



FirstService Residential California  
15241 Laguna Canyon Road  
Irvine, CA 92618  
(800) 428-5588



# Memorandum

February 18, 2022

**Dear Ashley Bowman:**

**PLEASE ENSURE THAT ALL DOCUMENTS AND CLOSING FUNDS ARE REMITTED TO:**

**FirstService Residential California, LLC  
15241 Laguna Canyon Road  
Irvine, CA 92618**

\*Failure to send documents and closing funds to the above address may result in delayed processing.

Our website address is <https://fsresidential.com/california/home>

**We need your assistance when closing your file.**

Please make sure you are cutting checks to the proper entity. All co-mingled checks will be returned to title to be recut to the proper entity per our Statement of Account.

- When cutting your check to the management company for disclosure, please remember to use our new name, FirstService Residential California.
- When cutting your check for any balance due and/or association based charges, make your check payable to the Association.
- When collecting a buyer's pre-payment for association dues, please clarify what months you are collecting for.
- Please include a certified or recorded copy of the deed a long with separate checks for each file.
- If sending anything directly to an attorney or collections company, please include a copy of sent items along with your closing documentation to us.
- Please provide the seller's forwarding address in the closing documents remitted to FirstService Residential.

Thank you in advance for your cooperation. If you have any questions please call us at (800) 428-5588.

Sincerely,

FirstService Residential California



FirstService Residential California  
 15241 Laguna Canyon Road  
 Irvine, CA 92618  
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# Billing Disclosure Form

# CA-B60177

Provided as required by Section 4525\*

**THIS IS NOT AN INVOICE:** This form is being provided as required by California Civil Code §4530 and is not intended to be utilized as a total amount due on any specific resale transaction.

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller. A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

**Account Information:**

Association: SAMLARC Master Association-  
 Property Address: 77 Tierra Montanosa  
 Rancho Santa Margarita, CA 92688  
 Owner of Property: Stephen Connolly  
 Owner's Mailing Address: 77 Tierra Montanosa, Rancho Santa Margarita, CA 92688

**Provider of §4525 Items:**

Print Name: Sandee Schreiber  
 Position/Title: Association Disclosure Specialist  
 Date Completed: February 18, 2022

**Not Available(N/A),  
 Not Applicable(N/App),  
 OR Directly Provided by  
 Seller and confirmed in  
 writing by Seller as a**

Document	Civil Code Section	Fee For Document	current document (DP)
Articles of incorporation or statement that not incorporation	Section 4525(a)(1)	\$48.00	
CC&Rs	Section 4525(a)(1)	\$55.00	
Bylaws	Section 4525(a)(1)	\$48.00	
Operating Rules	Section 4525(a)(1)	\$34.00	
Age restrictions, if any	Section 4525(a)(2)	\$0 (Included in CC&Rs)	
Rental restrictions, if any	Sections 4525(a)(9)	\$0 (Included in CC&Rs)	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	\$48.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	\$0 (Included in Budget)	
Financial statement review	Sections 5305 and 4525(a)(3)	\$48.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	\$0 (Included in Budget)	
Insurance summary	Sections 5300 and 4525(a)(3)	\$0 (Included in Budget)	
Regular assessment	Section 4525(a)(4)	\$0 (Included in Statement)	
Special assessment	Section 4525(a)(4)	\$0 (Included in Statement)	
Emergency assessment	Section 4525(a)(4)	\$0 (Included in Statement)	
Other unpaid obligations of the seller	Sections 5675 and 4525(a)(4)	\$0 (Included in Statement)	
Approved changes to assessments	Sections 5300 and 4525(a)(4),(8)	\$0 (Included in Budget)	
Settlement notice regarding common area defects	Sections 4525(a)(6), (7) and 6100	See disclosure if applicable	
Preliminary list of defects	Section 4525(a)(6), 6000 and 6100	See disclosure if applicable	
Notice(s) of violation	Sections 5855 and 4525(a)(5)	\$0 (Included in Statement)	
Required statement of fees	Section 4525	\$0 (Included in Statement)	
Minutes of regular meetings of the board of directors conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$97.00	
<b>TOTAL FEES for these documents:</b>		<b>\$378.00</b>	<b>DO NOT PAY</b>

\*The information provided in this form may not include all fees that may be imposed before the close of the escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately. Please visit [www.fsresidential.com/california](http://www.fsresidential.com/california), click Order Documents & Certifications in the upper left-hand corner, and follow the instructions to download a full list of fees and services.



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# Resale Statement of Account

**CA-B60177**

Rancho Santa Margarita Landscape and Recreation Corporation Master Association  
 This statement has been prepared on February 18, 2022  
 On behalf of Stephen Connolly ; owner(s) of  
 77 Tierra Montanosa, Rancho Santa Margarita, CA 92688  
 Purchaser(s) is/are Tbd

## Insurance Information

For all insurance information please contact:

Name: **Hays Companies Inc.**  
 Phone Number: **503-624-4750**

## Fees due from Seller

**Please send one check for the following amounts/sums due payable to: Rancho Santa Margarita Landscape and Recreation Corporation Master Association, 15241 Laguna Canyon Road.**

**Balance due for account number ZSMA-SAMLA-9317-02 through 02/18/2022: \$0.00**

The amount above is the balance for the account as of the above date. Late fees, additional assessments and other charges will be added as they occur. *FirstService Residential California* offers (1) free update(s) within 30 days, any subsequent updates are charged \$106 per request. Verbal updates are not provided. The requester is responsible for obtaining an update for the account (7) days prior to closing.

*Please note: No credits will be issued by FirstService Residential California. Any adjustment to the maintenance account must be made between the buyer and seller at closing.*

## Fees due from Buyer

**Please send one check for the following amounts/sums due payable to: Rancho Santa Margarita Landscape and Recreation Corporation Master Association, 15241 Laguna Canyon Road.**

**First Monthly ASSESSMENT: \$74.00**

## Fees due for Resale Statement of Account

**Please send a SEPARATE check for all of the foregoing amounts/sums due to: FirstService Residential California, 15241 Laguna Canyon Road.**

The following is a statement including the disclosure fee due for the preparation of this certificate and any subsequent documentation.

Next Day (1-2 days) Statement of Account Transfer Processing Fee	\$430.00
-Next Day Processing	\$132.00

**Total Resale Statement of Account Fees Due: \$562.00**



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## Resale Statement of Account (continued)

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 On behalf of Stephen Connolly ; owner(s) of  
 77 Tierra Montanosa, Rancho Santa Margarita, CA 92688  
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### Requester Information

Requested By: ASHLEY BOWMAN  
 Company: CORNER ESCROW  
 Address: 18302 Irvine Blvd Suite 350  
 Tustin, CA 92780  
 Phone #: 1749223288  
 Email: ABOWMAN@CORNERESCROW.COM  
 Escrow #: TBD

### Assessment Information

The following is a statement as to the amount of Rancho Santa Margarita Landscape and Recreation Corporation Master Association's current regular assessments, special assessments, and any other fees or charges currently imposed by the Association and payable by unit owner(s).

ASSESSMENT: **\$74.00 due Monthly on the 1st day of the payment period**  
 Late Fee: **Any assessment received 16 days after the due date will be assessed a late fee of \$10.00.**

### Violation Information

The records of Rancho Santa Margarita Landscape and Recreation Corporation Master Association reflect the following alleged violation(s) of the governing documents that remains unresolved at the time of the request:

**There are none known at this time.**

This statement by the Association does not relieve the Buyer of the property from the obligation to disclose alterations or improvements to the property which violate the declaration or which may not have been approved, nor does it preclude the Association from taking action against the purchaser of the property for violations existing at the time purchase. There may be other items that have not been noted on this statement as it relates to landscaping or architectural improvements that may or may not be approved by the Association at the time of receipt of this notice. California Civil Code §4525 Section (5) read in part; "The notice shall not be deemed a waiver of the association's right to enforce the governing documents against the owner or the prospective purchaser of the separate interest with respect to any violation."

If you have any questions regarding violations, please contact the Community Manager, George Blair, at 949-709-0015.



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## Litigation Information

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**The following is not intended to suggest that there is or is not active or pending litigation within the association.**

*You are advised that there are often delays in the preparation of litigation disclosures by associations. They arise due to the delay that occurs from the time a lawsuit is filed against an association until the time it is served on the association, and until a written litigation disclosure is prepared by legal counsel representing an association, and thereafter is made available by an association's board of directors. Once a disclosure on a case is prepared, it is to be regarded as a general notice of certain non-confidential and non-privileged matters in connection with the disclosed litigation as of the date that such disclosure was prepared. In addition, such a disclosure is not an exhaustive discussion of the facts of a case nor is it a prediction of the outcome of it, or an analysis of the financial effect it might have on the association. Therefore should you desire more information about any case, or want to know whether cases that may not as yet be the subject of a written disclosure to members and prospective buyers have been filed against the association, all of the pleadings of a case are public records, and unless sealed by an order of the Court, the file may be viewed and copies may be obtained from the office of the Clerk of the Court in the County where the association is located, which is the County where a lawsuit against an association is usually filed.*



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## Resale Statement of Account (continued)

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On behalf of Stephen Connolly ; owner(s) of  
77 Tierra Montanosa, Rancho Santa Margarita, CA 92688  
Purchaser(s) is/are Tbd

### Disclosure to Seller and Buyer

1. FirstService Residential California is the Property Management Company for Rancho Santa Margarita Landscape and Recreation Corporation Master Association.
2. Homeowner assessments are due in advance on the 1st day of each month. A statement will be sent to the buyer's mailing address, as a courtesy, within 30 days from the notification of close of escrow ("COE") to FirstService Residential California. Should buyer not receive a billing within 30 days of COE, Buyer is to send 1 month's dues payment to the Association along with a copy of this form. The assessment payment due-date is established by the Association (generally the 15th or 30th day of each month), and any payments received after the due date may be subject to a late charge.
3. Association assessments are an assessment ON PROPERTY. California Law provides the Association with the right to lien and foreclose ON YOUR PROPERTY due to nonpayment of assessments.
4. California Civil Code §4525 requires that the Seller of real property within an Association / Common Interest Development provide to a Buyer certain items. The Seller may request the Homeowners Association to provide the Buyer the items and the Association may charge a reasonable fee for this service. These fees, in addition to other fees charged by the Association, are set forth in this Statement of Account.
5. This Statement of Account documents the referenced account as of the date of issuance. Payments and charges are posted to accounts daily. **Escrow, FirstService Residential California offers (1) free update(s) within 30 days, any subsequent updates are charged \$106 per request. Verbal updates are not provided. The requester is responsible for obtaining an update for the account at least (2) days prior to closing.**
6. Upon closing, Escrow is responsible for collecting all amounts shown on this Statement of Account; no refunds will be issued for any Homeowners Association documents requested by Escrow.
7. Should this escrow transaction cancel or not close: a) All amounts shown on this Statement of Account remain payable by the Seller. Entering into an escrow does not suspend the responsibility to pay the Association assessment; b) in the event this escrow transaction cancels, Escrow is responsible for collecting and remitting the cancellation fee of \$75.00. If this fee is not collected, the charge will remain on the Seller's account until paid.
8. Sellers who pay their assessments via ACH can cancel their recurring payment in advance of the closing by going to [FSResidential.com/California](https://FSResidential.com/California), selecting "Make a Payment", and logging into their account to terminate their ACH payment setup. The seller's ACH payment will be automatically terminated once the buyer's account is set up in our software system.



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## Return Form

CA-B60177

**ATTENTION ESCROW:**

To assist in refunding any credit balance due to the seller it is imperative that you provide the seller's forwarding address in the closing documents remitted to FirstService Residential. You can utilize the below return form or remit the information in a closing letter from your office.

Failing to provide the seller's forwarding address may result in the seller's credit balance being forwarded to your office for disposition to the seller.

**Seller**, please provide the following information:

Forwarding Address: \_\_\_\_\_

**Escrow**, please provide the following information:

The property will  will not  be occupied by the owners(s). Property will be occupied as of \_\_\_\_\_

All billings, correspondence for new owners, after COE should be mailed to Buyer's at:

\_\_\_\_\_

List all new owners on title for said property: \_\_\_\_\_

\_\_\_\_\_

**The undersigned hereby acknowledge the receipt of this document which specifies the fees due for the Resale Statement of Account, each understands its responsibilities as set forth herein, and each authorizes the Escrow Agent to pay to the Association and FirstService Residential California, the charges set forth, respectively, as currently shown or as may be amended before the Close of Escrow.**

\_\_\_\_\_  
 Seller's Signature Date

\_\_\_\_\_  
 Buyer's Signature Date

\_\_\_\_\_  
 Name (print or type)

\_\_\_\_\_  
 Name (print or type)

\_\_\_\_\_  
 Seller's Signature Date

\_\_\_\_\_  
 Buyer's Signature Date

\_\_\_\_\_  
 Name (print or type)

\_\_\_\_\_  
 Name (print or type)

**Please forward this statement signed by all parties, escrow's closing statement(s), fees and sums due to:**

FirstService Residential California, LLC  
 15241 Laguna Canyon Road Irvine, CA 92618



## HOW DO I GET MY GATE ACCESS CARDS?

### **This is a photo ID. Residents Must be present to obtain their Gate Access ID Card.**

Only residents of address may obtain Gate Access ID Cards.  
Gate Access ID Cards may not be loaned to non-resident of address issued.  
Residents may have five (5) non-SAMLARC Guests per residential address  
(not per person or Gate Access Card) at any facility.  
Residents must be in presence of guests at all times.

### **HOURS OF OPERATION FOR GATE ACCESS CARDS**

Beach Club Office is located at 21472 Avenida de los Fundadores  
Phone Number: 949/858-1390  
Office hours: 9am to 5pm daily

**Quantity of Cards per address:** One- (1) Gate Access ID Card per person – MAXIMUM of two Gate Access ID Cards per address. Available only to members of household 18 years of age or older. Both Parties do not have to be present at the same time, however, it is strongly suggested.

### **Documents required** when obtaining Gate Access ID Cards

#### ◆ **Owners:**

1. Close of Escrow documents or Copy of Trust Deed – NO Exception
2. State or Military Issued ID, such as Driver's License or ID Card

#### ◆ **Tenant's of residence** have different requirements

1. Only the owner or the tenant can have Gate Access (not both).
2. The owner must fill out a tenant form giving up Gate Access rights to tenant and supply original to tenant.
3. Copy of Lease Agreement and State or Military issued ID
4. Each time tenant changes, there is a \$50.00 fee for new ID cards.
5. ID Cards may not be transferred by owner or previous tenant to current tenant.

#### ◆ **Apartments:**

1. There are eight (8) apartment complexes that pay monthly assessments for each unit as follows:
  - Arbor Lane
  - Avalon Santa Margarita
  - Avila
  - Cortesia
  - Skyview
  - The Fountains
  - Villa La Paz
  - Villa Aliento

**PLEASE NOTE:** Villa Antonio and their tenants ARE NOT PART OF SAMLARC.

2. Tenants of apartments have the ability to obtain Gate Access ID Cards directly from their on-site Managing Office ONLY.

**LOST CARDS: \$50.00 per card replacement fee regardless of reason.**



**Rancho Santa  
Margarita  
Landscape and  
Recreation Corp**

Annual Budget Package



**FirstService**  
RESIDENTIAL





DATE: November 19, 2021  
TO: The Membership - SAMLARC  
FROM: The Board of Directors  
RE: 2022 Budget – Effective January 1, 2022

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Each year the Association’s volunteer Board of Directors performs a very careful review of the past year’s expenses and income to best project the amount to collect from each member in the upcoming fiscal year. When reviewing the budget, the Board considers several factors such as recurring contract costs, inflation, utility usage and rates, insurance, necessary operational costs for landscape and amenities, and appropriate reserve contributions (savings) each month to pay for repair, restoration and/or replacement of common area components as needed. As a result of this review, the Board has determined that assessments must increase to meet the Association’s financial needs in the upcoming fiscal year of January 1 to December 31, 2022. **The monthly assessment will rise to \$74.00 per unit per month for the next fiscal year.**

**What Is Included in This Budget Packet?**

State law and the Association’s governing documents require the Board of Directors to distribute the following documents to each member:

- 2022 *Pro Forma* Budget Summary
- Assessment and Reserve Funding Disclosure Summary
- Executive Summary – 2022 Reserve Study
- Delinquency Policy and Disclosures as follows:
  - Delinquent Assessment Collection Policy
    - Notice of Assessments and Foreclosure
    - Assessments and Foreclosure
    - Payments
    - Meetings and Payment Plans
    - Assignment of Rents
    - Alternative Dispute Resolution (ADR) procedure
    - Internal Dispute Resolution (IDR) procedure
- Insurance Notification
- Annual Policy Statement
- Architectural Review Process and Submittal Requirements
- Discipline Policy with Relation to Enforcement Process

In lieu of distribution of the full 2022 *Pro Forma Operating Budget*, the attached 2022 *Pro Forma Operating Budget Summary* is provided. **A copy of the full 2022 *Pro Forma Operating Budget* is available upon request at [samlarc.org/homeowners](http://samlarc.org/homeowners).**

**About the Reserve Study**

California law requires the Association's Board of Directors to "cause to be conducted" a Reserve Study with an onsite inspection at least once every three years. To ensure that the Association's major components were appropriately identified, the Board hired a professional Reserve Analyst for these services.\* California law also requires the Board of Directors to make the following disclosures regarding the Association's reserve funds:

- 1) In the upcoming year, the Association will fund Reserves using the following sources:

<b><u>Type of Funding</u></b>	
<input checked="" type="checkbox"/>	Regular Assessments
<input type="checkbox"/>	Special Assessments
<input type="checkbox"/>	Borrowing
<input type="checkbox"/>	Use of Other Assets
<input checked="" type="checkbox"/>	Deferral of Repairs
<input type="checkbox"/>	Alternate Mechanisms

- 2) **The Association had a total of \$8,660,685 in actual accumulated Reserve funds as of September 30, 2021. The Board anticipates that the amount will decrease to \$8,066,397 by the end of the current fiscal year. According to the Reserve Analyst, the total replacement cost for all major components is \$15,393,802. The Reserve fund amount at September 30, 2021 represents approximately 56% of the projected total replacement cost.** Although this number usually seems low, the Legislature requires the Board to disclose (in boldface type) how much it would cost the Association to rebuild all of its major common area components if they were replaced all at once.
- 3) According to the Reserve Analyst, at the start of the upcoming fiscal year, the Association is anticipated to be 96% funded to the "ideal funding level". That number represents the amount the Association is anticipated to have on hand to repair or replace major components when they are scheduled to be repaired or replaced.
- 4) Some Reserve components scheduled for 2021 repair and replacement were deemed to have additional remaining life. The Board of Directors, therefore, determined to defer or not undertake the repairs or replacement of the following components with a remaining life of 30 years or less (as identified in the Reserve Study as having zero estimated remaining life).

<b><i>Item #</i></b>	<b><i>Item Description</i></b>	<b><i>Reason for Deferral or Decision to Not Undertake Repairs/Replacement</i></b>
1.	Planters (Elevated) Concrete- Trabuco Mesa Park	Defer to 2022/Extended Use of life
2.	Concrete Drinking Fountain- Mesa Linda Park	Defer to 2022/Extended Use of life
3.	Play Area Safety Surface (North)- Estrella Vista Park	Defer to 2022/Extended Use of life
4.	Concrete Picnic Tables (Pool Area)- Arroyo Vista Park	Defer to 2022/Extended Use of life
5.	Concrete Benches- Estrella Vista Park	Defer to 2022/Extended Use of life
6.	Asphalt Seal/Repairs- Trabuco Mesa Park	Defer to 2022/Extended Use of life
7.	Clock Mechanism- Beach Club	Defer to 2025/Extended Use of life
8.	Audio Visual Equipment- Beach Club	Defer to 2022/Extended Use of life
9.	Appliances- Business Office	Defer to 2022/Extended Use of life
10.	Pool Deck Mastic- Monte Vista Park	Defer to 2022/Extended Use of life

11.	Carpeting Replacement- Solana Park	Defer to 2023/Extended Use of life
12.	Fabric Shade Structure- Altissima Park	Defer to 2023/Extended Use of life
13.	Refurbish Victorian Benches- Lakeshore	Defer to 2022/Extended Use of life
14.	Aeration Diffusor Replacement- Lake	Defer to 2025/Extended Use of life
15.	River Rock Seating Wall- Bluff Top Trail	Defer to 2023/Extended Use of life
16.	Trail Refurbishment Allowance- Bluff Top Trail	Defer to 2023/Extended Use of life
17.	Moving Costs for Painting/Carpeting- Business Office	Defer to 2022/Extended Use of life
18.	Paint/Repair Pool Buildings/Park Amenities- Solana Park	Defer to 2022/Extended Use of life
19.	Wood Trellis (Entry)- Paint- Arroyo Vista Park	Defer to 2022/Extended Use of life
20.	Wood Trellis (Pool Area)- Paint- Arroyo Vista Park	Defer to 2022/Extended Use of life

### ***Insurance Information***

The Association carries General Liability insurance in the amount of \$16 million per occurrence and \$17 million annual aggregate, which exceeds the minimum amount specified in California law to ensure that owners are only individually liable for their proportionate share of special or regular assessments levied to pay any judgments against the Association which exceed the limits of the Association's insurance. Additional disclosures about the Association's insurance policies can be found within this packet, including the name(s) of the insurer(s), the types of insurance, the policy limits, and the amount of deductibles (if any).

### ***Other Disclosures***

The Board of Directors does not anticipate that any special assessment will be required during the 2022 fiscal year to repair, replace and/or restore any major components or to provide adequate reserves.

Copies of approved Board meeting minutes are available on [samlarc.org/homeowners](http://samlarc.org/homeowners) and upon request throughout the year. Approved minutes are available thirty days following the meeting date and any charges involved for copying and postage for those minutes are the responsibility of the requesting owner. If the minutes are not approved by the Board within the thirty-day period of the request, draft minutes will be provided.

Please contact Community Executive Officer, George Blair, at 949-709-0025 or via e-mail at [George.Blair@fsresidential.com](mailto:George.Blair@fsresidential.com), should you have any questions or if you would like a copy of the complete Pro Forma Operating Budget provided to you at the Association's expense. This document is also available on [samlarc.org/homeowners](http://samlarc.org/homeowners) and for review by appointment at 22342A Avenida Empresa, Suite 102-A, Rancho Santa Margarita, CA 92688.

- \* The Association's Board of Directors has relied on information, opinions, reports and statements presented to it by vendors, contractors, Reserve Study specialists, CPA's and/or other professionals and is relying upon this information, financial data and reports pursuant to the California Corporations Code in providing the Association membership the information contained in the Assessment Reserve Funding Disclosure Summary. The information contained within the Reserve Study includes assumptions regarding future events based on information supplied to the Association's Board of Directors from said professionals. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this Disclosure Summary. Therefore, the actual replacement cost and remaining life may vary from the Reserve Study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a 30-year period of time which could impact the accuracy of the Reserve Study and the

funds available to meet the Association's obligation for repair and/or replacement of major components during the next 30 years. Furthermore, severe weather conditions, earthquakes, floods, or other acts of God, the occurrence of vandalism and other events that are difficult to anticipate cannot be accounted for and are excluded when assessing life expectancy of the components. The Reserve Study only includes items that the Association has a clear and express responsibility to maintain pursuant to the Association's CC&Rs.



## 2022 PRO FORMA OPERATING BUDGET SUMMARY

<b>Revenue</b>	<b>Budget</b>	<b>Unit</b>
Assessment Revenue	\$12,116,760	\$74.00
Ancillary Sources	\$259,586	\$1.58
<b>Total Revenue</b>	<b>\$12,376,346</b>	<b>\$75.58</b>
<b>Reserves</b>		
Reserve Contribution	<b>\$1,146,566</b>	<b>\$7.00</b>
<b>Operating Expenses</b>		
Lake/Lakeshore	\$457,001	\$2.79
Beach Club/Lagoon	\$494,344	\$3.02
SAMLARC Business Office	\$150,599	\$0.92
Community Parks	\$2,648,436	\$16.17
Community Pools	\$301,199	\$1.84
Streetscapes/Trails & Open Space	\$3,661,803	\$22.36
Community Programs	\$272,651	\$1.67
Administration - Insurance, Legal, FSR, etc...	\$1,569,905	\$9.59
Staff Expense w/ taxes and benefits	\$2,036,611	\$12.44
<b>Total Operating Expenses:</b>	<b>\$11,592,548</b>	<b>\$70.80</b>
<b>Total Reserves and Operating Expenses:</b>	<b>\$12,739,114</b>	<b>\$77.80</b>
<b>Net Gain/(Loss):</b>		
<b>Before Discretionary Expenses</b>	<b>(\$362,768)</b>	<b>(\$2.22)</b>
<b>Discretionary Expenses</b>		
Projects – Capital	\$0	\$0
<b>Total Discretionary Expenses:</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Reserve, Operating and Discretionary Expenses:</b>	<b>\$12,739,114</b>	<b>\$77.80</b>
<b>Projected Net Gain/(Loss):</b>	<b>(\$362,768)</b>	<b>(\$2.22)</b>
<b>Projected Cash Balance at Year End:</b>	<b>\$1,093,118</b>	

A copy of the full 2022 Pro Forma Operating budget is available upon request at [samlarc.org/homeowners](http://samlarc.org/homeowners).



## **ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY**

The reserve funding program reflects assumptions about future events based on manufacturer's specifications, information from subcontractors, construction pricing, scheduling manuals, and the experience of the reserve company. The amounts quoted in the Reserve Study prepared in 2021, for year 2022, were used to calculate and establish the ongoing reserve amounts needed to defray future repairs, replacement, or additions to the components that the corporation is obligated to maintain.

SAMLARC currently has a total of **\$8,660,685** accumulated reserve funds as of September 30, 2021 and anticipates that the total will decrease to **\$8,066,397** by fiscal year end. This amount represents approximately 56% of the total current cost of replacement for all those components being funded, and 96% of the ideal reserves. SAMLARC's 90% Target Funding Model is projected to maintain the accumulated reserve funds at 90% of the ideal reserves at 2022 fiscal year end. The Board of Directors reviews funding models annually and does not anticipate that a special assessment will be required to repair, replace, or restore any major components or to provide adequate reserves.

### **2022 Reserves for Repair and Replacement**

California Civil Code §5565 and §5570 call for required disclosures to make to the association membership to detail SAMLARC's reservation for the future periodic repair and replacement of major components of real property owned and maintained by the Corporation. These disclosures are below.



(a) Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending 12/31/2022

1. The current average regular Assessment per ownership interest is: **\$74.00 per month.**

*Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.*

2. Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment is Due	Average Amount Per Unit	Purpose Of Assessment
-	-	-

*Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.*

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

Yes  No

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

Approximate date assessment will be due	Amount of Assessment	Amount Per Unit
-	-	-

*Note: Indicates the first year of a deficit based on the Adopted Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.*

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Component Name	Status
-	-

6. Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$8,439,284, based in whole or in part on the last reserve study or update prepared by SAMLARC as of 2021-11-02. The projected reserve fund cash Balance at the beginning of the current fiscal year is \$8,066,397, resulting in reserves being 96% at this date.

7. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next 5 budget years found in column E, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, found in column D, leaving the reserve at percent funding found in column F. Please see the projected five-year funding plan below that has been implemented and approved by the association.

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
	A	B	C	D	E	F
2022	\$1,141,000	\$6.97	\$1,369,631	\$7,843,333	\$8,714,809	90%
2023	\$1,664,440	\$10.17	\$1,524,517	\$7,988,795	\$8,876,434	90%
2024	\$1,702,370	\$10.40	\$1,515,853	\$8,180,969	\$9,089,963	90%
2025	\$1,750,785	\$10.69	\$1,615,244	\$8,322,284	\$9,246,979	90%
2026	\$1,789,360	\$10.93	\$1,591,755	\$8,525,784	\$9,473,091	90%

*Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term interest rate earned on reserve funds was 0.07% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.50% per year.*

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

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

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

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.

## Summary of Association Reserves

CA Civil Code §5565

SAMLARC

Units: 13,645 | Start Date: 1/1/2022

Property Description		Financial Summary	
<b>Property Name:</b>	SAMLARC	<b>Starting Reserve Balance:</b>	\$8,066,397
<b>Location:</b>	Rancho Santa Margarita, CA	<b>Fully Funded Reserve Balance:</b>	\$8,439,284
<b>Project Type:</b>	Master Association	<b>Percent Funded:</b>	96%
<b>Number of Units:</b>	13645	<b>Current Replacement Cost:</b>	\$15,393,802
<b>Age of Project:</b>	35 Year(s)	<b>Deficit/Surplus vs. Fully Funded Reserve:</b>	(\$372,887) or (\$27.33) Per Unit Avg

Funding Note: Board policy to maintain 90-100% funding for the duration of the report (30 years).

### Adopted Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2022	\$1,141,000	\$6.97	\$1,369,631	\$7,843,333	\$8,714,809	90%
2023	\$1,664,440	\$10.17	\$1,524,517	\$7,988,795	\$8,876,434	90%
2024	\$1,702,370	\$10.40	\$1,515,853	\$8,180,969	\$9,089,963	90%
2025	\$1,750,785	\$10.69	\$1,615,244	\$8,322,284	\$9,246,979	90%
2026	\$1,789,360	\$10.93	\$1,591,755	\$8,525,784	\$9,473,091	90%
2027	\$1,832,820	\$11.19	\$1,598,898	\$8,765,756	\$9,739,728	90%
2028	\$1,873,335	\$11.44	\$1,543,676	\$9,101,666	\$10,112,961	90%
2029	\$1,927,555	\$11.77	\$1,621,195	\$9,414,505	\$10,460,556	90%
2030	\$1,964,780	\$12.00	\$1,473,777	\$9,912,270	\$11,013,632	90%
2031	\$2,030,970	\$12.40	\$1,626,506	\$10,323,814	\$11,470,903	90%
2032	\$2,097,280	\$12.81	\$1,793,079	\$10,635,349	\$11,817,053	90%
2033	\$2,187,340	\$13.36	\$2,280,965	\$10,549,136	\$11,721,258	90%
2034	\$2,230,110	\$13.62	\$2,269,931	\$10,516,686	\$11,685,204	90%
2035	\$2,281,870	\$13.94	\$2,341,624	\$10,464,273	\$11,626,967	90%
2036	\$2,287,800	\$13.97	\$1,582,396	\$11,177,248	\$12,399,105	90%
2037	\$2,425,068	\$14.81	\$2,956,384	\$10,653,570	\$11,837,290	90%
2038	\$2,429,680	\$14.84	\$2,287,456	\$10,803,301	\$12,003,663	90%
2039	\$2,454,780	\$14.99	\$1,891,205	\$11,374,636	\$12,638,482	90%
2040	\$2,563,500	\$15.66	\$2,419,457	\$11,526,692	\$12,807,434	90%
2041	\$2,565,170	\$15.67	\$1,684,113	\$12,416,126	\$13,795,694	90%
2042	\$2,682,960	\$16.39	\$2,191,238	\$12,916,711	\$14,351,899	90%
2043	\$2,738,090	\$16.72	\$1,994,477	\$13,669,626	\$15,188,468	90%
2044	\$2,828,130	\$17.27	\$2,146,957	\$14,360,606	\$15,956,225	90%
2045	\$2,977,390	\$18.18	\$3,058,419	\$14,289,601	\$15,877,331	90%
2046	\$3,024,050	\$18.47	\$2,867,464	\$14,456,245	\$16,062,493	90%
2047	\$3,140,905	\$19.18	\$3,481,698	\$14,125,452	\$15,694,944	90%
2048	\$3,329,359	\$20.33	\$3,162,249	\$14,302,508	\$15,719,902	91%
2049	\$3,529,121	\$21.55	\$3,089,422	\$14,752,372	\$15,896,460	93%
2050	\$3,740,868	\$22.85	\$3,393,624	\$15,110,065	\$15,844,087	95%
2051	\$3,965,320	\$24.22	\$1,850,415	\$17,236,287	\$17,452,853	99%

## Summary of Association Reserves

CA Civil Code §5565

SAMLARC

Units: 13,645 | Start Date: 1/1/2022

### Component Summary by Category

	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Altisima Park	2-30	0-23	\$1,305,856	\$614,451	\$100,036	\$642,855	\$79,740
Ama Daisy Trail	25-28	12-21	\$14,099	\$3,776	\$510	\$3,950	\$407
Arroyo Vista Park	2-35	0-28	\$1,016,432	\$494,053	\$78,426	\$516,892	\$62,514
Beach Club	3-30	0-27	\$1,482,938	\$654,478	\$129,089	\$684,733	\$102,897
Bluff Top Trail	10-25	0-12	\$163,355	\$132,376	\$11,664	\$138,495	\$9,297
Business Office	4-15	0-5	\$84,367	\$72,942	\$8,618	\$76,314	\$6,870
Canada Vista Park	2-30	0-19	\$664,094	\$324,562	\$46,018	\$339,566	\$36,681
Central Park	3-30	1-22	\$539,410	\$327,692	\$33,147	\$342,840	\$26,422
Cielo Vista Park	3-25	1-19	\$211,435	\$119,501	\$16,263	\$125,025	\$12,963
Estrella Vista Park	10-25	0-14	\$263,615	\$218,980	\$17,287	\$229,103	\$13,779
Florencia Trail	25-28	12-21	\$11,523	\$2,957	\$415	\$3,093	\$331
Lagoon	2-22	0-8	\$533,873	\$318,263	\$56,567	\$332,975	\$45,090
Lake	5-25	2-18	\$262,133	\$151,909	\$24,660	\$158,931	\$19,656
Lake Shore	3-28	0-20	\$394,473	\$170,917	\$43,208	\$178,818	\$34,441
Landscaping	1-15	0-13	\$617,921	\$299,223	\$165,386	\$313,055	\$131,831
Los Abanicos	8-28	0-19	\$83,657	\$58,264	\$5,720	\$60,958	\$4,559
Los Paseos	8-25	0-11	\$57,827	\$33,718	\$4,323	\$35,277	\$3,446
Mesa Linda Park	3-35	0-20	\$250,470	\$181,646	\$19,232	\$190,042	\$15,330
Miscellaneous	1-40	0-23	\$3,871,895	\$1,989,105	\$410,309	\$2,081,056	\$327,060
Monte Vista Park	3-30	0-29	\$837,080	\$388,324	\$65,260	\$406,275	\$52,019
Security & Fire Systems	10-10	10-10	\$65,023	\$0	\$6,502	\$0	\$5,183
Solana Park	2-30	0-21	\$1,173,195	\$644,221	\$84,499	\$674,002	\$67,355
Streetscape	20-25	12-15	\$75,915	\$28,098	\$3,410	\$29,397	\$2,718
Tijeras Creek Park	2-30	0-14	\$509,408	\$349,700	\$38,358	\$365,866	\$30,576
Trabuco Mesa Park	2-30	0-23	\$635,420	\$330,050	\$43,306	\$345,307	\$34,520
Urban Trail East	8-28	1-21	\$76,111	\$39,844	\$4,739	\$41,686	\$3,778
Urban Trail West	8-28	1-21	\$8,150	\$3,075	\$406	\$3,217	\$323
Vereda Laguna Trail	28-28	21-21	\$13,419	\$3,207	\$479	\$3,355	\$382
Vista Verde Park	2-25	1-15	\$170,711	\$111,066	\$13,591	\$116,200	\$10,833
		<b>Totals</b>	<b>\$15,393,802</b>	<b>\$8,066,397</b>	<b>\$1,431,428</b>	<b>\$8,439,284</b>	<b>\$1,141,000</b>



## Delinquency Assessment Collection Policy

Effective: January 2022

Prompt payment of assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our Association. Your Board of Directors takes very seriously its obligation under the CC&R's and the California Civil Code to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent, and effective manner. Therefore, pursuant to the CC&R's and Civil Code, the following are the Association's assessment collection practices and policies:

- Regular monthly assessments are due and payable on the 1<sup>st</sup> day of each month. A courtesy billing statement is sent each month to the billing address on record with the Association. However, it is the owner of record's responsibility to pay each assessment in full each month regardless of whether a statement is received.
- All other assessments, including, but not limited to, Special Assessments, Reimbursement Assessments, Reconstruction Assessments, and Capital Improvement Assessments are due and payable on the date specified by the Board in the notice of assessment.
- Regular monthly assessments and all other assessments (as defined in Paragraph 2) are collectively referred to herein as "Assessments".
- Assessments, late charges, interest and collection costs, including any attorneys' fees, are the personal obligation of the owner of the property at the time the Assessment or other sums are levied. If an Assessment to be paid by an Apartment Owner becomes delinquent, SAMLARC will recover costs, late charges and interest to the maximum amount allowed under applicable law, separately for each Apartment Unit ("Residence").
- Unpaid Assessments are delinquent 16 days after they are due.
- A late charge of \$10.00 or 10%, whichever is greater, will be charged for any Assessment that is not received on or before the 16th day of the month, prior to the close of business. As applied to Apartment Owners, a separate late fee will be charged for each Apartment Unit ("Residence").
- When Assessments become delinquent, the Association may, but is not required to, send a courtesy reminder notice to the owner of record for all outstanding charges on the owner's account. (Assessments, late fees, interest, costs of collection, including attorneys' fees). A fee of \$25.00 may be charged for this notice.
- Interest on the balance due will accrue at a rate not to exceed 12% per annum; commencing thirty (30) days after the Assessment becomes due.
- At fifteen (15) days past due, the association may invite owner(s) to a hearing for the purpose of revoking membership privileges. Those privileges can include access to common areas or facilities, services paid for by the association, and/or the member's right to vote in association elections.
- When an Assessment becomes more than sixty (60) days past due, the Association will send a pre-lien letter to each owner, as required by the Civil Code, by certified mail to the

owner's address of record. The owner will be charged \$250.00 for the pre-lien letter, as well as title check fees and all costs to complete the transmittal of the letters.

- If the owner fails to pay the amounts set forth in the pre-lien letter within 30 days of receipt of that letter, a lien for the amount of any delinquent Assessments, late charges, interest and/or costs of collection, including attorneys' fees, may be recorded against the owner's property. The owner will be charged \$275.00 for the lien as well as any processing fees and costs. A copy of the lien will be sent to each owner at his/her address of record via certified mail within ten (10) days of recordation thereof. After the expiration of thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law.
  - Prior to the recording of a Board authorized lien for delinquent Assessments, a owner that is delinquent has the right to participate in internal dispute resolution ("IDR") pursuant to the "meet and confer" program in accordance with California Civil Code. Prior to recording a lien, the Board of Directors will approve such action by a majority vote of the Board of Directors.
  - Upon receipt of payment in full, that includes any late fees, interest, collection costs and/or attorneys' fees, a Release of Lien will be recorded. Copies of the Release of Lien will be sent to all owners of record. A charge of \$165.00 for this release will be levied against the owner's account. A \$50 recording service will be charged for the recording of the Release of Lien with the County Recorder Office. All county recording fees are charged as applicable and as counties may charge from time to time. Such fees will be charged to the delinquent owner's account.
- If an owner is delinquent for thirty (30) additional days after the Notice of Delinquent Assessment (Lien) has been recorded, the Assessment collection matter will be referred to the Association's attorney or collection agent, and the lien may be enforced by judicial or non-judicial foreclosure sale, or by money judgment at the Association's option. An actual foreclosure sale of an owner's property will not be conducted unless or until either; (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1,800) or more, excluding accelerated assessments and specified late charges and/or fees; or (b) the assessments are delinquent for more than twelve (12) months. [You could lose ownership of your property if a foreclosure action is completed. You will be responsible for significant additional fees and costs, including attorneys' fees, if a foreclosure action is commenced against your property.] The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the Minutes of the next open session Meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the Minutes by only the parcel number of the owner's property. Prior to initiating any foreclosure sale on a recorded lien, the Association shall offer delinquent owners the option of participating in IDR or Alternative Dispute Resolution ("ADR").
- Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association.
- The Association will charge a processing fee to the owner for a returned check.
- A \$50 recording service will be charged for the recording of the Notice of Delinquent Assessment (Lien) with the County Recorder Office. All county recording fees are charged as applicable and as counties may charge from time to time. Such fees will be charged to the delinquent owner's account.

- Any owner who is unable to pay Assessments will be entitled to submit a written request for a payment plan to be considered by the Board of Directors. The Board of Directors is not required to approve a payment plan. If a payment plan is approved, the Board of Directors may establish the terms of the payment plan. A payment plan request or approved payment plan will not impede the Board's ability to vote for and record a lien. The mailing address for overnight payment of assessments is:

FirstService Residential California, LLC  
 15241 Laguna Canyon Rd  
 Irvine, CA 92618

- Fee Schedule**

<b>Service</b>	<b>Fee(s)</b>
Intent to Lien Letter	\$250.00
Notice of Delinquent Assessment Lien	\$275.00
Intent to Foreclose Letter	\$75.00
Release of Lien	\$165.00
Foreclosure Package	\$350.00
Title Report	\$65.00
Notary Service	\$15.00
Recording Service	\$50.00
State SB2 Recording Fee	\$75.00
Additional Letter Fee	\$25.00

**NOTICE ASSESSMENTS AND FORECLOSURE**

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

**ASSESSMENTS AND FORECLOSURE**

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800).

or delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

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

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

## **PAYMENTS**

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)



## **MEETINGS AND PAYMENT PLANS**

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code).

## **ASSIGNMENT OF RENTS**

In the event that the Association files any action against an Owner for unpaid Assessments on Owner's Unit, and said Unit is or becomes rented or leased at any time during the pendency of the action, the Association shall have the right, upon ex parte notice and application, to request that the Court order Owner to assign all rents due from the renter/lessor of said Unit to the Association until such time as all Assessment delinquencies are cured.

## **ALTERNATIVE DISPUTE RESOLUTION**

5925. As used in this article:

- (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.
- (b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:
  - (1) Enforcement of this title.
  - (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).
  - (3) Enforcement of the governing documents of a common interest development.

5930

- (a) An association or an owner or a member of a common interest development may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.
- (b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in the Code of Civil.
- (c) This section does not apply to a small claims action.  
Except as otherwise provided by law, this section does not apply to an assessment dispute.

5935

- (a) Any party to a dispute may initiate the process required by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:
  - (1) A brief description of the dispute between the parties.
  - (2) A request for alternative dispute resolution.
  - (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.

- (4) If the party on whom the request is served is the owner of a separate interest, a copy of this article.
- (b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.
- (c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

#### 5940

- (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.
- (b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.
- (c) The costs of the alternative dispute resolution shall be borne by the parties.

#### 5945

If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

- (a) The period provided in Section 5935 for response to a Request for Resolution.
- (b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

#### 5950

- (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied:
  - (1) Alternative dispute resolution has been completed in compliance with this article.
  - (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.
  - (3) Preliminary or temporary injunctive relief is necessary.
- (b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

#### 5955

- (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.
- (b) The costs of the alternative dispute resolution shall be borne by the parties.

5960

In an enforcement action in which fees and costs may be awarded pursuant to subdivision (c) of the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

5965

- (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

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

- (b) The summary shall be provided either at the time the pro forma budget is distributed or in the manner prescribed in Section 5016 of the Corporations Code. The summary shall include a description of the association's internal dispute resolution process.

**INTERNAL DISPUTE RESOLUTION**

5915 - Statutory Dispute Resolution Procedure

- (a) This section applies in an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.
- (b) Either party to a dispute within the scope of this article may invoke the following procedure:
- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
  - (2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
  - (3) The association's board of directors shall designate a member of the board to meet and confer.
  - (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.
  - (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.
- (c) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:
- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
  - (2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.
- (d) A member of the association may not be charged a fee to participate in the process.



## INSURANCE INFORMATION FOR COMMUNITY RESIDENTS 2021-2022

This letter contains important information regarding the coverage of the Corporation's Master Insurance Policy and the individual coverage needs of each community resident.

- I. Corporation Master Policy includes:**
- a. Common Area Buildings and structures
  - b. Landscaping
  - c. Liability for Common Areas
  - d. Earthquake Coverage
  - e. Flood Coverage

Covered Perils Include: Fire, theft, vandalism, windstorm, hail, & explosion ("All Risk" coverage form subject to exclusions)

- II. Resident Responsibility:**  
SAMLARC's master policies do not provide any coverage for residential units. Please consult with your sub-association for your individual insurance requirements and any coverages they may provide.

- III. Lenders/ Mortgage Companies**  
If your Lender needs verification of insurance for the Corporation please have them fax or email their request to Hays Companies:

Fax: 503-624-4751      Email: [pdxcertrequest@hayscompanies.com](mailto:pdxcertrequest@hayscompanies.com)

- IV. Claim Reporting**  
We ask that all claims be reported to FirstService Residential. They will forward to our agency for reporting as needed.





## Insurance Disclosure Statement

This summary of the Corporation's insurance policies provides only certain information, as required by California Civil Code Section §5300 b(9), and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance.

