately owned Lot, parcel, area or space as described in the Declaration.

ARTICLE III: MEMBERSHIP IN ASSOCIATION

Section 3.1. Membership. Every Owner of a Lot shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot. Each Owner is obligated to promptly, fully and faithfully comply with the provisions of the Governing Documents and the lawful directives of the Board of Directors and Officers of the Association. Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the transfer of title or encumbrance of such Lot to which it is appurtenant, and then only to the transferee(s) or mortgagee, in the case of an encumbrance of such Lot. Any attempt to make a prohibited transfer is void. In the event that the Owner of any Lot should fail or refuse to transfer membership to the purchaser of his or her Lot, the Association shall have the right to record the transfer on its books and thereupon the old membership in the name of the seller shall be null and void.

Section 3.2. Limitation on Membership. No Member shall have the right, without prior approval in writing from the Board, to exercise any of the powers or to perform any of the acts delegated to the Board in these Bylaws or the Declaration. Each Member of the Association, his or her immediate family, guests and tenants shall have the right to use and enjoy the Common Area, unless otherwise provided in the Governing Documents of the Association.

Section 3.3. Membership Suspension, Discipline, Etc. The membership rights and privileges, together with voting rights of a Member may be suspended by the Board for any period of time during which the assessment(s), or other authorized charges, which are the personal obligation of the Member remain unpaid and

delinquent after notice and opportunity for hearing. In addition, a Member is subject to suspension of membership rights and privileges, the imposition of monetary penalties and other appropriate discipline for any breach, violation or infraction of the provisions of the Association's Governing Documents after notice and opportunity for hearing. However, any such suspension of member privileges or the imposition of member discipline shall require compliance with the following procedures:

A. The Board shall notify the Member in writing, by either personal delivery or first-class mail, at least ten (10) days prior to the meeting at which the Board intends to consider or impose discipline upon the Member, stating the date, time and place of the meeting, the nature of the alleged breach, violation or infraction and shall inform the Member of his or her right to attend and address the Board at the meeting.

B. The portion of the meeting to consider or impose discipline shall be held in executive session if requested by the Member subject to the proposed discipline. The Board shall consider all evidence on whether or not to impose discipline and shall record the reasons for its decision in the minutes of the meeting.

C. If the Board decides to impose discipline on a Member, the Board shall provide the Member with a written notification of the disciplinary action taken, by either personal delivery or first-class mail, within fifteen (15) days of the Board's decision to impose discipline on that Member.

D. The Board's decision to impose discipline on the Member shall be final and binding on the Member, unless within fifteen (15) days of the Board's giving notice of its decision, the Member appeals the Board's decision to the general membership. This would be done by requesting a special meeting of the members in accordance with these Bylaws for the purpose of reviewing the Board's decision. The vote of the members at any such duly noticed and held special meeting of the members shall be final and binding on all parties.

ARTICLE IV: MEETINGS OF MEMBERS

Section 4.1. Place of Meetings. All meetings of the members shall be held at the Mendocino Properties or at such other location in Chula Vista, California, which is in close proximity thereof as determined by the Board and designated in the notice of meeting.

Section 4.2. Annual Meetings of Members. Annual meetings of members shall be held on a date and time fixed by the Board, except that the annual meeting shall not be held on a legal holiday.

A. Notice Procedures: Written notice of each annual meeting shall be given to each Member, by personal delivery or by sending a copy of the notice by first-class, registered or certified mail, postage prepaid, and mailed to the address supplied by the Member to the Association for the purpose of giving notice. If no such address for notice is provided by the Member, then notice shall be deemed to have been duly given if mailed to the Member's Lot address within the Project or to the principal mailing address of the Association. All such notices shall be given not less than ten (10) days and not more than ninety (90) days before the annual meeting. The notice shall specify the date, time and place of the meeting and identify those matters which the Board, at the time of mailing the notice, intends to present for action by the members

at the meeting. The notice of any annual meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is sent to the members.

B. Required Notice of Certain Agenda Matters: If any of the following matters are intended to be presented at any meeting of the members, whether regular or special, the notice thereof shall state the general nature of the following matters to be submitted for action by the members;

- (1) Removal of a director without cause;
- (2) Filling vacancies on the Board by the members;
- (3) Amending the Articles of Incorporation, Bylaws or Declaration;
- (4) Approving a contract or transaction in which a director has a material financial interest;
- (5) Approving a plan of distribution of assets upon liquidation.

If the notice of meeting does not state that any of the above required matters are intended for action at the meeting, any member actions on such matters shall be invalid and void, unless otherwise validated by compliance with the provisions of Section 11 of this Article entitled "Consent of Absentees".

Section 4.3. Special Meetings of Members. Special meetings of members for any purpose or purposes whatsoever may be called at any time by the Board, the President, or by the members having five percent (5%) or more of the voting power of the Association. Notice of such special meetings shall be given in the same manner as for annual meetings of members. Notice of any special meeting shall specify, in addition to the place, date and time of such meeting, the general nature of the business to be transacted and no other business may be transacted at the meeting. Upon request in writing to the Chairman of the Board, President, Vice President or Secretary by the required number of members entitled to call a special meeting of members, the Board (through its designated officer) shall cause notice to be given to the members entitled to vote that a special meeting shall be held at a time fixed by the Board not less than thirty-five (35) nor more than ninety (90) days after receipt by the Board of the written request for the special meeting. If the Board does not cause notice of the special meeting to be given within twenty (20) days after receipt by the Board of the written request, the members entitled to call the special meeting may give the notice.

Section 4.4. Certification of Mailing of Notice. A certification of mailing (or other means of giving notice) of the notice of any members' meeting may be executed by the secretary, assistant secretary, or other officer or person designated by the Board for giving such notice, and if so executed and filed in the official records (minute book) of the Association then it shall be presumed that notice was duly given for the meeting.

Section 4.5. Waiver of Notice by Attendance. Attendance by a Member (in person or by proxy) at a membership meeting shall constitute a waiver of the notice of that meeting, except that the Member, at the beginning of the meeting, may object to any inadequacy or illegality of the notice and/or to the transaction of any business stated in the notice. However, attendance of a Member at a membership meeting

shall not waive the right to object to the consideration of any matters not included in the notice of the meeting if that objection is expressly made at the meeting.

Section 4.6. Proxies. Every Member entitled to vote (or execute written consents) may do so in person or by a written proxy dated and signed by the Member and filed with the Secretary of the Association. The written proxy must designate the person(s) appointed to act as the agent for the Member. The term and revocability of proxies are governed by the California nonprofit mutual benefit corporations law.

In any election of directors, any form of proxy that is marked by a Member “withhold”, or otherwise marked in a manner indicating that the authority to vote for the election of directors is withheld, shall not be voted for or against the election of directors.

Section 4.7. Quorum. The presence in person or by proxy of a majority of the voting power of the Association entitled to vote at any membership meeting shall constitute a quorum for the transaction of business. If a quorum is present, the affirmative vote of the majority of the Members represented at the meeting, entitled to vote and voting on any matter (other than the election of directors) shall be the act of the members, unless the vote of a greater number of votes is required by the California nonprofit mutual benefit corporation law. The Members present at a duly called and held membership meeting at which a quorum is present, may continue to do business until adjournment, notwithstanding the withdrawal of enough voting power to leave less than the meeting's initial quorum provided that any action taken (except adjournment) is approved by at least a majority of the members which constitute the minimum required quorum to hold the meeting. If a quorum is not present the procedures for adjournment and the reduced quorum requirement is discussed in Section 12 entitled “Adjournment” of this ARTICLE.

Section 4.8. Parliamentary Procedures. Meetings of the membership of the Association shall be conducted in accordance with a recognized system of parliamentary procedure or in accordance with any parliamentary procedures adopted by the Board for conducting such meetings.

Section 4.9. Member Participation. The Association shall permit, in accordance with its adopted membership meeting procedures, any Member to speak at any meeting of the Association. The Board shall establish a reasonable time limit for members to speak before a meeting of the Association in accordance with the agenda for the meeting and the adopted parliamentary procedures for conducting such meetings.

Section 4.10. Voting of Memberships.

(a) Members of Record. The Person(s) holding membership in the Association as of the close of business on the day prior to the meeting date shall be deemed the Member of record for voting purposes at the meeting.

(b) Single Membership Vote. Ownership of a Lot shall constitute a single membership vote in the Association. If more than one Person is the Owner of a Lot, all such Persons shall be deemed to be one member for voting purposes (although all such Owners shall have all such other rights and obligations of membership as may be provided in the Association's Governing Documents). The co-Owners of a Lot shall

notify the Secretary of the Association, in writing, of the designated co-Owner having the sole right and authority to vote the membership on their behalf. If no such designation is received by the Secretary, the vote of any co-Owner of record may be accepted as the sole binding vote for the Lot and its other co-Owners. Each Owner of a Lot shall furnish proof of ownership, as may be required by the Secretary of the Association, to establish any entitlement to membership or voting rights in the Association.

(c) Voting Eligibility. Only a Member in good standing shall be entitled to issue a proxy or to vote on any matter presented to the membership for approval or vote. The Association is not obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of nonpayment of assessments or other charges owing the Association, and in such cases the Member shall not be eligible to vote until the Member is in good standing with the Association.

(d) Voting Methods. Voting at any membership meeting may be by voice, show of hands, roll call, by ballot, or in accordance with the procedures adopted by the Association. However, only in any election of directors, and only upon the request of any Member before the voting begins, if any Member requests (1) to vote by secret ballot, then the voting for election of directors by all Members shall be conducted by secret ballot, and/or (2) to cumulate votes, then all Members may cumulate their votes and give one candidate for director a number of votes equal to the number of directors to be elected or distribute the Member's votes on the same principle among as many candidates as the Member so chooses.

Section 4.11. Consent of Absentees. The transactions of any meeting of members, either annual or special, however called or noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum is present, either in person or by proxy, and if, either before or after the meeting, each person entitled to vote who was not present, in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting, or an approval of the minutes thereof. Any such written waiver of notice or consent to holding of the meeting shall require specific disclosure of matters requiring special notice as provided in Section 2(B) of this ARTICLE. All such written waivers, consents or approvals shall be filed with the Secretary and made a part of the minutes of the meeting.

Section 4.12. Adjournment of Membership Meetings: Any membership meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time as provided below by the vote of a majority of the voting power present, in person or by proxy, but in the absence of the minimum required quorum no other business may be trans acted at the meeting.

(a) Quorum Not Present. If any membership meeting cannot be held because a quorum is not present, Members representing a majority of the votes present, either in person or by proxy, may adjourn the meeting to another time, date and place (but for not more than forty-five (45) days from the date of the original meeting) by the vote of a majority of the Members present and voting. At the reconvened meeting the quorum requirement shall be at least thirty-four (34%) of the total voting power of the Association. If the meeting is adjourned to another time and place, notice need not be given of the continued (reconvened) meeting if the new date, time and place are announced at the meeting before adjournment. At the reconvened meeting only

action that was noticed for the original meeting may be acted upon at the continuation of the meeting and no other business may be conducted.

(b) Quorum Present. Any meeting of members at which a quorum is present, in person or by proxy, may be adjourned for any reason to a place, time and date (not more than forty-five (45) days from the date of the original meeting) by the vote of Members representing a majority of the votes present, in person and by proxy, and voting. Notice need not be given of the continued (reconvened) meeting if the new date, time and place are announced at the meeting before adjournment. At the reconvened meeting only action that was noticed for the original meeting may be acted upon at the continuation of the meeting and no other business may be conducted.

Section 4.13. Action Without Meeting (Written Ballot Solicitation). Any action which may be taken at any regular or special meeting of the members may be taken without a meeting if there is compliance with all of requirements for a Written Ballot solicitation, as follows:

1) The Board must send a Written Ballot, by first-class, registered or certified mail, postage prepaid, to every voting Member of record in the Association soliciting the Member's vote and/or signed written approval, as to the specified action(s) or matter(s) to be voted on or approved in writing by the membership as specified in the solicitation; and,

2) The Written Ballot must specify the number of ballots which must be received by the Association (or postmarked) by a specified date in order to satisfy the minimum quorum requirement for each such action(s) or matter(s) as specified in the solicitation; and,

3) The Written Ballot must specify the number (or percentage) of votes or signed written approvals which must be received by the Association (or postmarked) by a specified date in order to be counted for the required number (or percentage) of votes or signed written approvals as required to approve each such action(s) or matter(s) as specified in the solicitation; and,

4) The form of the Written Ballot shall afford an opportunity on the written ballot for the Member to specify a choice between "approval" and "disapproval" and "abstain" as to each action(s) or matter(s), or group of related actions or matters, to be acted upon in the solicitation. Written Ballots shall be voted in accordance with the Member's specified choice (i.e. approval, disapproval or abstain) as to each such action(s) or matter(s) as set forth on the Written Ballots; and,

5) The required number of Written Ballots must actually be received by the Association (or postmarked) by the specified date in order to satisfy the minimum quorum requirement of each action(s) or matter(s) as specified in the solicitation. In addition, the required number (or percentage) of vote(s) or signed written approval(s) must actually be received by the Association (or postmarked) by the specified date in order to be counted concerning the action(s) or matter(s) as specified in the solicitation.

ARTICLE V: BOARD OF DIRECTORS

Section 5.1. Number and Qualification of Directors. The Board shall consist of either five (5), seven (7) or nine (9) directors as specified from time to time by duly adopted resolution of the Board recorded in the minute book of the Association. Provided, however, no reduction of the number of then serving directors [i.e. from nine (9) to seven (7), etc.] shall have the effect of removing any director before that director's term of office expires. Directors must be a Member in good standing.

Section 5.2. Nominations for Director. The Board shall appoint a nominating committee to select qualified candidates for nomination for election to the Board of Directors. The nominating committee shall make its report to the Board a reasonable time before the date set for giving notice of the meeting at which directors will be elected. The Secretary shall send to each Member a list of candidates who have been nominated for director at the time of giving notice of meeting. The nominating committee shall nominate at least as many candidates as there are directors to be elected at the meeting. At the meeting to elect directors, any Member present at the meeting in person may place names in nomination for director before the voting for directors begins.

Section 5.3. Election and Term of Office. At each annual meeting of members, the voting members shall elect the number of persons necessary to fill the then vacant positions on the Board of Directors. The persons elected shall serve for a term of one (1) or two (2) years (or until his or her successors are elected) as may be necessary to achieve overlapping terms of the directors. The intent of overlapping terms is to provide continuity of the persons serving on the Board from year to year. The decision as to which elected directors will serve one (1) or two (2) year terms shall be made by resolution of the then serving Board of Directors.

Section 5.4. Voting for Directors. Voting for directors may be by voice, show of hands, roll call, by ballot, or in accordance with the procedures adopted by the Association. However, if in any election of directors, upon the request of any Member before the voting begins, any Member may request (1) to vote by secret ballot, then the voting for election of directors by all Members shall be conducted by secret ballot, and/or (2) to cumulate votes, then all Members may cumulate their votes and give one candidate for director a number of votes equal to the number of directors to be elected or distribute the Member's votes on the same principle among as many candidates as the Member so chooses.

Section 5.5. Removal of Directors. The entire Board may be removed by the vote of a majority of the total voting power of the Association at any duly held meeting of the members noticed for that purpose. However, no single director or number of directors constituting less than the entire Board may be removed (unless the entire Board is removed) when the votes cast against removal, or not consenting in writing to such removal, would be sufficient to elect such director if voted cumulatively at an election at which the same total number of votes were cast (or, if such action is taken by written ballot, all memberships entitled to vote were voted) and the entire number of directors authorized at the time of the director's most recent election were then being elected.

Section 5.6. Vacancies. A vacancy (or vacancies) in the Board, except for vacancies created by removal, may be filled by a majority of the remaining directors, and each director so appointed shall hold office until his or her successor is elected at the next annual or special membership meeting called for that purpose. If more than

one (1) vacancy exists on the Board, which has not been filled by the remaining director(s) for any reason, a regular or special meeting of Members may be duly requested in accordance with these Bylaws to elect the needed number of directors to fill all of the then vacant positions on the Board of Directors. In all other respects vacancies on the Board shall be governed by the California nonprofit mutual benefit corporations law.

ARTICLE VI: MEETINGS OF DIRECTORS

Section 6.1. Place of Meetings. Regular and special meetings of the Board may be held at any place within the Project as designated by resolution of the Board and stated in the notice of the meeting.

Section 6.2. Organizational Meetings. The Board shall hold a regular or special meeting, within a reasonable time following each annual meeting of members, for the purpose of organization, election of officers and the transaction of other business.

Section 6.3. Regular Meetings. Regular meetings of the Board shall be held without call at such times as fixed by the Board and communicated to the Board members. Ordinarily, regular meetings are to be held monthly and regular meetings must be conducted on at least a quarterly basis.

Section 6.4. Notice of Regular Meetings. Notice of the time and place of regular meetings shall be posted at a prominent place or places in the common area designated for that purpose and communicated to the Board members not less than four (4) days prior to the meeting.

Section 6.5. Special Meetings. Special meetings of the Board may be called for any purpose at any time by the President or any two (2) directors.

Section 6.6. Notice of Special Meetings. Notice of the time and place of special meetings shall be posted at a prominent place or places in the common area designated for that purpose and the notice shall state the specific nature of any business to be conducted at the meeting. Notice of special meetings shall be given to Board members by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage prepaid; (c) by telephone communication, either directly to the director or to a person at the director's home or office who would reasonably be expected to communicate promptly such notice to the director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first-class mail shall be deposited in a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery, telephone (or e-mail, but only if authorized by the director), or telegraph shall be delivered, telephoned, or given to the telegraph company at least forty-eight (48) hours before the time set for the meeting. Any notice to Board members shall state the time and place for the meeting and the nature of the specific business to be considered or conducted at the meeting.

Section 6.7. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though

taken at a meeting duly held after regular call and notice, if (a) a quorum is present and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. All waivers, consents and approvals shall be filed with the Association records or made a part of the minutes of the meeting and shall have the same force and effect as a unanimous vote of the Board. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 6.8. Quorum. A majority of the authorized number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, subject to those provisions of the California Nonprofit Mutual Benefit Corporations Law, especially those provisions relating to (a) approval of contracts or transactions in which a director has a direct or indirect financial interest, (b) appointment of committees, and (c) indemnification of Directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting, or such greater number as is required by these Bylaws, by the Articles, or bylaw.

Section 6.9. Adjournment. A majority of the directors present, whether or not constituting a quorum, may adjourn the meeting to another time and place. If a meeting is adjourned for more than 24 hours, notice of the adjournment to any other time and place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of adjournment.

Section 6.10. Attendance by Members.

(a). Meetings Generally Open to Members. All meetings of the Board shall be open to Members of the Association, with the exception of Executive Sessions of the Board as provided in (b) below. However, non-director Members may participate in deliberations or discussions of the Board only when expressly authorized by the Board member chairing the meeting. The agenda for board meetings shall provide a time which permits any member of the Association to speak at any meetings of the Board, except for meetings of the Board held in Executive Session. The Board shall establish a reasonable time limit for any member of the Association to speak at meetings of the Board.

(b). Executive Sessions. The Board, upon the vote of a majority of directors present at the meeting, shall be entitled to adjourn at any time for the purposes of reconvening in executive session to consider (a) litigation, (b) matters relating to the formation of contracts with third parties, (c) member discipline, or (d) other personal or business matters of a similar nature. The Board shall announce, to the Members in attendance at the meeting, the general nature of the purpose of the executive session before adjourning to executive session. The Board shall meet in executive session if requested by any Member who may be subject to any form of discipline and the Member shall be entitled to attend the executive session.