Any member may, upon request and provision of reasonable notice, review the Corporation's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Corporation maintains the policies of insurance specified in this summary, these policies do not cover your property, including personal property, or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Members should consult with their individual insurance broker or agent for appropriate additional coverage to supplement any insurance provided by their sub-association. Our insurance broker, Hays Companies, has provided the following data to ensure we meet the requirements of California Civil Code §5300 (b)(9):

<b>Insurance Type</b>	<b>Insurer</b>	<b>Policy Limits</b>	<b>Deductible</b>
Property 4/1/20 – 4/1/21	Fireman's Fund Insurance Co	\$17,352,743	\$25,000
General Liability 4/1/20 – 4/1/21	Fireman's Fund Insurance Co	\$1,000,000 per occ/ \$2,000,000	None
Business Auto 4/1/20 – 4/1/21	Fireman's Fund Insurance Co	\$1,000,000 CSL	None
Umbrella Liability 4/1/20 – 4/1/21	Fireman's Fund Ins Co/ StarStone Nat'l Ins/ RSUI Indemnity	\$15,000,000	None
Directors & Officers/Employment Practices Liability	CNA/RSUI Indemnity Co	\$4,000,000	\$25,000
Crime/Fidelity 4/1/20 – 4/1/21	Hiscox Insurance Co/ ACE American	\$10,000,000	\$10,000/ \$25,000
Earthquake/Flood 4/1/20 – 4/1/21	Beazley Lloyd's Syndicates	\$10,000,000/ \$10,000,000	5% vs \$50,000/ \$100,000
Cyber Liability/Network Security 4/1/20 – 4/1/21	Hiscox USA	\$2,000,000	\$5,000
Worker's Compensation 4/1/20 – 4/1/21	PA Manufacturers Ass'n Ins Co	\$1,000,000/ \$1,000,000/ \$1,000,000	None



## ANNUAL POLICY STATEMENT

Effective January 1, 2014, the board is required to distribute an annual policy statement that provides the association members with information about its policies.

1. The name and address of the person designated to receive official communications to the association is the Community Executive Officer on behalf of SAMLARC c/o FirstService Residential Management, 22342A Avenida Empressa, Suite 102-A, Rancho Santa Margarita, CA 92688.
2. Members may submit a request to the address noted above to have notices sent to up to two different specified addresses.
3. Civil Code permits the association to provide General Notices to the membership via newsletter, billing statement messages, or posting in a prominent location. If the association chooses to post notices, they will be located at the SAMLARC Beach Club at 21472 Ave. De los Fundadores, Rancho Santa Margarita, CA 92688
4. If you would like all notices, including general notices, to be sent to you by individual delivery, please notify the association's Manager in writing.
5. Copies of board meeting minutes for meetings that are open to the membership are available on SAMLARC.org and upon written request throughout the year. Minutes are available thirty days following the meeting date and any charges involved for copying and postage for those minutes are the responsibility of the requesting owner. If the minutes are not approved by the Board within the 30-day period of the request, draft minutes will be provided to you.
6. Copies of the following documents are also included in this packet for your review:
  - Discipline Policy
  - Schedule of Penalties for Violation of the Association's Documents

**Rancho Santa  
Margarita  
Landscape and  
Recreation Corp**

Board Minutes



**FirstService**  
RESIDENTIAL







**Board of Directors Board Meeting**

*Mission Statement*

*"To perpetuate a positive, reputable and distinct identity for the SAMLARC community while maintaining a reasonable assessment fee."*

**No Meeting in December**





**SAMLARC**  
Rancho Santa Margarita Landscape and Recreation Corporation  
Board of Directors Meeting  
**Open Session Minutes**  
October 12, 2021

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**Members Present**

President Paul Persiani  
Vice President Judy Vasquez  
CFO Jeff Halbreich  
Director Deborah Christensen (Teleconference)  
Director Robert "Bob" Louvar  
Director Charles Villafana

**Members Absent**

**First Service Residential**

SAMLARC Community Executive Officer George Blair  
SAMLARC Assistant General Manager Jonathon Hill  
SAMLARC Director of Facilities & Operations Jerry Corpuz  
SAMLARC Executive Assistant Tita S. Gervasi  
SAMLARC Community Lifestyle & Beach Club Director Marley Sansom  
SAMLARC Finance Manager Brian Bednerh  
SAMLARC Media & Communications Specialist Alexandra Kuhlmann

**I. Call to Order**

President Paul Persiani called the Open Session of the Board of Directors Budget Workshop for the Rancho Santa Margarita Landscape and Recreation Corporation to order at 5:30 p.m.

**II. Approval of the Agenda**

Resolution: To approve the October 12, 2021 Open Session Board of Directors Meeting for the purpose of conducting the 2022 Budget Workshop.

Motion: Jeff Halbreich

Second: Charles Villafana

Ayes: Paul Persiani, Judy Vasquez, Jeff Halbreich, Deborah Christensen, Bob Louvar

Nays: None

**III. Homeowner Forum**

There were no homeowners.

**IV. Items for Information Only – No Action Required**

**A. Budget Considerations**

1. FirstService Residential Contract Provision Regarding Budget Preparation
2. Role of the CFO According to the SAMLARC Governing Documents
3. Budget Preparation Cycle
4. Guiding Principles Related to the Budget

Resolution: To receive and file the report.

**B. Staffing Organizational Structure**

Resolution: To receive and file the report.

**V. Items for Discussion and/or Approval**

**A. Consideration of Approval of Use Fee Schedule for 2022**

Resolution: To approve the 2022 Use Fee Schedule, inclusive of the proposed amendments.

Motion: Jeff Halbreich

Second: Charles Villafana

Ayes: Paul Persiani, Judy Vasquez, Jeff Halbreich, Deborah Christensen, Bob Louvar

Nays: None

Administrative Direction: To take this item to the Sports Council for discussion regarding best time to phase in new fee structure.

**B. Consideration of Approval of the 2022 Reserve Study**

Resolution: To approve the 2022 Reserve Study, inclusive of amendments made at this meeting.

Motion: Jeff Halbreich

Second: Bob Louvar

Ayes: Paul Persiani, Judy Vasquez, Jeff Halbreich, Deborah Christensen, Bob Louvar

Nays: None

**C. Consideration of Approval of the 2022 Fiscal Year Operating Budget**

Resolution: To approve the 2022 Fiscal Year Operating Budget draft as presented, and inclusive of a four and two-tenths of one percent (4.2%) assessment increase effective January 1, 2022, to seventy-four dollars (\$74.00) per unit per month.

Motion: Jeff Halbreich

Second: Bob Louvar

Ayes: Paul Persiani, Judy Vasquez, Jeff Halbreich, Deborah Christensen, Bob Louvar

Nays: None

**VI. Consent Calendar-** (All matters on the Consent Calendar are to be approved in one motion unless a Board member requests a separate action on a specific item on the Consent Calendar).

Motion: Jeff Halbreich  
Second: Charles Villafana  
Ayes: Paul Persiani, Judy Vasquez, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Nays: None

**A. Consideration of Approval of a Work Authorization with BrightView Landscape Services for the "Drill and Fill" Rehabilitation of the Sports Field Turf at Trabuco Mesa Park and Tijeras Creek Park**

Resolution: To approve Work Authorization #003 with BrightView Landscape Services, for the "Drill and Fill" Rehabilitation of the sports field turf at, Trabuco Mesa Park and Tijeras Creek Park using contract template (4) Work Authorization for Goods and/or Services at a cost not to exceed \$45,991 with funds to be expended from Reserve Account GL# S23125, Community Parks Reserve.

**VII. Next Meeting**

Consistent with Board Direction, the next meeting of the Board of Directors will be held on Tuesday, October 26, 2021 at 6:00 p.m. in the Fiesta Room at the Beach Club.

**VIII. Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned at 6:22 p.m.

I certify that these minutes were duly approved by the Board of Directors on October 26, 2021.

*Paul Persiani*

\_\_\_\_\_  
Paul Persiani, President

Date: October 26, 2021

*Judy Vasquez*

\_\_\_\_\_  
Judy Vasquez, Vice President

Date: October 26, 2021

Prepared by: Tita S. Gervasi, Executive Assistant





**SAMLARC**  
Rancho Santa Margarita Landscape and Recreation Corporation  
Board of Directors Meeting  
**Open Session**  
September 28, 2021  
**Minutes**

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**Members Present**

President Paul Persiani  
Vice President Judy Vasquez  
Secretary Bob Sherfy (Last Meeting)  
CFO Jeff Halbreich  
Director Deborah Christensen  
Director Robert "Bob" Louvar

**Members Absent**

Director Charles Villafana

**First Service Residential**

FirstService Executive Vice President Amy Mathieson  
SAMLARC Community Executive Officer George Blair  
SAMLARC Assistant General Manager Jonathon Hill  
SAMLARC Director of Facilities & Operations Jerry Corpuz  
SAMLARC Executive Assistant Tita S. Gervasi  
SAMLARC Community Lifestyle & Beach Club Director Marley Sansom  
SAMLARC Finance Manager Brian Bednersh  
SAMLARC Park & Sports Field Manager Pat White  
SAMLARC Community Services Manager Carla Galosic  
SAMLARC Media & Communications Specialist Alexandra Kuhlmann  
SAMLARC Receptionist/Administrative Assistant Debbie Melberg  
SAMLARC Landscape Coordinator Jennifer Vivar  
SAMLARC Community Services Coordinator Nicole Thel

**Others Present**

Legal Counsel, Robert DeNichilo, Richardson|Ober|DeNichilo, LLP.

**Executive Session**

The following items were reviewed in the Executive Session Meeting preceding the Open Session Meeting in accordance with California Civil Code 4090 that include Employment Issues, Contract Negotiations, Consultations with Corporate Counsel Review of Information Provided by Counsel, Constitutionally or Legally Protected Topics i.e. Attorney-Client Privileged Information:

- Board of Director Interviews
- Vendor Contracts
- Payment Plan Offer
- Foreclosure Proceedings 0231-08 931-952-18
- Extension of Foreclosures Sales

**I. Call to Order**

President Paul Persiani called the Open Session of the Board of Directors Meeting for the Rancho Santa Margarita Landscape and Recreation Corporation to order at 6:16 p.m.

## **II. Approval of the Agenda**

Resolution: To approve the September 28, 2021 Open Session Agenda.

Motion: Jeff Halbreich

Second: Deborah Christensen

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar

Nays: None

## **III. Presentations**

### **A. Presentation to Custom Canopies Inc.**

The SAMLARC Board recognized Custom Canopies, Inc. for their generous donation of the shade structures at Trabuco Mesa Park. The baseball field stands had no shade for attendees. The Park is widely used by the community including Rancho Trabuco Girls Softball (RTGSA). Jarryd Graaff and the team at Custom Canopies worked tirelessly, hand digging the sixteen (16) holes for the footings. Despite high temperatures, steel shortages, and intensive labor – digging postings more than 5 feet deep in compacted and rocky soil – the crew installed eight (8) fully functional and attractive shade canopies over the bleachers. The shade structures will provide both aesthetic and functional improvements to the Park for years to come.

### **B. Presentation to Alexandra Kuhlmann, Media & Communications Specialist**

CEO George Blair explained that in 2021, FirstService Residential recognized outstanding associates. Associates that are integral to the success of FirstService as well as the communities that they serve are nominated. Due to her hard work and efforts throughout the year, Alexandra was awarded the 2021 Service Excellence Award Winner. During the COVID-19 pandemic, Alexandra's role expanded in researching all COVID-19 updates and communicating the information found to Management and Board of Directors. This research allowed SAMLARC to remain abreast of all necessary COVID-19 public safety efforts as well as updates that impacted SAMLARC operations. Alexandra crafted various communications campaigns to disseminate pertinent information to the Membership at large. Alexandra's hard work was recognized by upper management at FirstService Residential and relevant information was filtered to other local communities as well.

### **C. Presentation to Robert Sherfy**

Director Robert Sherfy was elected to the SAMLARC Board of Directors on February 25, 2021. During his tenure on the Board, Director Sherfy served on and provided excellent input to the Budget and Cash Flow and Recycled Water Ad Hoc Committees. Director Sherfy also served as the Board Liaison to the Covenant Committee, where his knowledge and leadership was recognized and appreciated by the Members of the Committee and Management. He successfully applied his background and experience to complement and add diversity to the make the Board just that much stronger. Prior to joining the Board, Director Sherfy was a member of the Covenant Committee beginning in April of 2018. He was firm yet compassionate in assisting Management and the Committee in resolving non-compliance issues with SAMLARC members. Director Sherfy's collaborative spirit will be missed.



#### **IV. Introduction of New Staff Members**

Jonathon Hill, Assistant General Manager introduced Receptionist/Administrative Assistant Debbie Melberg and Operations Coordinator Jennifer Vivar. Debbie has years of administrative experience and recently served as an Administrative Assistant/Front Desk Associate at Athlete's Choice Fitness. Debbie filled the position of Receptionist/Administrative Assistant to support Executive Assistant Tita Gervasi, as well as Assistant General Manager Jonathon Hill and the Operations team. She will also be supporting general support the Community Services Team and Financial Coordinator. Her customer service skills are excellent and has proven helpful to many residents. Jennifer Vivar recently joined the SAMLARC Team as an Operations Coordinator. Jennifer's primary tasks will be to manage landscape work orders and work closely with Mosaic Consulting, Inc, Sunset Landscape and BrightView Landscape. Jennifer comes to SAMLARC from Property Preservation Servicing LLC where she worked as an Office Manager/Project Coordinator. Jennifer has held positions involving customer service and administration for most of her professional career. Jennifer offers excellent customer service skills, is professional, poised and detail oriented.

#### **V. Homeowners Forum**

There were no homeowners present.

#### **VI. Approval of the Minutes**

Resolution: To approve the August 24, 2021 Board of Directors Open Session Minutes.

Motion: Jeff Halbreich  
Second: Deborah Christensen  
Ayes: Paul Persiani, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Abstain: Judy Vasquez  
Nays: None

#### **VII. Items for Discussion and/or Approval**

##### **A. Consideration of Appointment to the Board of Directors for the Remaining Term of Office to Expire with the 2023 Election**

Resolution: To appoint Greg Schnieders to serve as a Member of the Board of Directors to fill the vacant position left by Director Sherfy beginning October 26, 2021. The term of office shall be through the 2023 Election of Directors.

Motion: Jeff Halbreich  
Second: Deborah Christensen  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Nays: None

**B. Consideration of Approval of 2022 Beach Club Season and Related Lifeguard Services**

Resolution: To approve the 2022 Beach Club season as well as lifeguard services for the Beach Club lagoon, watercrafts and community pools as follows:

- Beach Club Season to span from May 14 - September 18, 2022
- Beach Club Lagoon lifeguard services on weekends beginning May 14, daily from June 2 – August 14, weekends only August 20 - September 18, 2022
- Beach Club watercrafts & lifeguard services on Memorial Day Weekend, daily from June 2 – August 14, weekends only August 20 - September 5, 2022
- Lifeguard Services at all four (4) pools on weekends, spanning May 28 - September 5, 2022

Motion: Paul Persiani

Second: Jeff Halbreich

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar

Nays: None

**C. Consideration of Review of Architectural Standards and Policies & Guidelines for 2022**

Administrative Direction: To direct Management to place the final draft on the October 26, 2021 Board of Directors Open Session Meeting Agenda for further consideration and approval to allow for a three-week review and comment period by the Board of Directors.

**D. Consideration of Approval of Contract with Holiday Harbor Lighting Company for the 2021 Holiday Lighting and Decoration Program**

Resolution: To approve a contract with Holiday Harbor Lighting Company for the 2021 Holiday Lighting and Decoration Program using template number (2A) Contract for Goods and Services and (2B) Master Contract for Goods and Services at a cost not to exceed \$37,541 to be expensed from GL#S18128, Holiday Decorations/Lighting.

Motion: Jeff Halbreich

Second: Judy Vasquez

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar

Nays: None

**E. Consideration of Recommendation from the Landscape, Facilities and Enhancement Committee to Approve a Contract with Vision Restoration Contractors for the Renovation of the Altisima Office**

Resolution: To approve a contract with Vision Restoration Contractors for the renovation of the Altisima Office using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Contract for Goods and/or Services for a total

contracted cost of \$110,839.55 with an additional budgeted contingency of \$11,083.96 for a total amount not to exceed \$121,923.51 with funds to be expended from Reserve GL# S23125, Community Park which has current balance of \$3,222,814.24 per the August 31, 2021 Financial Statement.

Motion: Paul Persiani  
Second: Bob Louvar  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Nays: None

**VIII. Consent Calendar** - (All matters on the Consent Calendar are to be approved in one motion unless a Board member requests a separate action on a specific item on the Consent Calendar).

Motion: Jeff Halbreich  
Second: Deborah Christensen  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Nays: None

**A. Consideration of Contracts to Expire**

Resolution: To approve entering into a contract with the following vendors for the period as specified by each of the associated contracts, with the contracts coming before the Board of Directors for final approval prior to the current contract expiration date. These contracts include:

- Executive Security Systems, Inc. – Security alarm system monitoring services at Altissima Park, Solana Park, and Beach Club Facilities. New contract term, no price increase, no change in terms of contract.
- Jolly Jumps and Express Events – New contract; no price increase; no change in terms of contract.
- Gannon Design, Inc. – Sign and monument repairs, maintenance and/or design that may be approved from time to time by the Board of Directors. New contract term, no price increase, no change in terms of contract.
- Air Care Heating & Air –HVAC Maintenance; New contract; no price increase and no change in terms of contract.
- Smart Property – Reserve Study Software, first renewal of contract, no price increase.

**B. Consideration of Approval of Appointment of the Inspectors of the Election**

Resolution: To appoint the 2022 Inspectors of the Election for SAMLARC’s Annual Meeting and Election as follows:

Member - William Cather - Member of SAMLARC & Alicante Board President  
Member - Greg Wieckert - Member of SAMLARC & Cantobrio III Board President  
Member – Summer Smith – Member of SAMLARC & Vista Ladera IV Delegate

**C. Consideration of Recommendation from the Budget and Cash Flow Committee to Approve the August 2021 Financial Statement**

Resolution: As recommended from the Budget and Cash Flow Committee, to approve the financial statement and bank reconciliation dated August 31, 2021. The balance sheet dated August 31, 2021 reflects assets of \$15,000 in Restricted Property Insurance Deductible Fund, \$8,566,562 in Reserve funds, \$1,571,395 in Operating funds, and \$1,650 in Petty Cash for a total cash amount of \$10,154,607, along with a security deposit of \$7,442 and a receivable from a vendor for \$8,750. The income statement for August 31, 2021 reflects year-to-date net income of (\$22,462) compared to budgeted net income of (\$421,556). Year-to-date Reserve funding is \$831,058 compared to a budget of \$805,456. All figures are rounded.

**D. Consideration of Recommendation from the Budget and Cash Flow Committee to Approve the July 2021 Credit Card Statement**

Resolution: As recommended from the Budget and Cash Flow Committee, to approve the charges and acknowledge review of the payable transmittal for SAMLARC US Bank credit cards for the statement closing date of July 26, 2021. The amount due is seven thousand three hundred seventy-one dollars and thirty-three cents (\$7,371.33).

**E. Consideration of Recommendation from the Landscape, Facilities and Enhancement Committee to Approve the upgrade of 141 Irrigation Controller Modems from 3G to 4G**

Resolution: As recommended by the Landscape, Facilities and Enhancement Committee, to approve the upgrade 141 irrigation controller modems at a total cost not to exceed \$18,189 with funds to be expended from GL#23133, Irrigation Reserve which has current balance of \$168,118.44 per the August 31, 2021 financial statement.

**F. Consideration of Approval of Second Contract Renewal with Nordberg Law Group, P.C. for Professional Legal Services**

Resolution: To approve the Second Renewal of Contract with Nordberg Law Group, P.C. for professional legal services for a period of twelve months beginning January 1, 2022 and concluding December 31, 2022, with a retainer of \$2,604 per month, using contract template (5) Renewal of Contract.

**G. Consideration of Approval of Contract Renewal with SoCal Property Services for Community Park Parking Lot Sweeping Services**

Resolution: To approve a contract renewal with SoCal Property Services to provide community park parking lot sweeping services for the period of September 28, 2021 – September 27, 2022 using contract template (5) First Renewal of Contract for Goods and/or Services at a total cost not to exceed \$7,128, with funds to be expended from the following operating accounts: Operating Account GL#S15155, Supplemental Common Area Services, Specific to Lake and Lakeshore; Operating Account GL#S16155, Supplemental Common Area Services Specific to the Beach Club and Lagoon; and Operating Account GL#S17155, Supplemental Common Area Services, Specific to Community Parks.

**H. Consideration of Approval of Contract Renewal with HOA Technology for Community Card Access Maintenance and Support Services**

Resolution: To approve a contract with HOA Technology to provide community card access maintenance and support services for the period of September 26, 2021 – September 25, 2022 using contract template (2A) the Contract for Goods and/or Services and contract template (2B) the Master Agreement for Goods and/or Services.

**I. Consideration of Approval of Contract with Lake Management, Inc. for Lago Santa Margarita Maintenance Services**

Resolution: To approve a contract with Lake Management, Inc. to provide Lago Santa Margarita maintenance services for the period of September 28, 2021 - September 27, 2022, using contract template (2A) Contract for Goods and/or Services and (2B) Master Agreement for Goods and/or Services at an annual cost not to exceed \$51,000 funds to be paid from Operating Account GL#S15132, Lake Maintenance Service.

**J. Consideration of Approval of Contract with Lake Management, Inc. for Beach Club Lagoon and Fountain Maintenance Service**

Resolution: To approve a contract with Lake Management, Inc. to perform Beach Club Lagoon and Fountain maintenance services for the period of January 1, 2022 – December 31, 2022 using contract template (2A) Contract for Goods and/or Services and (2B) Master Agreement for Goods and/or Services at an annual cost of \$31,490, funds to be paid from Operating Account GL#S16105, Beach Club/Lagoon, Lagoon Operations

**K. Consideration of Approval of Contract with Rodent Pest Technologies, Inc. for Pest Control Services**

Resolution: To approve a contract with Rodent Pest Technologies, Inc. for pest control services for the period of September 28, 2021 – September 27, 2022 using contract template (2A) Contract for Goods and/or Services and (2B) Master Agreement for Goods and/or Services at an annual cost of \$32,928 with funds to be paid from Operating Account GL#S15155 Lake/Lakeshore, Supplemental Common Area Services, GL#S16155 Beach Club/Lagoon Supplemental Common Area Services, GL#S17155 Community Parks Supplemental Common Area Services and GL#S18155 Streetscapes/Trails/Open Space Supplemental Common Area Services.

**L. Consideration of Approval of Contract with West One Building Services for Bus Shelter and Bus Stop Maintenance Services**

Resolution: To approve a contract with West One Building Services to provide bus shelter and bus stop maintenance services for the period of September 28, 2021 – September 27, 2022 using contract template (2A) the Contract for Goods and/or Services and contract template (2B) the Master Agreement for Goods and/or Services at a total cost not to exceed \$14,100, with funds to be expended from Operating Account GL#S18155, Supplemental Common Area Services, Specific to Streetscapes/Trails/Open Spaces.

**M. Consideration of Approval of Contract with Gannon Design, Inc. to Provide Monument Signage Services**

Resolution: To approve a contract with Gannon Design, Inc. to provide monument signage services for the period of September 28, 2021 – September 27, 2022 using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services.

**N. Consideration of Approval of Contract with Gerard Signs & Graphics, Inc. for Installation of 2021 Holiday Banners**

Resolution: To approve a contract with Gerard Signs & Graphics, Inc. for the installation of SAMLARC Holiday Banners using template number (2A) Contract for Goods and Services and (2B) Master Contract for Goods and Services at a cost not to exceed \$10,450 to be expensed from GL#S18128, Holiday Decorations.

**O. Consideration to Approve a Work Authorization with Extreme DJ for Entertainment Services at the Halloween Family Festival**

Resolution: To approve a Work Authorization #008 with Extreme DJ, for entertainment services at the Halloween Family Festival, using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a total cost not to exceed \$895, with funds to be expended from Operating Account GL#S18022, Halloween Family Festival.

**P. Consideration to Approve a Ratification of a Work Authorization with Diamonds Sports Field Services for Playground Sand Replacement**

Resolution: To ratify Work Authorization #061 with Diamonds Sports Field Services, for playground sand replacement at various playgrounds at SAMLARC Parks using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$923 expended from Operating Account S17155 Supplemental Common Area Services.

**Q. Consideration to Approve a Ratification of a Work Authorization with 24 HRC for Leak Repair at Arroyo Aquatic Facility**

Resolution: To ratify Work Authorization #016 with 24 HRC, for the leak repairs at Arroyo Aquatic Facility using template (4) Work Authorization for Goods and/or Services at a cost of \$2,312 with funds expended from GL#S17526, Pool Repairs.

**R. Consideration to Approve a Ratification of an Emergency Work Authorization with Knorr Systems, Inc. for Replacing Two (2) Chlorine Pumps at the Beach Club Lagoon**

Resolution: To ratify Work Authorization #012 with Knorr Systems, Inc. for replacing two (2) chlorine pumps at the Beach Club Lagoon using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$7,517.94 with funds expended from Reserve GL#S23120, Swim Lagoon Reserve.

**S. Consideration of Approval of Request to Proceed with Liens**

Resolution: To authorize and instruct Management to record a lien on forty (40) delinquent accounts should their assessments not be paid within the time period

established in the Intent to Lien Letter. The accounts became past due in September 2021 or earlier, and in accordance with the Corporation's Assessment Collection Policy, a letter was sent to the homeowner notifying them that they have 30 days to pay the balance owed or a lien will be placed on their property. Therefore, the Board directs Management to lien the accounts listed on the 'Instructions to Management' resolution dated September 28, 2021, should the delinquent assessments not be paid within the time period established in the Intent to Lien Letter:

<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>
0129-06	<b>\$244.00</b>	2871-05	<b>\$172.00</b>	5984-04	<b>\$162.00</b>	9181-05	<b>\$170.48</b>
0136-04	<b>\$887.88</b>	3490-05	<b>\$162.00</b>	6107-09	<b>\$162.00</b>	9751-05	<b>\$192.00</b>
0963-04	<b>\$662.00</b>	3589-03	<b>\$162.00</b>	6412-04	<b>\$162.00</b>	A039-02	<b>\$162.00</b>
1229-03	<b>\$156.00</b>	3981-06	<b>\$447.92</b>	6726-04	<b>\$162.00</b>	A052-05	<b>\$538.48</b>
1480-04	<b>\$205.00</b>	4182-05	<b>\$452.00</b>	7785-03	<b>\$172.00</b>	A227-02	<b>\$162.00</b>
1912-04	<b>\$1,821.28</b>	4536-05	<b>\$197.00</b>	7875-04	<b>\$162.00</b>	A526-03	<b>\$1,093.88</b>
2097-05	<b>\$162.00</b>	4642-06	<b>\$162.00</b>	8414-05	<b>\$985.68</b>	A619-02	<b>\$354.08</b>
2261-07	<b>\$162.00</b>	4771-03	<b>\$320.96</b>	8519-07	<b>\$162.00</b>	B059-01	<b>\$244.88</b>
2328-06	<b>\$172.00</b>	5332-03	<b>\$152.00</b>	8681-03	<b>\$131.08</b>	B344-02	<b>\$1,034.88</b>
2432-05	<b>\$162.00</b>	5920-05	<b>\$162.00</b>	9142-04	<b>\$660.88</b>	B497-01	<b>\$1,141.88</b>

#### **IX. Board Committee Reports**

This time is set-aside for each Director to provide a brief report regarding committee meetings they have attended during the month.

##### Committee Reports:

Budget and Cash Flow Committee – Chair Jeff Halbreich reported the Committee last met on September 15, 2021. The reserve project costs were reviewed. Morgan Stanley discussed investment strategy. Morgan Stanley continues to advise placing investments with maturities a year out, which interest rates are a little higher than they have been recently. Based on Federal Reserve communications, interest rates may begin to rise more substantially in 2023. Morgan Stanley also believes that the recent reports of higher inflation over the last 12 months is temporary. However, if inflation that is higher than 2% continues for a longer time, the Federal Reserve may act earlier than 2023 to better control it via interest rate increases.

Communications Committee – Chair Jeff Halbreich reported the Committee has not met since July 14, 2021. The next Committee meeting is scheduled for October 6, 2021 and will include discussion of the community welcome video with the videographer and review of the digital engagement data over the 3<sup>rd</sup> quarter.

Community Lifestyle Committee – Chair Bob Louvar reported the Committee met on Tuesday, September 14, 2021 via Zoom to discuss past events and programs as well as those upcoming. The Committee also received an update on the 2021 Sponsorship Program and current contract classes. The next meeting of the Committee is scheduled for Tuesday, November 2, 2021 at the Beach Club.

Election Committee – Chair Bob Louvar reported the next meeting will take place on October 21, 2021 to approve the nominations and discuss a date to hold the Candidate Orientation as well as whether it will be held virtually or in person.

Lago Santa Margarita Committee – Chair Charles Villafana reported the Committee did not meet in the month of September. The next meeting will be scheduled in October pending the availability of all committee members. The following topics are scheduled to be placed on the Agenda:

- September Water Test Results
- Fall Stocking
- Overall Lake Maintenance Update

Landscape and Facilities Enhancement Committee – Chair Paul Persiani reported the Committee last met via teleconference on September 10, 2021 to review and provide recommendations to the Board of Directors on the following items which were discussed previously this evening:

- Monthly Landscape and 2021 Reserve and Capital Projects Scheduled and Project Status updates
- Recommendation to proceed with the upgrade of 141 irrigation controller modems from 3G to 4G
- Recommendation to deny the request for homeowner reimbursement at 85 Alondra
- Administrative Direction for Management to research the potential addition of ADA Lifts at current pool facilities.
- Recommendation to the Board of Directors regarding the Altisima Office Renovation project.

The next LFEC meeting is scheduled for October 15, 2021.

Recycled Water Ad Hoc Committee – Chair Paul Persiani reported the Committee has not met since the last Board meeting and the next meeting is to be determined.

Committee Liaison Reports:

Architectural Review Committee – Director Deborah Christensen reported the Committee met on September 13, 2021 and September 27, 2021. Thirty-seven (37) submittals were reviewed, 36 were approved and one was denied. The next SAMLARC Architectural Committee Meeting will be held on October 11, 2021 at 12:00 p.m. via Zoom.

Chamber of Commerce – Director Bob Louvar reported the Chamber continues to plan for Rancho Family Fest. The two-day event will take place at Central Park and will feature local business and food vendors and outstanding musical entertainment. The Committee is looking for additional volunteers to assist with the event. Opportunities include set up and break down, beer garden, hospitality, and ticket sales. The Chamber welcomes new and renewing members: Dippin' Dots, Taylor English Suma, LLP, and Bank of Southern California. On September 15, 2021, the Chamber held their monthly mixer at the Honda Dealership. The event was well attended and proves to be a good opportunity to welcome and network with new and returning businesses within the community.

Covenant Committee – Director Bob Sherfy reported the Committee met via Zoom on Tuesday, September 7, 2021 and reviewed twenty-four (24) violations.

- Eleven (11) homes were assessed fines.
- Seven (7) homes were granted extensions
- Two (2) were offered ADR
- Four (4) homes had their fines rescinded.



The next Covenant Committee meeting is scheduled for Tuesday, October 5, 2021 at 4:00 pm via Zoom.

Sports Council – Director Jeff Halbreich reported the Council met on September 8, 2021 at 7:30 am in the Fiesta Room. Items of discussion were field turn backs, rosters, and upcoming maintenance projects. The next Sports Council Meeting will be December 9, 2021 at 7:30 am in the Fiesta Room.

Community Associations of Rancho – Director Deborah Christensen reported Members of CAR met in-person on September 15, 2021 in the Fiesta Room. Topics of discussion included:

- o Recognition of Candice Fullenkamp and Tita Gervasi for their contributions to CAR
- o Presentation from CR&R regarding changes to recycling requirements
- o Updates on SB9 and SB 10 as well as the City’s Housing Element

The next CAR Meeting is scheduled for Tuesday, October 5, 2021 from 8:00-9:00 a.m. at the Beach Club and will feature an update from Captain Kennedy with OCSD.

City of Rancho Santa Margarita – President Paul Persiani reported he and the Mayor met in-person on Wednesday September 8, 2021 at City Hall. Items of discussion included updates on the following:

- o Progress of the City Splash Pad
- o Upcoming SAMLARC Events
- o Overall feedback from the City Summer Concerts
- o SAMLARC Board of Directors Board Vacancy and Upcoming Election
- o Status of SAMLRC’s Defensible Space projects including Lot B
- o Upcoming SAMLARC Delegate Workshop on October 20, 2021 where Corporate Counsel will be providing an update on SB9 and SB 10 and Cheryl Kuta with the City of Rancho Santa Margarita will give a presentation about the Housing Element.

The next meeting is scheduled for January 2022.

**Currently Dark - Committees and Liaison Reports:**

Insurance Review Committee – Chair Charles Villafana

COVID-19 Executive Committee – Judy Vasquez

**X. Director’s Report**

This time is set-aside for each Director to provide a brief report regarding other items of note.

Director Jeff Halbreich – No report.

Director Deborah Christensen – Stated it was nice to have worked with Director Sherfy and wished him well.

Director Robert Louvar – No report.

Director Paul Persiani – Thanks Director Sherfy for the time he dedicated to SAMLARC.

Director Robert Sherfy – Thanked Management for their professionalism, thoroughness and assistance while he was on the Board and various Committees.

Director Judy Vasquez – No report.

Director Charles Villafana – Absent.

#### **XI. Community Executive Officer Report**

CEO George Blair stated on behalf of the team, he was very glad to have worked with Director Sherfy.

#### **XII. Events and Programs**

##### **Wine & Cheese**

Saturday, October 2, 2021

6:00 p.m. – 9:00 p.m.

Lago Santa Margarita Beach Club

##### **Rancho Family Fest**

Day 1: Saturday, October 9, 2021

12:00 p.m. – 10:00 p.m.

Day 2: Sunday, October 10, 2021

12:00 p.m. – 8:00 p.m.

Central Park

##### **Adult Gardening Workshop**

Saturday, October 16, 2021

10:00 a.m. – 11:00 a.m.

Lago Santa Margarita Beach Club

##### **Fall Delegate Workshop**

Wednesday, October 20, 2021

6:00 p.m. – 8:00 p.m.

Tijeras Creek Golf Club

##### **Halloween Family Festival**

Sunday, October 31, 2021

2:00 p.m. – 5:00 p.m.

Central Park

#### **XIII. Next Meeting**

Consistent with Board direction, the next meeting will be held on Tuesday, October 26, 2021, at 6:00 p.m. in the Fiesta Room at the Lago Santa Margarita Beach Club.

#### **XIV. Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned at 7:24 p.m.

I certify that these minutes were duly approved by the Board of Directors on October 26, 2021.

*Paul Persiani*

\_\_\_\_\_  
Paul Persiani, President

Date: October 26, 2021

*Judy Vasquez*

\_\_\_\_\_  
Judy Vasquez, Vice President

Date: October 26, 2021

Minutes prepared by: Tita Gervasi, Executive Assistant





**SAMLARC**  
Rancho Santa Margarita Landscape and Recreation Corporation  
**Board of Directors Meeting**  
**Open Session**  
July 27, 2021  
**Minutes**

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**Members Present**

President Paul Persiani  
Vice President Judy Vasquez  
Secretary Bob Sherfy  
CFO Jeff Halbreich  
Director Deborah Christensen  
Director Robert "Bob" Louvar

**Members Absent**

Director Charles Villafana

**First Service Residential**

SAMLARC Community Executive Officer George Blair  
SAMLARC Assistant General Manager Jonathon Hill  
SAMLARC Facilities & Operations Director Jerry Corpuz  
SAMLARC Executive Assistant Tita S. Gervasi  
SAMLARC Community Lifestyle & Beach Club Director Marley Sansom  
SAMLARC Park & Sports Field Manager Pat White  
SAMLARC Media & Communications Specialist Alexandra Kuhlmann

**Others Present**

Corporate Counsel, Daniel A. Nordberg, Esq., Nordberg Law Group, Counsel to Richardson|Ober|DeNichilo, LLP.  
SMWD Director of External Affairs, Jim Leach  
SMWD Dan Ferons, General Manager  
SMWD Public Information Manager, Nicole Stanfield  
RSM Chamber, Josh Bastion

**Executive Session**

The following items were reviewed in the Executive Session Meeting preceding the Open Session Meeting in accordance with California Civil Code 4090 that include Employment Issues, Contract Negotiations, Consultations with Corporate Counsel Review of Information Provided by Counsel, Constitutionally or Legally Protected Topics i.e. Attorney-Client Privileged Information:

- SAMLA-1973-02
- Foreclosures: 8768-02, 814-181-16
- Extension of Foreclosure Sales
- Bad Debt Write Off

**I. Call to Order**

President Paul Persiani called the Open Session of the Board of Directors Meeting for the Rancho Santa Margarita Landscape and Recreation Corporation to order at 6:02 p.m.

**II. Approval of the Agenda**

Resolution: To approve the July 27, 2021 Open Session Agenda as amended to pull Items B, D and H from the Consent Calendar to become items D, E, F sequentially.

Motion: Jeff Halbreich  
Second: Deborah Christensen  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Nays: None

### **III. Presentations**

#### **A. Presentation by Santa Margarita Water District Regarding Recycled Water Community Outreach Program – Jim Leach, Director of External Affairs, Santa Margarita Water District**

Jim Leach, Director of External Affairs for SMWD, stated SMWD is focusing on converting irrigation to recycled water. SAMLARC uses 275 million gallons of drinking water for community use and irrigation. The goal is to ensure there is a reliable supply of drinking water for the community. Mr. Leach provided an update regarding the status of the Community Outreach Program. The outreach program will run from August 2021 through January 2022. The District's overall goal is to obtain 55% community support for the project. The intent is to initially work with focus groups and month to month polling to monitor which direction support is trending. In the early portion for the campaign, SMWD will conduct focus groups, tours of facilities, and an outreach campaign to inform the community about the intent of the project. In August, SMWD will educate the residents on recycled water vs. potable water for irrigation purposes and include the reasons why and the raw costs. The second focus group will test what has been done so far, snap polls to get a representative sample of community support. The approach will inform the community about the approximate cost of \$43 million. Funding will be sought through government assistance, loans and/or grants to help offset costs of the project. The loans could be paid back through property taxes or water rates. SMWD will also work with SAMLARC to seek funding for SAMLARC's piece of the project which is approximately 1.7 million dollars.

### **IV. Homeowners Forum**

No homeowners spoke before the Board.

### **V. Approval of the Minutes**

Resolution: To approve the June 22, 2021 Board of Directors Open Session Minutes.

Motion: Jeff Halbreich  
Second: Bob Louvar  
Ayes: Paul Persiani, Judy Vasquez, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Nays: None  
Abstain: Bob Sherfy

## **VI. Items for Discussion and/or Approval**

### **A. Consideration of Request from the RSM Chamber of Commerce Regarding Rancho Family Fest**

Resolution: To approve the request from the RSM Chamber of Commerce regarding Rancho Family Fest funding in the amount of \$10,000, contingent upon all Community Lifestyle expenses coming in at or under the approved annual budget.

1. Cash contribution in the amount of \$10,000 to assist producing the event
2. Publicity and event promotion through SAMLARC website and social media channels
3. In-kind staff assistance in event planning and preparation and "day of" activities
4. Waiver of SAMLARC's Park Use fees for the event

Motion: Jeff Halbreich

Second: Deborah Christensen

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen

Nays: Bob Louvar

### **B. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Contract with Security Concepts for the Purchase, Installation and Maintenance of Forty-Nine (49) Surveillance Cameras to Replace Current Surveillance Cameras at SAMLARC Facilities**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve a contract with Security Concepts for the purchase, installation and maintenance of forty-nine (49) surveillance cameras to replace current surveillance cameras at SAMLARC facilities using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a cost not to exceed \$63,759.73, funds to be paid from Reserve GL# S23125, Community Park Reserve.

Motion: Jeff Halbreich

Second: Paul Persiani

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar

Nays: None

### **C. Consideration to Approve the Request from the Arroyo Maintenance Corporation to Install a French Drain in SAMLARC Common Area**

Resolution: To approve an Easement Agreement between Rancho Santa Margarita Landscape and Recreation Corporation (SAMLARC) and the Arroyo Maintenance Corporation to Install a French Drain in SAMLARC common area.

Motion: Jeff Halbreich  
Second: Judy Vasquez  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Nays: None

**D. Consideration of Recommendation by the Community Lifestyle Committee to Approve the Calendar of Events through December 31, 2021**

Resolution: To approve the calendar of events through December 31, 2021 with the addition of Rancho Family Fest funding in the amount of \$10,000, contingent upon all Community Lifestyle expenses coming in at or under the approved annual budget.

Motion: Jeff Halbreich  
Second: Deborah Christensen  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Nays: None

**E. Consideration of Approval of Contract with Commercial Aquatic Services for Chemical Delivery Services for SAMLARC Community Pools and Beach Club Lagoon**

Director Halbreich commended and thanked Facilities and Operations Director Jerry Corpuz, for being proactive and securing a vendor to supply Chlorine for the SAMLARC pools during the shortage.

Resolution: To approve a contract with Commercial Aquatic Services to provide chemical delivery services to the Beach Club Lagoon for the period of July 27, 2021 – July 26, 2022 using contract template (2A) Contract for Goods and/or Services and (2B) Master Contract for Good and/or Services.

Motion: Jeff Halbreich  
Second: Deborah Christensen  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Nays: None

**F. Consideration of Draft 2022-2024 Board Strategic Plan**

Resolution: To approve the draft of the 2022-2024 Board Strategic Plan for inclusion in the 2022 Budget.



Motion: Jeff Halbreich  
Second: Judy Vasquez  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Nays: None

President Persiani stated he had a concern related to the letter and time frame that SMWD is requesting a letter of support from the Board of Directors. He wanted to know what the consequences would be if SAMLARC is not in agreement with SMWD's expectation. Director Halbreich added that SAMLARC is willing to support the project concept but do not want to be involved in how the \$43 Million dollar project is funded.

President Persiani requested that Ms. Fullenkamp explain a bit further, since she is involved in the discussions with SMWD. Ms. Candice Fullenkamp suggested that the Board should wait until SMWD is further along in the project approval before a letter is considered. Mosaic Consultant Devin Sanders has provided a rough order of magnitude related to SAMLARC's cost of the project.

SMWD has asked for SAMLARC's assistance with education messaging through the website and social media platforms. The communication piece is scheduled to begin in August. All items will come before the Ad Hoc Committee for review before it is posted.

Corporate Counsel Dan Nordberg indicated there is an ordinance adopted by SMWD that was passed stating that once recycled water is brought to the meter, it is mandatory to convert to recycled water. There is also a State Ordinance that stated that the Cities make the decision as to when it must convert. There is a conflict in law that does not state which ordinance takes precedence. Corporate Counsel has reached out to SMWD's attorney to ask if the State Ordinance takes precedence over the SMWD Ordinance and is waiting for a response.

Candice Fullenkamp suggested the Board could decide that the best option is to have SMWD fund the project and SAMLARC will continue to pay potable water rates. The difference would go toward paying their cost of the project to SMWD. This method could eliminate the need for a special assessment.

**VII. Consent Calendar** - (All matters on the Consent Calendar are to be approved in one motion unless a Board member requests a separate action on a specific item on the Consent Calendar).

Motion: Jeff Halbreich  
Second: Paul Persiani  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar  
Nays: None

**A. Consideration of Contracts to Expire on November 30, 2021**

Resolution: To approve entering into a contract with the following vendors for the period as specified by each of the associated contracts, with the contracts coming before the Board of Directors for final approval prior to the current contract expiration date. These contracts include:

- Pacific Utility Audit – Analyze utility rate structures and ensures that SAMLARC has the most optimal rate plan offered by Southern California Edison. First renewal of contract, no price increase, no change in terms of contract.
- Triton Air – Maintenance, repair, and new projects. New contract term, no price increase, no change in terms of contract.
- The Bee Man – Pest Control services. New contract term, no price increase, no change in terms of contract.
- Orange Coast Fence – Maintenance, repair, and new fencing projects. New contract term, no price increase, no change in terms of contract.
- Tony's Locksmith – Maintenance, repair, and new projects. New contract term, no price increase, no change in terms of contract.
- HOA Technology – Wireless internet connection, hardware, maintenance and support at the Beach Club. First renewal of contract, 7% increase, no change in terms of contract.
- Pilot Painting – Painting of common area fences, walls and other common area elements. First renewal of contract, no price increase, no change in terms of contract.
- Taylor Tennis – Maintenance, repair, and new projects. First renewal of contract, no price increase, no change in terms of contract.