Section 6.11. Action Without Meeting. Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board individually and collectively consent in writing to that action. Any such action by written consent shall have the same force and effect as an unanimous vote of the Board. All such written consents shall be filed with the minutes of the proceedings of the Board.

Section 6.12. Minutes of Meetings of the Board. The minutes, or minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board, other than executive sessions, shall be available to Members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any Member upon request and upon reimbursement of the Association's costs for making that distribution. Any matter discussed in executive session shall only be generally noted in the minutes for that meeting.

Section 6.13. Compensation. Directors, Officers and Members of Committees shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as may be determined by resolution of the Board to be just and reasonable. However, this section shall not be construed to preclude any Director, Officer or Member from serving the Association in any other capacity as an agent, employee or otherwise and receiving compensation therefor so long as such financial interest is duly disclosed and approved by the members in accordance with the California Nonprofit Mutual Benefit Corporation's Law.

ARTICLE VII: DIRECTORS

Section 7.1. Powers and Duties. Subject to the Declaration, the Articles of Incorporation, these Bylaws and the California Nonprofit Mutual Benefit Corporation Law as to any action to be authorized or approved by the members, and subject to the duties of directors as prescribed by the Declaration and these Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board. Without prejudice to such general powers but subject to the same limitations, it is hereby expressly declared that the Board shall have the following powers and duties:

(a) Appoint, select, supervise and remove all officers, agents and employees of the Association, prescribe such powers and duties for such persons that are consistent with law, the Articles, these Bylaws or the Declaration, and to fix their compensation;

(b) Conduct, manage and control the affairs and business of the Association, and to enforce the Association's Governing Documents as they deem to be in the best interest of the Association; such enforcement shall include, but shall not be limited to, imposing monetary penalties, temporary suspension of any Member's rights as a member of the Association not to exceed thirty (30) days for each violation and/or other appropriate discipline for failure to comply with any of the provisions of the Governing Documents, provided that the Member is afforded notice and opportunity for hearing as provided in ARTICLE III, Section 3, of these Bylaws.

(c) Adopt and establish Rules and Regulations governing the use of the Common Areas and the personal conduct of the Members and their guests thereon,

consistent with the provisions of the Articles, Declaration, these Bylaws and the California Nonprofit Mutual Benefit Corporation's Law.

(d) Contract for and pay premiums for fire, casualty, general liability, fidelity and other insurance insuring the Association and its Members with respect to the real property, together with the buildings and improvements thereon, comprising the Project in which the Association has an insurable interest as deemed adequate and appropriate from time to time by the Board. However, the Association shall maintain in effect at least the minimum limits of coverage as provided in the California Civil Code (Section 1365.9 as amended or superseded) to protect the owners of the separate interests against tort liability arising solely by reason of their ownership interest in the Common Area property of the Project as provided in that code provision. In addition, insurance coverage shall also include Officer's and Director's errors and omissions coverages insuring the members of the management body against liability arising out of their management functions. The Association shall maintain in effect at least the minimum limits of coverage as provided in the California Civil Code (Section 1365.7 as amended or superseded) to protect volunteer officers and directors against personal liability for tortious acts as provided in that code provision.

(e) Contract for and pay for care, maintenance, repair or replacement and for materials, supplies, labor and services in relation to the Common Areas and/or other portions of the Project which the Association is obligated to maintain, repair or replace that may be required from time to time as the Board determines to be appropriate or necessary.

(f) Contract and pay for charges for water, electricity, gas, or other utility services for the Common Area to the extent the same are not separately metered or charged to and paid by the Owners of the Separate Interests.

(g) Pay for all taxes or other assessments or charges that are or would become a lien on any portion of the Common Areas.

(h) Contract and pay for construction or reconstruction of any portion of the Project that has been damaged or destroyed that the Association is obligated to rebuild or restore as provided in the Declaration.

(I) Enter any Separate Interest in order to perform the obligations of the Association as provided in the Governing Documents subject to the limitations set forth in the Declaration.

(j) Contract and pay for legal, accounting and similar professional services as deemed from time to time by the Board to be appropriate and necessary.

(k) Prepare budgets and financial statements and maintain a set of books and records regarding the financial condition of the Association in a manner consistent with generally accepted accounting practices and to distribute the same to the Members in accordance with these Bylaws.

(l) Cause to be kept a complete record of the acts and affairs of the Association, including minutes of the regular and special meetings of the Board and minutes of the regular and special meetings of the membership.

(m) To prosecute or defend, in the name of the Association, any action or proceeding affecting or relating to the Common Area or the property owned by the

Association or on behalf of the Owners concerning any matter in which all or a substantial number of the Owners have an interest.

(n) To fix, levy and collect assessments from the Members of the Association in accordance with the Declaration. In addition, as appropriate, to establish and collect reasonable use charges for any of the Common Area facilities as the Board may deem necessary and appropriate from time to time for the purpose of equitably allocating among the users the cost of maintenance and operation of such facilities.

(o) To open bank accounts and borrow money on behalf of the Association and designate the authorized signatories to such accounts or transactions subject to the limitations set forth in these Bylaws.

(p) To fill vacancies on the Board of Directors or in any committee, except vacancies created by the removal of a Board member.

(q) Exercise all powers vested in the Board under the Governing Documents and under the laws of the State of California and to delegate any of its powers to others, including officers, employees or committees of the Board.

Section 7.2. Limitations of Board's Powers. Without the vote or written assent of a majority of the total voting power of the Members of the Association, the Board shall not take any of the following actions:

(a) Enter into a contract with any third party for the furnishing of goods or services to the Common Area or to the Association for a term longer than a year. This limitation shall not apply to the following:

(1) FHA or VA-approved management contracts provided that the contract provide for short-term termination, upon the giving of written notice by either party;

(2) public utility contracts in which the rates charged for materials or services are regulated by the Public Utilities Commission, provided that the term of the contract may not exceed the shortest term for which the supplier will contract at the regulated rate;

(3) prepaid casualty or liability insurance policies not to exceed three year's duration, provided that the policies provide for short-term cancellation by the insured;

(4) lease agreements for laundry room fixtures and equipment not to exceed five (5) years' duration;

(5) agreements for cable television services and equipment or satellite dish television services and equipment not to exceed five (5) years' duration;

(6) agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services not to exceed five (5) years' duration.

(b) Incur aggregate expenditures for capital improvements to the Common Areas in any fiscal year in excess of five (5%) percent of the budgeted gross expenses of the Association for that fiscal year; however, this limitation shall not apply to the expenditure of any funds accumulated in a reserve fund for capital replacement or new capital improvements so long as the expenditure is for the purpose for which the fund was established.

(c) Sell during any fiscal year property of the Association having an aggregate fair market value greater than five (5%) percent of the budgeted gross expenses of the Association for that year; however, this limitation shall not apply to the sale or other disposition of real property acquired by the Association in an action to enforce collection of assessments as provided in the Declaration.

(d) Pay compensation to members of the Board or officers of the Association; however, such persons can be reimbursed for reasonable out-of-pocket expenses, verified as being incurred in the discharge of their duties.

(e) Fill any vacancy on the Board created by the removal of a director.

Section 7.3. Committees of Directors. The Board may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of one (1) or more directors, to serve at the pleasure of the Board. No committee, regardless of Board resolution, may;

- (1) take any final action on matters which, under the California Nonprofit Mutual Benefit Corporation's Law or these Bylaws also requires members' approval;
- (2) fill vacancies on the Board or in any committee;
- (3) amend or repeal any resolution of the Board;
- (4) appoint any other committees of the Board or the members of those committees;
- (5) approve any transaction to which the Association is a party and one or more directors or committee members have a material financial interest.

Section 7.4. Meetings of Committees. The regular and special meetings of committees shall be governed by resolution of the Board, except for the time and place of the meetings which may be set by resolution of the committee. Notice of meetings of the committees shall be in accordance with the provisions of these Bylaws concerning meetings of directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. The procedures for committees shall be in accordance with rules and procedures for the governance of any committee adopted by the Board consistent with the provisions of these Bylaws.

Section 7.5. Effect of Committee Actions. Unless otherwise expressly provided in the Governing Documents or in the Board resolution authorizing and empowering a committee, all actions of any committee shall be considered advisory to the Board and shall be scheduled on the agenda of a Board meeting for appropriate action as the Board in its discretion deems appropriate.

ARTICLE VIII; OFFICERS

Section 8.1. Officers. The Officers of the Association shall consist of a president, a secretary and a chief financial officer. In the discretion of the Board, the Association may also have vice presidents, assistant secretaries, assistant treasurers and such other officers as may be appointed by the Board pursuant to this Article. Any number of offices may be held by the same person, except that neither the secretary nor the chief financial officer may serve concurrently as president.

Section 8.2. Election. The officers of the Association, except those appointed in accordance with the provisions of this Article, shall be chosen annually by majority vote of the Board at its first regular meeting following the annual meeting of members and the election of directors and each officer shall hold his or her office until he or she shall resign, shall be removed or be otherwise disqualified to serve or his or her successor shall be elected and qualified.

Section 8.3. Subordinate Officers. The Board may appoint, or may authorize the president or other officer to appoint, any other officers that the business of the Association may require. Each such officer shall hold the office for the period and have the authority and duties as specified in these Bylaws or as determined by resolution of the Board from time to time.

Section 8.4. Removal of Officers. Officers serve at the pleasure of the Board and any officer may be removed by a majority vote of the Board at any time at any regular or special meeting of the Board, either with or without cause.

Section 8.5. Resignation of Officers. Any officer may resign his or her office at any time by giving written notice to the Board. Any notice of resignation shall be effective upon receipt or upon the date specified in the notice. Unless specified in the notice, acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Association under any contract to which the officer is a party.

Section 8.6. Vacancies. A vacancy in any office because of the death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

Section 8.7. President. The President shall be elected by the Board from among the directors. The President shall be the Chief Executive Officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the affairs of the Officers of the Association. The President shall preside at all meetings of the Board, and shall have the general power and duties of management usually vested in the office of President of a corporation together with such other powers and duties as may be prescribed by the Board or these Bylaws.

Section 8.8. Vice President. The Vice President shall be elected by the Board from among the directors. In the absence or disability of the President, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to, all the restrictions upon the President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed by the Board or these Bylaws.

Section 8.9. Secretary. The Secretary shall attend to the following:

(a) Books of Minutes. The Secretary shall keep or cause to be kept at the principal office, or at such other location as the Board may direct, a book of minutes of all meetings of the Directors and Members, with the time and place of holding the same, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Director's meetings, the number of members present, in person or by proxy, at Members meetings, and the proceedings of such meetings.

(b) Membership Records. The Secretary shall keep or cause to be kept, at the principal office of the Association or at such other location as the Board may direct, appropriate current records showing the Members of the Association, together with their addresses and their membership status together with any special information (i.e. mailing address for giving notice, etc.) provided by the Member to the Association.

(c) Notices and Other Duties. The Secretary shall be elected by the Board from among the directors. The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board required by these Bylaws to be given. The Secretary shall keep the seal of the Association in safe custody. The Secretary shall have such other powers and duties as may be prescribed from time to time by the Board or these Bylaws.

Section 8.10. Chief Financial Officer. The Chief Financial Officer shall be elected by the Board from among the directors. The Chief Financial Officer, who shall also be known as the Treasurer, shall attend to all of the following:

(a) Books of Account. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books and records shall at all reasonable times be open for inspection by any Director or Member.

(b) Deposit and Disbursement of Money, etc. The Chief Financial Officer shall deposit all money and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board for that purpose and disburse the funds of the Association as may be ordered by the Board. In addition, he or she shall render to the President and Directors, whenever they request it, an account of all his or her transactions as Treasurer and of the financial condition of the Association. The Treasurer shall have such other powers and duties as may be prescribed by the Board or these Bylaws.

ARTICLE IX: REPORTS AND DISCLOSURES TO MEMBERS

As may be required by law, the following reports and/or disclosures shall be made or provided to the Members by the Association as set forth below:

Section 9.1. Budget. A pro forma operating budget for each fiscal year consisting of at least the following information shall be distributed to Members not less than 45 days nor more than 60 days prior to the beginning of the fiscal year:

- 1) The Association's estimated revenue and expenses on an accrual basis;
- 2) A summary of the Association's reserves based on the most recent review or study conducted pursuant to Civil Code § 1365.5, or its comparable superseding statute, which must be printed in bold type and include all of the following:

- (A) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component comprising the Project that the

Association is obligated to repair, replace, restore or maintain (collectively “Association Capital Projects”);

(B) As of the end of the fiscal year for which the reserve study is prepared, the current estimate of the amount of cash reserves necessary for Association Capital Projects and the current amount of accumulated cash reserves actually set aside for Association Capital Projects; and,

(C) The percentage of the estimated amount of necessary cash reserves calculated under subparagraph (B), above, that represents the amount of accumulated cash reserves;

3) A statement as to whether the Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component comprising the Project for which the Association is obligated to repair, replace, restore or provide adequate reserves therefor; and,

4) A general statement setting forth the procedures used by the Board in calculating and establishing reserves to defray the future costs of repair, replacement, restoration, or additions thereto, to those major components comprising the Project for which the Association is obligated to repair, replace or restore.

[At least once every three years, the Board must have a study of the reserve account requirements of the Association conducted if the current replacement value of the major components the Association is obligated to repair, replace, restore or maintain is equal to or greater than one-half of the gross budget of the Association for any fiscal year. The Board shall also review the reserve study on an annual basis and shall consider and implement necessary adjustments to the reserve account allocations as the Board deems appropriate as a result of that review. The reserve study mentioned herein shall include the minimum requirements specified in Civil Code § 1365.5, or its comparable superseding statute].

Section 9.2. Year-End Report. Within 120 days after the close the fiscal year, a copy of the Association's year-end report consisting of at least the following shall be distributed to the Members:

- 1) A balance sheet as of the end of the fiscal year;
- 2) An operating (income) statement for the fiscal year;
- 3) A statement of changes in financial condition for the fiscal year;
- 4) A statement advising Members of the place where the names and addresses of the current Members are located; and,
- 5) A statement disclosing any “insider transactions” (i.e. compensation to directors or officers, financial considerations to directors or officers such as contracts, indemnification of directors or officers, etc.) as may be required to be reported pursuant to Corporations Code § 8322, or its comparable superseding statute.

Section 9.3 Annual Statement of Association's Collection Policy. Within sixty (60) days before the beginning of the fiscal year, a statement shall be distributed describing the Association's policies, practices and procedures for the enforcement and collection of regular and special assessments against Members, including the recording of liens and foreclosing such liens against the Member's Lot.

Section 9.4. Annual Statement of Insurance Maintained by the Association.

1) Distribution of Insurance Summary. Within sixty (60) days before the beginning of the fiscal year the Association shall distribute to its Members a summary of the Association's property, general liability (earthquake and flood insurance, if applicable) prepared in accordance with Civil Code § 1365 (e), or its comparable superseding statute.

2) Content of Insurance Summary. The Insurance Summary as provided for in this Section 4, shall include, at a minimum, the following required information:

- (A) The name of the insurance company (insurer);
- (B) The type of insurance;
- (C) The policy limits of the insurance; and
- (D) The amount of the deductibles, if any.

In addition, the insurance summary shall include the following statement in at least 10-point boldface type: 'THIS SUMMARY OF THE ASSOCIATION'S POLICIES OF INSURANCE PROVIDES ONLY CERTAIN INFORMATION, AS REQUIRED BY SECTION 1365 (e) OF THE CALIFORNIA CIVIL CODE, AND SHOULD NOT BE CONSIDERED A SUBSTITUTE FOR THE COMPLETE POLICY TERMS AND CONDITIONS CONTAINED IN THE ACTUAL POLICIES OF INSURANCE. ANY ASSOCIATION MEMBER MAY, UPON REQUEST AND PROVISION FOR REASONABLE NOTICE TO THE ASSOCIATION, REVIEW THE ASSOCIATION'S INSURANCE POLICIES AND, UPON REQUEST AND PAYMENT OF REASONABLE DUPLICATION CHARGES, OBTAIN COPIES OF THOSE POLICIES. ALTHOUGH THE ASSOCIATION MAINTAINS THE POLICIES OF INSURANCE SPECIFIED IN THE SUMMARY, THE ASSOCIATION'S POLICIES MAY NOT COVER YOUR PROPERTY, INCLUDING PERSONAL PROPERTY, OR REAL PROPERTY IMPROVEMENTS TO OR AROUND YOUR UNIT, OR PERSONAL INJURIES OR OTHER LOSSES THAT OCCUR WITHIN OR AROUND YOUR UNIT. EVEN IF A LOSS IS COVERED BY THE ASSOCIATION'S INSURANCE, YOU MAY NEVERTHELESS BE RESPONSIBLE FOR PAYING ALL OR A PORTION OF ANY DEDUCTIBLE THAT APPLIES. ASSOCIATION MEMBERS SHOULD CONSULT WITH THEIR INDIVIDUAL INSURANCE BROKER OR AGENT FOR APPROPRIATE ADDITIONAL COVERAGE.'

To the extent that any of the information that is required to be included in an annual insurance summary is specified in the insurance policy declaration page, the Association may meet its obligation to disclose that information by providing its Members with a copy of the declaration page(s) as appropriate.

3) Notice of Cancellation or Material Change in Policies. If any of the policies described in the annual statement of insurance distributed to the Members either lapse or are canceled and are not immediately renewed, restored or replaced or if there are any significant changes in the policies, such as a reduction in coverage or limits or an increase in the deductible, then the Association shall, as soon as reasonably practical, notify its Members of the lapse, cancellation or significant change. This notice shall be sent by first-class mail. If the Association receives any notice of nonrenewability of a policy described herein, the Association shall immediately notify its Members if replacement coverage will not be in effect by the date the existing coverage will lapse.

Section 9.5. Members' Right to Receive Board Minutes. Members shall be notified in writing at the time of distribution of the pro forma budget as provided in Section 1, above, or at the time of any general mailing to the entire membership of the Members' right to have copies of the minutes of meetings of the Board and how and where those minutes may be obtained and the costs thereof

Section 9.6. Notice of Civil Code § 1354's Alternative Dispute Resolution.

Members of the Association shall annually be provided a summary of the provisions of California Civil Code § 1354, which makes specific reference to that section and which shall include the following language:

“Failure by any member of the association to comply with the prefiling requirements of Section 1354 of the Civil Code may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents.”

The summary of Civil Code § 1354 shall be provided to each Member either at the time the pro forma budget required by Civil Code § 1365 is distributed or in the manner specified in Section 5016 of the Corporations Code.

Section 9.7. Statement of Member's Outstanding Charges. Within ten (10) days following receipt of a written request by a Member, the Association shall provide the Member with a written statement setting forth the following information as of the date of the statement:

- 1) the amount of the Association's current regular and special assessments and fees, as well any assessments levied upon the Member's Lot that are unpaid;
- 2) true information on the amounts of any delinquent assessments, penalties, attorney fees, and other charges against the requesting Member's Lot that may be made a lien on that Member's Separate Interest under Section 1367 of the Civil Code, or its comparable superseding statute; and
- 3) any change in the Association's current regular or special assessments and fees which have been approved by the Association's Board, but have not become due and payable as of the date of the statement.

Section 9.8. Schedule of Monetary Penalties. If the Association adopts a schedule of monetary penalties for commonly recurring violations or infractions of the Governing Documents or any other policy imposing a monetary penalty or a fee on any Member for a violation or infraction of the Governing Documents, including any monetary penalty relating to the activities of a guest or invitee of a Member, the Board shall distribute the schedule or policy to the Members by either personal delivery or by first-class mail within a reasonable time after such adoption. Members shall be given like notice of any amendments or changes to the schedule or policies.