**B. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Contract with Pilot Painting and Construction for Phase I Wrought Iron Fence Repair and Painting Project**

Resolution: As recommended by the landscape and Facilities Enhancement Committee, to approve a contract with Pilot Painting and Construction for Phase 1 Wrought Iron Fence Repair and Painting Project using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Contract for Goods and/or Services for a total contracted cost of \$87,600 with an additional budgeted contingency of \$21,900 for a total amount not to exceed \$109,500 with funds to be expended from Reserve GL#23138, Walls and Fences.

**C. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the June 2021 Financial Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the financial statement and bank reconciliation dated June 30, 2021. The balance sheet dated June 30, 2021 reflects assets of \$15,000 in Restricted Property Insurance Deductible Fund, \$8,450,115 in Reserve funds, \$1,803,811 in Operating funds, and \$1,650 in Petty Cash for a total cash amount of \$10,270,576, along with a security deposit of \$7,442. The income statement for June 30, 2021 reflects year-to-date net income of \$204,037 compared to budgeted net income of (\$183,425). Year-to-date Reserve funding is \$629,105 compared to a budget of \$604,092. All figures are rounded.

**D. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the May 2021 Credit Card Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the charges and acknowledge review of the payable transmittal for SAMLARC US Bank credit cards for the statement closing date of May 25, 2021. The amount due is five thousand, nine hundred twelve dollars and thirty-four cents (\$5,912.34).

**E. Consideration of Approval of Contract with Soccer Shots for Youth Soccer Classes at Central Park**

Resolution: To approve a contract with Soccer Shots for youth soccer classes at Central Park from August 1, 2020 through July 31, 2022 using contract template (8) Instructional Services and Use of Facilities.

**F. Consideration of Approval of a Work Authorization with La Cresta Enterprises, Inc. to Repair and Replace 18 Backflow Devices**

Resolution: To approve a work authorization with La Cresta Enterprises, Inc. to repair and replace 18 backflow devices using contract template four (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$4,372 with funds to be expended from Operating Account GL#S18155, Supplemental Common Area Services.

**G. Consideration to Approve a Ratification of a Work Authorization with Dave Bang Associates, Inc. for Repair of the Rubber Surface at Central Park**

Resolution: To approve a ratification of Work Authorization #020 with Dave Bang Associates Inc., for repair the rubber surface at Central Park using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$1,134.61, to be expended from Operating Account GL# S17127, Minor Repairs & Purchases.

**H. Consideration to Approve a Ratification of Work Authorizations with Jolly Jumps & Express Events**

Resolution: To ratify Work Authorization #065 and #066 for popcorn stations at the July and August Screen on the Green events, at a total cost of \$1,390 for both events to be expended from Operating Account GL#S18556, Screen on the Green.

**I. Consideration of Approval of Request to Proceed with Liens**

Resolution: To authorize and instruct Management to record a lien on thirty-one (31) delinquent accounts should their assessments not be paid within the time period established in the Intent to Lien Letter. The accounts became past due in July 2021 or earlier, and in accordance with the Corporation's Assessment Collection Policy, a letter was sent to the homeowner notifying them that they have 30 days to pay the balance owed or a lien will be placed on their property. Therefore, the Board directs Management to lien the accounts listed on the 'Instructions to Management' resolution dated July 27, 2021, should the delinquent assessments not be paid within the time period established in the Intent to Lien Letter:

<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>
0129-06	<b>\$282.00</b>	2873-05	<b>\$513.85</b>	8527-06	<b>\$162.00</b>
0687-06	<b>\$162.00</b>	3175-06	<b>\$388.60</b>	8702-01	<b>\$142.00</b>
1125-03	<b>\$447.00</b>	4421-03	<b>\$292.08</b>	8727-04	<b>\$162.00</b>
1307-04	<b>\$162.00</b>	5891-06	<b>\$172.00</b>	8881-04	<b>\$292.08</b>
1479-05	<b>\$162.00</b>	5941-02	<b>\$243.00</b>	A721-01	<b>\$142.00</b>
1530-01	<b>\$213.00</b>	6994-03	<b>\$162.00</b>	B344-02	<b>\$762.88</b>
1717-05	<b>\$162.00</b>	7034-02	<b>\$172.00</b>	4532-05	<b>\$2,278.28</b>
1958-02	<b>\$307.24</b>	7105-06	<b>\$172.00</b>	4678-04	<b>\$1,074.88</b>
2601-03	<b>\$170.00</b>	7140-03	<b>\$162.00</b>	5838-05	<b>\$162.00</b>
2609-05	<b>\$116.88</b>	7391-04	<b>\$162.00</b>		
2646-07	<b>\$1,739.28</b>	7554-05	<b>\$185.00</b>		

#### **VIII. Board Committee Reports**

This time is set-aside for each Director to provide a brief report regarding committee meetings they have attended during the month.

##### Committee Reports:

Budget and Cash Flow Committee – Chair Jeff Halbreich reported the Committee met on July 21, 2021. Morgan Stanley continues to advise placing investments with maturities a year or two out, which are paying slightly better interest than the short-term maturities. The forecast for interest rates indicates that they will stay low for well over a year. At the halfway point of 2021, the financial status of SAMLARC is excellent. Two of the reasons for this is that assessments are trending over budget and irrigation water expenses have been under budget so far. Both are contributors to a forecast of higher net income than was budgeted. Management continues to gather the data for the 2022 draft budget. The 2022 draft budget review meetings are scheduled for August 18, 2021 and September 8, 2021. The Budget Workshop is scheduled for October 12, 2021.

Communications Committee – Chair Jeff Halbreich reported the Committee last met on July 14, 2021 to discuss the 2022-2024 Strategic Plan and the 2022 budget as pertaining to SAMLARC’s communications strategies. The Committee also reviewed an update on the community welcome video, and digital engagement over the 2<sup>nd</sup> quarter. The next Committee meeting is scheduled for October 6, 2021.

Community Lifestyle Committee – Chair Bob Louvar reported the Committee met on Tuesday, July 13, 2021 via Zoom to discuss past and upcoming events, recommended events for Board approval in the 4<sup>th</sup> quarter of 2022, recommended initiatives for inclusion in the 2022-2024 Strategic Plan, recommendations for the 2022 Community Lifestyle budget and an update on current contract classes offered to the Membership.

Election Committee – Bob Louvar reported the first meeting of the Committee is scheduled for August 12, 2021.

Lago Santa Margarita Committee – Director Persiani reported on behalf of Chair Charles Villafana. The Committee did not meet in July and based on the current condition of the Lake the next Committee meeting will not be scheduled until the third (3<sup>rd</sup>) Quarter sometime in September prior to the fall season. The water clarity is holding at three (3) feet with water temperatures ranging in the low to mid 80's. TDS levels are averaging in the upper 1600's and PH levels are averaging between 7.5 to 7.7.

Landscape and Facilities Enhancement Committee – Chair Paul Persiani reported the Committee last met via teleconference on July 16, 2021 to review and provide recommendations to the Board of Directors on the following items July Landscape Update, Updated status on Reserve and Capital Projects, discussion regarding SAMLARC Strategic Plan Development, installation of a Peace Pole, purchase of forty-nine (49) surveillance cameras at SAMLARC Facilities. Phase 1 Wrought Iron Fence Repair and Painting Project and the addition of a sprinkler water feature within the lake. The next LFEC meeting is scheduled for August 13, 2021.

Recycled Water Ad Hoc Committee – Chair Paul Persiani reported the Committee met on Wednesday, June 30, 2021 to discuss with the Lake vendors the impact of using recycled water in the Lake, as well as received information from the Santa Margarita Water District regarding the current drought situation and potential measures that could be enacted by the State of California.

Committee Liaison Reports:

Architectural Review Committee – Director Deborah Christensen reported the Committee met on June 28, 2021, July 12, 2021 and July 26, 2021. Forty-six submittals were reviewed. Forty-one were approved and five were denied. The next SAMLARC Architectural Committee Meeting will be held on August 9, 2021 at 12:00 p.m. via Zoom.

Chamber of Commerce – Director Bob Louvar reported the RSM Chamber of Commerce Board of Directors conducted their monthly meeting on July 20, 2021. At the meeting the Chamber welcomed Interface Systems and Coast to Canyon Real Estate. In addition, several members renewed their memberships. The July Chamber mixer took place at Tutto Fresco on Wednesday, July 21, 2021 from 5:00-7:00 p.m. The event was well attended by Chamber members. Earlier this evening, the Chamber presented their formal request for support for this year's Rancho Family Fest. The event is scheduled for October 9 - 10. After the event was cancelled in 2020, the planning team is excited to conduct the event for the community once again this year. The Chamber has requested to host their August 18, 2021 Mixer at the Beach Club on the outside patio. The intent is for SAMLARC to provide a location for the mixer only. A meeting will be held later this week with Mountain Mike's to see if they are able to host the food and drinks at the Beach Club, or potentially have the mixer shifted to their location for additional exposure to the Community.

Covenant Committee – Director Bob Sherfy reported the Committee met via Zoom on Tuesday, July 6, 2021 and reviewed twenty-one (21) violations. Fourteen (14) homes were assessed fines. Six (6) homes were granted extensions. One (1) home had their fines rescinded. The next Covenant Committee meeting is scheduled for Tuesday, August 3, 2021 at 4:00 pm via Zoom.

Sports Council – Director Jeff Halbreich reported the Sports Council next meeting will be September 8, 2021. Santa Margarita Little League 10U All Stars won District, Section and are now playing in the State Tournament in San Diego. Custom Canopies began the shade

structure project at Trabuco Mesa Park on Monday July 26, 2021. Completion is expected to be completed by August 4, 2021. Diamonds Sports Field Services is working on the turf replacement at Tijeras Creek Park. Field 3 is completed, and heavy watering is now allowing the turf to grow. Field 1 turf is being replaced on Wednesday, July 28, 2021.

Community Associations of Rancho – Director Bob Louvar reported the Community Associations of Rancho have not met since the last meeting. CAR’s next meeting is scheduled in-person at the SAMLARC Beach Club on Tuesday, August 3, 2021.

City of Rancho Santa Margarita – President Paul Persiani reported the SAMLARC Board President and Mayor have not met since the last meeting. A meeting will be coordinated during the month of August.

**Currently Dark - Committees and Liaison Reports:**

Insurance Review Committee – Chair Charles Villafana

COVID-19 Executive Committee – Judy Vasquez

**IX. Director’s Report**

This time is set-aside for each Director to provide a brief report regarding other items of note.

Director Jeff Halbreich – Commended Staff on a great 4<sup>th</sup> of July event. He also added that he and his wife enjoyed the SAMLARC dinner hosted by FirstService Residential.

Director Deborah Christensen – No report.

Director Robert Louvar – Thanked the Staff for a great 4<sup>th</sup> of July.

Director Paul Persiani - Thanked the Staff for 4<sup>th</sup> of July.

Director Robert Sherfy – Thanked the Staff for the 4<sup>th</sup> of July and stated he had enjoyed the dinner hosted by FirstService Residential.

Director Judy Vasquez – Thanked the Staff for the 4<sup>th</sup> of July and stated she had enjoyed the dinner hosted by FirstService Residential.

Director Charles Villafana – Absent.

**X. Community Executive Officer Report**

No report.

**XI. Events and Programs**

**Adult Gardening Workshop**

Saturday, July 31<sup>st</sup>

Lago Santa Margarita Beach Club

**Great Rancho Campout**

Friday, August 6 – Saturday, August 7<sup>th</sup>

Trabuco Mesa Park

**Screen on the Green**

Saturday, August 14<sup>th</sup>  
Central Park

**Children's Gardening Workshop**

Saturday, August 21<sup>st</sup>  
Lago Santa Margarita Beach Club

**XII. Next Meeting**

Consistent with Board direction, the next meeting will be held on Tuesday, August 24, 2021, at 6:00 p.m. in the Fiesta Room at the Lago Santa Margarita Beach Club.

**XIII. Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned at 7:41 p.m.

I certify that these minutes were duly approved by the Board of Directors on August 24, 2021.

*Paul Persiani*

\_\_\_\_\_  
Paul Persiani, President

Date: August 24, 2021

*Robert Sherfy*

\_\_\_\_\_  
Bob Sherfy, Secretary

Date: August 24, 2021

Prepared by: Tita S. Gervasi, Executive Assistant







**SAMLARC**  
Rancho Santa Margarita Landscape and Recreation Corporation  
Board of Directors Meeting  
**Open Session**  
June 22, 2021  
**Minutes**

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**Members Present**

President Paul Persiani (via teleconference)  
Vice President Judy Vasquez  
CFO Jeff Halbreich  
Director Deborah Christensen  
Director Robert "Bob" Louvar  
Director Charles Villafana

**Members Absent**

Secretary Bob Sherfy

**First Service Residential**

SAMLARC Community Executive Officer George Blair  
SAMLARC Assistant General Manager Jonathon Hill  
SAMLARC Director of Facilities & Operations Jerry Corpuz  
SAMLARC Executive Assistant Tita S. Gervasi  
SAMLARC Community Lifestyle & Beach Club Director Marley Sansom  
SAMLARC Finance Manager Brian Bednersh  
SAMLARC Park & Sports Field Manager Pat White  
SAMLARC Community Services Manager Carla Galosic  
SAMLARC Media & Communications Specialist Alexandra Kuhlmann  
SAMLARC Construction Project Coordinator Manny Hernandez

**Others Present**

Corporate Counsel, Daniel A. Nordberg, Esq., Nordberg Law Group, Of Counsel to Richardson|Ober|DeNichilo, LLP.

**Executive Session**

The following items were reviewed in the Executive Session Meeting preceding the Open Session Meeting in accordance with California Civil Code 4090 that include Employment Issues, Contract Negotiations, Consultations with Corporate Counsel Review of Information Provided by Counsel, Constitutionally or Legally Protected Topics i.e. Attorney-Client Privileged Information:

- Lot B, Tract 13172 Re: OCFA Defensible Space Requirements
- SAMLA 1973-02
- July 4<sup>th</sup> Star Spangled Spectacular
- Commence Foreclosure Proceedings: A963-05

**I. Call to Order**

President Paul Persiani called the Open Session of the Board of Directors Meeting for the Rancho Santa Margarita Landscape and Recreation Corporation to order at 6:02 p.m.

**II. Approval of the Agenda**

Resolution: To approve the June 22, 2021 Open Session Agenda.

Motion: Jeff Halbreich  
Second: Charles Villafana  
Ayes: Paul Persiani, Judy Vasquez, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana  
Nays: None

### **III. Homeowners Forum**

There were no homeowners who spoke before the Board.

### **IV. Presentations**

#### **A. Consideration of Presentation by Homeowner of SAMLA-1973-02**

Corporate Counsel Dan Nordberg welcomed Mr. Rueter and stated the Board was ready to listen to his case and informed Mr. Rueter he has up to one hour for his presentation. Mr. Nordberg requested that Mr. Reuter understand if his presentation becomes redundant or repetitive, Corporate Counsel may intervene and caution him to remain on point to include new arguments and thoughts to ensure the Board hears everything he wants to convey.

Mr. Rueter stated he wanted to share a story about his community with the Board. He and his wife have lived in the area since 1993 and moved to the new house on Via Jaquima in 2001. He added that he and his wife have always appreciated living in SAMLARC and the amenities they offer. Since moving to Via Jaquima, the neighborhood has grown into a tight knit community and when COVID hit, the community resolved they would support one another. The teak table that was given to them by a neighbor was refurbished and placed in their front yard. He stated that use of the table began by having occasional dinners with neighbors and over time became a more central location for people to gather. Neighbors would use the table when they worked from home.

Mr. Rueter reported that he began receiving letters from SAMLARC stating he was in violation of SAMLARC regulations. He added that it is his opinion that he does not see any such regulations and feels that it strikes a blow to the creation of community on his street. He added there are 10 homes on his street and everyone wants to keep the table. He stated he had three points he wanted to communicate:

1. SAMLARC's tag line is "Connecting the Community" and he feels that SAMLARC is actively working to disrupt the community by forcing removal of the table. He felt that SAMLARC should look at it as a model for other neighborhoods.
2. SAMLARC's pursuit of the matter is wasting staff, committee, and clerical time as well as postage. He realized in that the issue would not be resolved and requested Alternative Dispute Resolution to speak with SAMLARC to come to a resolution in the best interest of Via Jaquima. He felt that it was not working so he pursued mediation, which is still in progress. The mediator suggested that Mr. Rueter place the mediation on hold until he presented his case to the Board. He appreciates what SAMLARC does but feels the Association is interfering in something that does not concern them when the residents want the table.

3. Mr. Rueter's concern is that a long-term harmonious life in the community under SAMLARC's governance is the right thing to do. He feels that sterile uniformity and pursuit of procedural powers is a problem. He stated that he thought SAMLARC believes that power is more important than encouraging harmonious community life. The Board has the power to make things right in agreeing with common sense reason and what Via Jaquima residents want and continue to use his table in his front yard and it is his table in his front yard and wanted to know what compelling interest does SAMLARC have in interfering especially when the residents want it. He stated that he as well as Judge Smith think that the Board can do the right thing and put an end in this matter and added he concluded his comments and invited any other residents of Via Jaquima to speak if they wanted to do so.

Corporate Counsel asked if there were any other homeowners who wanted to address the Board on this subject.

Mr. Rod Soper who lives on the street approached the podium and stated that his family has lived on Via Jaquima for 21 years. He is a teacher and was having difficulties connecting with others and being able to sit at that table to speak with others helped him. He felt that without that table and community, COVID would have been a disastrous thing for him. He added that he is not an emotional or demonstrative type of man but that sitting at the table during COVID with others has changed him and he has become more aware of love and awareness of his neighbors and the sense of community that getting together at the table has built. He stated that people move out and others move in and become part of the tight knit community.

Mr. Rueter returned to the podium and spoke about the aesthetics of the table and the specific concerns that the Association raised. When the table was initially placed there many people have commented they liked the table and for SAMLARC to say that it is essentially an unsightly item and improperly stored is false. He passed out photos of the table and said it was not fancy but consistent with what goes on with the rest of the street and chose the location based on the shade provided by the tree. He stated he understood that the enforcement committee has a job to do to keep property values high but thinks this is a case of overreach. He added that his community is doing the right thing by being the community that SAMLARC states it wants in keeping with their tag line but feels that SAMLARC is striking out against them. He encouraged the Board to do the right thing.

Corporate Counsel Dan Nordberg invited Mr. Rueter and the other members of Via Jaquima to send comments to staff if they wanted to add something. Corporate Counsel Dan Nordberg thanked Mr. Rueter for his presentation and stated that the Board heard what he had to say and paid close attention. The action for this presentation will be brought back to the Board at the July Board meeting.

#### **B. Special Presentation to Former Community Executive Officer Candice Fullenkamp**

Former CEO for SAMLARC, Candice Fullenkamp was recognized by the SAMLRC Board and presented with a plaque and a gift card. The Board thanked her for her dedication to the SAMLARC Community over the past 17 years and added that she leaves a legacy of outstanding leadership, a high level of professionalism, extraordinary vision, and

impeccable integrity. She has made a profound impact on the lives of those within SAMLARC.

**V. Approval of the Minutes**

Resolution: To approve the May 25, 2021 Board of Directors Open Session Minutes.

Motion: Charles Villafana

Second: Jeff Halbreich

Ayes: Paul Persiani, Judy Vasquez, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**VI. Items for Discussion and/or Approval**

**A. Consideration of Approval of Funding Option to Perform Defensible Space Work Required by Orange County Fire Authority on Lot B, Tract 13172**

Resolution: To approve the unanticipated expense of \$24,090 with an additional budgeted contingency of \$10,000 for a total amount not to exceed \$34,090 to be expended from GL# S23144 Defensible Space Reserve which has a current balance of \$89,363.30 per the May 31, 2021 Financial Statement.

Motion: Jeff Halbreich

Second: Judy Vasquez

Ayes: Paul Persiani, Judy Vasquez, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**VII. Consent Calendar** - (All matters on the Consent Calendar are to be approved in one motion unless a Board member requests a separate action on a specific item on the Consent Calendar).

Motion: Jeff Halbreich

Second: Charles Villafana

Ayes: Paul Persiani, Judy Vasquez, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**A. Consideration of Contracts to Expire October 31, 2021**

Resolution: To approve entering into a contract with the following vendors for the period as specified by each of the associated contracts, with the contracts coming before the Board of Directors for final approval prior to the current contract expiration date. These contracts include:

- Advanced Aquatic Technology – Provide maintenance, repair, and new Lago Santa Margarita aeration equipment projects. First renewal of contract, no price increase, no change in terms of contract.
- Gerard Signs & Graphics – Provide installation and removal services of holiday banners on streetlight poles. First renewal of contract, no price increase, no change in terms of contract.
- Holiday Harbor Lighting – Provide holiday lighting. First renewal of contract, no price increase, no change in terms of contract.

**B. Consideration of Approval of a MOU with Santa Margarita Little League for the Donation of \$10,880 for the Replacement of Infield Turf at Tijeras Creek Park Fields 1 & 3 and Approval of a Work Authorization with Diamonds Sports Field Services, Inc. for Replacement of Infield Turf at Tijeras Creek Park Field 1 & 3**

Resolution: Consideration of Approval of an MOU with Santa Margarita Little League for the Donation of \$10,880 for the Replacement of Infield Turf at Tijeras Creek Park Fields 1 & 3 using contract template (11B) Memorandum of Understanding Donation, with funds deposited into Operating Account GL# S17141 Sports Field Maintenance;

and,

Consideration of Approval of Work Authorization #060 with Diamonds Sports Field Services, Inc. for Replacement of Infield Turf at Tijeras Creek Park Fields 1 & 3 at a cost at a cost not to exceed \$10,880, to be expended from Operating Account GL# S17141 Sports Field Maintenance.

**C. Consideration of Approval of MVP Youth Flag Football League as an Approved Organization for Use of SAMLARC Sports Fields**

Resolution: To approve MVP Youth Flag Football League as an approved organization for use of SAMLARC sports fields.

**D. Consideration of Approval for the Purchase of a Chimney Climber at Trabuco Mesa Park Play Structure (5-12) with West Coast Recreation, Inc.**

Resolution: To approve the purchase of a Chimney Climber at the Trabuco Mesa Park Play Structure (5-12) in the amount of \$4,303.26 from Coast Recreation Inc., with funds to be expended from Reserve GL# S23125 Community Park Reserve.

**E. Consideration of Appointment of Delegate to Serve for Non-Sub Maintenance Delegate District Cantobrio I**

Resolution: To appoint Mr. Brent Hoff to serve as the Delegate for Cantobrio I.

**F. Consideration of Recommendation from the Community Lifestyle Committee to Approve the Movie Selection at the Great Rancho Campout Event**

Resolution: As recommended by the Community Lifestyle Committee, to approve the movie "Open Season" for the Great Rancho Campout event.

**G. Ratification of a Work Authorization #014 with 24 HRC to Install One Concrete Panel at Tijeras Vista Park**

Resolution: To ratify Work Authorization #14 with 24 HRC to install one concrete panel at Arroyo Vista Park sidewalk using contract template (4) Work Authorization for Goods and/or Services at a total cost of \$1,700 with funds expended from Operating Account GL#S17151, Concrete Repairs.

**H. Ratification of a Work Authorization #007 with Pacific Rim to Repair Damaged Roof at the Beach Club**

Resolution: To ratify Work Authorization #007 with Pacific Rim to repair damaged roof at the Beach Club sidewalk using contract template (4) Work Authorization for Goods and/or Services at a total cost of \$1,744 with funds expended from Operating Account GL#S16127, Beach Club/Lagoon Minor Repairs and Purchases.

**I. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the May 2021 Financial Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the financial statement and bank reconciliation dated May 31, 2021. The balance sheet dated May 31, 2021 reflects assets of \$15,000 in Restricted Property Insurance Deductible Fund, \$8,361,613 in Reserve funds, \$1,839,844 in Operating funds, and \$1,650 in Petty Cash for a total cash amount of \$10,218,107, along with a security deposit of \$7,442. The income statement for May 31, 2021 reflects year-to-date net income of \$237,685 compared to budgeted net income of (\$102,917). Year-to-date Reserve funding is \$527,143 compared to a budget of \$503,410. All figures are rounded.

**J. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the April 2021 Credit Card Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the charges and acknowledge review of the payable transmittal for SAMLARC US Bank credit cards for the statement closing date of April 26, 2021. The amount due is nine thousand, seventy-eight dollars and forty-three cents (\$9,078.43).

**K. Consideration of Approval of Contract with Sally Boles for Youth and Adult Swim Lessons**

Resolution: To approve a contract with Sally Boles for swim lessons at Altisima Park for a one (1) year period beginning July 1, 2021 and ending June 30, 2022 using contract template (8) Instructional Services and Use of Facilities.

**L. Consideration of Approval of Contract with Cristina Gamarnik for Mommy & Me Classes**

Resolution: To approve a contract with Cristina Gamarnik for Mommy & Me classes at the Lago Santa Margarita Beach Club Fiesta Room for a one (1) year period beginning July 1, 2021 and ending June 30, 2022 using contract template (8) Instructional Services and Use of Facilities.

**M. Consideration of Approval of Request to Proceed with Liens**

Resolution: To authorize and instruct Management to record a lien on twenty-seven (27) delinquent accounts should their assessments not be paid within the time period established in the Intent to Lien Letter. The accounts became past due in June 2021 or earlier, and in accordance with the Corporation's Assessment Collection Policy, a letter was sent to the homeowner notifying them that they have 30 days to pay the balance owed or a lien will be placed on their property. Therefore, the Board directs Management to lien the accounts listed on the 'Instructions to Management' resolution dated June 22, 2021, should the delinquent assessments not be paid within the time period established in the Intent to Lien Letter:

<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>
0136-04	<b>\$505.28</b>	3359-01	<b>\$172.00</b>	9142-04	<b>\$213.88</b>
0686-05	<b>\$162.00</b>	3436-05	<b>\$162.00</b>	9512-05	<b>\$162.00</b>
0740-01	<b>\$181.20</b>	3981-06	<b>\$179.92</b>	9772-06	<b>\$233.96</b>
1958-02	<b>\$297.24</b>	4055-03	<b>\$162.00</b>	9789-05	<b>\$162.00</b>
2077-01	<b>\$963.72</b>	4545-05	<b>\$402.88</b>	A052-05	<b>\$211.08</b>
2117-07	<b>\$1,387.48</b>	5475-04	<b>\$192.48</b>	A526-03	<b>\$691.48</b>
2334-05	<b>\$162.00</b>	7666-02	<b>\$151.08</b>	A759-03	<b>\$646.48</b>
2432-05	<b>\$172.00</b>	8395-03	<b>\$172.00</b>	B344-02	<b>\$511.88</b>
2797-06	<b>\$162.00</b>	8813-03	<b>\$162.00</b>	B497-01	<b>\$828.88</b>

**VIII. Board Committee Reports**

This time is set-aside for each Director to provide a brief report regarding committee meetings they have attended during the month.

Committee Reports:

Budget and Cash Flow Committee – Chair Jeff Halbreich reported the Committee last met on June 16, 2021. Morgan Stanley continues to advise placing investments with maturities about a year out, which are not paying much more interest than short term investments are. Rates are expected to stay very low for well over a year. The 2022 budget review meetings are scheduled for August 18, 2021 and September 8, 2021. Budget Workshop will be October 12, 2021.

Communications Committee – Chair Jeff Halbreich reported the Committee last met on April 14<sup>th</sup> to discuss the SAMLARC Community video as well as to receive updates on SAMLARC's digital engagement and E-Statement enrollment. The Committee will next meet on July 14,

2021 to discuss quarterly engagement, video production updates, Strategic Plan recommendations, and initiatives for the 2022 calendar year.

Community Lifestyle Committee – Chair Bob Louvar reported the Committee met on Tuesday, June 1, 2021 via Zoom to discuss the July 4<sup>th</sup> Star Spangled Spectacular event details, Great Rancho Campout details and movie selection as well as previous and upcoming events.

Lago Santa Margarita Committee – Chair Charles Villafana reported the Committee did not meet in June. Based on the current excellent condition of the lake and the increased summer activity/programming, the next Committee meeting will not be scheduled until the 3<sup>rd</sup> Quarter sometime in September. The water clarity is holding at four (4) feet with water temperatures ranging in the mid to high 70's. TDS levels are averaging in the upper 1600's and PH levels are averaging in the 7 to 7.3 range.

Landscape and Facilities Enhancement Committee – Chair Paul Persiani – No report.

Recycled Water Ad Hoc Committee – Chair Paul Persiani reported the Committee has not met since the last Board Meeting. The Ad Hoc Committee's next meeting is scheduled for Wednesday, June 30, 2021. At this time, items on the agenda included discussion with SAMLARC's two Lake vendors regarding use of recycled water in the Lake to include Lakeshore landscape run-off into the Lake and discussion regarding the current drought situations and potential measures that could be enacted by the State of California

Committee Liaison Reports:

Architectural Review Committee – Director Deborah Christensen reported the Committee met on June 14, 2021. Thirteen submittals were reviewed and approved. The next SAMLARC Architectural Committee Meeting will be held on June 28, 2021 at 12:00 p.m. via Zoom.

Chamber of Commerce – Director Bob Louvar reported he attended the first in-person event of the year at Hanna's Restaurant and Bar on June 2, 2021. The Chamber Networking Mixer was well attended. On Wednesday, June 16, 2021, Mike Conte with Bank of Southern California was the guest speaker encouraging those interested, to reconnect over ZOOM and to reconnect with local business. The next Chamber mixer will take place at Tutto Fresco on Wednesday, July 21, 2021 from 5:00-7:00 p.m. RSVP information will be provided to the Board of Directors this week. The Chamber and SAMLARC are in early discussion regarding Rancho Family Fest which will hopefully take place in October. The Chamber has requested to host their August 18, 2021 Mixer at the Beach Club on the outside patio. Additional details to follow regarding both Rancho Family Fest and the August mixer.

Covenant Committee – Director Deborah Christensen reported on behalf of Director Bob Sherfy. Director Christensen reported the Committee met via Zoom on Tuesday, June 1st and reviewed eighteen (18) violations. Eight (8) homes were assessed fines. Three (3) homes were granted extensions. Seven (7) homes got their fines rescinded. The next Covenant Committee meeting is scheduled for Tuesday, July 6, 2021 at 4:00 pm via Zoom.

Sports Council – Director Jeff Halbreich reported the Sports Council met on June 9, 2021 and the items of discussions included fall allocations, MVP Football League, and summer maintenance. RTGSA and Santa Margarita Little League All Stars are playing in various tournaments this month.



Community Associations of Rancho – Director Deborah Christensen reported CAR met on Tuesday, June 8, 2021 via Zoom. Items discussed were the status of HOA signatories for the White Paper Report. Management is working with other FirstService Residential properties to increase education and opposition to SB9 and SB10 with the intent of gaining additional signatures. CAR Member, Mike Safranski recently distributed the White Paper Report via email to over 130 elected officials. An update on the distribution of the White Paper and any additional signatures will be discussed at the July Meeting. The next CAR meeting will take place on Tuesday, July 13, 2021. The intent is to conduct the meeting in-person at the Trabuco Canyon Water District.

City of Rancho Santa Margarita – President Paul Persiani reported he had met with the Mayor in-person on Wednesday, May 26, 2021. Items for discussion included the groundbreaking for the Splash Pad that the City hosted on May 17, 2021. Several of the SAMLARC Board members were in attendance. Updates on the Splash Pad are available on the City's website, and the Splash Pad is expected to open this summer. SAMLARC informed the City that SAMLARC intended to resume a full schedule including fireworks show, pending state and county guidelines and ability to obtain a special permit from the City. Since the meeting, COVID-19 restrictions have been loosened and SAMALRC is in receipt of the approved permit from the City of RSM. Summer Concerts will take place on Sunday, July 18, 2021 and conclude on Sunday, August 8, 2021. Concerts take place on Sundays at Central Park from 6:00-8:00pm. Guests are invited to bring a picnic dinner and enjoy the beauty of Rancho Santa Margarita with family and friends. The Housing Element and SB9 topic was discussed as well. For further information, please go to the City's website.

**Currently Dark - Committees and Liaison Reports:**

Insurance Review Committee – Chair Charles Villafana

Election Committee – Bob Louvar

COVID-19 Executive Committee – Judy Vasquez

**IX. Director's Report**

This time is set-aside for each Director to provide a brief report regarding other items of note.

Director Jeff Halbreich – Reported he had attended the Chamber mixer and they had done a good job. The City has approved the outdoor space at Hanna's to continue indefinitely.

Director Deborah Christensen- Thanked everyone for the Birthday wishes sent her way.

Director Robert Louvar – Congratulated Candice and wished her the best in her new job.

Director Paul Persiani – Thanked everyone for his Birthday wishes that were sent to him.

Director Robert Sherfy – Absent

Director Judy Vasquez – Thanked the team for the hard work they have put in for July 4<sup>th</sup>.

Director Charles Villafana – Stated he was happy to be attending Board meetings in person.

**X. Community Executive Officer Report**

**XI. Events and Programs**

**July 4<sup>th</sup> Star Spangled Spectacular**

Sunday, July 4, 2021

Lago Santa Margarita Beach Club

**Screen on the Green**

Saturday, July 24, 2021

7:30 p.m. – 10:00 p.m.

Central Park

**Virtual Cooking Class**

Thursday, July 22, 2021

6:00 p.m. – 7:30 p.m.

**XII. Next Meeting**

Consistent with Board direction, the next meeting will be held on Tuesday, July 27, 2021, in the Fiesta Room at the Beach Club at 6:00 p.m.

**XIII. Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned at 6:47 p.m.

I certify that these minutes were duly approved by the Board of Directors on July 27, 2021.



\_\_\_\_\_  
Paul Persiani, President

Date: July 27, 2021



\_\_\_\_\_  
Bob Sherfy, Secretary

Date: July 27, 2021

Prepared by: Tita S. Gervasi, Executive Assistant



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### **Members Present**

President Paul Persiani  
Vice President Judy Vasquez  
Secretary Bob Sherfy  
CFO Jeff Halbreich  
Director Deborah Christensen  
Director Robert "Bob" Louvar  
Director Charles Villafana

### **Members Absent**

### **First Service Residential**

SAMLARC Community Executive Officer George Blair  
SAMLARC Assistant General Manager Jonathon Hill  
SAMLARC Director of Facility Operations Jerry Corpuz  
SAMLARC Executive Assistant Tita S. Gervasi  
SAMLARC Community Lifestyle & Beach Club Director Marley Sansom  
SAMLARC Finance Manager Brian Bednersh  
SAMLARC Community Services Manager Carla Galosic  
SAMLARC Media & Communications Specialist Alexandra Kuhlmann  
SAMLARC Park Use & Sports Field Manager Pat White  
FirstService Residential Candice Fullenkamp

### **Others Present**

Corporate Counsel, Daniel A. Nordberg, Esq., Nordberg Law Group, Of Counsel to Richardson|Ober|DeNichilo, LLP.

### **Executive Session**

The following items were reviewed in the Executive Session Meeting preceding the Open Session Meeting in accordance with California Civil Code 4090 that include Employment Issues, Contract Negotiations, Consultations with Corporate Counsel Review of Information Provided by Counsel, Constitutionally or Legally Protected Topics i.e. Attorney-Client Privileged Information:

- Appeal SAMLA-B193-02
- Appeal SAMLA-9682-03
- ADR SAMLA 1973-02
- July 4<sup>th</sup> Star Spangled Activities
- Retention of Candice Fullenkamp
- Extension of Foreclosure Sale

### **I. Call to Order**

President Paul Persiani called the Open Session of the Board of Directors Meeting for the Rancho Santa Margarita Landscape and Recreation Corporation to order at 6:00 p.m.

## **II. Approval of the Agenda**

Resolution: To approve the May 25, 2021 Open Session Agenda as amended to pull Item A – Appeal for SAMLA B193-02. The issue was resolved prior to the meeting.

Motion: Bob Sherfy

Second: Deborah Christensen

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

## **III. Homeowners Forum**

Homeowner Lisa Isselnane spoke regarding her neighbor's lights.

## **IV. Approval of the Minutes**

Resolution: To approve the April 27, 2021 Board of Directors Open Session Minutes.

Motion: Charles Villafana

Second: Jeff Halbreich

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

## **V. Items for Discussion and/or Approval**

### **A. Consideration of Homeowner Request to Appeal the Action of the Architectural Review Committee for Denial of Home Improvement Application for SAMLA-B193-02**

Resolution: This item was resolved and pulled from the agenda.

### **B. Consideration of Homeowner Request to Appeal the Action of the Architectural Review Committee for Denial of Home Improvement Application for SAMLA-9682-03**

Resolution: This item was sent back to Executive Session following the meeting for further discussion and action.

### **C. Consideration of Approval of July 4<sup>th</sup> Star Spangled Spectacular Activities**

Resolution: To approve a July 4<sup>th</sup> patriotic music performance by The Bridge Church volunteers at the Lago Santa Margarita Amphitheatre;

and,

To approve allowing blankets to be placed at the Lakeshore no earlier than the time of park opening at 6:00 a.m. on July 3, 2021;

and,

To approve the list of invitees for the July 4th VIP Reception;

and,

To approve Work Authorization #061 with Jolly Jumps & Express Events for catering services at the July 4th Star Spangled Spectacular VIP Reception using template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$4,390 with funds to be expended from Operating Account GL#S18553, 4th of July.

Motion: Jeff Halbreich

Second: Charles Villafana

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**D. Consideration of Recommendation from the Recycled Water Ad Hoc Committee to Retain FirstService Residential Associate Candice Fullenkamp to Coordinate and Provide High Level Management of SAMLARC's Role in the RSM Recycled Water Initiative Through December 31, 2021**

Resolution: As recommended by the Recycled Water Ad Hoc Committee, to retain FirstService Residential Associate Candice Fullenkamp to coordinate and provide high level management of SAMLARC's role in the RSM Recycled Water Initiative through December 31, 2021; and to revisit in December 2021.

Motion: Bob Louvar

Second: Deborah Christensen

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**E. Consideration of Rescheduling the June 22, 2021 Board Meeting to June 29, 2021**

Resolution: To keep the Board meeting for June on its scheduled date of June 22, 2021.

Motion: Paul Persiani

Second: Judy Vasquez

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**F. Consideration of Proposed Process for the Development of the 2022-2024 Board Strategic Plan**

Resolution: To approve the proposed process for the development of the 2022-24 Board Strategic Plan.

Motion: Charles Villafana

Second: Jeff Halbreich

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**VI. Consent Calendar -** (All matters on the Consent Calendar are to be approved in one motion unless a Board member requests a separate action on a specific item on the Consent Calendar).

Motion: Charles Villafana

Second: Jeff Halbreich

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**A. Consideration of Contracts to Expire on September 30, 2021**

Resolution: To approve entering into a contract with the following vendors for the period as specified by each of the associated contracts, with the contracts coming before the Board of Directors for final approval prior to the current contract expiration date. These contracts include:

- West One Building Services – Bus shelter maintenance and janitorial. First renewal of contract, no price increase, no change in terms of contract.
- Collins Company - Maintain and repair various construction projects. New contract term, no price increase, no change in terms of contract.
- HOA Technology - Provide maintenance and support services for community card access system. First renewal of contract, 7% price increase, no change in terms of contract

**B. Consideration of Authorization to Provide Law Enforcement Services on Rancho Santa Margarita Landscape and Recreation Corporation Property**

Resolution: To authorize the Orange County Sheriff to provide law enforcement services on Rancho Santa Margarita Landscape and Recreation Corporation (SAMLARC) property through a trespass order.

**C. Consideration of Approval of a Special Use Permit and Fee Waiver Request for the City of Rancho Santa Margarita Summer Concert Series and Beer and Wine Garden at Central Park Amphitheater**

Resolution: To approve issuing a Special Park Use Permit to the City of Rancho Santa Margarita for the purpose of conducting the Summer Concert Series and Beer and Wine Garden in Central Park and to waive the park use fee. This is contingent upon the following requirements being met prior to issuance of final permit:

1. All insurance provisions as stipulated in the Special Park Use Policy to include Commercial General Liability, automobile, Workers Compensation, Employers Liability, and Liquor Liability insurance.
2. ABC License for dates requested.
3. An approved site plan.
4. Conditions required by the City of Rancho Santa Margarita and any other applicable governmental agencies are met.

**D. Consideration of Approval of Limited Use License Agreements between Rancho Santa Margarita Landscape and Recreation Corporation and Saddleback Valley Unified School District for Use of Trabuco Mesa Park by Trabuco Mesa Elementary School for the 2021-2022 School Year**

Resolution: To approve a Limited Use License Agreement (LULA) between the Rancho Santa Margarita Landscape and Recreation Corporation (SAMLARC) and Saddleback Valley Unified School District (SVUSD) for use of Trabuco Mesa Park by Trabuco Mesa Elementary School for the 2021-2022 School Year with the following key contract provisions:

1. Limited Use Agreement is based on SVUSD Board Approved School Calendar for 2020-21 School Year. With the status of the new school year unknown dates may be adjusted if school year calendar requires modification.
2. Use area to be approximately 19,720 sq. ft. as approved by the school Principal.
3. Approved activities revised to those provided by the school principal as identified on the Area of Use, Exhibit C.
4. Language addressing Indemnification, Release, Waiver, and Covenant Not to Sue related to claims arising from the use of the Park and all other claims.
5. Language naming SAMLARC additionally insured on SVUSD's insurance policy or that SVUSD secure a separate insurance policy to protect SAMLARC against the cost of potential litigation by SVUSD.
6. Use Fee: \$500

**E. Consideration of Approval of Limited Use License Agreement between Rancho Santa Margarita Landscape and Recreation Corporation and Capistrano Unified School District for the Use of Arroyo Vista Park by Arroyo Vista School K-8 for the 2021 – 2022 School Year**

Resolution: To approve a Limited Use License Agreement (LULA) between Rancho Santa Margarita Landscape and Recreation Corporation (SAMLARC) and Capistrano Unified School District (CUSD) for the use of Arroyo Vista Park by Arroyo Vista Elementary School K-8 for the 2021-2022 school year with the following key contract provisions:

1. Use area to remain unchanged as reflected in Exhibit A.
2. Approved activities to remain consistent with approved activities for the 2021 - 2022 school year.
3. Language addressing Indemnification, Release, Waiver, and Covenant Not to Sue related to claims arising from the use of the Park and all other claims.
4. Language naming SAMLARC additionally insured on CUSD's insurance policy or that CUSD secure a separate insurance policy to protect SAMLARC against the cost of potential litigation by CUSD.
5. Use fee: \$8,900

**F. Consideration of Approval of Limited Use License Agreement between Rancho Santa Margarita Landscape and Recreation Corporation and Capistrano Unified School District for the Use of Tijeras Creek Park by Tijeras Creek School for the 2021 – 2022 School Year**

Resolution: To approve a Limited Use License Agreement (LULA) between Rancho Santa Margarita Landscape and Recreation Corporation (SAMLARC) and Capistrano Unified School District (CUSD) for the use of Tijeras Creek Park by Tijeras Creek Elementary School for the 2021-2022 school year with the following key contract provisions:

1. Continue to grant SAMLARC a non-exclusive license to use the school dumpster for the purpose of providing Sports League access for disposal of trash generated at Park.
2. Use area to remain unchanged as reflected in Exhibit "B".
3. Approved activities to remain consistent with approved activities for the 2021 - 2022 school year.
4. Language addressing Indemnification, Release, Waiver, and Covenant Not to Sue related to claims arising from the use of the Park and all other claims.
5. Language naming SAMLARC additionally insured on CUSD's insurance policy or that CUSD secure a separate insurance policy to protect SAMLARC against the cost of potential litigation by Capistrano Unified School District.
6. Use fee: \$8,900

**G. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee, to Approve a Contract with 24 HRC for the Bi-Annual Concrete Repair Project**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve a contract with 24 HRC for the bi-annual concrete repairs throughout SAMLARC parks and trails using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Contract for Goods and/or Services at a total



cost not to exceed \$23,285.12 and a project contingency of \$5,821 with funds to be expended from Operating Account GL#S17151, Concrete Repairs.

**H. Consideration of Recommendation from the Community Lifestyle Committee to Approve the 2021 Screen on the Green Movie Selections**

Resolution: As recommended by the Community Lifestyle Committee, to approve the Screen on the Green movie selections for the July and August events.

**I. Consideration of Recommendation from the Community Lifestyle Committee to Approve a Work Authorization with Jolly Jumps and Express Events to Provide Goods and/or Services at the Great Rancho Campout Event**

Resolution: To approve Work Authorization #063 with Jolly Jumps and Express Events for catering and entertainment at the Great Rancho Campout event on Friday, August 6, 2021 and Saturday August 7, 2021 using template (4) Work Authorization for Goods and/or Services at a total cost of \$13,135 with funds to be expended from Operating Account GL#S18564, Great Rancho Campout;

**J. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the 2020 Tax Returns for SAMLARC**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the tax returns for SAMLARC for the year ending December 31, 2020 and direct Management to file Form 100, Form 199 & Form 990 as indicated on the corresponding cover documents of the forms with the headings California Filing Instructions and Federal Filing Instructions.