ARTICLE X: MISCELLANEOUS

Section 10.1. Amendments. These Bylaws may be amended by the vote of fifty-one percent (51%) or more of the total voting power of the Members of the Association, or by the written assent of such members.

Section 10.2. Interpretation. In the event of any conflict between the provisions of the Articles and these Bylaws, the provisions of the Articles shall prevail. In the case of any conflict between the provisions of the Declaration and these Bylaws, the Declaration shall prevail. Rules and Regulations adopted by the

Association must be consistent with the provisions of the Articles, these Bylaws and the Declaration.

Section 10.3. Inspection of Books and Records.

1) Member Inspection Rights. All accounting books and records, minutes of proceedings of the Members, the Board and its committees and the membership list of the Association shall at all times be subject to the inspection of any Member, or his or her designated representative, at all times during reasonable business hours at the office (or other location specified by resolution of the Board) for any purpose reasonably related to the Member's interests as a member of the Association. A Member's inspection rights shall require ten (10) days written demand before the date of inspection and the demand shall state the purpose for which the inspection rights are requested. A Member's inspection rights shall also be subject to the provisions of the California Nonprofit Mutual Benefit Corporations Code.

2) Director Inspection Rights. Every Director shall have an absolute right at any reasonable time to inspect all books, records, documents, minutes and the physical properties owned by the Association. The right of inspection by a Director includes the right to make extracts and copies of documents.

3) Inspection Rules and Procedures. The Board may, from time to time, adopt reasonable rules and procedures governing Members inspection rights consistent with these Bylaws and California law.

Section 10.4. Corporate Seal. The Association may have a seal in circular form within its circumference the words "Mendocino Management Association No. 1, Incorporated in the State of California".

Section 10.5. Checks. Etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to the Association shall be signed or endorsed in such manner as shall be determined from time to time by resolution of the Board.

Section 10.6. Notice Requirements. Any notice or other document permitted or required to be delivered as provided in these Bylaws may be delivered either personally or by mail. If delivery is made by mail, it shall be deemed to have been delivered 72 hours after the same has been deposited in the United States mail, postage prepaid, and addressed as follows:

A. if addressed to the Association or the Board of Directors, then at the principal office of the Association or to such other address as may be designated from time to time by written notice to the Members;

B. if addressed to a Director, then at the address from time to time given by such Director to the Secretary of the Association for the purpose of service of such notice, or if no such address has been given, then to the address of the Lot within the Project owned by such Director.

C. if addressed to a Member, then at the address from time to time given by the Member to the Secretary of the Association for the purpose of service of

such notice, or if no such address has been given, then to the address of the Lot within the Project owned by such Member.

Section 10.7. Indemnification. Indemnification. The indemnification of Directors, Officers, Employees and other Agents of the Association shall be governed by the California Nonprofit Mutual Benefit Corporations Code, Section 7237, or its comparable superseding statute.

Section 10.8. Fiscal Year. Fiscal Year. The fiscal year of the Association shall be determined from time to time by resolution of the Board, subject to compliance with applicable Federal and State law.

Section 10.9 Enforcement. In the event any person or entity shall commence any action or proceeding to enforce or interpret any of the provisions of these Bylaws, or any rules and regulations or resolutions adopted pursuant thereto, the prevailing party (defined as the party in whose favor judgment is entered) to any such action or proceeding shall be entitled in addition thereto to recovery of reasonable attorney fees as fixed and determined pursuant to applicable law.

Section 10.10. Contracts. etc. How Executed. Any document executed (signed) by the President, Secretary or Treasurer, or any two of them, upon which the Corporate Seal is affixed, shall be presumed to be authorized and binding on the Association. In addition, the Board may authorize such other officers or agents to execute documents on behalf of the Association pursuant to specific written resolution of the Board; and unless so expressly authorized in writing, no director, officer, employee or agent shall have any power or authority to bind the Association by any contract or agreement and the same shall be null and void and unenforceable.

CERTIFICATION OF ADOPTION

We, the undersigned, being duly elected and serving Officers of the MENDOCINO MANAGEMENT ASSOCIATION NO. 1, hereby certify that the foregoing Restated and Amended Bylaws of Mendocino Management Association No. 1 have been duly approved and the same are hereby adopted as, the Bylaws of the Association evidenced and acknowledged by our signatures below.

Executed on 2-25, 2002, at Chula Vista, California.

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**RULES, REGULATIONS, AND RESPONSIBILITIES
FOR
MENDOCINO MANAGEMENT ASSOCIATION NO. 1
SEPTEMBER 1, 2011**

I. INTRODUCTION

The general rules of the Association are designed for the protection, benefit, comfort and safety of all homeowners, residents and visitors. Monetary fees may be assessed for violation of Association rules.

- 1) General Use
- 2) Leasing or Renting
- 3) Trash Collection
- 4) Window Coverings
- 5) Exterior Alterations
- 6) Municipal Ordinances

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- 1) General Use
- 2) Consumption of Alcoholic Beverages
- 3) Loitering
- 4) Noise Abatement
- 5) Littering
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- 7) Firearms and Fireworks
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- 1) Quiet Period and Curfew
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VI. RECREATIONAL

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- 2) Age Requirements
- 3) Pool Key and Login Sheet
- 4) Denial or Loss of Pool Privilege

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- 1) Inspection
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- 3) Association violations-enforcement procedures
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APPENDICES/FORMS

Governing Document Enforcement Procedures and Schedule of Monetary Penalties for Violations

Member Complaint Form

Notice of Hearing

SECTION I
INTRODUCTION

Each homeowner is a member of the Mendocino Management Association No. 1 (Association) by virtue of ownership. Any member (homeowner) may delegate his right of enjoyment of the Common Area to his tenant. However, the owner retains full legal responsibility for compliance by the tenants and their respective visitors to all provisions and rules of the Governing Documents (CC&Rs, By-Laws, Articles of Incorporation, and these Rules and Regulations) as they apply to the enjoyment of the Common Area and maintenance of the individual property. Only the owner (member) or his proxy may exercise the right to vote and initiate actions of Association matters as outlined in the Governing Documents.

1. GENERAL USE

All units shall be used or occupied for the sole purpose of residential use. The use of any property for commercial or industrial purposes is prohibited.

2. LEASING OR RENTING:

Homeowner retains full legal responsibility concerning the actions of any lessee and their respective visitors. This responsibility is to include adherence to all Association rules and regulations.

3. TRASH COLLECTION:

Every homeowner shall be responsible for the individual unit's trash collection services. Trash containers may be placed outside for pick up no earlier than 6:00 p.m. the evening before the scheduled collection and removed no later than 6:00 p.m. the evening of collection. At all other times, trash containers must be stored inside the patio area or trash enclosure. All trash must be placed in heavy plastic sealed bags or scalable rubbish containers for collection.

Dumpsters located within the complex are for the landscaper's use only.

4. WINDOW COVERINGS:

Each owner shall install window coverings on all unit windows and glass doors of his or her unit within 90 days after the date of the conveyance of the unit to said owner. All drapes, curtains, window coverings, shutters, or blinds visible from the Common Area or public areas shall be neat in appearance. No window shall ever be covered with paint or aluminum foil; however, non-reflective solar films shall be permitted.

5. EXTERIOR ALTERATIONS:

Architectural Change Request forms are available at the Property Manager's office and are required prior to installation of:

- 1) Security bars for windows and doors – Installation must be by a professional. Owners are responsible for maintenance and repairs. Colors allowed are: Black, Brown, White, or the color of the building. Paint with a rust preventing paint (e.g., Rust-Oleum®). The security bars must lay flat against the unit's wall.
- 2) End unit attic windows – Installation must be by a professional. Owner assumes full responsibility for any damage from windows installed. Drawings and plans are to be submitted when applying with dimensions. Window dimensions allowed are: 4 ft x 3 ft, or 4 ft x 4 ft only.

3) Patio Covers and Sun Shades:

- a. Permanent Patio Covers. Owners must submit an Architectural Change Request before construction of any permanent patio covers. Note that a permit from the City might be required. Permanent patio covers may not be constructed to a height taller than that of the adjacent carport roof. Permissible materials for construction include wood, manufactured wood, or approved non-shiny vinyl products. Permissible colors for permanent patio covers are “coffee” brown (i.e., the approved color for patio/carport fences), or one of the main house colors (i.e., currently tan or dark tan – Note: contact Property Manager for currently allowed paint color codes).
- b. Temporary Patio Covers/Umbrellas/Canopies. Residents may use temporary patio covers (i.e., sun shades) from April 1 through October 31, after which they should be stored for the season. Temporary patio covers are defined as typical, commercial-quality sun shades that can be installed or taken down in less than 30 minutes. These types of typical sun shades include patio umbrellas or “E-Z Up” type canopies. Umbrellas and “E-Z Up” type canopies should be of commercially-available standard dimensions. “E-Z Up” type canopies are not to exceed a size of 10’W x 10’L x 10’H. Umbrellas/canopies should be in good condition, without holes or tears in the canvas/cloth/plastic covers, and not faded. These temporary patio covers should be neutral in color and harmonize with the building colors (e.g., beige, tan, white, etc., but not “hot pink”, purple, chartreuse, “tarp blue”, etc.).

Note: The term canopies is NOT intended to include the use of manually constructed tarps.

- 4) Raising of fence line above normal height or making a fence gate.
- 5) Any exterior changes, i.e. windows, doors, etc.
- 6) Carport trash enclosure. Color: **COFFEE***.
- 7) Lattice. Color: **COFFEE***.

*Note: Other colors “may” be acceptable, but **ONLY** if approved beforehand by the Board of Directors. The homeowner must submit an Architectural Change Request, and this request must be approved before painting with a different color begins.

6. MUNICIPAL ORDINANCES:

The entire Mendocino Management Association No. 1 complex and property lie within the City of Chula Vista. **The City of Chula Vista has accepted Mendocino Drive and all alleys within the complex as public thoroughfares.** Accordingly, police, fire, sanitation, and other common municipal services are provided and regulated by the City of Chula Vista. Thus, Chula Vista codes, ordinances, and other regulations fully apply to all Mendocino residents and visitors.

SECTION II

USE OF COMMON AREAS

1. GENERAL USE:

The Common Areas have been set aside for the general use and enjoyment by the members of the Association and their guests. The preservation and care of the Common Areas depends primarily on the cooperation of each member, the employees of the Association, and the Board of Directors.

The Common Areas are owned and maintained by the Association. All owners share in the cost of landscaping and maintenance of the Common Areas. Residents are encouraged to reduce these costs by exercising individual and parental care to prevent damage to trees, shrubbery, sprinkler systems, banks, lighting poles, and fixtures. Residents should regard all common property as their own and report any damage or inoperative items or equipment immediately to the Property Manager.

Homeowners wishing to use the large Common Area field next to the swimming pool for a large gathering of people (12 or more), please notify the Property Manager.

The use of some items, such as “astrojumps”, need the approval of the Property Manager along with a liability waiver.

2. NO CONSUMPTION OF ALCOHOLIC BEVERAGES IN COMMON AREAS:

A violation of this rule applies to any person who consumes alcoholic beverages or has in his or her possession any bottle, can, or other receptacle containing any alcoholic beverage which has been opened, or a seal broken or the contents of which have been partially removed and who enters upon any Common Area, park area, parking area, or property of the Association. This includes any consumption of alcoholic beverages in any vehicle parked in any Association parking lot.

3. NO LOITERING IN COMMON AREAS:

A violation of this rule applies to any person loitering in any Common Area, park area, parking lot, or property of the Association in such a manner as to create or cause to be created any disturbance or annoyance to the comfort and repose of any person, homeowner, or resident. This includes any action that obstructs the free passage of any pedestrian vehicles or obstructs, molests, or interferes with any person, homeowner, or resident lawfully in any Common Area or personal residence.

As used in this section “loitering” shall mean remaining idle in essentially one location and shall include the concepts of consumption of alcoholic beverages, loafing, or walking about aimlessly, including the colloquial expression of “hanging around” and shall include the making of unsolicited remarks of an offensive, disgusting, or insulting nature or which are calculated to annoy or disturb the person to, or in which hearing they are made or directed towards.

Parties and the congregating of large groups of persons, homeowners, residents, or visitors in the Common Areas and alleys is prohibited without advance approval of the Property Manager which is contingent on neighbor approval.

4. NOISE ABATEMENT:

A violation of this rule applies to any person who causes to be created any noise, sounds, music, or disturbance, which includes loud or boisterous activities, that affects, disturbs, annoys or infringes upon the comfort or repose of any homeowner or resident or person. Noise abatement is a local ordinance which is enforced during both daylight and evening hours. Residents and homeowners are responsible for the conduct of their families and visitors. This is to include loud music or noise emanating from vehicles, portable radios, or dwellings. Curfew is 11:00 P.M. every day of the week.

5. NO LITTERING IN COMMON AREAS:

Littering is not allowed in any Common Area, park area, parking lot, or property of the Association. Littering includes the actions of any person, homeowner, resident, or visitor who causes to be deposited or left upon any Association property any trash, debris, garbage, or any item or substance not designated or mandated to be used in accordance with the proper maintenance of the Association property or grounds. Any cost incurred by the Association required to clean up aforementioned litter will be charged to the unit in which the homeowner or resident resides or in which unit had a visitor leaving the litter. This is to include the depositing of sunflower seeds, cigarette butts, gum, etc. upon any Common Areas.

6. VANDALISM AND GRAFFITI PROHIBITED:

A violation of this rule applies to any person who by either negligence or willful action or intention vandalizes, destroys, or damages any common property of the Association or causes or allows any person to paint or write upon any property of the Association, or on any utility service device that is designed to service the Association, which includes any sidewalk, wall, brow ditch, curb, fence, sign, power box, or tree within the Association property. This includes the theft of any Association property. Any cost incurred by the Association will be charged to the offending unit in which either the homeowner, resident, or visitor caused the charge to take place.

7. DISCHARGING OF FIREARMS AND FIREWORKS PROHIBITED:

A violation of this rule applies to any person who unlawfully discharges any firearm within the Common Area property of the Association. This includes the detonation of any fireworks, firecrackers, or explosive devices. This rule is subject to local law enforcement actions and ordinances in the case of justified firearms discharge.

8. TRESPASSING PROHIBITED:

A violation of this rule applies to any person not a resident of the Association who violates any local ordinance or Association rule or regulation and is declared by the Association or its representatives to be a nuisance to the homeowners and resident of Mendocino. Trespassers are subject to arrest or detention by the appropriate authorities.

9. USE OF CYCLES:

Motorcycles, motor scooters, minibikes, mopeds, and bicycles are not permitted on any planted areas or sidewalks of the Common Areas. This includes interior and exterior banks of the complex. Tricycles are permitted on sidewalks. The City of Chula Vista Traffic Codes governs use on streets and alleys.

10. COMMON AREA BANKS:

It is a violation for any person or persons to climb, park, loiter, or walk on any of the Association's interior or exterior banks and flowerbeds. This includes the climbing, playing, or sitting on of any Association fence.

11. MOTOR VEHICLES:

It is prohibited to drive or park any motorized vehicle on the Common Area, grass, or sidewalks. This applies to all residents and visitors. Maintenance and utility vehicles are excluded.

12. ROOFS, SIGNS, AND ANTENNAS:

No one shall be allowed on the roof of any unit, carport, storage shed or property of the Association.

There shall be no outside antenna constructed or maintained for any purpose on property owned and maintained by the Association other than the master antenna maintained by the Association, or in compliance with applicable laws or ordinances.

No sign, other than one sign not to exceed 200 square inches advertising a lot for sale, shall be erected or displayed. No sign of a permanent nature shall be allowed except those posted by the Association.

One "BEWARE OF DOG" sign posted on the fence gate is allowed.

13. PLAY AREAS:

Ball playing is only allowed in the designated park, south of the swimming pool. No ball playing of any kind is allowed in alleys or the parks/grassy areas in front of homes.

The common areas in front of any unit (i.e., courtyards, grass areas, banks, etc) and the alleyways are NOT designated play areas. Activities in these areas that create or cause to be created any disturbance or annoyance to the comfort and repose of any person, homeowner, or resident is prohibited and subject to a fine.

SECTION III

ACTIONS OF OWNERS AND RESIDENTS

1. QUIET PERIOD AND CURFEW:

In accordance with Association rules, residents and visitors are required to observe common courtesy concerning noise. Persons under the age of 18 are not allowed on streets or alleys after 11:00 P.M. any night of the week. This applies to all Common Areas and parking areas. A quiet period shall be observed by all residents and visitors from 11:00 P.M. to 6:00 A.M. daily.

2. PETS:

Dogs must be controlled by a leash at all times when on the Common Areas. Owners and residents are responsible for control of dogs within the complex. The Association has a general responsibility to maintain control of the Common Areas.

The Association owns no animals; therefore, it is not our responsibility for the clean up of defecation or litter of dogs, cat or other pets.

Any elimination deposited on any Association property by the pet of any resident or visitor shall be removed immediately by the owner of the animal. Dogs are not allowed to run loose and out of owner's physical control, which includes actual control with a leash. City ordinance regulates the above rules in streets and alleys. Farm animals are not allowed on any lot or Common Area, and include rabbits and chickens. The raising of dangerous pets, i.e., snakes, scorpions, etc. is strictly prohibited.

The City Animal and Fowl Regulations are very specific about the number of pets per household:

6.04.030 Dogs, cats and birds - quantity permitted in multiple family residence. The keeping of any bird or animal other than one dog and cat, and two birds or two dogs, or two cats and two birds per dwelling unit in a multiple family residence is prohibited. (Ordinance 774: 1 (part), 1961: prior code: 4.1 (C).

3. PARENTAL RESPONSIBILITY:

Parents are responsible for the actions of their children at all times while in the Common Areas. Any damage or destruction of landscaping, light fixtures, sprinklers, fences, buildings, or roofs caused by children will be charged to the family responsible. Parents are encouraged to direct their children's outdoor activity away from maintenance and landscape work, streets, and alleys.

4. CLOTHES LINES:

No clotheslines shall be permitted above the fence line and must be screened from all views exterior to the lot or patio. Clotheslines must be removed or taken down when not in use.

Hanging clothes on fences, patio covers, in trees, or on shrubs is prohibited.

SECTION IV

PARKING AND STORAGE

1. COMMON AREA PARKING SPACES:

The Common Area parking spaces (traditionally referred to as “Visitor Parking”) are available for guests of Association residents and for all residents of the Association (e.g., homeowners, renters) on a “first-come, first-served” basis. However, the following stipulations apply:

- 1) Residents should request that their guests park in the Common Area parking spaces, in the resident’s carport, or on Mendocino Drive, and NOT in the alleys/fire lanes. Violating this rule may result in immediate towing without warning at the vehicle owner’s expense.
- 2) No recreational vehicles or boats are allowed in the Common Area parking spaces. Violating this rule may result in immediate towing without warning at the owner’s expense.
- 3) Cleaning, washing, or maintenance of any kind on vehicles in the Common Area parking spaces is prohibited. Violating this rule may result in a fine to the responsible homeowner.
- 4) Any vehicle parked in the same Common Area parking space for more than 72 hours is subject to being towed without warning at the owner’s expense.
- 5) Any resident who engages in “swapping out” or “trading” vehicles in the same parking space in an effort to prevent other residents/visitors an equal opportunity to gain access to any Common Area parking space is subject to a fine from the Association. This rule is intended to prevent residents of the same household from “monopolizing” any Common Area parking space.