**K. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the April 2021 Financial Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the financial statement and bank reconciliation dated April 30, 2021. The balance sheet dated April 30, 2021 reflects assets of \$15,000 in Restricted Property Insurance Deductible Fund, \$8,290,877 in Reserve funds, \$1,836,149 in Operating funds, and \$1,650 in Petty Cash for a total cash amount of \$10,143,676, along with a security deposit of \$7,442. The income statement for April 30, 2021 reflects year-to-date net income of \$238,114 compared to budgeted net income of (\$100,600). Year-to-date Reserve funding is \$426,495 compared to a budget of \$402,728. All figures are rounded.

**L. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the March 2021 Credit Card Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the charges and acknowledge review of the payable transmittal for SAMLARC US Bank credit cards for the statement closing date of March 25, 2021. The amount due is two thousand, six hundred nineteen dollars and nine cents (\$2,619.09).

**M. Consideration of Approval of Contract with Diamonds Sports Field Services, Inc. to Provide Year-Round Maintenance of Sports Field Infield Services, Year-Round Maintenance of Supplemental Common Area Services**

Resolution: To approve a Contract with Diamonds Sports Field Maintenance, Inc. to provide year round maintenance of sports field infields and supplemental common area services for the period of August 23, 2021 to August 22, 2022 using contract template (2A) Contract for Goods and/or Services, at a total cost not to exceed \$62,240,, with funds to be expended from Operating Accounts GL# S17155 Supplemental Common Area Services, Specific to Parks (\$14,552) and GL # S17141, Sports Field Maintenance (\$47,688).

**N. Consideration of Approval of Contracts with Orange County Pumping, Inc., Road Way Construction Services, and Rancho Santa Margarita Water District to Provide the Equipment to Fill and Siphon the Safety Water Barriers at the 4<sup>th</sup> of July Event**

Resolution: To approve a contract with Orange County Pumping, Inc. for water filling and disposal services for the July 4th Lakeshore crowd barriers using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Contract for Goods and/or Services at a total cost not to exceed \$3,000 with funds to be expended from Operating Account GL#S18127, Streetscapes Trails and Open Spaces, Minor repairs and Purchase;

and,

To approve rental services with Roadway Construction Service for water filled barriers and traffic control at a total cost not to exceed \$4,090 with funds to be expended from Operating Account GL#S18127, Streetscapes Trails and Open Spaces, Minor repairs and Purchases;

and,

To approve rental services with Santa Margarita Water District for water meter usage to fill the water truck at a total cost not to exceed \$1,550 with funds to be expended from Operating Account GL#S18127, Streetscapes Trails and Open Spaces, Minor repairs and Purchase.

**O. Consideration of Approval of Contract with Three Phase Electric for Monthly Electrical Services**

Resolution: To approve a contract with Three Phase Electric to provide monthly electrical services for the period of June 1, 2021 – May 31, 2022 using contract template (2A) Contract for Goods and/or Services and (2B) Master Contract for Good and/or Services.

**P. Consideration of Approval of Contract with S.B.S. Lien Services for Foreclosure-Related Services**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve a contract with S.B.S. Lien Services ("SBS") for foreclosure-related services, for the period of August 28, 2021 to August 27, 2022 using contract template (3A) Contract for

Professional Consultant Services and contract template (3B) Master Agreement for Professional Consultant Services.

**Q. Consideration of Approval of Work Authorizations with CARE Ambulance for the July 4th Star Spangled Spectacular and the Great Rancho Campout**

Resolution: To approve Work Authorization #001 with CARE Ambulance for dedicated ambulance services at the July 4th Star Spangled Spectacular using template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$3,200 with funds to be expended from Operating Account GL#S18553, 4th of July;

and,

To approve Work Authorization #002 with CARE Ambulance for dedicated ambulance services at the Great Rancho Campout event on Friday, August 6, 2021 and Saturday August 7, 2021 using template (4) Work Authorization for Goods and/or Services at a total cost of \$1,200 with funds to be expended from Operating Account GL#S18564, Great Rancho Campout.

**R. Ratification of a Work Authorization#005 with Pacific Rim Architectural to Replace Two Skylight Panels at Trabuco Mesa Park**

Resolution: To ratify Work Authorization #005 with Pacific Rim Architectural to replace two skylight panels at Trabuco Mesa Park using contract template (4) Work Authorization for Goods and/or Services at a total cost of \$1,986 with funds expended from Operating Account GL#S17127, Minor Repairs and Purchases.

**S. Ratification of a Work Authorization #13 with 24 HRC to Remove and Replace One Concrete Panel Near Tijeras Golf Course**

Resolution: To ratify Work Authorization #13 with 24 HRC to perform concrete demolition of one concrete panel near Tijeras Golf Course sidewalk using contract template (4) Work Authorization for Goods and/or Services at a total cost of \$2,431 with funds expended from Operating Account GL#S17151, Concrete Repairs.

**T. Consideration to Approve a Ratification of a Work Authorization with Dave Bang Associates, Inc. for Replacement Parts to Repair the Slither Slide at Central Park Playground Equipment**

Resolution: To ratify Work Authorization #019 with Dave Bang Associates Inc., for replacement parts to repair Slither Slide at Central Park using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$1,584.28 expended from Operating Account GL# S17136, Vandalism.

**U. Consideration of Approval of Request to Proceed with Liens**

Resolution: To authorize and instruct Management to record a lien on thirty (30) delinquent accounts should their assessments not be paid within the time period established in the Intent to Lien Letter. The accounts became past due in May 2021 or earlier, and in accordance with the Corporation's Assessment Collection Policy, a letter was sent to the homeowner notifying them that they have 30 days to pay the balance owed or a lien will be placed on their property. Therefore, the Board directs

Management to lien the accounts listed on the 'Instructions to Management' resolution dated May 25, 2021, should the delinquent assessments not be paid within the time period established in the Intent to Lien Letter:

<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>
0136-04	<b>\$229.48</b>	3943-07	<b>\$1108.40</b>	7447-02	<b>\$290.48</b>
0163-11	<b>\$162.00</b>	3977-08	<b>\$162.00</b>	7966-02	<b>\$615.48</b>
1152-05	<b>\$543.08</b>	3995-06	<b>\$565.48</b>	8152-06	<b>\$172.00</b>
2117-07	<b>\$1,381.48</b>	4017-05	<b>\$132.72</b>	9142-04	<b>\$203.88</b>
2228-04	<b>\$162.00</b>	4307-07	<b>\$554.44</b>	9483-01	<b>\$540.48</b>
2256-07	<b>\$565.48</b>	4321-07	<b>\$213.00</b>	9751-05	<b>\$162.00</b>
2731-01	<b>\$565.48</b>	4545-05	<b>\$421.88</b>	9874-03	<b>\$162.00</b>
2836-04	<b>\$135.20</b>	6179-04	<b>\$456.48</b>	A594-01	<b>\$172.00</b>
2919-02	<b>\$227.36</b>	6260-05	<b>\$205.84</b>	B189-06	<b>\$162.00</b>
2938-01	<b>\$726.34</b>	7250-03	<b>\$540.48</b>	B549-01	<b>\$222.00</b>

## **VII. Board Committee Reports**

This time is set-aside for each Director to provide a brief report regarding committee meetings they have attended during the month.

### Committee Reports:

Budget and Cash Flow Committee – Chair Jeff Halbreich reported the Committee met on May 19, 2021. Morgan Stanley has advised that Treasury Bills and CD's are currently paying almost nothing in interest for very short-term instruments. Investors are advised to consider longer term maturities for better interest rates. The Committee will be balancing short-term cash requirements and placement of longer-term CD's to achieve optimal rates in this environment.

Communications Committee – Chair Jeff Halbreich reported the Committee last met on April 14, 2021 to discuss the SAMLARC Community video as well as to receive updates on SAMLARC's digital engagement and E-Statement enrollment. The Committee will next meet on July 14, 2021 to discuss quarterly engagement, video production updates, and initiatives for the 2022 calendar year.

Community Lifestyle Committee – Chair Bob Louvar reported the Committee met on Tuesday, May 4, 2021 via Zoom to discuss the July 4<sup>th</sup> Star Spangled Spectacular, in addition, the Committee made a recommendation for the Board of Directors to approve the two Screen on the Green movie selections as well as the Great Rancho Campout activities.

Lago Santa Margarita Committee – Chair Charles Villafana reported the Committee met virtually on Monday, May 10, 2021 to review the April water test results, larger fish stocking for the June fishing contest, and maintenance updates from Eco Lake Solutions and Lake Management, Inc. The water clarity is holding at four (4) feet with water temperatures ranging in the upper 60's to low 70's. TDS levels are averaging in the upper 1600's and PH levels are within 7.1 to 7.5. On Monday May 17, 2021, Management and Lake Management, Inc. toured Santee Lake in San Diego to observe and inspect the operations of a lake using reclaimed water. Water samples were taken and will be shared at the next Committee

meeting which is scheduled for Friday June 18, 2021. On Thursday May 20<sup>th</sup>, Alpine Fishery delivered 300 lbs. of Bass (10" – 12" long) and 1,500 individual Bluegill (3" – 5" long)

Landscape and Facilities Enhancement Committee – Chair Paul Persiani reported the Committee last met via teleconference on May 10, 2021 to review the April landscape update, tree population renewal program, updated status on Reserve and Capital Project and recommendations to the Board of Directors on items on this evening's agenda for consideration. The next LFEC meeting is scheduled for June 14, 2021.

Recycled Water Ad Hoc Committee – Chair Paul Persiani reported Committee met on May 20, 2021. Dan Ferons, General Manager for SMWD spoke regarding the SMWD Board's position related to RSM Recycled Water Initiative based upon the action taken at the last two SMWD Board meetings. SMWD Board President Chuck Gibson attended the meeting. Consideration and prioritization of necessary components related to SAMLARC's role in the RSM Recycled Water Initiative were discussed and the Committee is scheduled to meet in late June.

Committee Liaison Reports:

Architectural Review Committee – Director Deborah Christensen reported the Committee met on May 10, 2021 and May 24, 2021. Twenty-three submittals were reviewed. All twenty-three were approved. The next SAMLARC Architectural Committee Meeting will be held on June 14, 2021 at 12:00 p.m. via Zoom.

Chamber of Commerce – Director Bob Louvar reported the Chamber Board met virtually on Tuesday, May 18, 2021 provided a membership update, discussed programs and networking events, and communications. the Chamber is working towards conducting Rancho Family Fest in October. Details regarding the event will be discussed in the next few weeks. SAMLARC has been a financial sponsor in the past as well as in-kind services (staff-time). Funds were not allocated in this year's budget.

Covenant Committee – Director Bob Sherfy the Committee met via Zoom on Tuesday, May 4, 2021 and reviewed twelve violations. One homeowner attended the hearing to request an extension. Six were assessed fines and six were granted extensions. The next Covenant Committee meeting is scheduled for Tuesday, June 1, 2021 at 4:00 pm via Zoom.

Sports Council – Director Jeff Halbreich reported RTGSA held its Rancho Round up this past weekend at Trabuco Mesa, Cañada Vista and Vista Verde Parks and the event was successful. The next scheduled Sports Council Meeting will be held on June 9, 2021 at 7:30 am at the Beach Club Fiesta Room.

Community Associations of Rancho – Director Bob Louvar reported CAR met on Tuesday, May 4, 2021. The primary topic was SB9, including the status of HOA signatures. SB9 will be a topic of discussion at the Appropriations Committee Meeting scheduled for Monday, May 10, 2021. The next steps include continued outreach to lobbyists, media outlets, obtaining the City of RSM as a signatory on the white paper report and contacting other homeowners' associations. The City continues with outreach and has conducted five (5) Focus Groups. A summary of talking points and high-level information is being compiled and will be presented at the June 5, 2021 Planning Commission Meeting.

City of Rancho Santa Margarita – President Paul Persiani reported the SAMLARC Board President and Mayor have not met since the last meeting. The next meeting is scheduled for Wednesday, May 26, 2021. An agenda will be determined prior to the meeting.

**Currently No Report or Dark - Committees and Liaison Reports:**

Insurance Review Committee – Chair Charles Villafana

Election Committee – Bob Louvar

COVID-19 Executive Committee – Judy Vasquez

**VIII. Director’s Report**

This time is set-aside for each Director to provide a brief report regarding other items of note.

Director Jeff Halbreich – no report.

Director Deborah Christensen – Reported she enjoyed the Splash Pad groundbreaking ceremony and is looking forward to the July 4<sup>th</sup> event at the Beach Club.

Director Robert Louvar – Stated the Splash Pad will be a great addition to the community and looks forward to holding the Board’s first in person Board meeting in June.

Director Paul Persiani – No report

Director Robert Sherfy – No report.

Director Judy Vasquez – No report.

Director Charles Villafana – Announced he was happy about the July 4<sup>th</sup> event, the fishing contest, and meeting in person for the June Board of Directors meeting.

**IX. Community Executive Officer Report**

CEO George Blair invited the Board members to the Delegate Workshop on Wednesday, May 26, 2021. The topic will be SB9 that will be presented by Corporate Counsel, Daniel A. Nordberg, Esq., Nordberg Law Group and Robert DeNichilo with Richardson|Ober|DeNichilo, LLP.

**X. Events and Programs**

Beach Club Opening Day Celebration  
Saturday, May 29, 2021  
11:00 a.m. – 1:00 p.m.  
Lago Santa Margarita Beach Club

Fishing Contest  
Saturday, June 5, 2021 – Saturday, June 13, 2021  
Lago Santa Margarita

**XI. Next Meeting**

Consistent with Board direction, the next meeting will be held on Tuesday, June 22, 2021, at 6:00 p.m.

**XII. Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned to Executive Session at 6:50 p.m.

I certify that these minutes were duly approved by the Board of Directors on June 22, 2021.

*Paul Persiani*

\_\_\_\_\_  
Paul Persiani, President

Date: June 22, 2021

*Robert Sherfy*

\_\_\_\_\_  
Bob Sherfy, Secretary

Date: June 22, 2021

Prepared by: Tita S. Gervasi, Executive Assistant







Board of Directors Meeting  
**Open Session**  
April 27, 2021  
**Minutes**

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**Members Present**

President Paul Persiani  
Vice President Judy Vasquez  
Secretary Robert "Bob" Sherfy  
CFO Jeff Halbreich  
Director Deborah Christensen  
Director Robert "Bob" Louvar  
Director Charles Villafana

**Members Absent**

**First Service Residential**

SAMLARC Community Executive Officer George Blair  
SAMLARC Assistant General Manager Jonathon Hill  
SAMLARC Facilities Project & Operations Director Jerry Corpuz  
SAMLARC Executive Assistant Tita S. Gervasi  
SAMLARC Community Lifestyle & Beach Club Director Marley Sansom  
SAMLARC Finance Manager Brian Bednersh  
SAMLARC Park & Sports Field Manager Pat White  
SAMLARC Media & Communications Specialist Alexandra Kuhlmann  
SAMLARC Community Lifestyle Coordinator Jordan Bates

**Others Present**

Corporate Counsel, Daniel A. Nordberg, Esq., Nordberg Law Group, Of Counsel to Richardson|Ober|DeNichilo, LLP.

**Executive Session**

The following items were reviewed in the Executive Session Meeting preceding the Open Session Meeting in accordance with California Civil Code 4090 that include Employment Issues, Contract Negotiations, Consultations with Corporate Counsel Review of Information Provided by Counsel, Constitutionally or Legally Protected Topics i.e. Attorney-Client Privileged Information:

- Amendments to Contract Templates
- July 4<sup>th</sup> Star Spangled Spectacular
- Extension of Foreclosure Sales
- Settlement Offer Account SAMLA 6234-04
- Foreclosure Proceedings
- Bad Debt Write-Off

**I. Call to Order**

President Paul Persiani called the Open Session of the Board of Directors Meeting for the Rancho Santa Margarita Landscape and Recreation Corporation to order at 6:15 p.m.

**II. Approval of the Agenda**

Resolution: To approve the April 27, 2021 Open Session Agenda as amended to pull Item F – Revised Landscape and Facilities Enhancement Charter from the Consent Calendar up to Items for Discussion and/or Approval as Letter E.

Motion: Bob Sherfy  
Second: Judy Vasquez  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana  
Nays: None

**III. Homeowners Forum**

There were no homeowners who came before the Board.

**IV. Approval of the Minutes**

Resolution: To approve the March 23, 2021 Board of Directors Open Session Minutes.

Motion: Deborah Christensen  
Second: Bob Sherfy  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana  
Nays: None

**V. Items for Discussion and/or Approval**

**A. Consideration Approval of July 4<sup>th</sup> Activities and Contracts with Associated Vendors**

Resolution: To approve hosting the July 4th event to include Bike & Trike Parade, Beach Club Lagoon festivities, fireworks display and VIP reception;

and,

To approve contracts for July 4th activities with the following vendors, with funds to be expended from GL#S18553, 4th of July in an amount not to exceed the approved budgeted amount of \$72,000 within the Community Lifestyle Budget:

To approve a contract with Pyro Spectaculars Inc., to provide the July 4th fireworks display, using the Production Agreement provided by Pyro Spectaculars Inc. at a total cost not to exceed \$24,056 (\$32,000 cost, less the credit payment of \$7,944 from the 2020 deposit).

To approve a contract with The ShowPros Group, Inc., to provide the July 4th fireworks display audio sound, using contract template (2A) Contract for Goods and/or Services

and contract template (2B) Master Agreement for Goods and/or Services at a total cost not to exceed \$8,724.80; and to waive the Personal Injury and Advertising Injury Insurance requirements, consistent with past contracts.

To approve a contract with Chic Party Rentals, to provide rental equipment for the July 4th event, using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a total cost not to exceed \$2,173.

To approve a contract with Extreme DJ, to provide entertainment services for the July 4th event at the Lago Santa Margarita Beach Club, using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a total cost not to exceed \$1,695.

To approve Work Authorization #059 with Jolly Jumps & Express Events for balloon décor at the Lago Santa Margarita Beach Club for the July 4th Star Spangled Spectacular using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$960.

Motion: Charles Villafana

Second: Bob Sherfy

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Charles Villafana

Nays: Bob Louvar

Administrative Direction: To direct Management to ensure SAMLARC members and guests are participating at their own risk and guests are expected to adhere to COVID-19 guidelines.

**B. Consideration of Recommendation by the Community Lifestyle Committee to Approve a SAMLARC Ambassador Volunteer Program**

Resolution: To approve the Community Lifestyle Committee's recommendation of a "SAMLARC Ambassador" Volunteer Program for Community Lifestyle Events & Programs.

Motion: Charles Villafana

Second: Bob Sherfy

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**C. Consideration of Approval of Community Association Institute (CAI) Membership for Members of the SAMLARC Board of Directors**

Resolution: To approve renewing membership to the Community Association Institute (CAI) for Directors Persiani, Vasquez, Christensen, Villafana and Halbreich.

Motion: Paul Persiani  
Second: Bob Louvar  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana  
Nays: None

**D. Consideration of Opposition of SB9 and Approval of Signatory on Related White Paper Report**

Resolution: To oppose SB9 as it takes away local and homeowners association local control of housing, and to approve SAMLARC as a signatory on the white paper report.

Motion: Jeff Halbreich  
Second: Deborah Christensen  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana  
Nays: None

**E. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve Revised Landscape and Facilities Enhancement Charter**

Resolution: To approve the revised Landscape and Facilities Enhancement Committee Charter as amended with language to outline and memorialize the Construction Project Liaison, setting a limit of not to exceed the project contingency or up to \$5,000 for projects that do not have contingencies.

Motion: Paul Persiani  
Second: Jeff Halbreich  
Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana  
Nays: None

**VI. Consent Calendar -** (All matters on the Consent Calendar are to be approved in one motion unless a Board member requests a separate action on a specific item on the Consent Calendar).

Motion: Jeff Halbreich  
Second: Bob Sherfy

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**A. Consideration of Contracts to Expire on August 31, 2021**

Resolution: To approve entering into a contract with the following vendors for the period as specified by each of the associated contracts, with the contracts coming before the Board of Directors for final approval prior to the current contract expiration date. These contracts include:

- GMU Geotechnical, Inc. – Geotechnical survey projects. New contract term, no price increase, no change in terms of contract.
- SBS Lien Services – Professional consultant. Second renewal of contract, no price increase, no change in terms of contract.
- Diamonds Sports Field Maintenance – Provide SAMLARC Park Sports Field Maintenance. New contract term, no price increase, no change in terms of contract.
- SoCal Property Services – Parking Lot Sweeping/Cleaning. Second renewal of contract, no price increase, no change in terms of contract.
- Eco Lake Solutions – Maintenance and repair of floating plant islands and aeration system at Lago Santa Margarita. Second renewal of contract, no price increase, no change in terms of contract.
- Lake Management – Lago Santa Margarita Lake maintenance services. New contract term, no price increase, no change in terms of contract.

**B. Consideration of Recommendation from Corporate Counsel to Approve Amendments to Contract Templates**

Resolution: To approve Amendments to Contract Templates as recommended by Corporate Counsel.

**C. Consideration to Approval of Dissolution of the 2021 Election Committee and Appoint the 2022 Election Committee**

Resolution: To dissolve the 2021 Election Committee and Inspectors of Election;

and,

To appoint the 2022 Election Committee for SAMLARC's Annual Meeting and Election as follows:

Chair : Robert Louvar – Board Member not running  
Member: William Cather - Member of SAMLARC & Alicante Board President  
Member: Greg Wieckert - Member of SAMLARC & Cantobrio III Board President

**D. Consideration of Approval of a Policy for Authority to Settle Claims in Court By and Against SAMLARC**

Resolution: To approve a policy for authority to settle claims in Court by and against SAMLARC.

**E. Consideration of Approval of Appointment to the Community Lifestyle Committee**

Resolution: To approve the appointment of Cristine Savino as an alternate Member of the Community Lifestyle Committee, for a term through March 31, 2022.

**F. Consideration of Recommendation by the Budget and Cash Flow Committee to Amend the Budget and Cash Flow Committee Charter Related to Investments**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve an amendment to Budget and Cash Flow Committee Charter to allow for investment of funds and re-investment of maturing funds that occurs between Budget and Cash Flow Committee meetings.

**G. Consideration of Recommendation by the Community Lifestyle Committee to Approve the 2021 Great Rancho Campout**

Resolution: To approve a recommendation from the Community Lifestyle Committee to host the Great Rancho Campout event on Friday, August 6, 2021 and Saturday, August 7, 2021 at Trabuco Mesa Park.

**H. Consideration of Approval of Contract Renewal with Security Communication Network, Inc. for SAMLARC Business Office Alarm Monitoring Services**

Resolution: To approve a contract renewal with Security Communication Network, Inc. to provide SAMLARC Business Office alarm monitoring services for the period of May 1, 2021 – April 30, 2022 using contract template (5) First Renewal of Contract for Goods and/or Services.

**I. Consideration of Approval of a Contract with Orange County Pumping, Inc. for the Removal of Floating and Settled Debris in Lagoon Backwash Tank at the Beach Club**

Resolution: To approve a contract with Orange County Pumping, Inc. for the removal of floating and settled debris in Lagoon backwash tank at the Beach Club using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a total cost not to exceed \$6,500 with funds to be expended from Reserve Account GL#S23120, Swim Lagoon Reserve.

**J. Consideration of Approval of Contract Addendum to the Mosaic Consulting Contract for the Development of a Multi-Year Landscape Revitalization Plan**

Resolution: To approve a contract addendum to the Mosaic Consulting Contract for the purpose of developing a Multi-Year Landscape Revitalization Plan as approved by the Board of Directors at the February 23, 2021 Board of Directors Meeting, at a cost of \$40,000 to be expended from GL#S23145, Landscape Revitalization Reserve.

**K. Consideration of Approval of Contract with Extreme DJ to Provide Entertainment Services at the Beach Club Opening Day Celebration**

Resolution: To approve a contract with Extreme DJ, to provide entertainment services for the Beach Club Opening Day Celebration, using contract template (2A) Contract for

Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a total cost not to exceed \$395, with funds to be expended from GL#S18530, Specialty Programming.

**L. Consideration of Approval of Work Authorization with Jolly Jumps and Express to Provide Goods and/or Services at the Beach Club Opening Day Celebration**

Resolution: To approve Work Authorization #060 with Jolly Jumps & Express Events for balloon décor and a roaming balloon artist for the Beach Club Opening Day Celebration on Saturday, May 29, 2021 using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$960, with funds to be expended from GL#S18530, Specialty Programming.

**M. Consideration to Approve a Ratification of Change Order for Work Authorization #001 with Lake Management, Inc. for the Replacement & Repair of Return Pipes Underneath the Perimeter of the Lagoon Sand at the Beach Club**

Resolution: To ratify a change order for Work Authorization #001 with Lake Management, Inc. for the replacement & repair of return pipes underneath the perimeter of the Lagoon sand at the Beach Club using contract template (4) Work Authorization for Goods and/or Services at an additional cost of \$6,149.85 to Work Authorization #001 for \$32,300. The total cost of the project is \$38,449.85, with funds expended from Operating GL#S16105, Beach Club/Lagoon, Lagoon Operations.

**N. Consideration to Approve a Ratification of a Purchase with Tropitone Furniture for Three (3) Replacement Patio Umbrellas and One Hundred (100) Replacement Chair Glides at the Beach Club**

Resolution: To ratify a purchase with Tropitone Furniture for three (3) replacement patio umbrellas and one hundred (100) chair glides at a total cost of \$2,319.92 with funds expended from Reserve Account GL# S23115 Beach Club Reserve.

**O. Consideration to Approve a Ratification of a Work Authorization with Dave Bang Associates, Inc. for Replacement Parts to Repair Altisima and Solana Park Playground Equipment**

Resolution: To ratify Work Authorization #018 with Dave Bang Associates Inc., for replacement parts for Altisima Park Playground Slide and Solana Park Playground Step using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$1,758.05 expended from Operating Account GL# S17127, Minor Repairs and Purchases.

**P. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the March 2021 Financial Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the financial statement and bank reconciliation dated March 31, 2021. The balance sheet dated March 31, 2021 reflects assets of \$15,000 in Restricted Property Insurance Deductible Fund, \$8,197,457 in Reserve funds, \$2,104,932 in Operating funds, and \$1,650 in Petty Cash for a total cash amount of \$10,319,039, along with a security deposit of \$7,442. The income statement for March 31, 2021 reflects year-to-date net

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April 27, 2021

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income of \$515,447 compared to budgeted net income of \$268,040. Year-to-date Reserve funding is \$318,614 compared to a budget of \$302,046. All figures are rounded.

**Q. Consideration of Recommendation to the Board of Directors to Approve the February 2021 Credit Card Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the charges and acknowledge review of the payable transmittal for SAMLARC US Bank credit cards for the statement closing date of February 25, 2021. The amount due is two thousand, eight hundred eighty-one dollars and seventy-one cents (\$2,881.71).

**R. Consideration of Approval of Request to Proceed with Liens**

Resolution: To authorize and instruct Management to record a lien on forty (40) delinquent accounts should their assessments not be paid within the time period established in the Intent to Lien Letter. The accounts became past due in April 2021 or earlier, and in accordance with the Corporation's Assessment Collection Policy, a letter was sent to the homeowner notifying them that they have 30 days to pay the balance owed or a lien will be placed on their property. Therefore, the Board directs Management to lien the accounts listed on the 'Instructions to Management' resolution dated April 27, 2021, should the delinquent assessments not be paid within the time period established in the Intent to Lien Letter:

<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>
0007-04	<b>\$2,435.50</b>	4133-03	<b>\$1,080.18</b>	7831-02	<b>\$507.78</b>
1125-03	<b>\$193.64</b>	4184-03	<b>\$172.00</b>	8110-01	<b>\$1,146.28</b>
1240-03	<b>\$222.00</b>	4379-02	<b>\$179.00</b>	8217-04	<b>\$172.00</b>
1313-03	<b>\$1,769.08</b>	4479-01	<b>\$162.00</b>	8265-02	<b>\$204.24</b>
1585-05	<b>\$131.72</b>	4532-05	<b>\$1,925.88</b>	8363-04	<b>\$695.28</b>
1955-04	<b>\$162.00</b>	5217-03	<b>\$356.00</b>	8575-03	<b>\$162.00</b>
2352-04	<b>\$162.00</b>	5494-01	<b>\$134.48</b>	8614-11	<b>\$162.00</b>
2646-07	<b>\$1,386.28</b>	6179-04	<b>\$506.48</b>	8768-02	<b>\$2,121.68</b>
3136-04	<b>\$161.76</b>	6589-03	<b>\$172.00</b>	9038-01	<b>\$1,834.68</b>
3226-07	<b>\$138.20</b>	7010-01	<b>\$162.00</b>	9091-03	<b>\$162.00</b>
3359-01	<b>\$162.00</b>	7226-02	<b>\$272.00</b>	9572-04	<b>\$298.84</b>
3604-04	<b>\$162.00</b>	7302-01	<b>\$304.88</b>	A059-03	<b>\$162.00</b>
3867-04	<b>\$172.00</b>	7447-02	<b>\$264.68</b>	A662-04	<b>\$869.88</b>
				B497-01	<b>\$536.88</b>

**VII. Board Committee Reports**

This time is set-aside for each Director to provide a brief report regarding committee meetings they have attended during the month.



### Committee Reports:

Budget and Cash Flow Committee – Chair Jeff Halbreich reported the Committee met on April 21, 2021. Morgan Stanley noted that interest rates may rise if an economic recovery takes hold. They note a slight uptick in CD rates versus Treasury rates. The Committee will continue to invest in the highest yielding and safest instruments possible, mainly between these two classes of securities. Management has apprised the BCFC that assessment collections have been excellent through March, and that ancillary revenue streams, such as sports field and clubhouse use and contract classes were rising going into quarter end, due to the relaxed restrictions for gatherings in California. When more is known about full re-opening come June 15, 2021, forecasts will be refined and used as a base to budget for these revenue sources in 2022. The BCFC Charter allows for the investment designee to be anyone on the Committee. Director Bob Louvar will be the signatory for Morgan Stanley.

Communications Committee – Chair Jeff Halbreich reported the Committee last met on April 14, 2021. The Meeting included introduction of the Committee Members as well as selection of Director Halbreich as Chair. The Committee also provided feedback regarding the SAMLARC video. The Committee want the video to have longevity and will postpone filming until the mask mandate is lifted. Communications LAB team members to discuss potential audiences, shots, and priorities for the community video. In addition, the Committee received updates on digital analytics and an update on the E-Statement enrollment campaign, both of which are successfully engaging Members.

Community Lifestyle Committee – Chair Bob Louvar reported the Committee met on Tuesday, April 6, 2021 via Zoom to discuss upcoming events through September 1, 2021, in light of COVID-19, as well as past programs that have been offered. In addition, the Committee made a recommendation for the Board of Directors to approve the "SAMLARC Ambassador" volunteer program that was discussed this evening. The Drive Through Safari was held on April 17, 2021 and was a huge success. Approximately 300 cars went through the event. There was great feedback and the photos are on the website.

COVID-19 Executive Committee – Judy Vasquez reported the Committee has not met since the last Board Meeting and has no scheduled meetings at this time.

Lago Santa Margarita Committee – Chair Charles Villafana reported the Committee did not meet in the month of April. The water clarity is holding at four (4) feet with water temperatures ranging in the mid 60's. TDS levels are averaging in the upper 1600's and PH levels are within 7.1 to 7.5. Director Villafana explained that the lower the TDS levels, the closer the Lake is to pure water. He added that the ideal level would be 1200. The higher they are, the more acidity is present and is not good for the aquatic life. A recent spawning has occurred with an estimate of about 1,000 new fish. Lake looking good. The geese population is down by 80% and the Lake, sidewalks, and Beach Club are looking much cleaner.

The next committee meeting date is scheduled to be on Tuesday May 4, 2021 pending the availability of all committee members. The following items are scheduled to be placed on the agenda: Discussion regarding current water Test Results, fish stocking for upcoming fishing contest and maintenance updates from Eco Lake Solutions and Lake Management, Inc.

Landscape and Facilities Enhancement Committee – Chair Paul Persiani reported the Committee last met via teleconference on April 12, 2021 to review and provide recommendations to the Board of Directors regarding the LFEC Charter revisions, Monthly

Landscape updates from Devin Sanders, Landscape Best Management Practices, request for reimbursement from a homeowner for tree trimming/removal, which was denied; and the 2021 Reserve and Capital Projects Schedule and status. The next LFEC meeting is scheduled for May 10<sup>th</sup>.

Recycled Water Ad Hoc Committee – Chair Paul Persiani reported the Recycled Water Ad Hoc Committee met on April 16, 2021. The items discussed were as follows:

- Use of recycled water on the Lakeshore Park area, as well as the landscape around the Lagoon and parks
- The ability to have both a recycled water and potable water connection for the Lake
- Factors that can have either a positive or negative impact related to the cost of the project
- The District's request for a letter of support
- The SMWD Staff Report recommending SMWD Board approval of the project that is was on the agenda for their April 23<sup>rd</sup> Board Meeting.

Two of the SMWD Directors were not in attendance to vote on the project, so the matter was deferred to the May 7, 2021 SMWD Board Meeting. The next meeting of the Recycled Water Ad Hoc Committee will be scheduled for late May.

Sports Council – Director Jeff Halbreich reported the Committee has not met since the last Board meeting. The City of RSM approved the building plans for the Trabuco Mesa Shade Structure with some structural and footing changes. Custom Canopies has ordered the steel based on the approved drawings. Once fabricated, Custom Canopies will schedule the installation of the shade structure. The next scheduled Sports Council Meeting will be held on June 9, 2021.

Committee Liaison Reports:

Architectural Review Committee – Director Deborah Christensen reported the Committee met on April 12, 2021 and April 26, 2021. Twenty-Nine submittals were reviewed. Twenty-three were approved and six were denied. The next SAMLARC Architectural Committee Meeting will be held on May 10, 2021 at 12:00 p.m. via Zoom.

Chamber of Commerce – Director Bob Louvar reported the Chamber conducted two Reconnecting meetings over ZOOM: A Virtual Networking Events Series on April 7, 2021 and April 21, 2021. Members of the SAMLARC team were the featured speakers at the April 7, 2021 event and spoke regarding the role of SAMLARC in the community, SAMLARC's COVID re-opening plan and sponsorship opportunities. The Chamber intends to host an in-person mixer as soon as State restrictions are lifted. Hannah's is researching the possibility of opening for indoor dining.

Covenant Committee – Director Bob Sherfy reported the Committee met on Tuesday, April 6, 2021 and reviewed Sixteen (16) violations. Ten homes were assessed fines, one had their fines rescinded and two homes were granted extensions. The next Covenant Committee meeting is scheduled for Tuesday, May 4, 2021 at 4:00 p.m. via Zoom.

Community Associations of Rancho – Director Bob Louvar reported CAR met on April 6, 2021 and continued discussions regarding the White Paper Report concerning SB9. It was conveyed that Trabuco Highlands Community Association approved serving as a signatory on the Report and Dove Canyon Community Association was considering the same at an

upcoming Board Meeting. Both CAR liaisons Bob Louvar and Deborah Christensen participated in a Focus Group session conducted by the City of Rancho Santa Margarita on April 17, 2021 related to the City's Housing Element Update. The Committee is scheduled to meet the first Tuesday in May to discuss the process.

City of Rancho Santa Margarita – Paul Persiani, President reported the next meeting of the SAMLARC Board President and Mayor has been scheduled for Wednesday, May 26, 2021. An agenda will be determined prior to the meeting.

**Currently Dark - Committees and Liaison Reports:**

Insurance Review Committee – Chair Charles Villafana

2022 Election Committee – Chair Bob Louvar

**VIII. Director's Report**

This time is set-aside for each Director to provide a brief report regarding other items of note.

Director Jeff Halbreich - Congratulated and welcomed CEO George Blair, Jonathon Hill, Marley Sansom and Jerry Corpuz on their promotions and stated they are very happy to have them to assist the Board.

Director Deborah Christensen - Congratulated and the team and stated she appreciated their hard work.

Director Robert Louvar - Congratulated the staff on a successful meeting.

Director Paul Persiani - Congratulated and welcomed CEO George Clair, Jonathon Hill, Marley Sansom and Jerry Corpuz. He added that he knows they will excel and has confidence the Account is in good hands.

Director Robert Sherfy - Congratulated and thanked the staff and added they were great people.

Director Judy Vasquez – Absent (Director Vasquez was excused from the meeting.)

Director Charles Villafana - Congratulated the staff on their promotions. He added he would like to keep the Committee meetings on ZOOM but would love to see an in-person meeting in the near future even if it is held out of doors at the Beach Club.

**IX. Community Executive Officer Report**

CEO George Blair congratulated Candice on her new position at FirstService Residential and for her support. He added that the team is excited about the restructure and they are happy to offer their support to the Board.

**X. Events and Programs**

Virtual Wine Tasting & Charcuterie Competition

Date: Saturday, May 15, 2021

Time: 5:00 p.m. – 6:30 p.m.

Location: Zoom

Voice of SAMLARC Singing Competition  
Date: Thursday, May 20, 2021 – Thursday, June 17, 2021  
Location: Online Video Submission

Beach Club Opening Day Celebration  
Date: Saturday, May 29, 2021  
Time: 11:00 a.m. – 1:00 p.m.  
Location: Lago Santa Margarita Beach Club

**XI. Next Meeting**

Consistent with Board direction, the next meeting will be held on Tuesday, May 25, 2021, at 6:00 p.m. as a virtual meeting.

**XII. Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned at 7:22 p.m.

I certify that these minutes were duly approved by the Board of Directors on May 25, 2021.

*Paul Persiani*

\_\_\_\_\_  
Paul Persiani, President

Date: May 25, 2021

*Robert Sherty*

\_\_\_\_\_  
Bob Sherfy, Secretary

Date: May 25, 2021

Prepared by: Tita S. Gervasi, Executive Assistant



Board of Directors Meeting

**Open Session**

March 23, 2021

**Minutes**

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**Members Present**

President Paul Persiani  
Vice President Judy Vasquez  
Secretary Bob Sherfy  
CFO Jeff Halbreich  
Director Deborah Christensen  
Director Robert "Bob" Louvar  
Director Charles Villafana

**Members Absent**

**First Service Residential**

FirstService Residential Executive Vice President Amy Mathieson  
SAMLARC Community Executive Officer Candice Fullenkamp  
SAMLARC Assistant General Manager George Blair  
SAMLARC Facilities Operations Manager Jerry Corpuz  
SAMLARC Executive Assistant Tita S. Gervasi  
SAMLARC Lifestyle & Communications Manager Marley Sansom  
SAMLARC Finance Manager Brian Bednersh  
SAMLARC Capital & Reserve Project Manager Jonathon Hill  
SAMLARC Media & Communications Specialist Alexandra Kuhlmann

**Others Present**

Corporate Counsel, Daniel A. Nordberg, Esq., Nordberg Law Group, Of Counsel to Richardson|Ober|DeNichilo, LLP.  
Bill Dougherty, Hays Insurance Companies

**Executive Session**

The following items were reviewed in the Executive Session Meeting preceding the Open Session Meeting in accordance with California Civil Code 4090 that include Employment Issues, Contract Negotiations, Consultations with Corporate Counsel Review of Information Provided by Counsel, Constitutionally or Legally Protected Topics i.e. Attorney-Client Privileged Information:

- Scenic Preservation Easements
- Background Verifications
- Pyro Spectaculars Contract
- Foreclosures – 2912-04; 931-956-82

**I. Call to Order**

President Judy Vasquez called the Open Session of the Board of Directors Meeting for the Rancho Santa Margarita Landscape and Recreation Corporation to order at 6:12 p.m.

**II. Introduction of New Board Member**

On behalf of the Board of Directors, CEO Candice Fullenkamp introduced newest Board Member Deborah Christensen. Ms. Christensen has been a SAMLARC member for more than

Open Session Minutes

March 23, 2021

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25 years. She most recently was a member of the Architectural Review Committee where she served as Chair. Her experience includes property management, bookkeeping, insurance education and agent, and working with governmental agencies as it relates to remodeling a B&B she once owned. She has a good understanding of HOA governance and SAMLARC's role in the community. Deborah sees the most pressing issue facing SAMLARC as the recovery from the impacts of COVID-19. Deborah's priorities include updating and maintaining the SAMLARC community to keep it relevant, as well as maintain and improve property values. This includes incorporating SAMLARC's original design and community feel.

### **III. Approval of the Agenda**

Resolution: To approve the March 23, 2021 Open Session Agenda.

Motion: Jeff Halbreich

Second: Bob Louvar

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

### **IV. Homeowners Forum**

There were no homeowners who came before the Board.

### **V. Election of Officers and Committee and Liaison Appointments**

#### **A. Consideration of Election of Officers**

To elect the President, Vice President, Secretary and Chief Financial Officer for the period of March 23, 2021 to the first Board Meeting following the 2022 Board of Directors Election, when at such time the Board will re-organize.

Resolution: To nominate Paul Persiani to serve as President until his successor shall be elected and qualified:

Motion Jeff Halbreich

Second: Bob Louvar

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

Resolution: To nominate Judy Vasquez to serve as Vice President until her successor shall be elected and qualified:

Motion: Paul Persiani

Second: Charles Villafana

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich,  
Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

Resolution: To nominate Bob Sherfy to serve as Secretary until his successor shall be elected and qualified:

Motion: Jeff Halbreich

Second: Charles Villafana

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich,  
Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

Resolution: To nominate Jeff Halbreich to serve as Chief Financial Officer until his successor shall be elected and qualified:

Motion: Paul Persiani

Second: Charles Villafana

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich,  
Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

## **B. Consideration of Committee and Liaison Appointments**

President Persiani appointed interested members of the Board of Directors to serve on the following SAMLARC committees and in the role of Liaison to the Board of Directors in specific capacities.

### Budget and Cash Flow Committee

Jeff Halbreich, Bob Louvar, Bob Sherfy

### Communications Committee

Jeff Halbreich, Judy Vasquez

### Election Committee

Bob Louvar, Alternate - Paul Persiani

### Community Lifestyle Committee

Deborah Christensen, Judy Vasquez, Bob Louvar

### COVID-19 Executive Committee

Jeff Halbreich, Judy Vasquez, Charles Villafana

Insurance Review Committee

Jeff Halbreich, Deborah Christensen, Bob Sherfy, and Alternate Charles Villafana

Lago Santa Margarita Committee

Charles Villafana, Paul Persiani

Landscape and Facilities Enhancement Committee

Paul Persiani, Judy Vasquez, Charles Villafana

Recycled Water Ad Hoc Committee

Paul Persiani, Charles Villafana, Bob Sherfy

**Liaison Appointments**

Architectural Review Committee

Director Deborah Christensen

Chamber of Commerce

Director Bob Louvar

City of Rancho Santa Margarita

President Paul Persiani

Community Associations of Rancho

Director Bob Louvar and Director Deborah Christensen

Construction Projects (LFEC Chair)

Director Paul Persiani

Covenant Committee

Director Bob Sherfy

Sports Council

Director Jeff Halbreich, Alternate - Director Bob Sherfy

Schools and School Districts

President Paul Persiani

**VI. Special Presentations**

**A. Special Presentation of Communications Specialist Alex Kuhlmann**

A special presentation was made by the Board of Directors to Alexandra Kuhlmann for her excellent presentation of the Annual Meeting.



**VII. Approval of the Minutes**

**A. Consideration of Approval of February 23, 2021 Board of Directors Open Session Minutes.**

Resolution: To approve the February 23, 2021 Board of Directors Open Session Minutes.

- Motion: Paul Persiani
- Second: Charles Villafana
- Ayes: Paul Persiani, Judy Vasquez, Bob Louvar, Charles Villafana
- Abstain: Jeff Halbreich, Deborah Christensen, Bob Sherfy
- Nays: None

**B. Consideration of Approval of March 18, 2021 Board of Directors Special Open Session Minutes.**

Resolution: To approve the March 18, 2021 Board of Directors Special Open Session Minutes.

- Motion: Paul Persiani
- Second: Charles Villafana
- Ayes: Paul Persiani, Bob Sherfy, Jeff Halbreich, Bob Louvar, Charles Villafana
- Abstain: Judy Vasquez, Deborah Christensen
- Nays: None

**VIII. Items for Discussion and/or Approval**

**A. Consideration of Recommendation from the Budget and Cash Flow Committee to Approve and Finalize the Draft Audit Report for 2020, Have Designated Directors Sign the Management Representation Letter and Instruct Management to Distribute to SAMLARC Membership by April 30, 2021**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve and finalize the draft audit report for the 2020 fiscal year and tax payment by April 15, 2021, if applicable;

and,

To have designated Directors sign the Management Representation Letter and instruct Management to distribute to SAMLARC Membership by April 30, 2021.

- Motion: Jeff Halbreich
- Second: Bob Louvar

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**B. Consideration of Recommendation from the Insurance Review Committee to Approve the Annual SAMLARC Insurance Policy Renewal and if the Cost for Insurance Coverage Exceeds the Budgeted Amount Authorize the Insurance Review Committee to Approve the Final Policy and Policy Costs**

Resolution: As recommended by the Insurance Review Committee, to approve the renewal of insurance policies for the period of April 1, 2021 through March 31, 2022 through Hays Companies consistent with the current coverages; and to include an amendment to increase the Crime limit to \$12 Million dollars. The amount to be expended is \$257,555, which is below the budgeted amount of \$282,500. The funds are to be expended from Operating Account GL #S19130 Insurance.

Motion: Jeff Halbreich

Second: Deborah Christensen

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**C. Consideration of Implementation of Reservation System for SAMLARC Tennis Courts**

Resolution: To deny the implementation of a reservation system for SAMLARC tennis courts.

Motion: Jeff Halbreich

Second: Charles Villafana

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**D. Consideration of Approval of Fiesta Room Rentals in Compliance with the Red Tier and Activities that can be Approved under the Orange Tier (when Reached) of the Governor's Blue Print for a Safer Economy**

Resolution: To return to normal operating procedures with the user responsible for adhering to current state/county guidelines. This also applies to Community Lifestyle programming.

Motion: Charles Villafana

Second: Jeff Halbreich

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**IX. Consent Calendar** - (All matters on the Consent Calendar are to be approved in one motion unless a Board member requests a separate action on a specific item on the Consent Calendar).

Motion: Jeff Halbreich

Second: Charles Villafana

Ayes: Paul Persiani, Judy Vasquez, Bob Sherfy, Jeff Halbreich, Deborah Christensen, Bob Louvar, Charles Villafana

Nays: None

**A. Consideration of Contracts to Expire on July 31, 2021**

Resolution: To approve entering into a contract with the following vendors for the period as specified by each of the associated contracts, with the contracts coming before the Board of Directors for final approval prior to the current contract expiration date. These contracts include:

- Anchor Alarm – Maintenance, repair, and new installation(s) of CCTV video monitoring and recording systems. New contract term, no price increase, no change in terms of contract.

**B. Consideration of Approval of Delegate Workshop**

Resolution: To approve conducting a Delegate Workshop virtually on Wednesday, May 26 2021.

**C. Consideration of Recommendation from the Community Lifestyle Committee to Approve Modified Community Lifestyle Programs through September 1, 2021**

Resolution: As recommended by the Community Lifestyle Committee, to approve modified Community Lifestyle events and programs through September 1, 2021, in light of COVID-19.

**D. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Contract with Empire Waterproofing, Inc. for Pool Deck Overlay and Mastic at the Arroyo Vista Park Pool**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee to approve a contract with Empire Waterproofing, Inc. to perform the deck overlay and mastic replacement at the Arroyo Vista Park Pool using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a cost not to exceed \$88,677.50 funds to be paid from Reserve Account GL# S23122, Pool Area Reserve.

**E. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Work Authorization #016 with Dave Bang Associates for the Replacement of the Tube Slide Attached to the Play Structure (5-12) at Estrella Vista Park**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee to approve a Work Authorization (#016) with Dave Bang Associates to replace the Tube Slide at Estrella Vista Park with a Slither Slide using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$7,589.00 with funds expended from Reserve Account GL#S23125, Community Park Reserve.

**F. Consideration of Approval of Non-Board Member Committee Appointments Scheduled to Expire April 27, 2021**

Resolution: At the recommendation of the Board Liaison to the Committee or Committee Chair/Member, to approve the following non-Board Member Committee Member appointments:

Architectural Review Committee

Edith Carpenter  
Arthur Perez  
Jeannette Horne

Covenant Committee

Kevin Hoffman

Community Lifestyle Committee

Lisa Piltz

Communications Committee

Vanessa Scarbo  
Justin Horey  
Sherri Lex, Alternate

Lago Santa Margarita Committee

Christine Savino

**G. Consideration of Recommendation from the Assessment Statement Options Ad Hoc Committee to Dissolve the Assessment Statement Options Ad Hoc Committee**

Resolution: As recommended by the Assessment Statement Options Ad Hoc Committee, to dissolve the Assessment Statement Options Ad Hoc Committee as it has met its objectives.

**H. Consideration of Approval of a Revision to the Communications Committee Charter**

Resolution: To approve a proposed revision to the Communications Committee Charter to add one (1) alternate position to the Committee composition.

**I. Consideration of Approval of a Committee Recognition Letter and Gift**

Resolution: To approve a letter and gift card to be sent to each SAMLARC Committee Member to thank and recognize them for their volunteer service to the Community.

**J. Consideration of Approval of the Purchase of Photography Equipment for SAMLARC Communications**

Resolution: To approve the purchase of photography equipment to enhance SAMLARC Communications resources and content, at a total cost not anticipated to exceed \$3,485.16. Funds are to be expended from GL Account #S19174, Membership Communications.

**K. Consideration Approval of Contract with Nostimo for the Operation of the Beach Club Snack Bar for the Period of May 29, 2021 – September 26, 2021**

Resolution: To approve a contract with Nostimo for the operation of the Beach Club Snack Bar for the period of May 29, 2021 – September 26, 2021 using contract template (1A) Contract for Goods and/or Services and contract template (1B) Master Agreement for Goods and/or Services.

**L. Consideration Approval of Contract with Premier Aquatic Services, LLC for Pool Lifeguarding and Lagoon Lifeguarding Services for the Period of May 29, 2021 – September 6, 2021**

Resolution: To approve a contract with Premier Aquatic Services LLC to provide lifeguarding services for the period of May 29, 2021 – September 6, 2021 using contract template (2A) Contract for Goods and/or Services and (2B) Master Agreement for Goods and/or Services at a total cost not to exceed \$140,654.13 with funds to be paid from Operating Accounts GL#S16101 and S17529 Lifeguard Service.

**M. Consideration Approval of Contract with Inspector Playground for Playground Inspection Services for the Period of March 24, 2021 – March 23, 2022**

Resolution: To approve a contract with Inspector Playground to provide playground inspection services for the period of March 24, 2021 – March 23, 2022 using contract template (2A) Contract for Goods and/or Services and (2B) Master Agreement for Goods and/or Services at a total cost not to exceed \$19,116, with funds to be expended from Operating Account GL#S17155, Supplemental Common Area Services, Specific to the Community Parks.

**N. Consideration of Approval of Contract with Ed Ratledge from April 1, 2021 to March 31, 2022 for the VolleyOC Camp at the Lago Santa Margarita Beach Club**

Resolution: To approve a contract with VolleyOC, Inc. for youth volleyball camps at the Lago Santa Margarita Beach Club from April 1, 2021 through March 31, 2022 using contract template (8) Instructional Services and Use of Facilities.

**O. Consideration of Approval of Contract with Kevin Booth and Shelly Booth from April 1, 2021 to March 31, 2022 for the Evolve Pickleball Program at Altisima Park**

Resolution: To approve a Contract with Kevin Booth and Shelly Booth from April 1, 2021 to March 31, 2022 for Evolve Pickleball Classes at Altisima Park using contract template (8) Instructional Services and Use of Facilities.

**P. Consideration of Approval of Contract with Mission Viejo Nadadores Foundation for Swim Team Instruction**

Resolution: To approve a contract with the Mission Viejo Nadadores Foundation for swim team instruction at Arroyo Vista Park Pool beginning with the Spring Season which runs May 18, 2021 through August 1, 2021 and the Fall Season which runs September 7, 2021 through November 19, 2021 using contract template eight (8) Instructional Services and Use of Facilities.

**Q. Consideration of Approval of Contract with ADYA OC to Provide Goods and/or Services for a Virtual Cooking Class**

Resolution: To approve a contract with ADYA OC to provide good and/or services for a Virtual Cooking Class scheduled on Thursday, June 24, 2021 using contract template (1B) Master Agreement Short Form Contract for Goods & Services at a cost not to exceed \$350. Funds are to be expended from the \$200,000 net budget allocation for Community Lifestyle.

**R. Consideration of Approval of Contract with Emily Hammett from April 1, 2021 to March 31, 2022 for the Club Pilates Program at Lago Santa Margarita Lakeshore Park**

Resolution: To approve a contract with Emily Hammett from April 1, 2021 to March 31, 2022 for the Club Pilates Program at Lago Santa Margarita Lakeshore Park using contract template (8) Instructional Services and Use of Facilities.

**S. Consideration Approval of Contract Renewal with United Storm Water for Community Park Parking Lot Storm Drain Cleaning and Maintenance Services for the Period of March 24, 2021 – March 23, 2022**

Resolution: To approve a contract renewal with United Storm Water to provide community park parking lot storm drain cleaning and maintenance services for the period of March 24, 2021 – March 23, 2022 using contract template (5) First Renewal of Contract for Goods and/or Services at a total cost not to exceed \$2,236.53, with funds to be expended from Operating Account GL#S17155, Supplemental Common Area Services, Specific to Community Parks.

**T. Consideration Approval of a Contract Renewal with Air Care Heating & Air Conditioning to Provide HVAC System Maintenance for the Fiesta Room Unit for the Period of February 19, 2021 – February 18, 2022**

Resolution: To approve a contract renewal with Air Care Heating & Air Conditioning for the period of February 19, 2021 – February 18, 2022 using contract template (5) First Renewal of Contract for Goods and/or Services.

**U. Consideration of Approval of Work Authorizations with Jolly Jumps and Express to Provide Goods and/or Services at SAMLARC Community Events**

Resolution: To approve Work Authorization #054 with Jolly Jumps & Express Events for the Virtual Wine Tasting & Charcuterie Competition on Saturday, May 15, 2021 virtual event using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$4,200;

and,

To approve Work Authorization #055 with Jolly Jumps & Express Events for entertainment at Live Music at the Lagoon using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$3,800. Funds are to be expended from the \$200,000 net budget allocation for Community Lifestyle;

and,

To approve Work Authorization #056 with Jolly Jumps & Express Events for the July SAMLARC Screen on the Green using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$1,995. Funds are to be expended from the \$200,000 net budget allocation for Community Lifestyle;

and,

To approve Work Authorization #057 with Jolly Jumps & Express Events for the August SAMLARC Screen on the Green using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$1,995. Funds are to be expended from the \$200,000 net budget allocation for Community Lifestyle.

**V. Ratification of a Work Authorization with Collins Company for Repairs to Trabuco Mesa Tennis Court Windscreen**

Resolution: To ratify Work Authorization #029 with Collins Company, for Repairs Trabuco Mesa Park Tennis Court Windscreen using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$900 expended from Operating Account GL# S17155, Supplemental Common Area Services.

**W. Ratification of a Work Authorization with Pacific Rim Architectural to Grind Lifted Concrete Panels at Rancho Santa Margarita Lakeshore**

Resolution: To ratify Work Authorization #004 with Pacific Rim Architectural to grind 14 linear feet of lifted concrete panels at Rancho Santa Margarita Lakeshore sidewalk using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$600 with funds expended from Operating Account GL#S17151, Concrete Repairs.

**X. Ratification of Work Authorizations #02 and #03 with Pacific Rim to Remove and Replace Two (2) Concrete Sidewalk Panels and Work Authorization #59 with Diamonds Sports Field Services, Inc. for Rental of Chain Link Fence Located at Arroyo Vista Park**

Resolution: To ratify Work Authorization #02 with Pacific Rim to perform emergency concrete repairs using contract template (4) Work Authorization for Goods and/or Services at a cost of \$2,500 with funds expended from Operating GL#S17151, Concrete Repairs;

and,

To ratify Work Authorization #03 with Pacific Rim to perform emergency concrete repairs using contract template (4) Work Authorization for Goods and/or Services at a cost of \$2,500 with funds expended from Operating GL#S17151, Concrete Repairs;

and,

To ratify Work Authorization #59 with Diamonds Sports Field Services, Inc. for rental of 60 linear feet of chain link fence using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$350 with funds expended from Operating GL#S17151, Concrete Repairs.

**Y. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the February 2021 Financial Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the financial statement and bank reconciliation dated February 28, 2021. The balance sheet dated February 28, 2021 reflects assets of \$15,000 in Restricted Property Insurance Deductible Fund, \$8,185,729 in Reserve funds, \$1,803,957 in Operating funds, and \$1,650 in Petty Cash for a total cash amount of \$10,006,336, along with a security deposit of \$7,442. The income statement for February 28, 2021 reflects year-to-date net income of \$206,591 compared to budgeted net income of \$191,118. Year-to-date Reserve funding is \$213,264 compared to a budget of \$201,364. All figures are rounded.

**Z. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the January 2021 Credit Card Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the charges and acknowledge review of the payable transmittal for SAMLARC US Bank credit cards for the statement closing date of January 25, 2021. The amount due is one thousand eight-hundred forty-seven dollars and twenty-nine cents (\$1,847.29).

**AA. Consideration of Approval of Request to Proceed with Liens**

Resolution: To authorize and instruct Management to record a lien on fifty-eight (58) delinquent accounts should their assessments not be paid within the time period established in the Intent to Lien Letter. The accounts became past due in March 2021 or earlier, and in accordance with the Corporation's Assessment Collection Policy, a letter was sent to the homeowner notifying them that they have 30 days to pay the balance owed or a lien will be placed on their property. Therefore, the Board directs Management to lien the accounts listed on the 'Instructions to Management' resolution dated March 23, 2021, should the delinquent assessments not be paid within the time period established in the Intent to Lien Letter:



<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>
1152-05	<b>\$296.08</b>	2744-10	<b>\$258.88</b>	5999-04	<b>\$126.80</b>	9095-03	<b>\$259.08</b>
1344-04	<b>\$294.08</b>	2925-04	<b>\$188.88</b>	6090-02	<b>\$294.08</b>	9142-04	<b>\$323.88</b>
1552-01	<b>\$434.08</b>	3482-06	<b>\$162.00</b>	6179-04	<b>\$409.68</b>	9361-04	<b>\$162.00</b>
2105-05	<b>\$244.48</b>	3542-07	<b>\$244.08</b>	6205-01	<b>\$162.00</b>	9483-01	<b>\$238.88</b>
2126-04	<b>\$126.80</b>	3765-03	<b>\$172.00</b>	6512-03	<b>\$126.80</b>	9572-04	<b>\$273.04</b>
2256-07	<b>\$238.88</b>	3851-01	<b>\$521.04</b>	6582-04	<b>\$162.00</b>	9780-06	<b>\$162.00</b>
2263-07	<b>\$294.08</b>	3937-03	<b>\$623.88</b>	6659-02	<b>\$222.00</b>	A526-03	<b>\$314.08</b>
2461-04	<b>\$162.00</b>	3943-07	<b>\$838.80</b>	6930-03	<b>\$238.88</b>	A654-08	<b>\$445.52</b>
2541-05	<b>\$146.80</b>	3995-06	<b>\$238.88</b>	7250-03	<b>\$238.88</b>	A759-03	<b>\$294.08</b>
2582-08	<b>\$284.08</b>	4038-05	<b>\$344.08</b>	7302-01	<b>\$279.08</b>	B150-05	<b>\$159.44</b>
2593-23	<b>\$126.80</b>	4134-01	<b>\$452.00</b>	7447-02	<b>\$294.08</b>	B171-04	<b>\$232.00</b>
2673-03	<b>\$172.00</b>	4197-05	<b>\$273.04</b>	7966-02	<b>\$238.88</b>	B321-03	<b>\$153.20</b>
2702-07	<b>\$219.88</b>	4307-07	<b>\$227.84</b>	8276-03	<b>\$162.00</b>	B344-02	<b>\$238.88</b>
2731-01	<b>\$238.88</b>	4678-04	<b>\$1,835.88</b>	8813-03	<b>\$151.96</b>		
2736-04	<b>\$274.08</b>	5941-02	<b>\$152.00</b>	8943-04	<b>\$1,169.48</b>		

## **X. Board Committee Reports**

This time is set-aside for each Director to provide a brief report regarding committee meetings they have attended during the month.

### Committee Reports for the Period of February 23 – March 22, 2021:

Budget and Cash Flow Committee – CFO Bob Louvar reported the Committee met on March 1, 2021. Morgan Stanley noted that interest rates are expected to remain low for an extended period; however there has been a slight uptick in CD rates versus Treasury rates. The Committee will continue to invest in the highest yielding and safest instruments possible, mainly between these two classes of securities. SAMLARC will receive an extension on the filing of federal and state taxes, which occurs each year. While SAMLARC has to prepay taxes for the 2021 tax year, an expected refund of the 2020 prepayment will lower the amount to prepay for 2021. The tax forms are anticipated to be brought to the Board in May for filing by June 15, 2021.

Communications Committee – Chair Jeff Halbreich reported the Committee last met on February 3, 2021 to interview potential companies for the creation of a SAMLARC Community video. The Committee will next meet on April 7, 2021 to introduce the new and returning Members of the Committee, and to discuss the SAMLARC website, community video updates, digital engagement, mobile app updates, and communications plan updates.

Community Lifestyle Committee – Chair Judy Vasquez reported the Committee met on Tuesday, March 2, 2021 to discuss modified programs and events through September 1, 2021 in light of COVID-19. Additionally, the Committee reviewed current contract classes that are being offered and reviewed past as well as upcoming virtual and socially distanced programs. The next Community Lifestyle Committee meeting is to be determined.

Insurance Review Committee – Chair Charles Villafana reported the Insurance Review Committee has not met since the last Board Meeting. Earlier today, the Committee was provided an updated Insurance Proposal from Hays Companies. The proposal was considered this evening by the Board. Throughout the process, Hays indicated that they

would be shopping for the best policies at the best prices right through the end of SAMLARC's current insurance program. The proposal reflects an increase of 9.78% over last years, actual cost, but nearly \$25,000 less than budgeted for.

Lago Santa Margarita Committee – Chair Charles Villafana reported the Committee did not meet in the month of March. The next committee meeting date is to be determined after the March Board meeting. Tentative target dates are Tuesday April 20, 2021 or Tuesday May 4, 2021 pending the availability of all committee members. The following items are scheduled to be placed on the agenda:

- Current Water Test Results
- Fish Stocking for upcoming Fishing Contest
- Maintenance updates from Eco Lake Solutions and Lake Management, Inc.

The water clarity is holding at three (3) feet with water temperatures ranging in the mid 40's. TDS and PH levels are within the desired ranges for both with no signs of distressed fish.

Landscape and Facilities Enhancement Committee – Chair Paul Persiani reported the Committee last met via teleconference on March 16, 2021 to review and provide recommendations to the Board of Directors on the following items which were discussed previously this evening:

- Monthly Landscape and 2020 Reserve and Capital Projects Scheduled and Project Status updates
- Dedication Program updates including approval of the Loftus request to add a plaque to a refurbished bench, approval of an Eagle Scout request to add a plaque to one of the four benches that he recently refurbished, and direction to replace the current Dedication Program with an overall policy for dedications. The updated document will be presented at an upcoming LFEC Meeting.
- Approval of a work authorization to replace a damaged slide at Estrella Vista Park.
- Approval of a contract for a pool deck overlay and mastic project at Arroyo Vista pool.
- Update on waterfowl and the use of waterfowl deterrents.

The next LFEC meeting is to be determined, pending the Board and Committee reorganization scheduled that took place earlier this evening.

Recycled Water Ad Hoc Committee – Chair Paul Persiani reported the Committee met on March 18, 2021. The items discussed involved viable options for funding SAMLARC's portion of the project including a rebate program through Metropolitan Water District. Additional items discussed was the communications plan that SMWD will develop, implement and manage for the entire project and how SAMLARC fits into the overall communications plan, and scheduling a meeting with the City regarding the project and use of recycled water on City owned property for which SAMLARC has an easement to maintain. The next meeting will be scheduled in mid-April and include the Lake, Lakeshore and area surrounding the Lagoon.

Committee Liaison Reports for the Period of February 23 – March 22, 2021:

Architectural Review Committee – Director Bob Louvar reported the Committee met on March 8, 2021 and March 22, 2021. Thirty-seven (37) submittals were reviewed. Thirty-five (35) were approved and two (2) were denied. The next Committee Meeting will be held on April 12, 2021 at 12:00 p.m. via Zoom.

Chamber of Commerce – Director Paul Persiani – No report.

Covenant Committee – CEO Candice Fullenkamp reported the Committee met on Tuesday, March 2, 2021 and reviewed nine (9) violations and all were assessed fines. The next meeting is scheduled for Tuesday, April 6, 2021 at 4:00 pm via Zoom.

Sports Council – Director Jeff Halbreich reported the Sports Council met on March 10, 2021 for their regular quarterly meeting. Items of discussions included updated COVID 19 restrictions, field allocation turn backs, upcoming projects, and tournaments. The next scheduled Sports Council Meeting will be held on June 9, 2021.

Community Associations of Rancho – CEO Candice Fullenkamp reported CAR has met three times during the last month. The focus of all three meetings has been the proposed legislation involving accessory dwelling units and their impact to homeowners and homeowners’ associations. Expanding the construction of ADUs on homeowner property is a component of the State of California Regional Housing Needs Allocation and Housing Element. This could result in negatively impacting property values and eroding enforcement through homeowner association governing documents. Members of CAR are drafting a White Report Paper to present to legislators when appropriate. Additionally, discussion ensued regarding developing a communication strategy involving homeowners, homeowners’ associations and local and state legislators.

COVID-19 Executive Committee – Chair Judy Vasquez reported the Committee has not met since the last Board Meeting and has no scheduled meetings at this time.

**Currently Dark or on Hold During COVID - Committee and Liaison Reports:**

Election Committee

City of Rancho Santa Margarita

**XI. Director’s Report**

This time is set-aside for each Director to provide a brief report regarding other items of note.

Director Jeff Halbreich – No report.

Director Robert Louvar – Congratulated new Board and Committee appointees.

Director Paul Persiani – Thanked the Board for their nomination as president and stated he looks forward to working with all the Board members.

Director Robert Sherfy – Thanked staff for their hard work.

Director Judy Vasquez – No report.

Director Charles Villafana – Welcomed Directors Christensen and Sherfy to the Board. He also reported that Pop Warner registration was held at the Beach Club and thanked staff for their assistance in helping with the set up.

Director Deborah Christensen – Stated she looked forward to working with the Board and on the committees.

**XII. Community Executive Officer Report**

CEO Candice Fullenkamp reported she had removed the second Homeowners Forum from the Agenda since has not been utilized. President Persiani agreed to leave it off the Agenda moving forward.

**XIII. Events**

**Virtual Cooking Class**

Date: Thursday, March 25, 2021  
Time: 6:00 p.m. – 7:00 p.m.  
Location: Zoom

**Virtual Spring Scramble**

Date: Saturday, March 27, 2021  
Time: 3:00 p.m. – 4:30 p.m.  
Location: Zoom

**Virtual Adult Gardening Workshop – Salsa Gardens**

Date: Saturday, April 10, 2021  
Time: 10:00 a.m. – 11:00 a.m.  
Location: Zoom

**SAMLARC Drive-Through Safari**

Date: Saturday, April 17, 2021  
Time: 12:00 p.m. – 3:00 p.m.  
Location: Lago Santa Margarita Beach Club

**Virtual Children’s Gardening Workshop – Spring Color Bowls**

Date: Saturday, April 24, 2021  
Time: 10:00 a.m. – 11:00 a.m.  
Location: Zoom

**XIV. Next Meeting**

Consistent with Board direction, the next meeting will be held on Tuesday, April 27, 2021 at 6:00 p.m. and will be held virtually through Zoom.

**XV. Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned at 7:32 p.m.

I certify that these minutes were duly approved by the Board of Directors on April 27, 2021.

*Paul Persiani*

\_\_\_\_\_  
Paul Persiani, President

Date: April 27, 2021

*Robert Sherfy*

\_\_\_\_\_  
Bob Sherfy, Secretary

Date: April 27, 2021



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**Members Present**

President Judy Vasquez  
Secretary Marty Groh  
CFO Robert "Bob" Louvar  
Director Robert Bob" Sherfy  
Director Paul Persiani  
Director Charles Villafana

**Members Absent**

Vice President Jeff Halbreich

**First Service Residential**

EVP Amy Mathieson FirstService Residential  
SAMLARC Community Executive Officer Candice Fullenkamp  
SAMLARC Assistant General Manager George Blair  
SAMLARC Facilities Operations Manager Jerry Corpuz  
SAMLARC Executive Assistant Tita S. Gervasi  
SAMLARC Lifestyle & Communications Manager Marley Sansom  
SAMLARC Finance Manager Brian Bednersh  
SAMLARC Capital & Reserve Project Manager Jonathon Hill  
SAMLARC Park & Sports Field Manager Pat White  
SAMLARC Media & Communications Specialist Alexandra Kuhlmann

**Others Present**

- Corporate Counsel, Daniel A. Nordberg, Esq., Nordberg Law Group, Of Counsel to Richardson|Ober|DeNichilo, LLP.
- Devin Sanders, Mosaic Consulting

**Executive Session**

The following items were reviewed in the Executive Session Meeting preceding the Open Session Meeting in accordance with California Civil Code 4090 that include Employment Issues, Contract Negotiations, Consultations with Corporate Counsel Review of Information Provided by Counsel, Constitutionally or Legally Protected Topics i.e. Attorney-Client Privileged Information:

- AYTE Contract
- Scenic Preserve
- Contract Amendments
- Design Services Contract
- Annual Committee Appointments
- Late Fee Exemptions
- Foreclosure Sale Extensions
- Foreclosure Proceedings

**I. Call to Order**

President Judy Vasquez called the Open Session of the Board of Directors Meeting for the Rancho Santa Margarita Landscape and Recreation Corporation to order at 6:30 p.m.

## **II. Approval of the Agenda**

Resolution: To approve the February 23, 2021 Open Session Agenda.

Motion: Charles Villafana

Second: Marty Groh

Ayes: Judy Vasquez, Marty Groh, Bob Louvar, Paul Persiani,  
Charles Villafana

Nays: None

## **III. Presentations**

A gavel inscribed with former Board President and Director Robert Dickson's name was presented to him from the Board for service to SAMLARC.

A plaque from the Board of Directors was presented to outgoing Board Member Marty Groh for his service to SAMLARC.

## **IV. Homeowners Forum**

Homeowner Michelle Loftus appealed to the Board to request that her family be allowed to place a memorial plaque for her father on an existing bench in SAMLARC. This matter was referred to the Landscape and Facilities Enhancement Committee.

## **V. Approval of the Minutes**

Resolution: To approve the January 26, 2021 Board of Directors Open Session Minutes.

Motion: Charles Villafana

Second: Paul Persiani

Ayes: Judy Vasquez, Marty Groh, Bob Louvar, Paul Persiani,  
Charles Villafana

Nays: None

## **VI. Items for Discussion and/or Approval**

### **A. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Memorandum of Understanding, to Approve Associated Costs for Related Permits and Fees and to Approve a Construction Contract with Custom Canopies**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve a Memorandum of Understanding (MOU) with Custom Canopies, Inc. and RTGSA;

and,

To approve the cost of required permits and VIVE Credentialing Services fees at a cost not to exceed \$4,905 with funds to be expended from Operating Account GL# S17141, Sports field Maintenance;

and,

To approve a Construction Contract with Custom Canopies Inc. for the installation of eight (8) shade structure at Trabuco Mesa Park Softball Diamonds.

Motion: Paul Persiani

Second: Bob Louvar

Ayes: Judy Vasquez, Marty Groh, Bob Louvar, Paul Persiani, Charles Villafana

Nays: None

**B. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve the Multi-Year Landscape Revitalization Plan Proposal Submitted by Mosaic Consulting**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve the Multi-Year Landscape Revitalization Plan Proposal submitted by Mosaic Consulting at a cost of \$40,000 to be expended from GL#S23145, Landscape Revitalization Reserve.

Motion: Bob Louvar

Second: Paul Persiani

Ayes: Judy Vasquez, Marty Groh, Bob Louvar, Paul Persiani, Charles Villafana

Nays: None

**VII. Consent Calendar -** (All matters on the Consent Calendar are to be approved in one motion unless a Board member requests a separate action on a specific item on the Consent Calendar).

Motion: Charles Villafana

Second: Paul Persiani

Ayes: Judy Vasquez, Marty Groh, Bob Louvar, Paul Persiani, Charles Villafana

Nays: None

**A. Consideration of Contracts to Expire on June 30, 2021**

Resolution: To approve entering into a contract with the following vendors for the period as specified by each of the associated contracts, with the contracts coming before

the Board of Directors for final approval prior to the current contract expiration date. These contracts include:

- Inspector Playground – Perform onsite playground inspections and preventative maintenance on a quarterly basis. New contract term, no price increase, no change in terms of contract.

**B. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Work Authorization with Lake Management, Inc. for the Replacement & Repair of Return Pipes Underneath the Perimeter of the Lagoon Sand at the Beach Club**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve Work Authorization #001 with Lake Management, Inc. for the replacement & repair of return pipes underneath the perimeter of the Lagoon sand at the Beach Club using contract template (4) Work Authorization for Goods and/or Services at a cost of \$32,300 with funds expended from Operating GL#S16105, Beach Club/Lagoon, Lagoon Operations.

**C. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Contract with Empire Waterproofing, Inc. for Pool Deck Coping Repairs at Altisima, Solana, Monte Vista and Arroyo Vista Park Pools**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve a contract with Empire Waterproofing, Inc. for pool deck coping repairs at Altisima, Solana, Monte Vista and Arroyo Vista park pools using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a cost not to exceed \$9,750, funds to be paid from Operating GL# S17526, Community Pools, Pool Repairs.

**D. Consideration of Recommendation from the Lago Santa Margarita Committee to Approve a Work Authorization with Eco Lake Solutions for Preventative Maintenance to be Performed on Sixteen (16) Diffusers and Lake Compressor at Lago Santa Margarita**

Resolution: As recommended by the Lago Santa Margarita Committee, to approve Work Authorization #003 with Eco Lake Solutions for preventative maintenance to be performed on sixteen (16) diffusers and the lake compressor at Lago Santa Margarita using contract template (4) Work Authorization for Goods and/or Services at a cost of \$4,080 with funds expended from Operating GL#S15132, Lake/Lakeshore, Lake Maintenance Service.

**E. Consideration of Recommendation from the Architectural Review Committee to Appoint Arthur Perez as a Member of the Architectural Review Committee**

Resolution: As recommended by the Architectural Review Committee, to appoint Arthur Perez as a Member of the Architectural Review Committee.



**F. Consideration of Recommendation from the Covenant Committee to Appoint John Begg as a Member of the Covenant Committee**

Resolution: As recommended by the Covenant Committee, to appoint John Begg as a Member of the Covenant Committee.

**G. Consideration of Recommendation from the Communications Committee to Approve a Contract with Communications LAB for Creation of a SAMLARC Community Information Video**

Resolution: As recommended by the Communications Committee, to approve a contract with Communications LAB for the creation of a SAMLARC community information video, using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a cost not to exceed \$9,450.00, with funds to be expended from Operating Account GL# S19174, Membership Communications.

**H. Consideration of Approval of Contract with Jeannette Turiace from March 1, 2021 to February 28, 2022 for Gentle Yoga for the Rest of Us Program at the Lago Santa Margarita Beach Club**

Resolution: To approve a contract with Jeannette Turiace from March 1, 2021 to February 28, 2022 for Gentle Yoga for the Rest of Us Program at the Lago Santa Margarita Beach Club using contract template (8) Instructional Services and Use of Facilities.

**I. Consideration of Approval of Contract with Sweet Spot Tennis for Youth and Adult Tennis Classes**

Resolution: To approve a contract with Sweet Spot Tennis for tennis instruction at Trabuco Mesa Park and Arroyo Vista Park for a one (1) year period beginning March 1, 2021 and ending February 28, 2022 using contract template (8) Instructional Services and Use of Facilities.

**J. Consideration of Approval of a Work Authorization with Diamonds Sports Field Services for Sand Maintenance at SAMLARC Playgrounds**

Resolution: To approve Work Authorization #058 with Diamonds Sports Field Services, Inc. for weekly playground sand maintenance from March 1, 2021 to August 22, 2021 using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$6,000 expended from Operating Account S17155 Supplemental Common Area Services.

**K. Consideration to Approve a Ratification of a Work Authorization with Dave Bang for Repairs to Central Park Playground**

Resolution: To ratify Work Authorization #017 with Dave Bang, for Repairs to Central Park Playgrounds using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$1,058.11 expended from Operating Account GL# S17127, Minor Repairs and Purchases.

**L. Consideration to Approve a Ratification of a Work Authorization with 24 HRC to Repair Trash Enclosure Concrete Floor at Altisima Park**

Resolution: To ratify Work Authorization #12 with 24 HRC to repair trash enclosure concrete floor at Altisima Park using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$1,180 with funds expended from Operating Account GL# S17151, Concrete Repairs.

**M. Consideration of Recommendation from the Budget and Cash Flow Committee to Approve the January 2021 Financial Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to recommend the Board of Directors approve the financial statement and bank reconciliation dated January 31, 2021. The balance sheet dated January 31, 2021 reflects assets of \$15,000 in Restricted Property Insurance Deductible Fund, \$8,153,393 in Reserve funds, \$1,811,493 in Operating funds, and \$1,650 in Petty Cash for a total cash amount of \$9,981,536, along with a security deposit of \$7,442. The income statement for January 31, 2021 reflects year-to-date net income of \$214,476 compared to budgeted net income of \$98,760. Year-to-date Reserve funding is \$111,997 compared to a budget of \$100,682. All figures are rounded.

**N. Consideration of Recommendation from the Budget and Cash Flow Committee to Approve the December 2020 Credit Card Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the charges and acknowledge review of the payable transmittal for SAMLARC US Bank credit cards for the statement closing date of December 28, 2020. The amount due is one thousand, six hundred and thirty-four dollars and eighty-six cents (\$1,634.86).

**O. Consideration of Approval of Request to Proceed with Liens**

Resolution: To authorize and instruct Management to record a lien on forty-nine (49) delinquent accounts should their assessments not be paid within the time period established in the Intent to Lien Letter. The accounts became past due in February 2021 or earlier, and in accordance with the Corporation's Assessment Collection Policy, a letter was sent to the homeowner notifying them that they have 30 days to pay the balance owed or a lien will be placed on their property. Therefore, the Board directs Management to lien the accounts listed on the 'Instructions to Management' resolution dated February 23, 2021, should the delinquent assessments not be paid within the time period established in the Intent to Lien Letter:

<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>
0047-06	<b>\$157.24</b>	4017-05	<b>\$149.72</b>	7952-06	<b>\$213.08</b>
0136-04	<b>\$207.28</b>	4063-06	<b>\$157.24</b>	8086-02	<b>\$337.44</b>
1067-02	<b>\$157.24</b>	4212-04	<b>\$784.08</b>	8147-02	<b>\$151.48</b>
1152-05	<b>\$270.08</b>	4641-04	<b>\$460.96</b>	8214-07	<b>\$157.24</b>
1344-04	<b>\$268.28</b>	4690-03	<b>\$157.24</b>	9095-03	<b>\$233.28</b>
1912-04	<b>\$1,739.28</b>	5231-03	<b>\$213.08</b>	9142-04	<b>\$353.28</b>
2012-05	<b>\$167.24</b>	5277-07	<b>\$710.96</b>	9572-04	<b>\$247.24</b>
2078-03	<b>\$423.44</b>	5569-03	<b>\$157.24</b>	9868-02	<b>\$157.24</b>

2263-07	<b>\$268.28</b>	5762-05	<b>\$195.96</b>	A526-03	<b>\$288.28</b>
2342-08	<b>\$157.24</b>	6090-02	<b>\$268.28</b>	A558-03	<b>\$146.22</b>
2463-01	<b>\$157.24</b>	6282-03	<b>\$157.24</b>	A585-03	<b>\$157.24</b>
2582-08	<b>\$258.28</b>	6402-04	<b>\$213.08</b>	A759-03	<b>\$268.28</b>
2736-04	<b>\$248.28</b>	6429-05	<b>\$157.24</b>	A976-04	<b>\$157.24</b>
2873-05	<b>\$167.09</b>	7302-01	<b>\$253.28</b>	B168-07	<b>\$157.24</b>
2919-02	<b>\$205.16</b>	7382-05	<b>\$157.24</b>	B268-02	<b>\$213.08</b>
2938-01	<b>\$457.34</b>	7478-06	<b>\$157.24</b>		
3542-07	<b>\$218.28</b>	7600-01	<b>\$167.24</b>		

### VIII. Homeowners Forum

There were no homeowners who spoke before the Board.

### IX. Board Committee Reports

This time is set-aside for each Director to provide a brief report regarding committee meetings they have attended during the month.

#### Committee Reports:

Budget and Cash Flow Committee – Chair Bob Louvar reported the Committee met on February 17, 2021. The Committee will continue to invest in Treasury Bills as long as the interest rate is better than the interest rate on CD's. The 2020 audit is in progress and will be completed in approximately 2 weeks and the report presented to the BCFC at its March 17, 2021 meeting. The auditor will also comment on whether SAMLARC is eligible for any tax relief related to the incurred COVID expenses during 2020. The audit will be brought to the Board for approval at the March 23, 2021 meeting.

Communications Committee – President Judy Vasquez reported on behalf of Chair Jeff Halbreich. Director Vasquez reported the Committee last met on February 3, 2021 to interview potential partners for the creation of a SAMLARC Community Video. The Committee will next meet on April 7, 2021 to discuss the SAMLARC website, digital engagement, mobile app updates, and communications plan updates.

Community Lifestyle Committee – Chair Judy Vasquez reported the Committee has not met since the last Board of Directors Meeting. The next meeting is scheduled to be held virtually on Tuesday, March 2, 2021 to discuss modified Community Lifestyle programming in light of COVID-19.

COVID-19 Executive Committee – Judy Vasquez reported the Committee has not met since the last Board Meeting and has no scheduled meetings at this time.

Insurance Review Committee – Chair Charles Villafana the Committee has not met since the last Board Meeting but in preparation for SAMLARC's 2021 Insurance Renewal, the Committee received via email three documents provided by Hays Insurance Companies of Oregon. The documents included the 2021 Stewardship Report, recap of 2020, summary of the various policies, how SAMLARC stacks up in a year where many operations occurred with COVID-19 restrictions, and market conditions and forecasting for 2021. Hays also sent the market trends for Commercial Insurance & Risk Management for the first quarter of 2021,

the market summary for the 4<sup>th</sup> quarter of 2020, forecasting for the first quarter of 2021 and information regarding COVID-19.

Lago Santa Margarita Committee – Chair Charles Villafana reported the Committee met on Thursday February 11, 2021. The Committee reviewed and approved the following discussion items:

- January Water Test Results
- Compressor & Diffuser Maintenance
- Floating Islands Update from Eco Lake Solutions
- Overall Lake Update from Lake Management, Inc.

The next meeting will be held in the early part of Q2 with a specific date to be determined after the March Board meeting.

Landscape and Facilities Enhancement Committee – Chair Paul Persiani reported the Committee last met via teleconference on February 9, 2021 to review and provide recommendations to the Board of Directors on the following items which were discussed previously this evening:

- Scenic Preserve Easement along Santa Margarita Parkway
- Tipuana Tipu Trees along El Corazon
- Recommendation to approve the Multi-Year Landscape Revitalization Plan Proposal.
- Recommendation to deny the request to install a dedication plaque to an existing bench on Arroyo Vista Street near Tijeras Creek Golf Course.
- Recommendation to approve a Work Authorization for the replacement and repair of return pipes underneath the perimeter of the Lagoon Sant at the Beach Club.
- Recommendation to approve a contract for pool deck coping repairs at Altisima, Solana, Monte Vista and Arroyo Vista Park Pools.

The date for the next LFEC Meeting is to be determined.

Recycled Water Ad Hoc Committee – Chair Paul Persiani reported The Recycled Water Ad Hoc Committee met on February 16, 2021. Joining the meeting were SWMD Deputy General Manager Don Bunts and Board Director Frank Ury. The items discussed included the pipeline map, funding sources and timeline. The next meeting will be scheduled in mid-March and include further discussions regarding funding, the communications plan and messaging, and meeting with the City in late March or early April.

Committee Liaison Reports:

Architectural Review Committee – Director Bob Louvar reported the Committee met on February 8, 2021 and February 22, 2021. Sixteen submittals were reviewed, fifteen were approved, and one was denied. The Committee interviewed Arthur Perez, a potential Committee member. A motion was made to recommend Mr. Perez' appointment to the Committee to fill the open Committee member position. The next SAMLARC Architectural Committee Meeting will be held on March 8, 2021 at 12:00 p.m. via Zoom.

Chamber of Commerce – Director Paul Persiani – No report.

Covenant Committee – Director Marty Groh reported The Covenant Committee met on Tuesday, February 2, 2021 and reviewed eighteen violations, twelve homes were assessed fines and three homes were granted extensions. The Committee interviewed John Begg a potential Committee member. A motion was made to recommend Mr. Begg's appointment to

the Committee to replace Member, John Schweitzer who submitted his resignation last month. The next Covenant Committee meeting is scheduled for Tuesday, March 2, 2021 at 4:00 p.m. via Zoom.

Sports Council – Director Charles Villafana reported on behalf of Director Jeff Halbreich. Director Villafana reported the State of California Department of Public Health released new guidelines for Outdoor and Indoor Youth and Recreational Adult Sports effective February 26, 2021. Management is working closely with the leagues to see what criteria is needed to allow competitions to take place in each sport. The next scheduled Sports Council Meeting will be held on March 10, 2021.

Community Associations of Rancho – Director Marty Groh reported the Committee met on February 2, 2021 and listened to a presentation by Mr. Steve LaMotte, Chair of the South Orange County Economic Coalition and Chief Executive of the Building Industry Association – Orange County (SOCEC) provided a presentation regarding the results of a survey on how California’s political climate has negatively impacted businesses in South Orange County. Ms. Cheryl Kuta, Director of Development Services also provided an update regarding the State of California’s Regional Housing Needs Allocation and Housing Element.

Committees and Liaison Reports (Currently Dark):

Assessment Statement Ad Hoc Committee – Chair Charles Villafana  
Election Committee - Open  
City of Rancho Santa Margarita – President Judy Vasquez

**X. Director’s Report**

This time is set-aside for each Director to provide a brief report regarding other items of note.

Director Marty Groh – No report.

Director Jeff Halbreich – Absent

Director Robert Louvar – No report.

Director Paul Persiani – Stated it was a pleasure to serve on various committees and the Board with Director Groh. Director Persiani also commented that he was very happy that the kids will be able to begin playing competitive sports. It will be good for them and everyone involved.

Director Judy Vasquez – Thanked Director Groh for his service to the Board.

Director Charles Villafana – Thanked Director Groh and let him know that he enjoyed working with him on various committees and the Board. Director Villafana also thanked Pat White, Sports field use Manager for his hard work in getting the leagues established to begin play.

**XI. Community Executive Officer Report**

No report.

**XII. Events and Programs**

Virtual New & Now Member Welcome  
Date: Saturday, March 6  
Time: 9:30 a.m. – 10:30 a.m.  
Location: Zoom

Virtual Landscape Planning Workshop  
Date: Saturday, March 6  
Time: 10:30 a.m. – 11:30 a.m.  
Location: Zoom

Little Leprechauns at the Lake  
Date: Friday, March 12 – Wednesday, March 17  
Location: Lago Santa Margarita

Virtual Cooking Class  
Date: Thursday, March 25  
Time: 6:00 p.m. – 7:00 p.m.  
Location: Zoom

**XIII. Next Meeting**

Consistent with Board direction, the next meeting will be held on Tuesday, March 23, 2021 at 6:00 p.m. virtually through Zoom.

**XIV. Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned at 7:11 p.m.

I certify that these minutes were duly approved by the Board of Directors on March 23, 2021.

*Judy Vasquez*

\_\_\_\_\_  
Judy Vasquez, President

Date: March 23, 2021

*Marty Groh*

\_\_\_\_\_  
Marty Groh, Secretary

Date: March 23, 2021

Prepared by: Tita S. Gervasi, Executive Assistant



**SAMLARC**  
Rancho Santa Margarita Landscape and Recreation Corporation  
Board of Directors Meeting  
**Open Session**  
January 26, 2021  
**Minutes**

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**Members Present**

Vice President Jeff Halbreich  
Secretary Marty Groh  
CFO Robert "Bob" Louvar  
Director Michael May  
Director Paul Persiani  
Director Charles Villafana

**Members Absent**

President Judy Vasquez

**First Service Residential**

FSR Executive Vice President of Community Management Amy Mathieson  
SAMLARC Community Executive Officer Candice Fullenkamp  
SAMLARC Assistant General Manager George Blair  
SAMLARC Executive Assistant Tita S. Gervasi  
SAMLARC Lifestyle & Communications Manager Marley Sansom  
SAMLARC Facilities Operations Manager Jerry Corpuz  
SAMLARC Finance Manager Brian Bednersh  
SAMLARC Capital & Reserve Project Manager Jonathon Hill  
SAMLARC Park & Sports Field Manager Pat White  
SAMLARC Community Services Manager Carla Galosic  
SAMLARC Media and Communications Specialist Alexandra Kuhlmann

**Others Present**

Corporate Counsel, Daniel A. Nordberg, Esq., Nordberg Law Group, Of Counsel to Richardson|Ober|DeNichilo, LLP.