2. PARKING IN ALLEYS/FIRE LANES:

Parking in alleys is prohibited by the Chula Vista Traffic Code and will be enforced. This may result in a parking ticket and/or the immediate towing of the vehicle at the owner’s expense.

3. CARPORT AND PATIO STORAGE:

Carports are exclusively for the daily parking of the owner's and resident's motor vehicles. Items stored in the patio area must be below the fence line and not visible from the exterior view or neighbor's patio. No tarps or shade covers are allowed unless approved by the Association Architectural Committee.

No items or debris will be on the patio cover, any roofs, or hanging from the storage shed or over the fence.

4. PARKING OF INOPERABLE VEHICLES:

Parking unsightly, inoperable vehicles in the complex or carports is prohibited. Performing major maintenance is prohibited (e.g., engine overhaul, major bodywork, vehicles on blocks, etc).

5. CAR MAINTENANCE:

Only relatively “minor” maintenance is allowed to be performed on vehicles. This minor vehicle maintenance can only be performed in the resident’s carport and must be limited to the resident’s own vehicles. That is, maintenance cannot be done in any Common Area, nor can maintenance be performed on vehicles that do not belong to the residents of the unit, nor can residents operate a vehicle repair service for others whether paid or unpaid. The following are some typical examples of what is considered MINOR and MAJOR MAINTENANCE. Remember, only MINOR vehicle maintenance is allowed. Violation of this regulation may result in a warning or fine, and/or reporting to local/state/federal regulatory agencies.

WARNING: Residents are responsible for cleaning the carport after minor vehicle maintenance, including tools, spills, grease, dirt, trash, etc. Spills must be cleaned up with environmental and hazardous material concerns in mind. Residents are responsible for complying with all local/state/federal laws regarding spills and disposal of hazardous materials. Example: Washing vehicle/carport with water to knowingly or unknowingly flush spills/hazardous materials into the drainage system is illegal.

EXAMPLES OF MINOR MAINTENANCE (allowed)

- Checking and topping off fluids (e.g., engine oil, coolant, brake/steering/transmission fluid)
- Complete engine oil and filter changes
- Complete coolant changes (including radiator flush)
- Replacing and/or charging battery
- Adjusting tire pressure and/or changing a flat tire (but not tire rotations)
- Washing/waxing vehicle
- Changing light bulbs, headlights
- Other minor repairs that are not a nuisance to other residents, that can typically be performed in less than 60 minutes, and that do not fall into the MAJOR categories below.

EXAMPLES OF MAJOR MAINTENANCE AND/OR REPAIRS (not allowed)

- Engine tune-ups, timing adjustments, etc.
- Rebuilding/overhaul of any vehicle components (e.g., engine, transmission, brakes, exhaust systems, etc.).
- Component replacement/repairs (e.g., starter, ignition, plugs, points, thermostat, distributor, water pump, belts, hoses, wiring, brakes/pads, seals, gaskets, etc.).
- Any maintenance/repair that requires gunning, revving, or continual running of the engine.
- Any maintenance/repair that requires the vehicle to be raised from the ground, and/or placed on blocks, and/or placed on jacks (except for the changing of a flat tire).
- Any maintenance/repair that requires welding or brazing.
- Vehicle restorations
- Vehicle painting
- Any repair/maintenance typically considered to be a nuisance by other residents (e.g., loud noise, vehicle emissions, unsightly carport appearance, etc.).

SECTION V
RESPONSIBILITY

Note: The streets, alleyways, and fire lanes within the complex belong to the City of Chula Vista (see page 4).

1. ASSOCIATION RESPONSIBILITY:

The Association is responsible for the following:

- 1) Maintenance and authority over the Common Areas.
- 2) Maintenance of the master antenna.
- 3) Maintenance and painting of the exterior surfaces of each unit, excluding glass.
- 4) Painting of all carports.
- 5) Painting of all fences, painted COFFEE, excluding those structures added to the original building by the owner or tenant. This does not include any fence, gate, or trim repair and replacement caused from age, wood rot, termites, or neglect.
- 6) Maintenance and painting of utility sheds.
- 7) Maintenance and painting of all wood trim of unit, storage shed, and carport.
- 8) Maintenance and painting of the swimming pool area.
- 9) Maintenance of all roofs in the Association complex.
- 10) Maintenance and painting of playgrounds and equipment.
- 11) Care and replacement of carport light fixtures, globes, and light bulbs of Common Areas and carports.
- 12) Pest control of the Common Area, excluding skunks, snakes, etc.
- 13) Maintenance of all concrete and asphalt surfaces in the Common Areas, which includes Common Area parking spaces.

2. HOMEOWNERS RESPONSIBILITY:

- 1) Maintenance and repairs caused by willful or negligent acts of the owner, family members, tenants, or guests.
- 2) Maintenance of all equipment, appliances, floors, walls (including painting) of the interior of the unit.
- 3) Maintenance of all inside plumbing and electrical wiring installations and foundations, including carport electrical wiring.
- 4) Maintenance, repair, and operation of the cable television service equipment. This includes equipment from the cable box to the unit.

- 5) Care and replacement of items that are under the control and continual use of homeowners or tenants as follows:
- a) Windows and screens that are damaged are to be replaced immediately. Each unit should have proper drapes and window coverings.
 - b) Light globes and bulbs on the front porch and patio.
 - c) Patio gate latches and hinges.
 - d) Door knobs, locks, and fixtures to outside exits.
 - e) Window planter boxes.
 - f) Front doors.
 - g) Front porches free of trash and debris (may not be used as storage area).
 - h) Fence, gate, and trim repair and replacement caused from age, wood rot, termites or neglect.
 - i) Mailboxes.
 - j) Personal and carport ground areas. This includes the responsibility to remove all trash and debris. Weeds are the responsibility of the individual owner and must be removed. Certain areas may require more continual maintenance, and should be cared for accordingly.
 - k) Oil dripping from vehicle is to be cleaned on a regular basis to avoid unsightly damage to carports, alleyways, and Common Area parking spaces used by residents, tenants, or their guests. For the purpose of this section, oil is considered to be wet, sticky, and tacky, and that is easily tracked. The use of oil pans are allowed in carports. No dumping of oil on property or in storm drains is allowed. Rugs for oil absorption are not allowed.
 - l) Unit address numbers.
 - m) Shed doors.
 - n) Door bells.
 - o) Repair of any exterior damage caused by owner, tenant/lessee or visitor.
 - p) Maintenance (including painting) of any structure or equipment added to the original building by the owner. This includes patio covers, trash enclosures, lattice, security bars and doors.
 - q) Concrete driveways.
 - r) Pest control in house and patio area.
 - s) Unit trash.
 - t) Unit water.

SECTION VI
RECREATIONAL

1. SWIMMING POOL RULES AND REGULATIONS:

- 1) The swimming pool is available to all residents and guests who are in good standing with the Association (see Para. 4 in this Section). Residents and guests are responsible at all times to meet Association standards of conduct and adhere to Association rules and regulations.
- 2) Only two guests (per unit) with a stamped pool key may use the pool at one time. This is to prevent overcrowding of the pool area. A “guest” typically means a temporary visitor.
- 3) Guests, other than houseguests, must be accompanied by their adult host.
- 4) All persons using the pool do so at their own risk. The Association does not assume any responsibility in this regard. The Association does not provide a lifeguard, however, a Pool Monitor is provided to enforce pool rules.
- 5) The pool may not be reserved by any resident for exclusive use.
- 6) Radio, television sets, tape recorders, or other sound devices are prohibited in the swimming pool area. However, portable “Walk-Man” type devices with headsets are allowed.
- 7) All state and local laws and sanitary requirements pertaining to swimming pool operations will be enforced.
- 8) No pets of any kind are permitted in the pool area, except seeing-eye dogs.
- 9) Swim suits must be worn by all persons using the pool. Street clothing (including cutoffs) is not permitted in the water. No disposable diapers of any kind are permitted. For infants or toddlers, disposable swimpants (e.g., Huggies® Little Swimmers®) must be used at all times to prevent contamination to the pool.
- 10) All hairpins and similar items must be removed before entering the pool. Persons with shoulder length hair must have hair tied back or use a swim cap.
- 11) Running, pushing, and horseplay are not permitted.
- 12) Climbing the pool fence for any purpose is prohibited and is subject to restriction from the pool area.
- 13) Any person having any skin disease, sore, inflamed eyes, nasal or ear discharges, or any communicable disease shall not use the pool.
- 14) Food is not permitted in the pool or pool area.
- 15) Only non-alcoholic beverages in unbreakable containers are allowed within the pool area.
- 16) Smoking is not permitted in the pool area.
- 17) Only those items specifically designed for use in a swimming pool will be allowed in the pool. Floating recreational items (rafts, balls, etc.) are not permitted in the pool at any time when the pool is crowded or when such items are a nuisance to swimmers. The Pool Monitor will decide if the pool is crowded.

- 18) Patio furniture at poolside is not provided by the Association. Users may bring their own furnishings providing they do not become a safety hazard to others in the area.
- 19) Users of the pool are responsible for removal of items brought to the pool area. Users will also clean the area used and discard trash appropriately.
- 20) Toilet facilities, including showers, are available in the building adjacent to the pool. To maintain a high standard of sanitation and cleanliness in the swimming pool, users are requested to use these facilities. You must shower before using the pool, especially to remove any suntan lotions or oils.
- 21) Foul or inappropriate language will not be tolerated in the pool area.
- 22) The swimming pool is cleaned and serviced on a regular basis. In the event the pool is in use upon the arrival of the pool service person, users are required to cooperate by vacating the pool so the necessary cleaning can be quickly accomplished.

2. AGE REQUIREMENTS:

It is the responsibility of parents to ensure their children 14 years of age or younger (STATE LAW) are under direct supervision of a designated, responsible guardian or relative at all times when using the pool. The guardian or relative of your child must be 18 years of age or older, if not, they will not be allowed in the pool area. Other than the parents of the children, the responsible guardian may watch only two children at a time.