**Executive Session**

The following items were reviewed in the Executive Session Meeting preceding the Open Session Meeting in accordance with California Civil Code 4090 that include Employment Issues, Contract Negotiations, Consultations with Corporate Counsel Review of Information Provided by Counsel, Constitutionally or Legally Protected Topics i.e. Attorney-Client Privileged Information:

- Policies and Guidelines
- Trustee Sale
- Foreclosures
- Bad Debt Write-off

**I. Call to Order**

Vice President Jeff Halbreich called the Open Session of the Board of Directors Meeting for the Rancho Santa Margarita Landscape and Recreation Corporation to order at 6:02 p.m.

**II. Approval of the Agenda**

Resolution: To approve the January 26, 2021 Open Session Agenda as amended to move the special presentation to former director Robert Dickson to a future meeting and replace it with

introduction of new Board member Michael May; and, to defer Letter E - Memorandum of Understanding with Custom Canopies and Letter L, Contract with Bottles Nation, Inc. under the Consent Calendar for further review by Corporate Counsel.

Motion: Marty Groh

Second: Paul Persiani

Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,

Nays: None

### **III. Welcome**

Vice President Jeff Halbreich and Members of the Board welcomed new Board member Michael May.

### **IV. Homeowners Forum**

No homeowners spoke before the Board.

### **V. Consideration of Approval of the Minutes**

Resolution: To approve the November 17, 2020 Board of Directors Open Session Minutes.

Motion: Jeff Halbreich

Second: Marty Groh

Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,

Nays: None

### **VI. Items for Discussion and/or Approval**

#### **A. Consideration of Member Comments and Corporate Counsel Legal Opinion Related to the Adoption of the 2021 Architectural Standards and 2021 Policies & Guidelines**

Resolution: To adopt the 2021 Architectural Standards as there were no Member comment to consider or further proposed revisions;

and

To adopt the 2021 Policies and Guidelines with the following revisions in italics and strikethrough:

### **III. MEMBERSHIP**

#### **C. NOTICES AND STATEMENTS**

As SAMLARC is looking for ways to reduce expenses, a fee *may* ~~will~~ be charged to Owners/Members that do not consent to receiving notices and

Open Session Minutes

January 26, 2021

Page 2 of 16



assessment statements by email to cover the management company charges for use of paper and regular mail.

**F. TIME, PLACE AND MANNER**

2. *Subject to Civil Code 4515*, All Rules and Regulations, and terms of governing documents shall apply to any use of Community Property.

**H. SIGNS**

b. No political sign may exceed 24" x 36" and *must be made of paper based material only cannot be made of cloth, plexiglass, plastic, fiberglass, tarp or similar material. Political signs shall not be banners, or flags.*

f. SAMLARC will not be liable for damaged, lost or stolen signage place upon SAMLARC maintenance areas. Two *or more* signs may not be connected to create a larger single sign.

and,

To approve a contract with VE Associates, Inc. to produce the postcard mailing to direct the membership to the SAMLARC Resident Portal where the Budget, Architectural Standards and Policies & Guidelines, will be posted using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at an estimated cost of \$7,307.40 with funds to be expended from Operating Account GL#S19111, Printing and Mailing.

Motion: Jeff Halbreich

Second: Charles Villafana

Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,

Nays: None

**B. Consideration of Approval of Agenda for the 2021 Annual Meeting of the Membership**

Resolution: To approve the agenda for the 2021 Annual Meeting of the membership to take place on February 25, 2021.

Motion: Jeff Halbreich

Second: Marty Groh

Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,

Nays: None

**C. Consideration of Declaration that Board Candidates Bob Louvar, Paul Persiani, Robert Sherfy and Charles Villafana are Elected to the Board of Directors for the Period of February 25, 2021 through the 2023 Election and Confirmation of Annual Meeting with Proposed Agenda Items**

Resolution:

**Whereas**, The Inspectors of Election have determined that Bob Louvar, Paul Persiani, Robert Sherfy and Charles Villafana were duly nominated and are each qualified to be elected to the Board of Directors;

**Whereas**, The Inspectors of Election have determined that after the close of nominations, the number of people nominated for the board and who are qualified to be elected is not more than the number of directors to be elected;

**Whereas**, California Corporation Code section 7522(d) provides: "If after the close of nominations, the number of people nominated for the board is not more than the number of directors to be elected, the corporation **may without further action** declare that those nominated and qualified to be elected have been elected";

**Whereas**, the above referenced section of the California Corporations Code applies to non-profit Mutual Benefit Corporations including SAMLARC.

**Whereas**, per code and SAMLARC governing documents an annual meeting is required; and

**Whereas**, per code a letter (attached) or notice regarding the election and annual meeting must go out to the Membership a minimum of 35 days in advance of the election;

**Now therefore be it Resolved:**

That SAMLARC declares that Bob Louvar, Paul Persiani, Robert Sherfy and Charles Villafana who have been duly nominated and are qualified to be elected have been elected.

**Now therefore be it further Resolved:**

That SAMLARC's annual meeting will still proceed on the date and time scheduled with the Agenda Items proposed by Staff.

Motion: Jeff Halbreich

Second: Paul Persiani

Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,

Nays: None

**D. Consideration of Approval of 2021 Board Strategic Plan**

Resolution: To approve the 2021 Board Strategic Plan.

Motion: Bob Louvar

Second: Charles Villafana

Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,

Nays: None

**E. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Memorandum of Understanding with Custom Canopies Inc. and Rancho Trabuco Girls Softball**

Resolution: This item was deferred to a future meeting.

**F. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve the Purchase of Waterfowl Deterrents for the Lago Santa Margarita and Lagoon**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve the purchase of waterfowl deterrents for use at Lago Santa Margarita and Beach Club at a total cost of \$4,800 is to be expended from Operating Account GL# S17155, Supplemental Common Area Services.

Motion: Charles Villafana

Second: Paul Persiani

Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,

Nays: None

**G. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Contract with Graciano Consulting for Design Services to the Altisima Office Renovation**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee to approve the design services for Altisima Office renovation with Graciano Consulting subject to Corporate Counsel checking the company's financial stability.

Motion: Jeff Halbreich

Second: Bob Louvar

Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,

Nays: None

**H. Consideration of Recommendation from the Assessment Statement Options Ad Hoc Committee to Approve the E-Statement Enrollment Communications Plan and Electronic Payment Platform Fee Phase-In Program**

Resolution: As recommended by the Assessment Statement Options Ad Hoc Committee, to approve the E-Statement Enrollment Communications Plan prepared by FirstService Residential and defer the Assessment Statement Strategies prepared by Corporate Counsel to a future meeting for re-consideration.

Motion: Charles Villafana

Second: Jeff Halbreich

Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,

Nays: None

Resolution: As recommended by the Assessment Statement Options Ad Hoc Committee, to approve the Electronic Payment Platform Phased Pricing Plan offered by FirstService Residential.

Motion: Charles Villafana

Second: Jeff Halbreich

Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,

Nays: None

Administrative Direction: Management to post information alerting members to obtain their access code, which will be required in order to complete the E-Statement enrollment.

**I. Consideration of Amendment to the FirstService Residential Full-Service Management Agreement**

Resolution: To approve an amendment to the FirstService Residential Full-Service Management Agreement replacing Electronic Statement with Electronic Payment Platforms.

Motion: Jeff Halbreich

Second: Paul Persiani

Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,

Nays: None

**J. Consideration of Amendment to Board Policy for Open Recruitment for All Non-Board Member Committee Positions**

Resolution: To amend the Board Policy for open recruitment for all non-Board Member committee positions to include the following language:

*The Board may elect to recruit to fill vacancies only and automatically approve those in expiring terms who desire to continue to volunteer in that committee capacity, based upon attendance and positive contributions to that committee. Board Members serving on, or as a liaison to, a committee will provide a recommendation annually in February to the Board of Directors regarding the need to conduct an open recruitment or reappoint those non-Board Member committee members interested to serve another term.*

Motion: Bob Louvar  
Second: Jeff Halbreich  
Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,  
Nays: None

**VII. Consent Calendar** - (All matters on the Consent Calendar are to be approved in one motion unless a Board member requests a separate action on a specific item on the Consent Calendar).

Motion: Charles Villafana  
Second: Bob Louvar  
Ayes: Jeff Halbreich, Marty Groh, Bob Louvar, Michael May, Paul Persiani, Charles Villafana,  
Nays: None

**A. Consideration of Contracts to Expire on May 31, 2021**

Resolution: To approve entering into a contract with the following vendors for the period as specified by each of the associated contracts, with the contracts coming before the Board of Directors for final approval prior to the current contract expiration date. These contracts include:

- Three Phase Electric – Electrical maintenance, repair, and new electrical projects that may be authorized from time to time by the Board of Directors. Second renewal of contract, no price increase, no change in terms of contract.

**B. Consideration of Trees along El Corazon**

Resolution: To receive and file the report and/or provide Administrative Direction.

**C. Consideration of Appointment of Jenny Shoemaker to Serve as the Delegate for Non-Sub Maintenance Delegate District, Montecito I**

Resolution: To appoint Jenny Shoemaker to serve as the Delegate for Non-Sub Maintenance Delegate District Montecito I.

**D. Consideration of Recommendation from the Assessment Statement Options Ad Hoc Committee to Approve the Assessment Statement Options Ad Hoc Committee Charter**

Resolution: As recommended by the Assessment Statement Options Ad Hoc Committee, to approve the Assessment Statement Options Ad Hoc Committee Charter.

**E. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee and the Budget and Cash Flow Committee to Authorize Reallocation of the 2021 Reserve Fund Beginning Year Balance**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee and the Budget and Cash Flow Committee, to authorize Management to reallocate the existing Reserve Funds effective January 1, 2021 in accordance with the 2021 Reserve Balance Reallocation Schedule prepared by Management and based on the 2021 Reserve Study Funding Plan prepared by SmartProperty.

**F. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Deny the Request for Homeowner Reimbursement**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to deny the request for Homeowner Reimbursement at a total cost of \$545.

**G. Consideration of Recommendation from the Community Lifestyle Committee to Approve the Community Lifestyle Events and Programs through May 1, 2021**

Resolution: As recommended by the Community Lifestyle Committee, to approve the modified Community Lifestyle calendar of events and programs through May 1, 2021, with the new programs at a total cost not to exceed \$26,050. Funds are to be expended from the \$200,000 net budget allocation for Community Lifestyle.

**H. Consideration of Recommendation from the Community Lifestyle Committee for Approval of the 2021 Sponsorship Program**

Proposed Resolution: As recommended by the Community Lifestyle Committee, to approve the 2021 Sponsorship Program to enhance Community Lifestyle programs & events.

**I. Consideration of Recommendation from the Communications Committee to Approve the Purchase of Photography Equipment**

Resolution: As recommended by the Communications Committee, to approve the purchase of photography equipment to enhance SAMLARC Communications resources and content.

**J. Consideration of Approval of Contract Renewal with Executive Security Systems, Inc. for Security Alarm Monitoring Services**

Resolution: To approve the renewal of a contract with Executive Security Systems, Inc. to provide security alarm monitoring services for various SAMLARC facilities for the period of February 28, 2021 – February 27, 2022 using contract template (5) First Renewal of Contract for Goods and/or Services at a cost not to exceed \$1,080 with funds to be expended from Operating Account GL #S16155, Supplemental Common Area Services, Specific to the Beach Club and Lagoon, as well as Operating Account GL# S17155, Supplemental Common Area Services, Specific to Community Parks. Operating Account GL# S16155, Supplemental Common Area Services, Specific to the Beach Club and Lagoon, as well as Operating Account GL# S17155, Supplemental Common Area Services, Specific to Community Parks.

**K. Consideration of Approval of Contract with Jolly Jumps and Express to Provide Goods and/or Services at SAMLARC Community Events**

Resolution: To approve a contract with Jolly Jumps & Express Events for events and programs throughout 2021 using contract template (2A) Contract for Goods and/or Services and (2B) Master Agreement for Goods and/or Services;

and,

To approve Work Authorization #052 with Jolly Jumps & Express Events for the SAMLARC Spring Scramble virtual event using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$4,200;

and,

To approve Work Authorization #053 with Jolly Jumps & Express Events for the SAMLARC Safari drive-through experience using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$18,800. Funds are to be expended from the \$200,000 net budget allocation for Community Lifestyle.

**L. Consideration of Approval of Contract with Bottles Nation, Inc. to Provide Goods and/or Services for a Virtual Wine Tasting Event**

Resolution: To approve a contract with Bottles Nation Inc. to provide good and/or services for a Virtual Wine Tasting Event scheduled on Saturday, March 13, 2021 using contract template (1B) Master Agreement Short Form Contract for Goods & Services at a cost not to exceed \$1,000. Funds are to be expended from the \$200,000 net budget allocation for Community Lifestyle.

**M. Consideration of Approval of Contract with ADYA OC to Provide Goods and/or Services for a Virtual Cooking Class**

Resolution: To approve a contract with ADYA OC to provide good and/or services for a Virtual Cooking Class scheduled on Thursday, March 25, 2021 using contract template (1B) Master Agreement Short Form Contract for Goods & Services at a cost not to exceed \$350. Funds are to be expended from the \$200,000 net budget allocation for Community Lifestyle.

**N. Consideration of Approval of a Contract with Pacific Summit DJ for Entertainment Services at 2021 Community Lifestyle Events & Programs**

Resolution: To approve a contract with Pacific Summit DJ for entertainment services at events and programs throughout 2021 using contract template (2A) Contract for Goods and/or Services and (2B) Master Agreement for Goods and/or Services.

**O. Consideration of Approval of a Contract with Care Ambulance for Dedicated Services at SAMLARC Major Special Events in 2021**

Resolution: To approve a contract with Care Ambulance for dedicated ambulance services at SAMLARC major special events in 2020 using contract template (2A) Contract for Goods and/or Services and (2B) Master Agreement for Goods and/or Services.

**P. Consideration of Approval of Contract with HydroPoint Data Systems, Inc. for "WeatherTRAK" Irrigation Control Services**

Resolution: To approve a contract with HydroPoint Data Systems, Inc. for "WeatherTRAK" irrigation control services for the period of March 31, 2021 – March 30, 2022 using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a total cost not to exceed \$29,915.50. Funds are to be expended from Operating Account GL#S18155, Supplemental Common Area Service, Specific to Streetscapes/Trails/Open Spaces

**Q. Consideration of Approval of Contract with La Cresta Enterprises, Inc. for Backflow Device Certification and Repair Services**

Resolution: To approve a contract with La Cresta Enterprises, Inc. to provide backflow certification and repair services for the period of April 12, 2021 – April 11, 2022 using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services.

**R. Consideration of Approval of Contract with Barrera and Company for 2021 Reserve Study and SmartProperty for Cloud-Based Asset Management Services**

Resolution: To approve a contract renewal with Barrera and Company to perform a Level Three (3) Reserve Study in calendar year 2021 for 2022 at a cost of \$2,965, to be expended from GL #19121, Reserve Study Consultant. The contract period will be from February 1, 2021 to January 31, 2022 using Contract Template (3A) Contract for Professional Consultant Services and Contract Template (3B) Master Contract for Professional Consultant Services;

and,

To approve a contract renewal with SmartProperty for cloud-based property asset management services for the period of February 1, 2021 to January 31, 2022 at a cost of \$3,600 via automatic renewal, to be expended from GL #19121, Reserve Study Consultant. The total cost for both amounts above is \$6,745. Both amounts to be expended from Operating Account GL #19121, Reserve Study Consultant, which has a 2021 budget of \$6,600.

**S. Consideration of Approval of Contract with Bundy-Finkel Architects, Inc. for Review Services of Residential Architectural Submittals**

Resolution: To approve a Contract with Bundy-Finkel Architects, Inc. to perform review services of residential architectural submittals for the period of March 26, 2021 – March 25, 2022 using contract template (3A) Contract for Professional/Consultant Services and contract template (3B) Master Agreement for Professional/Consultant Services.

**T. Consideration of Approval of Contract with Dave Bang Associates, Inc. for Repairs to SAMLARC Playground Equipment**

Resolution: To approve a contract with Dave Bang Associates, Inc. to provide installation and repair services for SAMLARC playground and fitness equipment the period of January 26, 2021 – January 25, 2022 using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services;



and,

To approve Work Authorization #015 with Dave Bang Associates for the replacement of the Quattro Seesaw at Central Park using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$10,973 with funds expended from Reserve Account GL#S23125, Community Park Reserve.

**U. Approval a Work Authorization with Diamonds Sports Field Services Inc. for Infield Refurbishment at Altisima Diamond 1, Cañada Vista Diamond 1, and Vista Verde**

Resolution: To approve Work Authorization #057 with Diamonds Sports Field Services Inc., for infield refurbishment at Altisima Diamond 1, Cañada Vista Diamond 1, and Vista Verde Diamond using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$11,310 with funds expended from Reserve Account GL#S23125, Community Park Reserve.

**V. To Approve a Ratification of a Work Authorization with Collins Company for Repairs to Various Backstop Covers and Shade Structures**

Resolution: To ratify Work Authorization #028 with Collins Company, for Repairs to various backstop covers and dugout shade covers using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$1,468 expended from Operating Account GL# S17141, Sports Field Maintenance.

**W. To Approve a Ratification of a Work Authorization with Diamonds Sports Field Services Repairs to SAMLARC Arena**

Resolution: To ratify Work Authorization #056 with Diamonds Sports Field Services, for Repairs to SAMLARC Arena using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$1,500 expended from Reserve Account GL#S23125 Community Park Reserve.

**X. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the November 2020 Financial Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the financial statement and bank reconciliation dated November 30, 2020. The balance sheet dated November 30, 2020 reflects \$15,000 in Restricted Property Insurance Deductible Fund, \$8,260,771 in Reserve funds, \$1,668,221 in operating funds, and \$1,650 in Petty Cash for a total cash amount of \$9,945,642, along with a security deposit of \$7,442. The income statement for November 30, 2020 reflects year-to-date net income of (\$400,095) compared to budgeted net income of (\$834,449). Year-to-date Reserve funding is \$1,535,357 compared to a budget of \$1,494,306. All figures are rounded.

**Y. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the December 2020 Financial Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the financial statement and bank reconciliation dated December 31, 2020. The balance sheet dated December 31, 2020 reflects assets of \$15,000 in Restricted Property Insurance Deductible Fund, \$8,158,091 in Reserve funds, \$1,600,229 in Operating funds, and \$1,650 in Petty Cash for a total cash amount of \$9,744,970, along with a security deposit

of \$7,442. The income statement for December 31, 2020 reflects year-to-date net income of (\$468,578) compared to budgeted net income of (\$749,507). Year-to-date Reserve funding is \$1,674,422 compared to a budget of \$1,630,162. All figures are rounded.

**Z. Consideration of Recommendation from the Budget and Cash Flow Committee to Approve the October 2020 Credit Card Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the charges and acknowledge review of the payable transmittal for SAMLARC US Bank credit cards for the statement closing date of October 26, 2020. The amount due is six thousand, one hundred twelve dollars and twenty-four cents (\$6,112.24).

**AA. Consideration of Recommendation from the Budget and Cash Flow Committee to Approve the November 2020 Credit Card Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the charges and acknowledge review of the payable transmittal for SAMLARC US Bank credit cards for the statement closing date of November 25, 2020. The amount due is eight thousand three hundred twenty-four dollars and sixty-seven cents (\$8,324.67).

**BB. Consideration of Approval of Request to Proceed with Liens**

Resolution: To authorize and instruct Management to record a lien on sixty-seven (67) delinquent accounts should their assessments not be paid within the time period established in the Intent to Lien Letter. The accounts became past due in January 2021 or earlier, and in accordance with the Corporation's Assessment Collection Policy, a letter was sent to the homeowner notifying them that they have 30 days to pay the balance owed or a lien will be placed on their property. Therefore, the Board directs Management to lien the accounts listed on the 'Instructions to Management' resolution dated January 26, 2021, should the delinquent assessments not be paid within the time period established in the Intent to Lien Letter:

<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>
0007-04	<b>\$2,141.22</b>	2970-04	<b>\$478.72</b>	6090-02	<b>\$242.48</b>	9038-01	<b>\$1,472.28</b>
0404-03	<b>\$468.72</b>	3354-01	<b>\$567.88</b>	6134-08	<b>\$564.96</b>	9039-02	<b>\$414.96</b>
0487-09	<b>\$132.48</b>	3937-03	<b>\$197.28</b>	6222-01	<b>\$172.48</b>	9091-03	<b>\$503.72</b>
0963-04	<b>\$379.36</b>	3943-07	<b>\$797.60</b>	6365-03	<b>\$478.72</b>	9327-02	<b>\$123.28</b>
1140-06	<b>\$128.88</b>	3977-08	<b>\$152.48</b>	6785-03	<b>\$503.72</b>	9572-04	<b>\$221.44</b>
1344-04	<b>\$242.48</b>	3983-01	<b>\$539.08</b>	6984-02	<b>\$143.68</b>	9789-05	<b>\$152.48</b>
1723-03	<b>\$1,726.88</b>	4103-03	<b>\$162.48</b>	7302-01	<b>\$227.48</b>	A174-03	<b>\$503.72</b>
1745-03	<b>\$152.48</b>	4133-03	<b>\$752.48</b>	7449-03	<b>\$152.48</b>	A426-04	<b>\$752.48</b>
2077-01	<b>\$152.48</b>	4182-05	<b>\$503.72</b>	7524-05	<b>\$121.20</b>	A526-03	<b>\$262.48</b>
2309-08	<b>\$162.48</b>	4532-05	<b>\$1,839.28</b>	8049-06	<b>\$478.72</b>	A662-04	<b>\$517.48</b>
2432-05	<b>\$488.72</b>	4854-03	<b>\$151.88</b>	8086-02	<b>\$221.44</b>	A683-03	<b>\$162.48</b>

2525-02	<b>\$142.48</b>	4911-02	<b>\$152.48</b>	8091-03	<b>\$152.48</b>	A748-03	<b>\$661.68</b>
2582-08	<b>\$232.48</b>	5217-03	<b>\$163.00</b>	8363-04	<b>\$232.48</b>	A759-03	<b>\$242.48</b>
2601-03	<b>\$277.92</b>	5494-01	<b>\$151.48</b>	8446-01	<b>\$172.48</b>	B344-02	<b>\$242.48</b>
2646-07	<b>\$1,033.28</b>	5796-03	<b>\$867.08</b>	8493-03	<b>\$152.48</b>	B403-02	<b>\$152.48</b>
2736-04	<b>\$222.48</b>	5986-03	<b>\$478.72</b>	8839-01	<b>\$498.72</b>	B433-03	<b>\$501.76</b>
2744-10	<b>\$262.48</b>	6046-05	<b>\$152.48</b>	9012-03	<b>\$142.48</b>		

### VIII. Homeowners Forum

There were no homeowners who came before the Board.

### IX. Board Committee Reports

This time is set-aside for each Director to provide a brief report regarding committee meetings they have attended during the month.

#### Committee Reports:

Budget and Cash Flow Committee – Chair Bob Louvar reported the Committee met on January 20, 2021. The Committee and Morgan Stanley had an excellent discussion about the interest rate environment and its effect on the interest earned on reserve and operating funds. The BCFC will be reinvesting matured CD funds into six-month Treasury bills. The interest to be earned by this shift is low, but is a few basis points higher than reinvesting in CD's. a year ago, were getting 1.8% for a 6-month CD and not the point is .05 for a year so interest rate market dropped and no availability in marketplace. As an alternative we are looking at treasury to buy at auction for a 3 month or 6-month treasurer bill that we can buy that will give us a higher return. We are trying to keep money safe federally insured account. The Committee also reviewed various statistics and the year-end financials, with ending net income higher than was budgeted by about \$280,000.

Communications Committee – Chair Jeff Halbreich reported the Committee last met on January 6, 2021 to discuss potential projects and initiatives within the 2021 Communications Budget, as well as to receive updates on digital engagement over the 4<sup>th</sup> quarter. The Committee will meet on Wednesday, February 3, 2021 to interview potential vendors for the creation of a SAMLARC community video and will meet on April 7, 2021 to discuss the SAMLARC website, digital engagement, mobile app updates, and communications plan updates.

Community Lifestyle Committee – Community Lifestyle and Communications Manager Marley Sansom reported on behalf of Chair Judy Vasquez. The Committee met virtually on Wednesday, January 13, 2021 and discussed the various items on the agenda this evening that included events and modified programming through May 1, 2021, in light of gathering restrictions due to COVID-19. The 2021 Sponsorship Program will help to enhance Community Lifestyle events and programs, and will include a virtual sponsorship option. The Committee also reviewed the various events and programs held throughout the months of October, November and December, reviewed current contract class offerings, and the various virtual activities hosted through SAMLARC's social media platforms, website and app. The Committee will be dark in February. The next meeting will be held on March 3, 2021.

Lago Santa Margarita Committee – Chair Charles Villafana reported the Committee did not meet in the month of January. The next meeting is scheduled for February 11, 2021. The January water test results, compressor and diffuser maintenance, floating islands update from Eco Lake Solutions and overall Lake maintenance update from Lake Management, Inc.

The water clarity is still at three (3) feet with water temperatures ranging in the low to mid 40's. TDS levels are with the 1700 range with no signs of distressed fish.

Landscape and Facilities Enhancement Committee – Chair Paul Persiani reported the Committee last met via teleconference on January 12, 2021. The Committee received the Monthly Landscape Update, Capital and Reserve Project Schedule and the Tipuana Trees along El Corazon. The Committee also made recommendations on the purchase of waterfowl deterrents, replacement of playground equipment at Central Park, contract for design work for the Altisima Office Renovation Project, and the reallocation of the 2021 Reserve Fund beginning year balance that were considered by the Board earlier this evening. The next LFEC Meeting is scheduled for Tuesday, February 9, 2021.

Assessment Statement Ad Hoc Committee – Chair Charles Villafana reported the Committee met on January 19, 2021. The following items were discussed and presented at tonight's meeting. The Assessment Statement Options Ad Hoc Committee Charter was approved, E-Statement Enrollment Communications Plan, Deferral of Assessment Statement Strategies by Corporate Counsel, and Electronic Payment Platform Fee Phase-In Plan. The Committee will be dark until it is necessary to meet.

Recycled Water Ad Hoc Committee – Chair Paul Persiani reported the Committee last met via Zoom on December 8, 2020. Items discussed included a report from Corporate Counsel regarding City/State Ordinances for use of recycled water and rough order magnitude to convert from potable to recycled water. The next meeting of the Committee is scheduled for Tuesday, February 16, 2021 through ZOOM.

Committee Liaison Reports:

Architectural Review Committee – Director Bob Louvar reported the Committee met on November 23, 2020, December 14, 2020, January 11, 2021 and January 25, 2021. Forty-seven (47) submittals were reviewed. Forty-five (45) were approved and Two (2) denied. The next SAMLARC Architectural Committee Meeting will be held on February 8, 2021 at 12:00 p.m. via Zoom.

Chamber of Commerce – Director Paul Persiani reported the RSM Chamber of Commerce has reorganized itself and the new Board Officers are, Curt Stanley, President, Scott Delabar, Past President, Nicole Stanfield, President Elect, Mike Vaughn, Secretary, Mike Conte, Treasurer. Barbara Thomas has returned temporarily as Chamber Executive Director. CEO Fullenkamp was asked to serve as a liaison to the Chamber on a staff level, while I will continue to serve as the SAMLARC Board Liaison.

Covenant Committee – Director Marty Groh reported the Covenant Committee met on Tuesday, December 1, 2020 and reviewed twenty-seven (27) violations. Twenty (20) homes were assessed fines, two (2) had their fines rescinded, three (3) were offered Internal Dispute Resolution (IDR) and three (3) homes were granted extensions. The Committee goes dark every January due to the holidays. The next Covenant Committee meeting is scheduled for Tuesday, February 2, 2021 virtually.

Sports Council – Director Jeff Halbreich reported the Sports Council met on December 9, 2020 and items of discussion included current COVID-19 restrictions, field allocations, facilities improvement lists and 2020 completed projects. Devin Sanders with Mosaic Consulting spoke regarding field time and use for the leagues during COVID. He added that it is important for the fields to close during inclement weather and they be given time to dry

out to avoid damage to the turf. The next scheduled Sports Council Meeting will be held on March 10, 2021.

Community Associations of Rancho – Director Marty Groh reported the Committee met on January 5, 2021 and listened to a presentation by Ms. Cheryl Kuta, Development Services Director for the City of Rancho Santa Margarita. Ms. Kuta presented an overview of the Housing Element Update Process and Draft Regional Housing Needs Allocation Provided by Southern California Association of Government (SCAG).

**(Currently Dark) Committees and Liaison Reports:**

Insurance Review Committee – Chair Charles Villafana

COVID-19 Executive Committee – Judy Vasquez

Election Committee – Non-running Board Member

City of Rancho Santa Margarita – President Judy Vasquez

**X. Director’s Report**

This time is set-aside for each Director to provide a brief report regarding other items of note.

Director Marty Groh – No report.

Director Jeff Halbreich - No report.

Director Robert Louvar – No report.

Director Michael May – No report.

Director Paul Persiani – Welcomed Michael May to the Board.

Director Judy Vasquez – Absent

Director Charles Villafana – Welcomed Michael and thanked Director Groh for coming in for his last two meetings. Director Villafana also welcomed Robert Sherfy and stated he looked forward to working with him. Director Villafana recognized Pat White and George Blair for their extensive work on the shade structures for Trabuco Mesa Park and the amount of work they have put in. It is a great opportunity for the children and a great addition to the Trabuco Mesa Park and shows that SAMLARC is community focused. One of the families from RTGSA donated the funds for the shade structure.

**XI. Community Executive Officer Report**

No report.

**XII. Events and Programs**

Virtual Children’s Gardening Workshop  
Saturday, January 30  
10:00 a.m. – 11:00 a.m.

Virtual Adult Gardening Workshop  
Saturday, February 20  
10:00 a.m. – 11:00 a.m.

**XIII. Next Meeting**

Consistent with Board direction, the next meeting will be held on Tuesday, February 23, 2021, at 6:00 p.m. as a virtual meeting.

**XIV. Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned at 7:37 p.m.

I certify that these minutes were duly approved by the Board of Directors on February 23, 2021.

*Judy Vasquez*

\_\_\_\_\_  
Judy Vasquez, President

Date: February 23, 2021

*Marty Groh*

\_\_\_\_\_  
Marty Groh, Secretary

Date: February 23, 2021

Prepared by: Tita S. Gervasi, Executive Assistant



Board of Directors Meeting

December 2020

Mission Statement

*"To perpetuate a positive, reputable and distinct identity for the SAMLARC community while maintaining a reasonable assessment fee."*

**Open Session Agenda**

**No meeting held in December**







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**Members Present**

President Robert Dickson  
Secretary Marty Groh – Arrived at 6:30 p.m.  
Director Jeff Halbreich  
Director Paul Persiani  
Director Charles Villafana

**Members Absent**

Vice President Judy Vasquez  
CFO Robert “Bob” Louvar

**First Service Residential**

Executive Vice President Amy Mathieson  
SAMLARC Community Executive Officer Candice Fullenkamp  
SAMLARC Assistant General Manager George Blair  
SAMLARC Executive Assistant Tita S. Gervasi  
SAMLARC Lifestyle and Communications Manager Marley Sansom  
SAMLARC Facilities Operations Manager Jerry Corpuz  
SAMLARC Capital and Reserve Project Manager Jonathon Hill  
SAMLARC Media and Communications Specialist Alexandra Kuhlmann

**Others Present**

Corporate Counsel, Daniel A. Nordberg, Esq., Nordberg Law Group, Of Counsel to Richardson|Ober|DeNichilo, LLP.

**Executive Session**

The following items were reviewed in the Executive Session Meeting preceding the Open Session Meeting in accordance with California Civil Code 4090 that include Employment Issues, Contract Negotiations, Consultations with Corporate Counsel Review of Information Provided by Counsel, Constitutionally or Legally Protected Topics i.e. Attorney-Client Privileged Information:

- Small Claims Court for Violations
- Security Contract added Language Discussion, FSR Contract
- Foreclosures
- COVID-19 Report

**I. Call to Order**

President Robert Dickson called the Open Session of the Board of Directors Meeting for the Rancho Santa Margarita Landscape and Recreation Corporation to order at 6:24 p.m.

**II. Approval of the Agenda**

Resolution: To approve the November 17, 2020 Open Session Agenda, as amended to pull Item C – FirstService Contract and Item D – Pyro Spectacular Contract to be labeled as Items E and F under Items for Discussion and/or Approval.

Motion: Paul Persiani

Second: Jeff Halbreich

Ayes: Robert Dickson, Jeff Halbreich, Paul Persiani, Charles Villafana

Nays: None

*Director Groh arrived at 6:30 p.m.*

### **III. Homeowners Forum**

No homeowners spoke before the Board.

### **IV. Approval of the Minutes**

Resolution: To approve the October 27, 2020 Board of Directors Open Session Minutes.

Motion: Jeff Halbreich

Second: Robert Dickson

Ayes: Robert Dickson, Jeff Halbreich, Paul Persiani, Charles Villafana

Nays: None

Abstain: Marty Groh

### **V. Items for Discussion and/or Approval**

#### **A. Consideration of Approval to Waive Late Fees for the Month of January 2021 as a Result of the Assessment Increase**

Resolution: To approve the waiver of late fees for the month of January as a result of the assessment increase effective January 1, 2021.

Motion: Charles Villafana

Second: Paul Persiani

Ayes: Robert Dickson, Marty Groh, Jeff Halbreich, Paul Persiani, Charles Villafana

Nays: None

#### **B. Consideration of Approval of Amendment to the SAMLARC Master Agreement for Goods and/or Services between SAMLARC and G4S Secure Solutions (USA) for Security Patrol Services**

Resolution: To receive and file the report (action taken in Executive Session).

#### **C. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve the Request for Homeowner Reimbursement**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve the request for Homeowner Reimbursement at a total cost of \$800 with funds to be expended from GL#S17151, Concrete Repairs.

Motion: Jeff Halbreich  
Second: Robert Dickson  
Ayes: Robert Dickson, Marty Groh, Jeff Halbreich, Paul Persiani, Charles Villafana  
Nays: None

**D. Consideration of Approval of Service Agreement with COX Communications to Update Telephone System and Continue Providing Telecommunications Services for the SAMLARC Business Office**

Resolution: To approve a Service Agreement with COX Communications to update the current telephone system and continue providing telecommunications services for the SAMLARC Business Office.

Motion: Charles Villafana  
Second: Marty Groh  
Ayes: Robert Dickson, Marty Groh, Jeff Halbreich, Paul Persiani, Charles Villafana  
Nays: None

**E. Consideration of Approval of Contract Amendment with Pyro Spectacular**

Resolution: To approve a contract amendment with Pyro Spectacular to transfer half of the initial deposit for the cancelled 2020 fireworks display to a show in 2021.

Motion: Marty Groh  
Second: Robert Dickson  
Ayes: Robert Dickson, Marty Groh, Paul Persiani, Charles Villafana  
Nays: Jeff Halbreich

Administrative Direction: Management and Corporate Counsel to work with Pyro Spectaculars to determine if the \$7,900 can be placed in an escrow account.

**F. Consideration of Amendment to and Renewal of the FirstService Residential Full-Service Management Agreement**

Resolution: To approve the renewal of the FirstService Residential Full-Service Management Agreement inclusive of the Staffing Agreement using contract template (6) Amendment to Contract.

Motion: Robert Dickson  
Second: Charles Villafana

Ayes: Robert Dickson, Marty Groh, Paul Persiani, Charles Villafana

Nays: Jeff Halbreich

Administrative Direction: To bring the amendment back to the Board at the January 26, 2021.

**VI. Consent Calendar** - (All matters on the Consent Calendar are to be approved in one motion unless a Board member requests a separate action on a specific item on the Consent Calendar).

Motion: Charles Villafana

Second: Jeff Halbreich

Ayes: Robert Dickson, Marty Groh, Jeff Halbreich, Paul Persiani, Charles Villafana

Nays: None

**A. Consideration of Contracts to Expire on March 31, 2021**

Resolution: To approve entering into a contract with the following vendors for the period as specified by each of the associated contracts, with the contracts coming before the Board of Directors for final approval prior to the current contract expiration date. These contracts include:

- Bundy-Finkel Architects, Inc. – Provide consultation for Architectural Review Process. First renewal of contract, no price increase, no change in terms of contract.
- Hydropoint – Provide WeatherTRAK Central Everywhere Management License and connection to 145 SAMLARC ET Pro 3 controllers. First renewal of contract, no price increase, no change in terms of contract.

**B. Consideration of Contracts to Expire on April 30, 2021**

Resolution: To approve entering into a contract with the following vendors for the period as specified by each of the associated contracts, with the contracts coming before the Board of Directors for final approval prior to the current contract expiration date. These contracts include:

- Barrera & Company – Reserve Study Analyst. First renewal of contract, no price increase, no change in terms of contract.
- La Cresta Enterprises, Inc. – Provide backflow maintenance and repair services. New contract term, no price increase, no change in terms of contract.
- Security Communication Network – Monitor security system at the SAMLARC Business Office. New contract term, no price increase, no change in terms of contract.
- Mayfair Concrete Restoration – Concrete grinding, patching, and other maintenance and repairs. Second renewal of contract, no price increase, no change in terms of contract.

**C. Consideration of Expense Posting to New Account Named COVID-19 Additional Services**

Resolution: To receive and file the report.

**D. Consideration of Approval of the 2021 Use Fee Schedule**

Resolution: To approve the proposed 2021 Use Fee Schedule.

**E. Consideration of Approval of Renewal of Membership to RSM Chamber of Commerce**

Resolution: To approve renewal of membership to the RSM Chamber of Commerce for the period of January 1 – December 31, 2021 at a cost of \$135.

**F. Consideration of Approval of an Ephemeral Art Club and Charter**

Resolution: To approve a charter for an Ephemeral Art Club hosted at various trails and parks within the SAMLARC Community.

**G. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Contract with ADCO Roofing to Perform the 2020 Annual Roof Inspections and Repairs for Eleven (11) SAMLARC Facilities**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve a contract with Adco Roofing to perform the 2020 annual roof inspections and repairs at eleven (11) SAMLARC facilities using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Contract for Goods and/or Services at a total cost not to exceed \$5,704.60 which includes a project contingency of \$518.60 with funds expended from Reserve GL#S23125, Community Park Reserve

**H. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Contract with Taylor Tennis Inc., to Resurface Five (5) Basketball Courts throughout SAMLARC**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve a contract with Taylor Tennis, Inc., to resurface five (5) Basketball Courts throughout SAMLARC using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Contract for Goods and/or Services at a total cost not to exceed \$23,320 which includes a project contingency of \$2,120 with funds expended from Reserve GL#S23125, Community Park Reserve.

**I. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Contract with Pilot Painting & Construction to Repair the Monte Vista Wood Trellis**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve a contract with Pilot Painting & Construction for repair of the Monte Vista Wood Trellis using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Contract for Goods and/or Services at a total cost not to exceed \$28,380 which includes project contingency of \$2,580 with funds expended from Reserve GL#S23125, Community Park Reserve

**J. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Contract with Pilot Painting and Construction for the Phase 3 Community Painting Project**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve a contract with Pilot Painting and Construction for Phase 3 Community Painting Project using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Contract for Goods and/or Services at a total cost not to exceed \$90,750 which includes a project contingency in the amount of \$8,250 with funds to be expended from Reserve GL#23138, Walls and Fences.

**K. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Contract with Pilot Painting and Construction for Phase 4 Wrought Iron Fence Repair and Painting Project**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee, to approve a contract with Pilot Painting and Construction for the Phase 4 Wrought Iron Fence Repair and Painting Project using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Contract for Goods and/or Services at a total cost of \$102,740, which includes a project contingency in the amount of \$9,340, with funds to be expended from Reserve GL#23138, Walls and Fences.

**L. Consideration of Recommendation by the Budget and Cash Flow Committee to Renew a Contract with Pacific Utility Audit, Inc. for Utility Auditing Services**

Resolution: As recommended by the Budget and Cash Flow Committee, to recommend the Board of Directors renew the contract with Pacific Utility Audit for utility auditing services for a period of twelve (12) months beginning November 18, 2020 and ending November 17, 2021, using contract template 3A, Contract for Professional Services/Consultant.

**M. Consideration of Recommendation by the Budget and Cash Flow Committee to Renew a Contract with Invisible Accounting Solutions, Inc. for Financial Audit and Tax Form Preparation Services for the Fiscal Year Ending December 31, 2020**

Resolution: As recommended by the Budget and Cash Flow Committee, to recommend the Board of Directors renew the contract with Invisible Accounting Solutions for financial audit and tax form preparation services for the fiscal year ending December 31, 2020. The contract period begins January 21, 2021 and ends January 20, 2022, using contract template 3A, Contract for Professional Services/Consultant.

**N. Consideration to Approve a Contract with NLS Lighting Inc. for the Purchase of One LED Fixture, a Work Authorization with Three Phase Lighting for Installation of LED Fixture, and a Contract with OC Fence to Repair the Tennis Court Fence at Trabuco Mesa Park**

Resolution: To approve a contract with NLS Lighting Inc. for the purchase of one LED fixture with arm using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Contract for Goods and/or Services at a total cost not to exceed \$1,293 with funds to be expended from Reserve GL#S23125, Community Park Reserve;

and,

To approve Work Authorization #009 with Three Phase Electric, Inc. for the installation of light fixture at Trabuco Mesa Park using template (4) Work Authorization for Goods and/or Services at a cost not to exceed \$565 with funds to be expended from Reserve GL#S23125, Community Park Reserve;

and,

To approve a contract with OC Fence for fence repairs using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Contract for Goods and/or Services at a total cost not to exceed \$5,687 with funds to be expended from Reserve GL#23138, Walls and Fences.

**O. Consideration of Approval of Contract with White Raven Enterprises, LLC for Janitorial, Maintenance and Trash Container Services**

Resolution: To approve a Contract with White Raven Enterprises, LLC to perform janitorial, maintenance and trash container services for the period of January 1, 2021 – December 31, 2021 using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at an annual cost of \$476,350.

**P. Consideration of Approval of First Renewal of Contract with Nordberg Law Group, P.C. for Professional Legal Services**

Resolution: To approve First Renewal of Contract with Nordberg Law Group, P.C. for professional legal services for a period of twelve months beginning January 1, 2021 and concluding December 31, 2021, with a retainer amount of \$2,604 per month, using contract template (5) First Renewal of Contract.

**Q. Consideration of Approval of Contract Renewal with Lake Management, Inc. for Beach Club Lagoon and Fountain Maintenance Services**

Resolution: To approve a contract renewal with Lake Management, Inc. to perform Beach Club Lagoon and Fountain maintenance services for the period of January 1, 2021 – December 31, 2021 using contract template (5) First Renewal of Contract for Goods and/or Services at an annual cost of \$31,490, funds to be paid from Operating Account GL#S16105, Beach Club/Lagoon, Lagoon Operations.

**R. Consideration of Approval of Contract Renewal with TickTockTony for Lago Santa Margarita Beach Club Clock Tower Maintenance Services**

Resolution: To approve a contract renewal with TickTockTony to perform Lago Santa Margarita Beach Club clock tower maintenance services for the period of December 16, 2020 – December 15, 2021 using contract template (5) First Renewal of Contract for Goods and/or Services.

**S. Consideration of Approval of Contract Renewal with 1<sup>st</sup> Choice Pool & Spa Solutions for Pool and Wader Maintenance Services**

Resolution: To approve a contract renewal with 1<sup>st</sup> Choice Pool & Spa Solutions to provide pool and wader maintenance services for a period of twelve (12) months

beginning January 1, 2021 and ending December 31, 2021, using contract template (5) First Renewal of Contract and/or Services at an annual cost not to exceed \$85,120 funds to be paid from Operating Account GL#S17522, Community Pools, Pool Service.

**T. Consideration of Approval of Contract Renewal with 24HRC for Maintenance and Repair Services**

Resolution: To approve the renewal of contract with 24HRC to provide maintenance and repair services for a period of twelve (12) months beginning January 23, 2021 and ending January 22, 2022, using contract template (5) Second Renewal of Contract and/or Services.

**U. Consideration of Approval of Contract Renewal with Taylor Tennis Courts Inc., for Maintenance and Repair Services**

Resolution: To approve a contract renewal with Taylor Tennis Courts, Inc., to perform various maintenance services for a period of twelve (12) months beginning November 24, 2020 and ending November 23, 2021, using contract template (5) Second Renewal of Contract and/or Services.

**V. Consideration of Approval of Contract Renewal with Carasso Construction for Maintenance and Repair Services**

Resolution: To approve a contract renewal with Carasso Construction Services to provide maintenance and repair services for a period of twelve (12) months beginning January 23, 2021 and ending January 22, 2022, using contract template (5) Second Renewal of Contract and/or Services.

**W. Consideration of Approval of a Work Authorization with 24 HRC for Removal and Reinstallation of the Flagpole Located at South Lakeshore for Christmas Tree**

Resolution: To approve Work Authorization #009 with 24HRC for the removal and reinstallation of the flagpole located at South Lakeshore for Christmas tree using template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$1,500 with funds expended from GL#S15127 Lake/Lakeshore, Minor Repair & Purchases.

**X. Ratification of a Work Authorization with 24 HRC to Repair Three (3) Concrete Panels at Various Locations throughout SAMLARC**

Resolution: To ratify Work Authorization #010 with 24 HRC to repair three (3) concrete panels at various locations using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$575 with funds expended from Operating Account GL# S17151, Concrete Repairs.

**Y. Ratification of a Work Authorization with 24 HRC to Repair Plexiglass at 11 Calle Gozapo**

Resolution: To ratify Work Authorization #011 with 24 HRC to repair plexiglass at 11 Calle Gozapo using contract template (4) Work Authorization for Goods and/or Services



at a total cost not to exceed \$850 with funds expended from Reserve Account GL#23138 Walls and Fences Reserve.

**Z. Consideration of Approval of the September 2020 Credit Card Statement**

Resolution: To approve the charges and acknowledge review of the payable transmittal for SAMLARC US Bank credit cards for the statement closing date of September 25, 2020. The amount due is one thousand six hundred fifty-four dollars and seventy-six cents (\$1,654.76).

**AA. Consideration of Approval of the October 2020 Financial Statement**

Resolution: To approve the financial statement and bank reconciliation dated October 31, 2020. The balance sheet dated October 31, 2020 reflects \$15,000 in Restricted Property Insurance Deductible Fund, \$8,126,996 in Reserve funds, \$1,646,127 in operating funds, and \$1,650 in Petty Cash for a total cash amount of \$9,789,773, along with a security deposit of \$7,442. The income statement for October 31, 2020 reflects year-to-date net income of (\$422,724) compared to budgeted net income of (\$792,358). Year-to-date Reserve funding is \$1,395,642 compared to a budget of \$1,358,460. All figures are rounded.

**BB. Consideration of Approval of Request to Proceed with Liens**

Resolution: To authorize and instruct Management to record a lien fifty-eight (58) delinquent accounts should their assessments not be paid within the time period established in the Intent to Lien Letter. The accounts became past due in November 2020 or earlier, and in accordance with the Corporation's Assessment Collection Policy, a letter was sent to the homeowner notifying them that they have 30 days to pay the balance owed or a lien will be placed on their property. Therefore, the Board directs Management to lien the accounts listed on the 'Instructions to Management' resolution dated November 17, 2020, should the delinquent assessments not be paid within the time period established in the Intent to Lien Letter:

<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>
0129-06	<b>\$167.72</b>	2951-04	<b>\$729.40</b>	5004-02	<b>\$189.36</b>	8363-04	<b>\$190.40</b>
0393-08	<b>\$152.48</b>	3161-02	<b>\$152.48</b>	5796-03	<b>\$550.00</b>	8483-06	<b>\$162.48</b>
0487-09	<b>\$110.40</b>	3309-07	<b>\$152.48</b>	6090-02	<b>\$200.40</b>	9039-02	<b>\$162.48</b>
1313-03	<b>\$1,399.60</b>	3378-05	<b>\$152.48</b>	6582-04	<b>\$152.48</b>	9572-04	<b>\$179.36</b>
1344-04	<b>\$200.40</b>	3495-01	<b>\$459.40</b>	6867-02	<b>\$104.61</b>	A023-03	<b>\$152.48</b>
1881-05	<b>\$162.48</b>	3893-06	<b>\$152.48</b>	6927-01	<b>\$311.48</b>	A358-01	<b>\$159.16</b>
1973-02	<b>\$538.80</b>	3943-07	<b>\$200.32</b>	6984-02	<b>\$141.20</b>	A526-03	<b>\$220.40</b>

2229-06	<b>\$218.72</b>	3983-01	<b>\$126.60</b>	7140-03	<b>\$162.48</b>	A744-01	<b>\$912.48</b>
2503-01	<b>\$110.40</b>	4133-03	<b>\$460.20</b>	7302-01	<b>\$185.40</b>	A759-03	<b>\$200.40</b>
2582-08	<b>\$190.40</b>	4212-04	<b>\$1,011.20</b>	7350-06	<b>\$152.48</b>	A872-01	<b>\$595.20</b>
2646-07	<b>\$715.80</b>	4532-05	<b>\$1,256.40</b>	8086-02	<b>\$179.36</b>	A956-01	<b>\$152.48</b>
2676-01	<b>\$152.48</b>	4569-04	<b>\$152.48</b>	8110-01	<b>\$740.80</b>	B135-03	<b>\$443.00</b>
2683-08	<b>\$452.48</b>	4641-04	<b>\$152.48</b>	8266-02	<b>\$200.40</b>	B475-03	<b>\$152.48</b>
2736-04	<b>\$180.40</b>	4771-03	<b>\$152.48</b>	8316-03	<b>\$564.40</b>		
2797-06	<b>\$152.48</b>	4898-03	<b>\$185.80</b>	8349-04	<b>\$138.32</b>		

**VII. Homeowners Forum**

There were no homeowners who spoke before the Board.

**VIII. Board Committee Reports**

This time is set-aside for each Director to provide a brief report regarding committee meetings they have attended during the month.

Committee Reports:

Budget and Cash Flow Committee – Director Halbreich reported on behalf of Chair Bob Louvar. Director Halbreich reported the interest on CDs maturing are not moving and the only ones available were for a 1-year term at .1% and .15%. Management and Director Halbreich spoke with Susan Bordeaux with Morgan Stanley regarding Treasury Notes which are yielding .1 to .15 for a 3-month term. SAMLARC will go in this direction so as not to get locked up for a year until interest rates get better. The Committee has decided to go dark for both its November and December meetings. The next meeting is scheduled for January 20, 2021.

Communications Committee – Chair Jeff Halbreich reported the Committee last met on October 7, 2020 to discuss potential projects and initiatives within the 2021 Communications Budget, as well as to receive updates on the launch of the Connect Resident Portal and digital engagement over the 3<sup>rd</sup> quarter. The next Committee Meeting will be held on Wednesday, January 6, 2021. Items on the agenda included discussion of the SAMLARC website, a community video, and review of digital engagement over the fourth quarter.

Landscape and Facilities Enhancement Committee – Chair Paul Persiani reported the Committee met virtually on Tuesday, November 10, 2020 and received updates on Landscape Services, Reserve Projects and the Altisima Office Project. The committee also reviewed and provided several recommendations, many of which were considered earlier this evening including basketball court resurfacing, annual roof inspections, Monte Vista wood trellis repairs, Phase 3 Community Painting Project and Phase 4 Wrought Iron Fence Repair and Painting Project. The LFEC will not meet in December, and the next scheduled meeting is Tuesday, January 12, 2021.

Community Lifestyle Committee – President Dickson reported on behalf of Director Judy Vasquez. President Dickson reported the Committee last met on October 6, 2020 to discuss the 2021 budget as well as Halloween activities and various ways to engage the community in a virtual or socially distant way throughout 2020. The Committee did not meet in November. However, Management provided a detailed packet for the Committee’s review by email, recapping past programs and updating the Committee with scheduled holiday

programming and classes. The next Committee meeting will be held in January 2021 to make a recommendation for first quarter programming, in light of COVID-19.

2021 Election Committee – Chair Robert Dickson reported the next meeting of the Committee will be on December 15, 2020.

Insurance Review Committee – Chair Charles Villafana – Currently Dark

Lago Santa Margarita Committee – Chair Charles Villafana reported the Committee will be meeting on November 18, 2020. The topics that will be discussed at the next meeting will be the October Water Test Results, November Fish Kill and overall Lake & Floating Islands Maintenance Report.

COVID-19 Executive Committee – Chair Robert Dickson reported the Executive Committee met by email once since the October Board Meeting to approve the re-opening the Lakeshore to two-way traffic with directional arrows on the concrete and signage. The Committee also met on November 5, 2020 and approved re-opening the playgrounds in accordance with California Department of Public Health requirements and restrictions to include: Regular cleaning performed weekly and posting of signage. The Executive Committee has no scheduled meetings at this time.

Recycled Water Ad Hoc Committee – Chair Paul Persiani reported the next meeting of the Committee is scheduled for Tuesday, December 8, 2020.

Assessment Statement Ad Hoc Committee – Chair Robert Dickson the Ad Hoc Committee will conduct their first meeting on December 7, 2020. The agenda will include approval of the Charter and review of the options prepared by Corporate Counsel.

Committee Liaison Reports:

Architectural Review Committee – President Dickson reported on behalf of Director Bob Louvar. President Dickson reported the Committee met on Monday, November 9, 2020 and approved all ten submittals. The next SAMLARC Architectural Committee Meeting will be held on November 23, 2020 at 12:00 p.m. via Zoom.

Chamber of Commerce – Director Paul Persiani reported the Chamber of Commerce has no new events scheduled at this time. They have launched their membership drive for 2021.

City of Rancho Santa Margarita – President Robert Dickson – Currently Dark

Community Associations of Rancho – Director Marty Groh – Currently Dark

Covenant Committee – Director Marty Groh reported the Committee met via Zoom on Tuesday, November 3, 2020 and reviewed twenty-nine (29) violations. Twelve (12) homes were assessed fines, two (2) had their fines rescinded, one (1) was offer Alternative Dispute Resolution (ADR), eleven (11) homes were granted extensions and two (2) were recommended Small Claims Court action. The next Covenant Committee meeting is scheduled for Tuesday, December 1, 2020 at 5:00 pm conducted via Zoom.

Sports Council – Director Jeff Halbreich reported Pop Warner is training with the expectation to begin games in January if allowed. RTGSA is continuing to practice at Trabuco Mesa and

NJB basketball began practices this week at Altisima and Trabuco Mesa Parks. Orange County has moved back into the Purple Tier so it is unknown at this time if youth sports will be affected. Management will work with the Sports Council to develop a fair allocation of field space, anticipating the spring season will have all sports needing space to play games in 2021. The next scheduled Sports Council Meeting will be December 9, 2020.

#### **IX. Director's Report**

This time is set-aside for each Director to provide a brief report regarding other items of note.

Director Marty Groh – Commended Jerry Corpuz and his crew for doing a great job.

Director Jeff Halbreich - No report.

Director Robert Louvar – Absent.

Director Paul Persiani – No report.

Director Judy Vasquez – Absent.

Director Charles Villafana – Commended the staff for doing a great job.

Director Robert Dickson – No report.

#### **X. Community Executive Officer Report**

#### **XI. Events and Programs**

##### **Virtual Adult Gardening Workshop**

Saturday, November 21, 2020  
10:00 a.m. – 11:30 a.m.

##### **Holiday Stroll 'Round the Lake**

Every evening from November 27, 2020 – December 31, 2020  
Lago Santa Margarita Lakeshore Park

##### **Virtual Tree Lighting & Family PJ Party**

Saturday, December 5, 2020  
4:00 p.m. – 5:30 p.m.

##### **North Pole Hotline**

Wednesday, December 9, 2020 and Thursday, December 10, 2020  
5:00 p.m. – 6:00 p.m.

#### **XII. Next Meeting**

Consistent with Board direction, the next meeting will be held on Tuesday, January 26, 2021, at 6:00 p.m. as a virtual meeting.

**XI. Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned at 7:10 p.m.

I certify that these minutes were duly approved by the Board of Directors on January 26, 2021.

*Judy Vasquez*

\_\_\_\_\_  
Judy Vasquez, President

Date: January 26, 2021

*Marty Groh*

\_\_\_\_\_  
Marty Groh, Secretary

Date: January 26, 2021

Prepared by: Tita S. Gervasi, Executive Assistant





Board of Directors Meeting  
**Open Session Minutes**  
October 27, 2020

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**Members Present**

President Robert Dickson  
Vice President Judy Vasquez  
CFO Robert "Bob" Louvar  
Director Jeff Halbreich  
Director Paul Persiani  
Director Charles Villafana

**Members Absent**

Secretary Marty Groh

**First Service Residential**

SAMLARC Community Executive Officer Candice Fullenkamp  
SAMLARC Assistant General Manager George Blair  
SAMLARC Executive Assistant Tita S. Gervasi  
SAMLARC Community Lifestyle Manager Marley Sansom  
SAMLARC Community Lifestyle Coordinator Jordan Bates  
SAMLARC Community Services Manager Carla Galosic  
SAMLARC Media and Communications Specialist Alexandra Kuhlmann

**Others Present**

Corporate Counsel, Daniel A. Nordberg, Esq., Nordberg Law Group, Of Counsel to Richardson|Ober|DeNichilo, LLP.

**Executive Session**

The following items were reviewed in the Executive Session Meeting preceding the Open Session Meeting in accordance with California Civil Code 4090 that include Employment Issues, Contract Negotiations, Consultations with Corporate Counsel Review of Information Provided by Counsel, Constitutionally or Legally Protected Topics i.e. Attorney-Client Privileged Information:

- COVID-19 Actions
- Assessment Statement Strategies
- Contract Status with Vendor
- Payment Plan Request
- Foreclosures: 5471-04, 805-361-2762: 6234-04, 935-454-37
- Bad Debt Write Off

**I. Call to Order**

President Robert Dickson called the Open Session of the Board of Directors Meeting for the Rancho Santa Margarita Landscape and Recreation Corporation to order at 6:00 p.m.

**II. Approval of the Agenda**

Resolution: To approve the October 27, 2020 Open Session Agenda.

Motion: Paul Persiani

Second: Judy Vasquez

Ayes: Robert Dickson, Charles Villafana, Bob Louvar, Jeff Halbreich, Paul Persiani, Judy Vasquez

Nays: None

### **III. Homeowners Forum**

There were no homeowners who came before the Board.

### **IV. Approval of the Minutes**

#### **A. Consideration of Approval of the September 22, 2020 Board of Directors Minutes**

Resolution: To approve the September 22, 2020 Board of Directors Open Session Minutes.

Motion: Judy Vasquez

Second: Paul Persiani

Ayes: Robert Dickson, Charles Villafana, Bob Louvar, Jeff Halbreich, Judy Vasquez

Abstain: Paul Persiani

Nays: None

#### **B. Consideration of Approval of the October 6, 2020 Board of Directors Budget Workshop Minutes**

Resolution: To approve the October 6, 2020 Board of Directors Open Session Minutes.

Motion: Jeff Halbreich

Second: Paul Persiani

Ayes: Robert Dickson, Charles Villafana, Bob Louvar, Jeff Halbreich, Paul Persiani, Judy Vasquez

Nays: None

### **V. Items for Discussion and/or Approval**

#### **A. Consideration of Approval of Revisions to Architectural Standards and Policies & Guidelines for 2021**

Resolution: To approve the proposed revisions to the Architectural Standards and Policies & Guidelines and direct Management to coordinate the post card mailing notification of both documents to the Membership to include the 2021 Budget and 5300(b)(9) package. In compliance with Civil Code, this will begin the membership review process;



and,

To approve a contract with VE Associates, Inc. to produce the postcard mailing to direct the membership to SAMLARC Resident Portal where the Budget, Architectural Standards and Policies & Guidelines, will be posted using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a cost of \$6,811.04 with funds to be expended from Operating Account GL#S19111, Printing and Mailing.

Motion: Robert Dickson

Second: Bob Louvar

Ayes: Robert Dickson, Charles Villafana, Bob Louvar, Jeff Halbreich, Paul Persiani, Judy Vasquez

Nays: None

**B. Consideration of Approval of Cancellation of the 2020 Fireworks Display and Transfer of Partial Deposit for a 2021 Display**

Resolution: To approve the cancellation of the 2020 Fireworks Display, due to COVID-19, as well as the transfer of half of the initial deposit to be applied to a 2021 Display, as offered by Pyro Spectacular provided that SAMLARC enter into a contract and pay for the 2021 display by February 2021.

Motion: Judy Vasquez

Second: Paul Persiani

Ayes: Robert Dickson, Charles Villafana, Bob Louvar, Paul Persiani, Judy Vasquez

Nays: Jeff Halbreich

**C. Consideration of Approval of Modified 2020 Holiday Programming**

Resolution: To approve the following resolutions:

Community Lifestyle Committee recommendation to host a Virtual Tree Lighting & Family PJ Party, in lieu of the Tree Lighting event, to take place on Saturday, December 5, 2020;

To approve Holiday Stroll 'Round the Lake, in lieu of the Carols 'Round the Lake event, to take place November 27 – December 31, 2020;

To approve a Holiday Home Decorating Contest to take place December 1 – December 20, 2020.

Motion: Robert Dickson

Second: Charles Villafana

Ayes: Robert Dickson, Charles Villafana, Bob Louvar, Jeff Halbreich, Paul Persiani, Judy Vasquez

Nays: None

**D. Consideration of Covering Half of the Cost of the Vendor Verification Service for New Contract Class Instructors During COVID-19**

Resolution: To approve covering half of the cost of the VIVE vendor verification service for contract class instructors throughout the duration of the COVID-19 pandemic. Vendors to pay the cost up front the certification of \$57.50 and as they get students, SAMLARC will credit half the cost through the percentage we get.

Motion: Charles Villafana

Second: Jeff Halbreich

Ayes: Robert Dickson, Charles Villafana, Bob Louvar, Jeff Halbreich, Paul Persiani, Judy Vasquez

Nays: None

**E. Consideration of Request from RSM Cares for a \$250 Donation to Support their Food Pantry Program**

Resolution: To approve a donation in the amount of \$250 to RSM Cares to support their Food Pantry Program.

Motion: Paul Persiani

Second: Robert Dickson

Ayes: Robert Dickson, Charles Villafana, Bob Louvar, Jeff Halbreich, Paul Persiani, Judy Vasquez

Nays: None

**VI. Consent Calendar -** (All matters on the Consent Calendar are to be approved in one motion unless a Board member requests a separate action on a specific item on the Consent Calendar).

Motion: Jeff Halbreich

Second: Charles Villafana

Ayes: Robert Dickson, Charles Villafana, Bob Louvar, Jeff Halbreich, Paul Persiani, Judy Vasquez

Nays: None

**A. Consideration of Contracts to Expire on February 28, 2021**

Resolution: To approve entering into a contract with the following vendors for the period as specified by each of the associated contracts, with the contracts coming before the Board of Directors for final approval prior to the current contract expiration date. These contracts include:

- Executive Security Systems, Inc. – Security alarm system monitoring services at Altisima Park, Solana Park, and Beach Club Facilities. First Renewal of contract, no price increase, no change in terms of contract.
- Gannon Design, Inc. – Sign and monument repairs, maintenance and/or design that may be approved from time to time by the Board of Directors. First Renewal of contract, no price increase, no change in terms of contract

**B. Consideration of Approval of Contract with VE Associates, Inc. to Mail Ballot Packets for the SAMLARC Election**

Resolution: To approve a contract with VE Associates, Inc. to perform the mailing of the ballot packets for the SAMLARC 2021 Election using template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a total cost of \$24,874.81 with funds to be expended from Operating Account GL#19207, Annual Election Expense.

**C. Approval of Contract with Mosaic Consulting, Inc. for Landscape Maintenance Services**

Resolution: To approve the renewal of a contract with Mosaic Consulting, Inc., to perform Landscape Consultant Services for SAMLARC Landscape for the period of January 1, 2021 – December 31, 2021 using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a cost not to exceed \$111,936 to be expended from Operating Account GL#S18142, Landscape Management Consultant.

**D. Consideration of Approval of Contract Renewal with Brightview Landscape for Landscape Services for SAMLARC Parks**

Resolution: To approve the renewal of a contract with Brightview Landscape Services, which includes a 3% contract price increase to perform Landscape Services for SAMLARC Parks for the period of January 1, 2021 – December 31, 2021 using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a cost not to exceed \$989,145.05 to be expended from Operating Account GL#s S15122, S16122, S17122 Landscape Services for Lake/Lakeshore, Beach Club/Lagoon, and Community Parks.

**E. Consideration of Approval of Contract Renewal with Sunset Landscape Maintenance Services, Inc. for SAMLARC Streets and Trails**

Resolution: To approve the renewal of a contract with Sunset Landscape Maintenance Services, Inc. to perform Landscape Services for SAMLARC Streets and Trails for the period of January 1, 2021 – December 31, 2021 using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a cost not to exceed \$1,544,674.50 to be expended from Operating Account GL#S18122, Streetscapes/Trails/ Open Space.

**F. Consideration of Approval of Contract with Sunset Landscape Maintenance Services, Inc. for Tree Maintenance**

Resolution: To approve a contract with Sunset Landscape Maintenance Services, Inc. to perform Tree Maintenance for the period of January 1, 2021 – December 31, 2021 using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services at a cost not to exceed \$348,850 to be expensed from Operating Account GL#S18138, Tree Trimming/Removal.

**G. Consideration of Approval of Contract with G4S Secure Solutions (USA), Inc. for Security Patrol Services with a 3% Price Increase and a Two (2) Hour Reduction of Weekend Patrol Service**

Resolution: To approve a contract with G4S Secure Solutions (USA), Inc. which includes a 3% contract price increase and two (2) hour reduction of weekend patrol service for the purpose of providing security and patrol services for SAMLARC property and facilities using template number (2A) Contract for Goods and Services and (2B) Master Contract for Goods and Services at a cost not to exceed \$306,891.87 to be expensed from GL#S17158, Community Parks, Patrol Service.

**H. Consideration of Approval of Contract with Dedicated Transportation Services for Parking Lot Towing Services**

Resolution: To approve a contract with Dedicated Transportation Services to provide parking lot towing services for the period of October 24, 2020 – October 23, 2021 using template number (2A) Contract for Goods and Services and (2B) Master Agreement for Goods and Services.

**I. Consideration of Approval of Contract Renewal with Eco Lake Solutions, LLC for Maintenance and Repair Services of the Floating Islands and Aeration System at Lago Santa Margarita**

Resolution: To approve a contract renewal with Eco Lake Solutions, LLC for maintenance and repair services of the floating islands and aeration system at Lago Santa Margarita for a period of twelve (12) months beginning August 29, 2020 and ending August 28, 2021 using contract template (5) First Renewal of Contract and/or Services.

**J. Consideration of Approval of Trades Master Contract Renewals with Maintenance Service Vendors**

Resolution: To approve contract renewals with the following vendors to perform various maintenance services for a period of twelve (12) months beginning November 24, 2020 and ending November 23, 2021, using contract template (5) First Renewal of Contract and/or Services:

- The Bee Man Pest Control
- Tony's Locksmith
- Triton Air
- Orange Coast Fence Company

**K. Consideration of Approval of Contract with Collins Company for Sports Netting and Windscreen Installation and Repair Services**

Resolution: To approve a contract with Collins Company to provide sports netting and windscreen installation and repair services for the period of October 27, 2020 – October 26, 2021 using contract template (2A) Contract for Goods and/or Services and contract template (2B) Master Agreement for Goods and/or Services.

**L. Consideration of Recommendation from the Landscape and Facilities Enhancement Committee to Approve a Work Authorization with Orange Coast Fence for Replace of the Chain Link Fence at Vista Verde Park**

Resolution: As recommended by the Landscape and Facilities Enhancement Committee to approve a work authorization #027 with Orange Coast Fence for the replacement of the chain link foul line and outfield fence at Vista Verde Park using template (4) Work Authorization for Goods and/or Services at a cost not to exceed \$12,591 with funds to be expended from with Orange Coast Fence, funds to be expended from Reserve Account GL#S23125 Community Parks.

**M. Ratification of a Work Authorization with Orange Coast Fence Company for Repairs to Tijeras Creek Park Fence**

Resolution: To ratify Work Authorization #026 with Orange Coast Fence, for Repairs to Tijeras Creek Park fence using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$580 expended from Operating Account GL# S17141, Sports Field Maintenance.

**N. Ratification of a Work Authorization with 24 HRC to Repair the Wrought Iron Fence and Stucco Wall at 4 Reata**

Resolution: To ratify Work Authorization #006 with 24 HRC to repair the wrought iron fence and stucco wall at 4 Reata using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$2,100 with funds expended from Reserve Account GL#23138 Walls and Fences.

**O. Ratification of a Work Authorization with 24 HRC to Repair Plexiglass at 15 Calle Gozapo**

Resolution: To ratify Work Authorization #007 with 24 HRC to repair plexiglass at 15 Calle Gozapo using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$850 with funds expended from Reserve Account GL#23138 Walls and Fences Reserve.

**P. Ratification of a Work Authorization with 24 HRC to Repair Six (6) Concrete Panels at Various Locations throughout SAMLARC**

Resolution: To ratify Work Authorization #008 with 24 HRC to repair six (6) concrete panels at various locations using contract template (4) Work Authorization for Goods and/or Services at a total cost not to exceed \$725 with funds expended from Operating Account GL# S17151, Concrete Repairs.

**Q. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the August, 2020 Credit Card Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the charges and acknowledge review of the payable transmittal for SAMLARC US Bank credit cards for the statement closing date of August 25, 2020. The amount due is two thousand, seven hundred sixty-nine dollars and thirteen cents (\$2,769.13).

**R. Consideration of Recommendation by the Budget and Cash Flow Committee to Approve the September 2020 Financial Statement**

Resolution: As recommended by the Budget and Cash Flow Committee, to approve the financial statement and bank reconciliation dated September 30, 2020. The balance sheet dated September 30, 2020 reflects \$15,000 in Restricted Property Insurance Deductible Fund, \$8,225,831 in Reserve funds, \$1,797,789 in operating funds, and \$1,650 in Petty Cash for a total cash amount of \$10,040,270, along with a security deposit of \$7,442. The income statement for September 30, 2020 reflects year-to-date net income of (\$270,191) compared to budgeted net income of (\$761,392). Year-to-date Reserve funding is \$1,255,040 compared to a budget of \$1,222,614. All figures are rounded.

**S. Consideration of Approval of Request to Proceed with Liens**

Resolution: To authorize and instruct Management to record a lien on fifty-six (56) delinquent accounts should their assessments not be paid within the time period established in the Intent to Lien Letter. The accounts became past due in October 2020 or earlier, and in accordance with the Corporation's Assessment Collection Policy, a letter was sent to the homeowner notifying them that they have 30 days to pay the balance owed or a lien will be placed on their property. Therefore, the Board directs Management to lien the accounts listed on the 'Instructions to Management' resolution dated October 27, 2020, should the delinquent assessments not be paid within the time period established in the Intent to Lien Letter:

<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>	<b>Account Number</b>	<b>Total Amount Due</b>
0007-04	<b>\$1,794.98</b>	3589-03	<b>\$152.48</b>	6090-02	<b>\$179.36</b>	9038-01	<b>\$1,134.16</b>
0273-05	<b>\$104.16</b>	3716-04	<b>\$152.48</b>	6187-03	<b>\$152.48</b>	9363-02	<b>\$152.48</b>
0386-02	<b>\$152.48</b>	3738-02	<b>\$498.68</b>	6398-06	<b>\$152.48</b>	9880-02	<b>\$139.36</b>
0545-02	<b>\$162.48</b>	3915-05	<b>\$179.36</b>	7109-02	<b>\$151.44</b>	A017-04	<b>\$162.48</b>
0740-01	<b>\$607.48</b>	3971-04	<b>\$126.64</b>	7408-02	<b>\$152.48</b>	A155-02	<b>\$162.48</b>
1215-02	<b>\$152.48</b>	4212-04	<b>\$990.16</b>	7524-05	<b>\$152.48</b>	A483-03	<b>\$229.36</b>
1313-03	<b>\$1,378.56</b>	4479-01	<b>\$193.68</b>	7973-03	<b>\$152.48</b>	A526-03	<b>\$199.36</b>
1344-04	<b>\$179.36</b>	4635-02	<b>\$152.48</b>	8228-05	<b>\$152.48</b>	A662-04	<b>\$179.36</b>
1723-03	<b>\$1,063.76</b>	4678-04	<b>\$1,630.16</b>	8242-02	<b>\$142.48</b>	A748-03	<b>\$367.96</b>
1767-03	<b>\$152.48</b>	4890-04	<b>\$152.48</b>	8265-01	<b>\$396.96</b>	A759-03	<b>\$179.36</b>
2450-02	<b>\$152.48</b>	5004-02	<b>\$179.36</b>	8276-03	<b>\$162.48</b>	A872-01	<b>\$618.96</b>
3120-02	<b>\$121.24</b>	5277-06	<b>\$152.48</b>	8391-07	<b>\$132.48</b>	8161-04	<b>\$2750.76</b>
3354-01	<b>\$179.76</b>	5387-01	<b>\$162.48</b>	8786-04	<b>\$526.50</b>	2368-03	<b>\$162.48</b>
3573-04	<b>\$333.72</b>	5796-03	<b>\$528.96</b>	8943-04	<b>\$1,063.76</b>	4245-01	<b>\$251.36</b>

## **VII. Homeowners Forum**

There were no homeowners who spoke before the Board.

## **VIII. Board Committee Reports**

This time is set-aside for each Director to provide a brief report regarding committee meetings they have attended during the month. All Committees meet virtually.

### Committee Reports:

Budget and Cash Flow Committee – Chair Bob Louvar reported the Committee met on October 21, 2020. Upcoming Reserve disbursements and investments to make with matured CD funds were reviewed and investments instructed. Various statistics were reviewed and financial trends were found to be stable to favorable for SAMLARC. The Committee has decided to go dark for both its November and December meetings. The next meeting is scheduled for January 20, 2021.

Communications Committee – Chair Jeff Halbreich reported the Committee last met on October 7, 2020 to discuss potential projects and initiatives within the 2021 Communications Budget, as well as to receive updates on the launch of the Connect Resident Portal and digital engagement over the 3<sup>rd</sup> quarter. The next Committee Meeting will be held on Wednesday, January 6, 2020. Items on the agenda include discussion of the SAMLARC website, a community video, and review of digital engagement over the 4<sup>th</sup> quarter.

Landscape and Facilities Enhancement Committee – Chair Paul Persiani reported the Committee last met via teleconference on October 12, 2020. The Committee received reports about the Monthly Landscape Update and Capital and Reserve Project Schedule and made recommendations on the Vista Verde Fencing project that was considered by the Board earlier this evening. The next meeting is tentatively scheduled for Tuesday, November 10, 2020.

Community Lifestyle Committee – Director Judy Vasquez reported the Committee met virtually on Tuesday, October 6, 2020 to discuss the 2021 Community Lifestyle Budget as presented at the Budget Workshop, the Halloween Trick or Treat activity that is scheduled for this Saturday, October 31, 2020 from 2:00 p.m. – 5:00 p.m., the Halloween home and pumpkin decorating contests running through November 1, 2020, and the various ways to safely engage the community through this time, including modified Holiday programming which was presented to the Board this evening

2021 Election Committee – Chair Robert Dickson reported The 2021 Election Committee held a meeting on October 20, 2020. Items on the agenda included setting a deadline of December 4, 2020 at 5:00 PM as the last date Candidates may rescind their nomination and December 7, 2020 as the last date Candidates may submit their Candidate Statements, to send Candidate Applications to Corporate Counsel for review and legal approval and the Committee was to nominate by email; however, the Committee has decided to meet and nominate at the 2021 Election Committee Meeting scheduled for Thursday, October 29, 2020. A decision was made not to conduct a Candidate Forum in January 2021 due to COVID-19 restrictions.

Insurance Review Committee – Chair Charles Villafana – Currently Dark

Lago Santa Margarita Committee – Chair Charles Villafana reported the Committee did not meet in the month of October. The next meeting is tentatively scheduled for November 18, 2020 pending the availability of all members. The October water test results and the fall/winter season Lake Maintenance will be placed on the Agenda. The water clarity is still at 4 feet with no signs of midge activity or distressed fish.

COVID-19 Executive Committee – Chair Robert Dickson reported The COVID-19 Executive Committee met by email once since the last September Board Meeting to approve a recommendation from the Community Lifestyle Committee to allow businesses without store fronts to participate in the Halloween Traveling Trick or Treat on October 31, 2020. The Executive Committee has no scheduled meetings at this time.

Recycled Water Ad Hoc Committee – Chair Paul Persiani reported the Committee last met via teleconference on October 6, 2020. Items discussed included information from SMWD regarding the RSM Recycled Water Initiative, a report from Corporate Counsel regarding potential funding options, and opinion from Lake Management and Eco Lake Solutions regarding the use of recycled water in the Lake. The next meeting of the Committee is scheduled for Tuesday, November 10, 2020 through ZOOM.

Committee Liaison Reports:

Architectural Review Committee – Director Bob Louvar reported the Committee met on September 28, 2020, October 12, 2020 and October 26, 2020. Forty-five (45) submittals were reviewed and all were approved. The next SAMLARC Architectural Committee Meeting will be held on November 9, 2020 at 12:00 p.m. via Zoom.

Chamber of Commerce – Director Paul Persiani reported the Chamber of Commerce has been promoting to their members the Traveling Trick or Treat event to be held this Saturday, October 31, 2020. The Chamber will also be hosting booths at Cielo Vista Park as their Ford location will be tented for termites this weekend!

City of Rancho Santa Margarita – President Robert Dickson – Currently Dark

Community Associations of Rancho – Director Marty Groh – Currently Dark

Covenant Committee – Director Marty Groh – No report.

Sports Council – Director Jeff Halbreich reported AYSO 630 cancelled their fall season. They have limited teams training at Tijeras Creek twice a week. Little League completed their fall training sessions, Pop Warner is still training with the expectation to start games in January if allowed, an RTGSA is continuing to practice at Trabuco Mesa Park. Management will work with the Sports Council to develop a fair allocation of field space, knowing that spring season will have all sports wanting to play games in 2021. The next scheduled Sports Council Meeting will be December 9th.

**IX. Director's Report**

This time is set-aside for each Director to provide a brief report regarding other items of note.



Director Marty Groh – Absent

Director Jeff Halbreich – No report.

Director Robert Louvar – No report.

Director Paul Persiani – No report.

Director Judy Vasquez - Stated she would be dressed as Mrs. Potato Head for the Halloween Traveling Trick or Treat.

Director Charles Villafana – Thanked the staff for their quick response during the wind storm.

Director Robert Dickson – No report.

#### **X. Community Executive Officer Report**

CEO Candice Fullenkamp reported the Silverado Fire is 5% contained and there have been no homes lost. Ms. Fullenkamp has been in communication with the City of Rancho Santa Margarita and they have reported that they have activated the Emergency Operations Team. The team is on evacuation watch and will keep SAMLARC apprised of any situations that may arise.

Ms. Fullenkamp has also been in communication with the Orange County Sheriff's Department. They have put measures in place in the event there is disruption due to the election results. The Sheriffs office has also sent information on what they are doing to ensure safety at polling places.

#### **XI. Events**

Halloween Home Decorating Contest

Date: Runs through Sunday, November 1, 2020

Time: 2:00 p.m. – 5:00 p.m.

Location: Vote at [SAMLARC.ORG/HALLOWEEN](http://SAMLARC.ORG/HALLOWEEN)

Virtual Pumpkin Decorating Contest

Date: Runs through Sunday, November 1, 2020

Location: Vote at [SAMLARC.ORG/HALLOWEEN](http://SAMLARC.ORG/HALLOWEEN)

Halloween Traveling Trick or Treat

Date: Saturday, October 31, 2020

Time: 2:00 p.m. – 5:00 p.m.

Virtual New & Now Member Welcome

Date: Saturday, November 7, 2020

Time: 9:00 a.m. – 10:00 a.m.

Location: Zoom

Virtual Children's Gardening Workshop

Date: Saturday, November 14, 2020

Time: 10:00 a.m. – 11:00 a.m.

Location: Zoom

Virtual Adult Gardening Workshop  
Date: Saturday, November 21, 2020  
Time: 10:00 a.m. – 11:00 a.m.  
Location: Zoom

**XII. Next Meeting**

Consistent with Board direction, the next meeting will be held on Tuesday, November 17, 2020, at 6:00 p.m. on ZOOM.

**XI. Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned at 7:13 p.m.

I certify that these minutes were duly approved by the Board of Directors on November 17, 2020.

*Robert J Dickson*

\_\_\_\_\_  
Robert Dickson, President

Date: November 17, 2020

*Marty Groh*

\_\_\_\_\_  
Marty Groh, Secretary

Date: November 17, 2020

Prepared by: Tita S. Gervasi, Executive Assistant

**Rancho Santa  
Margarita  
Landscape and  
Recreation Corp**

Financial Audit \ Review



**FirstService**  
RESIDENTIAL



**RANCHO SANTA MARGARITA LANDSCAPE  
AND RECREATION CORPORATION**

***FINANCIAL STATEMENTS***

**DECEMBER 31, 2020 and 2019**

**WITH**

**INDEPENDENT AUDITOR'S REPORT  
AND SUPPLEMENTARY INFORMATION**

## INDEX TO FINANCIAL STATEMENTS

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INVISIBLE ACCOUNTING SOLUTIONS  
AN ACCOUNTANCY CORPORATION

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Rancho Santa Margarita Landscape and Recreation Corporation

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Rancho Santa Margarita Landscape and Recreation Corporation, a California non-profit corporation, which comprise the balance sheet as of December 31, 2020, and the related statements of revenues, expenses and changes in fund balance, and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

**Board of Director  
Rancho Santa Margarita Landscape and Recreation Corporation**

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rancho Santa Margarita Landscape and Recreation Corporation as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles of the United States of America.

***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on page 9 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Invisible Accounting Solutions*

Lake Forest, California  
March 23, 2021



**RANCHO SANTA MARGARITA LANDSCAPE  
AND RECREATION CORPORATION  
BALANCE SHEETS  
DECEMBER 31, 2020 and 2019**

**ASSETS**

	<b>2020</b>			<b>2019</b>
	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Total</b>	<b>Total</b>
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 699,879	\$ 1,136,091	\$ 1,835,970	\$ 779,365
Investments, net	917,000	6,947,000	7,864,000	8,363,000
Assessments receivable, net of allowance for uncollectible assessments of \$296,000	90,291	-	90,291	98,409
Interest receivable	1,479	17,973	19,452	53,094
Prepaid expenses	20,468	-	20,468	7,442
Due (to) from other funds	28,655	(28,655)	-	-
	<u>1,757,772</u>	<u>8,072,409</u>	<u>9,830,181</u>	<u>9,301,310</u>
<b>LONG TERM INVESTMENTS</b>				
Investments, net	-	75,000	75,000	200,000
	<u>\$ 1,757,772</u>	<u>\$ 8,147,409</u>	<u>\$ 9,905,181</u>	<u>\$ 9,501,310</u>

**LIABILITIES AND FUND BALANCE**

<b>CURRENT LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 609,883	\$ 60,721	\$ 670,604	\$ 411,232
Prepaid assessments	268,566	-	268,566	239,922
	<u>878,449</u>	<u>60,721</u>	<u>939,170</u>	<u>651,154</u>
<b>FUND BALANCE</b>	<u>879,323</u>	<u>8,086,688</u>	<u>8,966,011</u>	<u>8,850,156</u>
	<u>\$ 1,757,772</u>	<u>\$ 8,147,409</u>	<u>\$ 9,905,181</u>	<u>\$ 9,501,310</u>

**RANCHO SANTA MARGARITA LANDSCAPE  
AND RECREATION CORPORATION  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019**

	<u>2020</u>		<u>2019</u>	
	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>	<u>Total</u>
<b>REVENUES</b>				
Assessments	\$ 9,306,130	\$ 1,540,008	\$ 10,846,138	\$ 9,038,448
Interest	18,994	103,816	122,810	183,690
Other	128,254	-	128,254	254,868
	<u>9,453,378</u>	<u>1,643,824</u>	<u>11,097,202</u>	<u>9,477,006</u>
<b>EXPENSES</b>				
Beach club and lagoon	455,932	-	455,932	571,097
Community events	59,633	-	59,633	249,206
Community parks				
Custodial services	224,371	-	224,371	234,732
Landscaping	930,047	-	930,047	595,035
Patrol services	309,261	-	309,261	323,676
Other community parks	749,189	-	749,189	715,267
Community pools	242,747	-	242,747	243,000
Lake and lakeshore	358,624	-	358,624	381,652
Streetscape, trails and open space				
Landscaping	2,042,777	-	2,042,777	1,089,209
Other streetscape, trails and open space	1,254,802	-	1,254,802	939,650
General and administrative:				
Insurance	233,963	-	233,963	212,199
Management services	643,072	-	643,072	954,344
On-site operations	1,825,124	-	1,825,124	1,412,198
On-site office	123,108	-	123,108	127,590
Printing and mailing	284,471	-	284,471	234,700
Professional fees	113,269	-	113,269	107,241
Other administrative	261,847	-	261,847	119,546
Income taxes	10,226	-	10,226	15,339
Capital expenditures	-	-	-	16,044
Uncollectible assessments	28,013	-	28,013	-
Major repairs and replacements	-	830,871	830,871	747,610
	<u>10,150,476</u>	<u>830,871</u>	<u>10,981,347</u>	<u>9,289,335</u>
<b>EXCESS ( DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(697,098)	812,953	115,855	187,671
<b>BEGINNING FUND BALANCE</b>	<u>1,576,421</u>	<u>7,273,735</u>	<u>8,850,156</u>	<u>8,662,485</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 879,323</u>	<u>\$ 8,086,688</u>	<u>\$ 8,966,011</u>	<u>\$ 8,850,156</u>

**RANCHO SANTA MARGARITA LANDSCAPE  
AND RECREATION CORPORATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019**

	<b>2020</b>			<b>2019</b>
	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Total</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Excess (deficiency) of revenues over expenses	\$ (697,098)	\$ 812,953	\$ 115,855	\$ 187,671
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
(Increase) decrease in:				
Assessment receivable	8,118	-	8,118	889
Interest Receivable	3,044	30,598	33,642	(12,287)
Prepaid expenses	(13,026)	-	(13,026)	59
Increase (decrease) in:				
Accounts payable and accrued expenses	203,537	55,835	259,372	6,140
Prepaid assessments	28,644	-	28,644	(13,671)
	<u>(466,781)</u>	<u>899,386</u>	<u>432,605</u>	<u>168,801</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of investments	(2,562,000)	(7,177,000)	(9,739,000)	(12,572,000)
Redemptions of investments	3,306,000	7,057,000	10,363,000	12,674,000
	<u>744,000</u>	<u>(120,000)</u>	<u>624,000</u>	<u>102,000</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	277,219	779,386	1,056,605	270,801
<b>BEGINNING CASH AND CASH EQUIVALENTS</b>	<u>422,660</u>	<u>356,705</u>	<u>779,365</u>	<u>508,564</u>
<b>ENDING CASH AND CASH EQUIVALENTS</b>	<u>\$ 699,879</u>	<u>\$ 1,136,091</u>	<u>\$ 1,835,970</u>	<u>\$ 779,365</u>

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**RANCHO SANTA MARGARITA LANDSCAPE  
AND RECREATION CORPORATION  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019**

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**Organization**

Rancho Santa Margarita Landscape and Recreation Corporation (the “Association”) was incorporated on November 25, 1985, in the state of California. The Association is responsible for the operation and maintenance of the common property within the development. At December 31, 2020 and 2019, the development consisted of 13,645 residential units. The development is located in Rancho Santa Margarita, California.

**Date of Management’s Review**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 23, 2021, the date the financial statements were available to be issued.

**Fund Accounting**

The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors and property manager. Disbursements from the replacement fund generally may be made only for designated purposes.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassification**

Certain reclassifications have been made to the 2019 financial statements to conform to the classifications issued in 2020 .

**Cash Equivalents**

Cash equivalents consist of liquid investments with maturities of three months or less when purchased. The Association’s cash equivalent balances as of December 31, 2020 and 2019 were approximately \$1,116,000 and \$946,000, respectively.

**Investments and Interest Earnings**

Investments consist of time certificates of deposit with annual interest rates ranging from 0.1% to 1.7%. Investments are recorded at amortized cost, which approximates fair market value. The Association intends to hold all investments until maturity. Interest earnings are allocated to and recorded in the operating and replacement funds, in accordance with balances in each fund.

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**RANCHO SANTA MARGARITA LANDSCAPE  
AND RECREATION CORPORATION  
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

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**Concentration of Credit Risk**

Cash balances are maintained at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. Periodically, due to the Association’s assessment billing cycle, operating cash accounts may exceed the FDIC limits.