3. POOL KEY AND LOGIN SHEET:

To use the pool, residents must obtain a pool key, which will be stamped with the owner's unit number. The pool key is available from the Property Manager for a non-refundable fee of \$50.00 dollars. The key (one per Lot) must not be loaned to non-residents or to any other Lot owner or resident. Pool users must show the pool key to the Pool Monitor and make an entry in the log-book.

4. DENIAL OR LOSS OF POOL PRIVILEGE:

The Board of Directors, Property Manager, or Pool Monitor has the right to deny the use of the pool to anyone who violates the pool rules or whose dues are not current. Violators are subject to restriction from the pool for 30 days for each violation in accordance with the By-Laws.

ENFORCEMENT

SECTION VII

1. INSPECTION:

The Architectural Committee will conduct at least one inspection a month of the Common Areas and exterior of the individual units. This is to ensure the safety, cleanliness, and uniformity of all areas of the complex. Violations noted during the inspection will be forwarded to the owner and a copy to the tenant for notification or monetary assessments.

2. ASSESSMENTS:

Violation of any of the rules and regulations may result in the owner being assessed a monetary fee. The first violation will result in a warning or courtesy notice, unless said violation resulted in damage to Common Area property. Violations and/or fees pertain to continual upkeep of personal areas, patio/carport fences, personal garden areas (end units and those units who have received written permission to maintain garden areas in the vicinity of their unit), etc.

The methods by which the monetary fees are assessed is as follows:

- 1) On a given day, individuals (2 or more at all times) will do an inspection and observe the general upkeep of the Association members' properties. If a violation is noted, the homeowner will be notified and given a 10-day period by which to address the violation. There is no monetary fee attached to this.
- 2) After the 10-day grace period, a re-inspection is made. If the violation has not been corrected a \$100.00 dollar fee is assessed with another 10-day period to correct. (At the end of this period, the violation would total 20 days if not corrected.)
- 3) After this 20-day period, another inspection is made. If the violation is not corrected, a \$200.00 dollar fee is assessed, which would bring a non-complying account to \$300.00 dollars in fees.

3. ASSOCIATION VIOLATIONS ENFORCEMENT PROCEDURES

First, the Board Members and/or Property Manager are not a "police force". In the case of criminal activity (e.g., excessive noise, vandalism, drugs, firearms, etc.), the affected member should personally notify the proper law enforcement agency and make any required written complaints. It would be potentially hazardous and improper for anyone other than the police agency personnel to handle criminal activities taking place on the property. The Association has no authority or jurisdiction to deal with criminal activities.

Second, regarding violations of the Association's governing documents. The members must personally become involved in a properly functioning enforcement procedure. In the case of a violation of the Association's governing documents, the affected member should personally complete a Member Complaint Form (page 19) to initiate the enforcement procedure. The Board of Directors and the Property Manager should only take action based upon a submitted Member Complaint Form involving a legitimate violation or dispute. The only "confrontation" between members regarding violations will take place in an orderly fashion at the scheduled Board hearing on that violation.

Included is an enforcement procedure with supporting forms, adopted for use by the Association. The procedure requires cooperation and coordination between the Members, Property Manager and Board of Directors.

Some problems are outside the scope of the enforcement procedures. For example, a “curfew problem” would be governed and enforced by the City of Chula Vista because the Association rules are superseded by any law or ordinance. Ongoing problems that are not solved by the normal enforcement procedure may be dealt with by a formal legal action to obtain an injunction or other similar remedies.

4. FEES:

FIRST VIOLATION NOTICE	WARNING / COURTESY NOTICE
SECOND.....	\$100.00 DOLLAR FEE
THIRD	\$200.00 DOLLAR FEE
FOURTH.....	\$300.00 DOLLAR FEE
AND SO ON...	

ALL INQUIRES SHALL BE ADDRESSED TO THE BOARD OF DIRECTORS IN WRITING VIA THE PROPERTY MANAGER. IF YOU HAVE QUESTIONS REGARDING THE CONTENTS OF THIS DOCUMENT, PLEASE CONTACT THE BOARD OF DIRECTORS OR PROPERTY MANAGER.

APPROVED BY THE BOARD OF DIRECTORS, NOVEMBER 1, 2004.

MENDOCINO MANAGEMENT ASSOCIATION NO. 1
GOVERNING DOCUMENT ENFORCEMENT PROCEDURES
AND SCHEDULE OF MONETARY PENALTIES FOR VIOLATIONS

The Mendocino Management Association No. 1 (Association) has adopted the following policies and procedures for enforcing breaches or Violations of the Governing Documents (Declaration, Bylaws, and Rules and Regulations) to encourage voluntary compliance while at the same time ensuring effective enforcement when appropriate. Any enforcement of the governing documents ultimately depends on participation and cooperation of all owners and occupants of the Mendocino Project.

MEMBER COMPLAINT FORM

In order for the Board of Directors to act upon a complaint of a violation of the Declaration, Bylaws or Rules & Regulations, there must be a written complaint filed by an owner or resident with the Board of Directors. A Member Complaint Form (page 19) has been prepared for the convenience of unit owners; a copy is provided as an attachment hereto and more copies are available upon request. The form contains the essential information needed for the Board of Directors to act upon an alleged breach or violation. Without a completed Member Complaint Form the Board may not be able to act upon the alleged violation.

NOTICE OF HEARING

After the Board of Directors has received a properly completed, written Member Complaint Form (page 19) alleging a legitimate violation, the Board may cause a Notice of Hearing to be sent to the affected/accused owner. The Notice of Hearing (page 20) will contain all essential information regarding the hearing.

HEARING PROCEDURES

At the hearing the affected owner, will be given an opportunity to present facts or arguments against imposing any penalty or discipline. If an affected/accused owner fails to take advantage of the opportunity to be heard, the Board will decide the matter on the facts presented in the written complaint or other pertinent oral or written evidence before the Board of Directors at the time of the hearing. Any such notice of hearing shall be considered duly given when mailed first class mail, postage prepaid, to the last known mailing address for the affected unit owner in the records of the Association.

If the Board of Directors decides there was, in fact, a violation, the Board can impose reasonable penalties and/or discipline against the responsible unit owner, as provided for in the Governing Documents and Schedule of Monetary Penalties (page 18).

NOTICE OF DECISION

A reasonable time after the hearing, the Board of Directors will notify the affected owner of the board's final decision. The Notice of Decision shall be in writing and shall state the findings of fact and decisions of the Board of Directors.

SCHEDULE OF MONETARY PENALTIES

1. First Breach or Violation: Warning letter requiring compliance by a specified date (unless the violation results in damage to Common Area property).
2. Second Breach or Violation: \$100.00 monetary penalty (failure to comply with the warning letter above by a specified date shall constitute a second offense under this provision).
3. Third Breach or Violation: \$200.00 monetary penalty (different offenses or a repeat of the same offense, or a combination thereof, shall be considered the third offense for purposes of this provision).
4. Fourth, or More, Breach or Violation: \$300.00 monetary penalty for each such Breach or Violation.

APPEAL PROCEDURES

If the affected owner disagrees with the Board's decision, the owner must, within 15 days of mailing of the Notice of Decision, properly give notice that the decision will be appealed to the membership at a special meeting of the members called for that purpose as provided in the By-laws, or the Board's decision shall be final and binding on all parties.

In addition to the foregoing, any such Breach or Violation of the Governing Documents may be enforced by any appropriate proceeding in law or equity as provided in the Governing Documents or by statute. The prevailing party to any such action or proceeding shall be entitled to recover as part of the judgment those costs including reasonable attorney's fees as awarded by a Court of competent jurisdiction.

Dated: November 1st, 2004

MENDOCINO MANAGEMENT ASSOCIATION,
A California nonprofit mutual benefit corporation

By _____
President

MEMBER COMPLAINT FORM

(Violation of Declarations, Bylaws, or Rules and Regulations)

To: Board of Directors
Mendocino Management Association, No 1
c/o Property Manager's Mailing Address

YOU ARE HEREBY NOTIFIED that on _____ (month, day, and year),
I personally observed or heard the following act, violation, event, etc.:

I believe the above to be a violation of the following:

Declaration (specify) _____

Bylaws (specify) _____

Rules & Regulations (specify) _____

I further believe that the above violation was committed by the owner/tenant/guest of Unit
No. _____, which is owned by (if known) _____
and is located at _____.

I understand the person(s) accused of violating the above provision or rule will be entitled
to a hearing before the Board of Directors before any penalty or discipline is imposed, and I
agree, if requested, to be present at any such hearing to support the facts and claims made in this
complaint.

I declare under penalty of perjury that the above is true and correct of my own knowledge,
except as to those matters stated upon information or belief and as to those matters, I believe
them to be true.

Dated this _____ day of _____, 20__ at _____, California

Signature

Unit Number

Print or Type Name

NOTICE OF HEARING

TO: _____

YOU ARE HEREBY NOTIFIED that a written complaint has been received by the Mendocino Management Association No. 1's Board of Directors alleging that on _____, 20____, you (or your tenant(s) or guest(s)) violated the following provision(s) of the Governing Documents:

Declaration (specify) _____

Bylaws (specify) _____

Rules & Regulations (specify) _____

by reason of the following alleged facts/occurrences:

YOU ARE FURTHER HEREBY NOTIFIED of your opportunity to be heard in person or in writing before the Board of Directors to state your reasons and present your evidence why a monetary penalty and/or other discipline should not be imposed against you for the above referenced violation(s). Your failure to appear at the following time date and location shall result in the matter being decided on the facts presented in the written complaint and on other oral and written evidence before the Board of Directors at the time of the hearing.

Location: _____

Date: _____ Time: _____

YOU SHOULD ALSO BE ADVISED that if the Board of Directors finds that a violation occurred, monetary penalties, suspension of privileges, and/or other appropriate discipline may be imposed under the provisions of the Declarations, Bylaws, or Rules & Regulations of the Association.

Dated: _____

Mendocino Management Assn., No. 1