**Assessments and Deferred Revenues**

Association members are subject to assessments to provide funds for the Association’s operating and replacement fund requirements. Assessments receivable at the balance sheet date represent fees due from members. The Association’s governing documents and legislated laws provide for various collection remedies for delinquent assessments including late and interest charges, filing of liens, foreclosing, and obtaining judgment on other assets of the member.

Assessments billed and collected in advance are deferred and recognized as revenue in the year in which the related services are rendered.

**Allowance for Uncollectible Assessments**

Allowance for uncollectible assessments is based upon historical experience and management’s evaluation of outstanding assessments receivable at year-end.

**Property and Equipment**

Real and personal common property acquired from the developer and related improvements to such property are not recorded in the Association’s financial statements because those properties are owned by the individual owners in common and not by the Association. The Association capitalizes personal property to which it has title at cost. Replacements and improvements to the real property are not capitalized, as their disposition is also restricted.

**Income Taxes**

The Association has obtained exemption from taxation under Internal Revenue Code §501(c)(4). Accordingly, no provision for Federal taxes has been made in the accompanying financial statements. The Association’s state income tax liability for the years ended December 31, 2020 and 2019 were approximately \$10,000 and \$15,000, respectively.

**Replacement Fund**

The Association’s governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are kept in separate accounts and are generally not available for normal operations. Disbursements are to be made only if specifically approved by the Board of Directors. A study (the “Study”) of the Association’s replacement fund was conducted in October 2020 for the purpose of estimating the remaining useful lives and the replacement costs of the components of common property. The table included in the accompanying unaudited supplemental information on future major repairs and replacements is based upon the Study.

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**RANCHO SANTA MARGARITA LANDSCAPE  
AND RECREATION CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019**

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**NOTE 1: SUPPLEMENTAL CASH FLOW INFORMATION**

During the years ended December 31, 2020 and 2019, the Association paid income taxes of approximately \$15,000 and \$13,000, respectively.

**NOTE 2: COMMITMENTS AND CONTINGENCIES**

**Replacement Fund**

The Association funds for major repairs and replacements over the remaining useful lives of the components based on the Study's estimates of current replacement costs and considering amounts previously accumulated in the replacement fund. Accordingly, the funding requirement of approximately \$1,208,000 has been included in the 2021 budget.

Funds are being accumulated in the replacement fund based on estimates of future needs for major repairs and replacements of common area property components. Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be sufficient to meet all future repairs and replacements. If additional funds are necessary, the Association has the right to increase regular assessments, approve special assessments, or delay major repairs and replacements until funds are available.

**Litigation**

At times, the Association is involved in litigation arising out of the normal course of business. Management, after consultation with outside counsel, believes there is no likelihood that the Association will incur any material loss as a result of these lawsuits. Therefore, no provision for loss resulting from these lawsuits has been made in the accompanying financial statements.

**Commitments**

FirstService Residential California, LLC (FirstService) provides full service management and staffing services to the Association. FirstService performs these services under multiple one-year agreements, ending December 31, 2021. These contracts automatically renew for successive one-year periods until terminated. The Association also has various contract services including landscape maintenance, pool service, recreation services, lifeguards and monitors, and security.

**Contingencies**

The Association's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The extent of the impact of COVID-19 on the operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on members, employees and vendors all of which are uncertain and cannot be predicted. The extent to which COVID-19 may influence the financial condition or results of operations is uncertain.

**SUPPLEMENTARY INFORMATION**  
*(Unaudited)*

**DECEMBER 31, 2020**

**RANCHO SANTA MARGARITA LANDSCAPE  
AND RECREATION CORPORATION  
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR  
REPAIRS AND REPLACEMENTS  
DECEMBER 31, 2020  
(Unaudited)**

In October 2020, an independent study was conducted to estimate the remaining useful lives and future replacement costs of the components of the common area property. An independent company that specializes in the development of these funding programs performed the study. The funding program considers an annual inflation rate of 3% on the replacement cost and interest earnings of 0.1%, before taxes, on amounts funded for future repairs and replacements. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. The Association has not adjusted for changes in the estimated replacement costs, if any, since the date of the study.

The following information is based on the study and presents significant information about the components of common property at December 31, 2020. The reserve study should be referred to for a more complete description of the Association's assets and estimates used.

<u>Component</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Cost</u>	<u>Fund Balance</u>
Beach Club	0 to 29	\$ 1,498,227	\$ 507,085
Community Parks	0 to 24	5,639,870	2,972,524
Lake	0 to 20	305,090	220,235
Lakeshore	0 to 22	385,424	212,781
Landscaping and Slopes	0 to 14	451,650	258,779
Pools Area	0 to 22	1,527,483	723,787
Swim Lagoon	0 to 9	508,450	188,387
Street Accessories	1 to 21	531,000	136,289
Town Center / Trail Accessories	0 to 23	388,560	203,896
Walls and Fences	0 to 18	3,368,681	2,444,206
Other	0 to 7	<u>329,434</u>	<u>218,719</u>
		<u>\$ 14,933,869</u>	<u>\$ 8,086,688</u>





Please be advised that neither the association, FirstService Residential, nor Welcome Link can alter the insurance certificate or add a mortgagee clause. Please contact the insurance agent listed on the policy or visit EIO Direct ([www.eiodirect.com](http://www.eiodirect.com)) to request these alterations.

15241 Laguna Canyon Road, Irvine, CA 92618  
Phone: (949) 448-6000 Fax: (949) 448-6400  
[www.fsresidential.com](http://www.fsresidential.com)



**Rancho Santa  
Margarita  
Landscape and  
Recreation Corp**

Certificate of  
Insurance (Association)



**FirstService**  
RESIDENTIAL





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
3/30/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hays Companies Inc. 5285 SW Meadows Suite #451 Lake Oswego OR 97035	CONTACT NAME: Rusty Tedrow
	PHONE (A/C, No, Ext): (503) 624-4750 FAX (A/C, No): (503) 624-4751
	E-MAIL ADDRESS: rtedrow@hayscompanies.com
	INSURER(S) AFFORDING COVERAGE
	INSURER A: Fireman's Fund Insurance Company NAIC # 21873x
INSURED Rancho Santa Margarita Landscape & Recreation Corp dba SAMLARC 22342 A Avenida Empresa, ste 102A Rancho Santa Margarita CA 92688	INSURER B: Pennsylvania Manufacturers' Assoc Ins 12262
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES CERTIFICATE NUMBER: 21-22 general master REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	Y	USC 014090210	4/1/2021	4/1/2022	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> incl Host Liquor Liability						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						MED EXP (Any one person) \$ 25,000
	OTHER:						PERSONAL & ADV INJURY \$ 1,000,000
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE			USC 014090210	4/1/2021	4/1/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS						BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> HIRED AUTOS						BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE			USC 01151421U	4/1/2021	4/1/2022	EACH OCCURRENCE \$ 15,000,000
	DED <input checked="" type="checkbox"/> RETENTION \$ 0						AGGREGATE \$ 15,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N	N/A	202101-05-49-34-5Y	4/1/2021	4/1/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
							E.L. EACH ACCIDENT \$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
FirstService Residential California LLC and all managed associations are included as Additional Insureds with respect to the operations of the Named Insured. Coverage is Primary and Non-Contributory, and all rights of subrogation are hereby waived, both as required by written contract.

CERTIFICATE HOLDER documents@getvived.com FirstService Residential California, LLC 6190 Taylor Dr, ste B Flint, MI 48507	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE James Hays/RTEDRO
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ACORD 25 (2014/01)  
INS025 (201401)

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## MultiCover® - Without Non Employment Discrimination Liability

### CG 71 94 03 19

Policy Amendment(s) Commercial General Liability Coverage Form

Your Commercial General Liability Coverage Form is revised as follows:

#### 1. Broadened Named Insured

A. SECTION II - WHO IS AN INSURED, item 3., is deleted and replaced by the following:

3. Any organization that you own at the inception of this policy, or newly acquire or form during the policy period, and over which you maintain during the policy period majority ownership or majority interest, will qualify as a Named Insured if:
  - a. There is no other similar insurance available to that organization; and
  - b. The first Named Insured shown in the Declarations has the responsibility of placing insurance for that organization; and
  - c. That organization is incorporated or organized under the laws of the United States of America.

However:

- (1) Coverage under this provision 3 is afforded only until the next occurring annual anniversary of the beginning of the policy period shown in the Declarations, or the end of the policy period, whichever is earlier; and
- (2) Coverage A does not apply to **bodily injury** or **property damage** that occurred before you acquired or formed the organization; and
- (3) Coverage B does not apply to **personal and advertising injury** arising out of an offense committed before you acquired or formed the organization.

B. SECTION II - WHO IS AN INSURED, the last paragraph, is deleted and replaced by the following:

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations. However, this does not apply to a limited liability company that meets all of the conditions in Section II - Who Is An Insured, item 3., above.

#### 2. Additional Insured

If an Additional Insured endorsement is attached to this policy that specifically names a person or organization as an additional insured, then this Section 2 Additional Insured does not apply to such person or organization.

SECTION II - WHO IS AN INSURED, subsection 2.e., is added as follows:

- e. Any person or organization is included as an additional insured, but only to the extent such person or organization is legally obligated to pay for **bodily injury**, **property damage** or **personal and advertising injury** caused by your acts or omissions. With respect to the insurance afforded to such additional insured, all of the following additional provisions apply:
  - (1) You have agreed in a written **insured** contract that such person or organization be added as an additional insured under this policy;
  - (2) The **bodily injury**, **property damage** or **personal and advertising injury** for which said person or organization is legally obligated to pay occurs subsequent to the execution of such **insured** contract;
  - (3) The most we will pay is the lesser of either the amount of insurance available under the applicable Limits of Insurance shown in the Declarations or the limits of insurance required by the **insured** contract;
  - (4) The insurance afforded to such additional insured only applies to the extent permitted by law;

- (5) Such person or organization is an additional insured only with respect to:
- (a) Their ownership, maintenance, or use of that part of the premises, or land, owned by, rented to, or leased to you, except such person or organization is not an insured with respect to structural alterations, new construction or demolition operations performed by or on behalf of such person or organization;
  - (b) Your ongoing operations performed for that insured;
  - (c) Their financial control of you, except such person or organization is not an insured with respect to structural alterations, new construction or demolition operations performed by or on behalf of such person or organization;
  - (d) The maintenance, operation or use by you of equipment leased to you by such person or organization;
  - (e) Operations performed by you or on your behalf and for which a state or political subdivision has issued a permit, provided such operations are not performed for such state or political subdivision, and are not included within the **products-completed operations hazard**; or
  - (f) Their liability as grantor of a franchise to you.
- (6) This insurance does not apply to **bodily injury, property damage, personal and advertising injury, occurrence or offense**:
- (a) Which takes place at a particular premises after you cease to be a tenant of that premises;
  - (b) Which takes place after all work, including materials, parts or equipment furnished in connection with such work to be performed by or on behalf of the additional insured at the site of the covered operations, has been completed;
  - (c) Which takes place after that portion of **your** work out of which the injury or damage arises has been put to its intended use by any other person or organization other than another contractor or subcontractor engaged in performing operations for a principal as part of the same project; or
  - (d) Which takes place after the expiration of any equipment lease to which (4)(d) above applies;
- (7) With respect to architects, engineers or surveyors, coverage does not apply to **bodily injury, property damage or personal and advertising injury** arising out of the rendering or failure to render any professional services by or for you, including:
- (a) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; or
  - (b) Supervisory, inspection, architectural, or engineering services.

These exclusions apply even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the occurrence which caused the **bodily injury or property damage**, or the offense which caused the **personal or advertising injury**, involved the rendering of or the failure to render any professional services by or for you.

### 3. Additional Insured - Vendors

If an Additional Insured Vendors endorsement is attached to this policy that specifically names a person or organization as an additional insured, then this Section 3. Additional Insured - Vendors does not apply to that person or organization.

Unless the **products-completed operations hazard** is excluded from this policy, SECTION II - WHO IS AN INSURED, item 2.f. is added as follows:

- f. Any vendor of yours is included as an additional insured, but only with respect to **bodily injury or property damage** caused by your **products** which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:



- (1) The insurance afforded such vendor does not apply to:
  - (a) **Bodily injury or property damage** for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
  - (b) Any express warranty unauthorized by you;
  - (c) Any physical or chemical change in the product made intentionally by the vendor;
  - (d) **Repackaging**, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
  - (f) Demonstration, installation, servicing or repair operations, except such operations performed by the vendor in full compliance with the manufacturer's written instructions at the vendor's premises in connection with the sale of the product;
  - (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
  - (h) **Bodily injury or property damage** arising out of the liability of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf.
- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products or any ingredient, part or container, entering into, accompanying or containing such products;
- (3) The most we will pay is the lesser of either the amount of insurance available under the applicable Limits of Insurance shown in the Declarations or the limit of insurance required by the contract or agreement; and
- (4) The insurance afforded to such vendor only applies to the extent permitted by law.

#### 4. **Additional Insured - Limited Primary and Noncontributory Provision**

The following is added as a second paragraph to Section IV Conditions, Condition 4. Other Insurance, following paragraph b.(2):

However, if you have added any person, organization or vendor of yours as an additional insured to this policy by way of this MultiCover® endorsement and have agreed in a written **insured contract** that this insurance is primary and non-contributory with other insurance available to that additional insured, this insurance is primary and we will not seek contribution from such additional insured's other insurance, provided that the additional insured is a Named Insured under such other insurance.

#### 5. **Waiver of Subrogation**

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, item 8., is deleted and replaced by the following:

8. **Transfer of Rights of Recovery Against Others to Us and Blanket Waiver of Subrogation**
  - a. If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after the loss to impair those rights. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.
  - b. If required by a written **insured contract** executed prior to the occurrence or offense, we waive any right of recovery we may have against any person or organization named in such insured contract, because of payments we make for injury or damage arising out of your operations or your work for that person or organization.



**6. Cancellation - 90 Days**

Common Policy Conditions endorsement IL0017, A. Cancellation, item 2.b. is deleted and replaced by the following:

- b. 90 days before the effective date of cancellation if we cancel for any other reason.

**7. Liberalization**

**SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, the following is added as an additional Condition:

**Liberalization**

If we adopt a change in our forms or rules which would broaden the coverage provided by any form that is a part of this policy without an extra premium charge, the broader coverage will apply to this policy. This extension is effective upon the approval of such broader coverage in your state.

**8. Fire, Explosion, Sprinkler Leakage, or Lightning Legal Liability Coverage**

A. **SECTION I - COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions**, the last paragraph, is deleted and replaced by the following:

Exclusions c. through n. do not apply to damage by fire, explosion, sprinkler leakage, or lightning to premises while:

- 1. Rented to you;
- 2. Temporarily occupied by you with the permission of the owner; or
- 3. Managed by you under a written agreement with the owner.

A separate limit of insurance applies to this coverage as described in **Section III - LIMITS OF INSURANCE**.

B. **SECTION III - LIMITS OF INSURANCE**, item 6., is deleted and replaced by the following:

6. Subject to 5. above, the **Damage to Premises Rented To You Limit** shown in the **Declarations**, for **property damage** to any one premises while rented to you, or in the case of damage by fire, explosion, sprinkler leakage, or lightning while rented to you, temporarily occupied by you with the permission of the owner, or managed by you under a written agreement with the owner, is the greater of:

- a. \$1,000,000 Any One Premises; or
- b. The **Damage To Premises Rented To You Limit** shown in the **Declarations**.

C. **SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS**, 4. Other Insurance, b. Excess Insurance, (1)(a), items (i) and (ii), are deleted and replaced by the following:

- (i) That is **Fire, Explosion, Sprinkler Leakage, or Lightning** insurance for premises while rented to you, temporarily occupied by you with permission of the owner, or managed by you under a written agreement with the owner;
- (iii) That is insurance purchased by you to cover your liability as a tenant for **property damage** to premises rented to you, temporarily occupied by you with the permission of the owner, or managed by you under a written agreement with the owner; or

D. **SECTION V - DEFINITIONS, 9. Insured Contract**, item a., is deleted and replaced by the following:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, explosion, sprinkler leakage, or lightning to premises while rented to you, temporarily occupied by you with permission of the owner, or managed by you under a written agreement with the owner, is not an **insured contract**;

**9. Damage to Invitees' Automobiles from Falling Trees or Tree Limbs - Limited Coverage**

This coverage applies to direct physical damage to automobiles owned by invitees subject to all of the following:

- 1. Provided such damage originates from trees on premises owned, managed, leased or rented by an insured;
- 2. Coverage applies only to invitees of an insured or an insured's tenant;

3. Such damage is directly caused by wind-driven falling trees or tree limbs;
  4. The most we will pay for any one loss is the lowest of:
    - a. the actual cash value of the damaged automobile as of the time of the loss; or
    - b. the cost of repairing the damaged automobile; or
    - c. the cost of replacing the damaged automobile with another automobile of like kind and quality.

Regardless of the number of occurrences, losses or claims, this coverage is subject to a limit of \$25,000 in any one policy period;
  5. This coverage is not subject to the General Liability General Aggregate Limit; and
  6. We will make payments under this coverage without regard to fault.
10. **Non-Owned or Chartered Watercraft**
- SECTION I - COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, item g. Aircraft, Auto, or Watercraft, item (2), is deleted and replaced by the following:
- (2) A watercraft you do not own that is:
- (a) Less than 51 feet long; and
  - (a) Not being used for public transportation or as a common carrier;
11. **Chartered Aircraft**
- SECTION I - COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions, g. Aircraft, Auto Or Watercraft, item (6), is added as follows:
- (6) An aircraft in which you have no ownership interest and that you have chartered with crew.
12. **Coverage Territory - Broadened**
- SECTION V - DEFINITIONS, item 4.a., is deleted and replaced by the following:
- a. The United States of America (including its territories and possessions), Puerto Rico, Canada, Bermuda, the Bahamas, The Cayman Islands, and the British Virgin Islands;
13. **Personal and Advertising Injury - Contractual**
- Unless **personal and advertising injury** is excluded from this policy the following applies:
- SECTION I - COVERAGES, COVERAGE B, 2. Exclusions, item e., is deleted.
14. **Fellow Employee Coverage**
- SECTION II - WHO IS AN INSURED, 2.a., item (1) is deleted and replaced by the following:
- (1) **Personal and advertising injury:**
- However, subsections (a), (b), (c) and (d) of item (1) remain unchanged.
15. **Bodily Injury Definition - Broadened**
- SECTION V - DEFINITIONS, 3. **Bodily Injury** is deleted and replaced by the following:
- Bodily injury** means bodily injury, sickness or disease sustained by a person including death or mental anguish resulting from any of these at any time. Mental anguish means any type of mental or emotional illness or disease.
16. **Expected or Intended Injury -Amendment to Exclusion**
- SECTION I. Coverage A Bodily Injury and Property Damage Liability, 2. EXCLUSIONS, a. **Expected or Intended Injury**, is deleted and replaced by the following:
- a. **Expected or Intended Injury**
- Bodily injury or property damage** expected or intended from the standpoint of the insured.
- This exclusion does not apply to **bodily injury or property damage** resulting from the use of reasonable force to protect persons or property.

**17. Unintentional Failure to Disclose Hazards**

SECTION IV - COMMERCIAL GENERAL LIABILITY CONDITIONS, item 6. Representations, the following is added:

- d. If you unintentionally fail to disclose any hazards existing at the inception date of this policy, we will not deny coverage under this Coverage Form because of such failure. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

**18. Supplementary Payments - Increased Limits**

SECTION I- COVERAGES, SUPPLEMENTARY PAYMENTS - COVERAGES A AND B, items 1.b. and 1.d., are deleted and replaced by the following:

- b. The cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or suit, including substantiated loss of earnings up to \$500 a day because of time off from work.

**19. Duties in the Event of an Occurrence, Offense, Claim or Suit -Amended**

SECTION IV- COMMERCIAL GENERAL LIABILITY CONDITIONS, item 2.a. is deleted and replaced by the following:

- (1) You must see to it that we or any licensed agent of ours are notified of a General Liability **occurrence** or **offense** which may result in a claim as soon as practicable after it becomes known to:
  - (a) You, if you are an individual;
  - (b) Your partner or member, if you are a partnership or joint venture;
  - (c) Your member, if you are a limited liability company;
  - (d) Your executive officer if you are an organization other than a partnership, joint venture or limited liability company; or
  - (e) Your authorized representative or insurance manager.

Knowledge of an **occurrence** or offense by persons other than those listed above does not imply that those listed above also have such knowledge.

- (2) To the extent possible, notice should include:

- (a) How, when and where the **occurrence** or offense took place;
- (b) The names and addresses of any injured persons and witnesses; and
- (c) The nature and location of any injury or damage arising out of the **occurrence** or offense.

**20. Medical Payments**

Unless **COVERAGE C MEDICAL PAYMENTS**, or the **products-completed operations hazard** has been excluded from this policy the following applies:

- A. SECTION I- COVERAGES, **COVERAGE C MEDICAL PAYMENTS**, 2. Exclusions, item f., is deleted and replaced by the following:

**f. Products-Completed Operations Hazard**

Included within the **products-completed operations hazard**. However, this exclusion does not apply to expenses for dental services.

- B. Section I- COVERAGES, **COVERAGE C MEDICAL PAYMENTS**, is amended to include item 3. as follows:



3. Limit of Insurance

The Medical Expense Limit of Insurance shall be the greater of:

- a. \$20,000 Any One Person; or
- b. The amount shown in the Declarations.

All other terms and conditions of the policy apply.

# Rancho Santa Margarita Landscape and Recreation Corp

Operating Rules \  
Association Policies



**FirstService**  
RESIDENTIAL





SAMLARC is the Master Association that maintains the majority of parks, streetscapes, pools, and common area properties in Rancho Santa Margarita. SAMLARC enforces the Covenants, Conditions and Restrictions (CC&R's) that every homeowner agrees to when they become a resident within the Rancho Santa Margarita Landscape and Recreation Corporation (SAMLARC). The Corporation offers a variety of recreational amenities to its members which include: 12 parks totaling more than 100 acres; an 11.5 -acre lake; a quarter-acre swimming lagoon; 4 Junior Olympic swimming pools; 17 sports fields for soccer, baseball and softball; an enclosed soccer arena; 17 tot-lots; 14 tennis courts; 6 basketball courts; and 4 miles of walking trails.

SAMLARC works closely with many entities to form collaborative relationships including the City of Rancho Santa Margarita, The Bell Tower Regional Community Center, County of Orange, Saddleback Valley Unified School District, Capistrano Unified School District and the various youth sports organizations. SAMLARC and the City partnered to construct improvements at Cañada Vista Park including a parking lot expansion, restroom facilities, Skate Park and Dog-Park, as well as the landscaping construction of the Grand Terrace in Central Park.

SAMLARC sponsors a number of community programs including the Spring Celebration, Annual Committee Recognition Dinner, Fishing Derby, July 4<sup>th</sup> Star Spangled Spectacular, Summer Concert Series, Great Rancho Campout, Animals, Animals, Animals, Haul in the Fall, Tree Lighting Ceremony, Snow Day, adult events such as Wine and Cheese and RanchoSantaMargaritaville as well as various classes and community outreach programs. The City of Rancho Santa Margarita, The Bell Tower Regional Community Center and SAMLARC collaborate to provide different types of recreational activities for the community without duplicating their efforts.

**Please Note:** Some events are subject to change year to year. For up-to-date information, please log into [SAMLARC.org](http://SAMLARC.org) for information about your Board of Directors, events in the community, architectural forms for changes to your yard and home and other useful information.



**Lago Santa Margarita Beach Club**  
 21472 Avenida de Los Fundadores  
 Rancho Santa Margarita, CA 92688  
 Tel: 949/858-1390

Office Hours of Operation  
 September 7<sup>th</sup> thru June 21<sup>st</sup>      9:00 a.m. – 5:00 p.m.  
 June 22<sup>nd</sup> thru Labor Day      9:00 a.m. – 7:00 p.m.

**CONTACT**

Operations Manager (Parks & Facilities)	949/858-1390
Maintenance (common area landscape, irrigation, pool & park facilities)	949/858-1390

**SAMLARC Business Office**  
 22342-A, Avenida Empresa, Suite 102-A  
 Rancho Santa Margarita, CA 92688  
 Tel: 949/709-0010 FAX: 949/589-6603

Office Hours of Operation  
 Monday through Sunday      9:00 a.m. – 5:00 p.m.

**CONTACT**

Receptionist	949/709-0010
Community Services Manager (Architectural, Enforcement & Outreach)	949/709-0024
Community Services Representative (Architectural, Enforcement & Outreach)	949/709-5076
Community Services Representative (Architectural, Enforcement & Outreach)	949/709-0016
Community Lifestyle Manager (Events & Programs)	949/709-0027
Park Use and Sports Field Manager	949/709-0023
Park Use Administrator	949/709-0011
Executive Assistant	949/709-0025
24 Hour Emergency Service Number	800/428-5588
Billing and Account Status	949/448-6000

~~~~~  
**SAMLARC FACILITIES**

**Swim Lagoon**      Open May 1<sup>st</sup> – October 15<sup>th</sup>  
 Lagoon sand has tarps placed over it during winter months  
 Gate Access ID Card Required for entrance  
 Life jackets are available for checkout during Beach Club hours  
 When no lifeguards are on duty, SWIM AT OWN RISK



## **SAFETY WHEN IN THE LAGOON**

Lagoon Monitors and/or Lifeguards may be in place during the Spring and Summer seasons to monitor the water and respond to emergencies. Lagoon Monitors and/or Lifeguards supplement parental supervision; they do not take the place of parental supervision. Always keep a close eye on your children when they are in the water. When supervising children in the water, parents should not use cell phones, read books or engage in activities that take attention from supervising children. Children, even those that have learned to swim, can become distressed or submerged in seconds. Please help keep the SAMLARC Swim Lagoon safe for your child by paying close attention to them at all times.

In case of a medical emergency call 9-1-1.

You are responsible for your child(ren) and child(ren) who are your guests.

Use of the Lagoon is at the user's own risk.

While in the water, children three (3) years and under must be within arm's length of a parent or responsible adult eighteen (18) years of age or older. Children four (4) to six (6) years old must have a parent or responsible adult within ten (10) feet.

Children under the age of four (4) must wear approved waterproof vinyl pants when in the water and on sand. Vinyl pants are available in Beach Club office.

Only U.S. Coast Guard approved life preservers are allowed. [Life preservers are available for check out at Beach Club office.](#)

Fins, noodles, air mattresses or other floating devices are prohibited.

Any contamination of the Lagoon will result in facility closure.

***Children Drown Without a Sound, Watch the Water – “This is your facility, it belongs to you. It is your responsibility to guard over your family and guests as you would at your home”***

## **BEACH CLUB AND LAGOON RULES**

The Beach Club and Lagoon are for use by residents with a valid.

SAMLARC I.D. card and a total of five (5) guests per household.

Children under the age of fourteen (14) must be accompanied by a responsible person age eighteen (18) or older.

Pets are prohibited.

Glassware is prohibited.

Individuals or groups engaged in hazardous or destructive behavior will be requested to leave the facility immediately.

Smoking is not permitted in the Beach Club and Lagoon.

Propane tanks or portable barbeques are prohibited

**CHILDREN UNDER the age of 4 (potty trained or not) MUST WEAR VINYL PANTS IN ADDITION TO SWIM DIAPER OR SWIM SUIT IN ORDER TO AVOID CONTAMINATION OF WATER AND SUBSEQUENT CLOSURE OF LAGOON**

Monitored between May 1<sup>st</sup> through October 15<sup>th</sup>

Weekends only: May 1st thru mid-June and Labor Day thru October 15<sup>th</sup>

Daily: Mid – June thru Labor Day

Hours: 6:00 a.m. – 10:00 p.m.

**ABSOLUTELY NO** Glass, Ceramic, Open Flame or Portable barbecue's of any kind allowed within Lagoon Facility or Fiesta Room

**Fiesta Room**

Fiesta Room Reservation/Rental year round  
Available to homeowners for rental with Gate Access ID  
Refer callers to Beach Club for further rental requirements

**Lake**

Open year-round.

Lake is **stocked** twice a year - June and November  
Depending upon availability - fish include: Catfish / Bass / Blue Gill / Mosquito fish - The Lake is not deep enough (therefore not cold enough) for Trout fishing is allowed by SAMLARC Members - No license is required.

Boat Rental - Check with the Beach Club for availability and hours of operation

**Lakeshore  
Amphitheater**

Lakeshore Reservation/Rental Year Round  
Available to SAMLARC Members only with Gate Access ID for Reservations  
Weddings (Maximum of 150 persons)  
NO AMPLIFIED MUSIC ALLOWED  
Refer to Beach Club for further rental requirements  
(this is not to be confused with Central Park Amphitheater)

**Tennis  
Courts**

Available to homeowners with Gate Access ID

**Pool Locations:**

**Monte Vista Park – Solana Park – Altisima Park – Arroyo Vista Park**

Type: Junior Olympic: 50 ft wide x 75 ft long

Hours: 6:00 a.m. – 10:00 p.m.

(except for cleaning which is dependent upon time of year)

Gate Access ID Card Required for entrance to all pools

Two (2) pools are heated year round: Rotates annually

Swim at Own Risk Year Round

**CHILDREN UNDER the age of 4 (potty trained or not) Must wear vinyl pants in addition to swim diaper or swim suit to avoid contamination and subsequent closure of pool.**

Monitored between May 1st through August 15th

Weekends only: May 1st through Mid-June

Daily: Mid June thru Labor Day

Swim Lessons are limited to those providers authorized by SAMLARC

Please call SAMLARC Business Office for further information

Swim Team (thru Mission Viejo Natadores): Use Permitted yearly

## Park Use and Sports Fields

**Park/Picnic  
Reservations** Monday – Friday 8:00am – 5:00pm Park Use Administrator  
Tel: 949/709-0011 Fax: 949/589-6603

**Sports Fields  
Permits and Leagues** Tuesday – Friday 8:00am – 5:00pm Park Use and Sports Field Manager  
Tel: 949-709-0023

**Amphitheater  
at Central Park** Reserved through specific Board Approved Guidelines by Park Use  
Administrator (not to be confused with Lakeshore Amphitheater  
managed by Beach Club Office)

## ADDITIONAL CONTACT INFORMATION

### EMERGENCY

### 911

|                                                     |              |
|-----------------------------------------------------|--------------|
| Orange County Sheriffs (Non-Emergency)              | 714/770-6011 |
| Orange County Fire Authority (Non-Emergency)        | 714/573-6000 |
| The Bell Tower Regional Community Center            | 949/216-9700 |
| Rancho Santa Margarita Public Library               | 949/459-6094 |
| Cox Cable                                           | 949/240-1212 |
| U.S. Post Office (Rancho Santa Margarita)           | 800/275-8777 |
|                                                     | 949/888-1533 |
| Santa Margarita Water District                      | 949/582-3236 |
| Southern California Edison – General Services       | 800/655-4555 |
| The Gas Company                                     | 800/427-2200 |
| CR&R (Trash Services)                               | 714/379-0569 |
| State of California Motor Vehicles Department (DMV) | 800/777-0133 |
| Registrar of Voters                                 | 714/567-7600 |
| Animal Control                                      | 714/935-6848 |
| Vector Control                                      | 800/734-2421 |
| San Diego Gas & Electric (SDG&E)                    | 800/411-7343 |
| South Orange County Regional Chambers of Commerce   | 949/635-5800 |
| Trabuco Canyon Water District                       | 949/858-0277 |
| Capistrano Unified School District                  | 949/234-9200 |
| Saddleback Valley Unified School District           | 949/586-1234 |
| Metroink                                            | 800/371-LINK |
| Orange County Transportation Authority              | 714/560-OCTA |
| Social Security Office                              | 800/772-1213 |



Welcome to Rancho Santa Margarita! As a resident of SAMLARC, you are entitled to a **SAMLARC GATE ACCESS CARD**, which allows you access to thirteen Community Facilities including the Lago Santa Margarita Beach Club.

Registration for your Gate Access Card is at the Lago Rancho Santa Margarita Beach Club. Located at 21472 Avenida de los Fundadores.

Office Hours of Operation

September 7th thru June 21<sup>st</sup>                      9:00 a.m. – 5:00 p.m.  
June 22<sup>nd</sup> thru Labor Day                      9:00 a.m. – 7:00 p.m.

Directions:

Rancho Santa Margarita Parkway towards Antonio Parkway. Turn left on Avenida de los Fundadores. Stop at the Stop sign and then make a right turn into the parking lot. Park in the lot and walk toward the building with the tower clock.

What to Bring:

A current state issued photo ID such as Drivers License or state issued identification card as well as:

- o Homeowners:  
A Grant Deed or Official Closing Escrow Statement
  
- o Tenants:  
If the owner is transferring Gate Access ID Card(s) privileges to the tenant, a Tenant Authorization Form must be completed by the owner. A copy of the registered owner's Driver's License **OR** a copy of the Lease Agreement must accompany this form.

Your SAMLARC GATE ACCESS CARD will open the following gates:

- The main gate at the Beach Club
- The main gates to the pools at Altisima, Arroyo Vista, Monte Vista and Solana Parks
- Tennis court gates
- Outside park restrooms

The **SAMLARC GATE ACCESS CARD** may only be used by the registered resident/ tenant of the household to which it was assigned. **Allowing friends to utilize your gate access card without your presence is not permitted.**

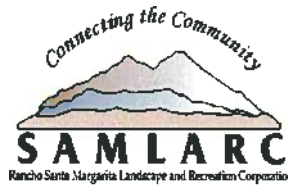
Guests are permitted to enter SAMLARC facilities ONLY when accompanied by a resident. A maximum of **FIVE (5) guests** per household, per day, are allowed to use these facilities at any one time.

**\*IMPORTANT:** A non-refundable \$50.00 fee is charged for the replacement of lost or stolen cards and non-returned damaged cards. Please report any lost, stolen or found cards to the Beach Club (949) 858-1390.



## PARK AMENITIES

- 1 Trabuco Mesa Park**  
**31504 Avenida de Las Flores**  
Amenities include: 3 Lighted Tennis Courts, Covered Grill and Picnic Area, Basketball Court, 4 Athletic Fields and Playground.
- 2 Lago Santa Margarita Beach Club and Lakeshore Park**  
**21472 Avenida de Los Fundadores**  
Amenities include: Grill and Picnic Areas (both covered and uncovered), Swim Lagoon, 2 Volleyball Courts, Fiesta Room, Lake, Boating, Fishing and Par Course.
- 3 Monte Vista Park**  
**21682 Buena Suerte**  
Amenities include: Jr. Olympic Pool, 2 Lighted Tennis Courts, Grill and Picnic Area, Athletic Field, Basketball Court and Playground.
- 4 Cielo Vista Park**  
**21921 Avenida de Los Fundadores**  
Amenities include: 2 Lighted Tennis Courts, Grill and Picnic Area and Playground.
- 5 Arroyo Vista Park**  
**29661 Avenida de Las Banderas**  
Amenities include: Jr. Olympic Pool, 2 Athletic Fields, 3 Lighted Tennis Courts, Covered Grill and Picnic Area, Volleyball Court and Playground.
- 6 Mesa Linda Park**  
**29546 Via Ladera**  
Amenities include: 2 Lighted Tennis Courts, Covered Grill and Picnic Area, Basketball Court, Volleyball Court and Playground.
- 7 Solana Park**  
**21601 Via Regressos**  
Amenities include: Jr. Olympic Pool, 2 Athletic Fields, Covered Grill and Picnic Area, Basketball Court and Playground.
- 8 Altisima Park**  
**30082 Melinda Road**  
Amenities include: 2 Lighted Tennis Courts, 1 Lighted Basketball Court, 2 Athletic Fields, Covered Grill and Picnic Area, Performance Stage and Jr. Olympic Pool.
- 9 Central Park**  
**30842 La Miranda**  
Amenities include: Grill and Picnic Area, Playground, Skating Facility and Amphitheater.
- 10 Vista Verde Park**  
**22576 Alma Aldea**  
Amenities include: 1 Athletic Field, Picnic Area, Exercise Station and Playground.
- 11 Cañada Vista Park**  
**24328 Antonio Parkway**  
Amenities include: 2 Lighted Athletic Fields, Skateboard Park and Dog Park.
- 12 Tijeras Creek Park**  
**23082 Avenida Empressa**  
Amenities include: 3 Lighted Athletic Fields, Picnic Area and Playground.
- 13 Estrella Vista Park**  
**29883 Plushstone**  
Amenities include: 2 Playgrounds.



# Beach Club Lagoon & Lake Information

## Beach Club Office

Hours of Operation

Open Daily 9:00am – 5:00pm

9:00am – 7:00pm June 14 – September 3

- ◆ Access Card Registration
- ◆ Fiesta Room Rentals
- ◆ Lakeshore Amphitheater Rentals
- ◆ Boat Rentals – 7 Paddle Boats, 6 Kayaks & 1 Fishing Boat
- ◆ Sand Umbrellas & Canopy Rental
- ◆ Home Painting Information
- ◆ Garage Sale Sign Checkout
- ◆ Community Events Registration



## Beach Club Lagoon

Open Daily 6:00am – 10:00pm

**April 30 – October 14**

- ◆ Swimming Open until Dusk
- ◆ Closed for Cleaning Tuesdays 6:00am – 12noon
- ◆ Additional Cleaning Fridays 6:00am -10:00am (June, July & August)
- ◆ 2 Sand Volleyball Courts
- ◆ 17 Barbeque Grills
- ◆ 18 Picnic Tables – Grass Area
- ◆ Patio Picnic Tables – 8 Covered, 8 Umbrellas
- ◆ Concession Stand – Opens Memorial Weekend



## Lake / Lakeshore

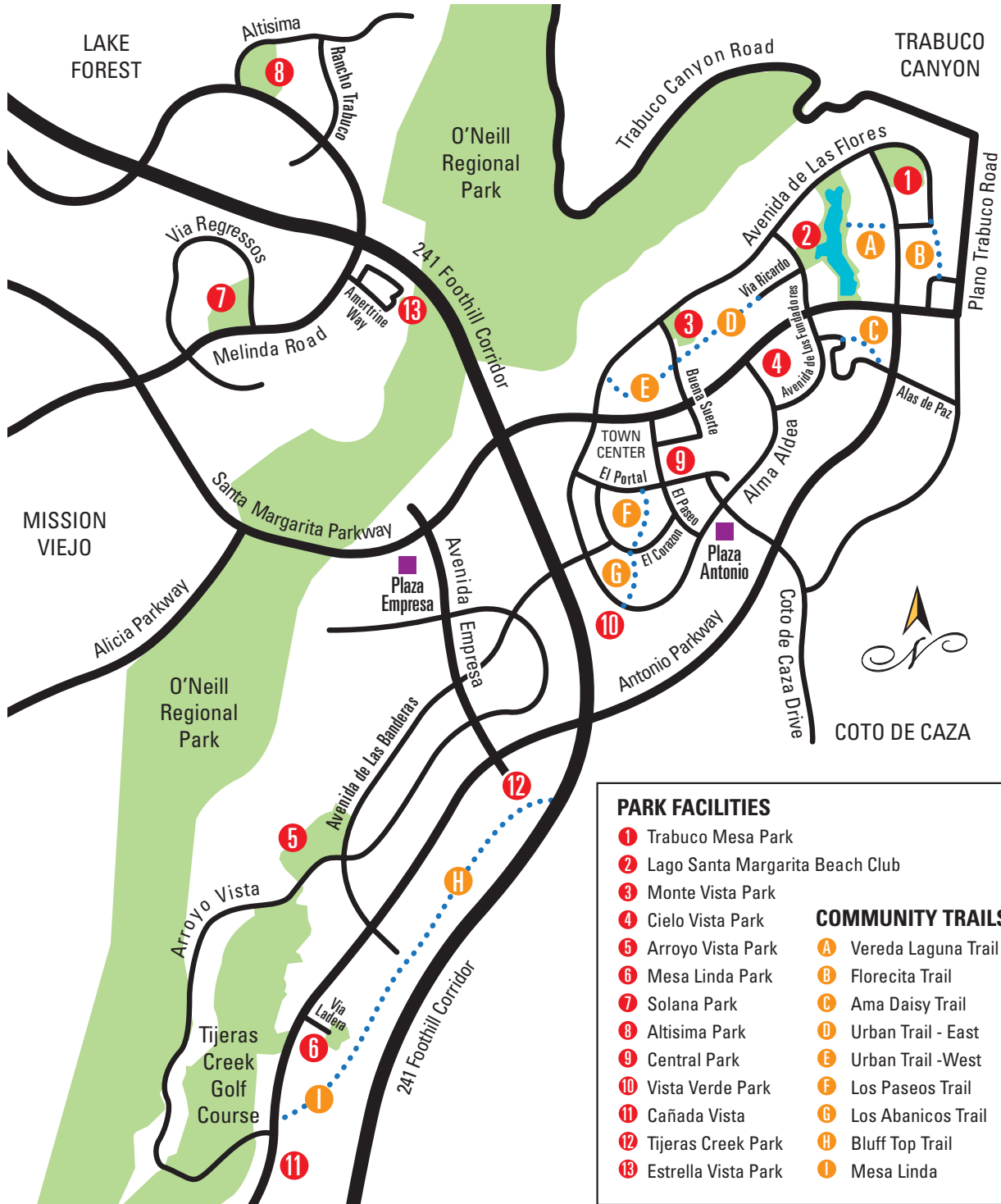
Lakeshore Hours 6:00am – 11:30pm

- ◆ Lakeshore walkway 1.1 miles around Lake
- ◆ Fish stocked 2 times per year (Bass, Blue Gill & Catfish)
- ◆ Security Patrol hours 4:00pm – 12 midnight daily
- ◆ Lake Maintenance Service 3 days per week
- ◆ Lakeshore Maintenance daily



For more information please contact Beach Club Office at 949-858-1390  
or visit [www.samlarc.org](http://www.samlarc.org)

# SAMLARC Parks, Trails and Recreation Facilities



| PARK FACILITIES  |                                 |
|------------------|---------------------------------|
| 1                | Trabuco Mesa Park               |
| 2                | Lago Santa Margarita Beach Club |
| 3                | Monte Vista Park                |
| 4                | Cielo Vista Park                |
| 5                | Arroyo Vista Park               |
| 6                | Mesa Linda Park                 |
| 7                | Solana Park                     |
| 8                | Altisima Park                   |
| 9                | Central Park                    |
| 10               | Vista Verde Park                |
| 11               | Cañada Vista                    |
| 12               | Tijeras Creek Park              |
| 13               | Estrella Vista Park             |
| COMMUNITY TRAILS |                                 |
| A                | Vereda Laguna Trail             |
| B                | Florecita Trail                 |
| C                | Ama Daisy Trail                 |
| D                | Urban Trail - East              |
| E                | Urban Trail - West              |
| F                | Los Paseos Trail                |
| G                | Los Abanicos Trail              |
| H                | Bluff Top Trail                 |
| I                | Mesa Linda                      |





Property Address # - (Example 47 Main Street)

Owner's Last Name

## TENANT AUTHORIZATION FORM

### ASSIGNMENT OF OWNER(S) GATE ACCESS ID CARD RIGHTS AND SAMLARC ACCESS PRIVILEGES TO TENANT(S)

As the Owner of this Property, I understand that I am responsible for the return of Gate Access ID Card(s) issued to my Tenant(s). New Gate Access ID Cards will not be issued until **ALL** previously issued cards are returned and/or fees have been paid. Lost/stolen cards must be reported to SAMLARC, using the Gate Access ID Card Replacement Form. Lost/stolen Gate Access ID Card(s) will not be replaced and new cards will not be issued while this property is in escrow. All Gate Access ID Cards must be returned upon the sale of the property or change in Tenant(s).

This form must be completed in full and signed by the Owner(s) before any Gate Access ID Card(s) may be issued. Additionally, a completed copy of the Gate Access ID Card(s) Application, and a copy of either the registered Owner(s)' driver's license or a copy of the lease/rental agreement, must accompany this form when applying for a card.

- SAMLARC reserves the right to suspend or deny the issuance of Gate Access ID Card(s).
- I understand that my SAMLARC access privileges will be transferred to the Tenant(s).
- I hereby relinquish my Gate Access ID Card and its privileges to my Tenant(s) listed below.

Owner #1: \_\_\_\_\_ Print Full Name      Owner #2: \_\_\_\_\_ Print Full Name

Owner #1: \_\_\_\_\_ Signature      Owner #2: \_\_\_\_\_ Signature

Date: \_\_\_\_\_      Date: \_\_\_\_\_

### TENANT(S) READ AND SIGN

I understand that by leasing/renting the above property, I agree to abide by all of the SAMLARC Policies and Guidelines, provided to me by the Owner. I also agree to return the Gate Access ID Card(s) issued when vacating the property. I am aware that my failure to do so will result in the Owner being charged for each card not returned.

I acknowledge that all SAMLARC water facilities have a "swim at your own risk" policy.

I understand that my SAMLARC access privileges are contingent upon the acceptance of the Gate Access ID Card(s) Application forms by SAMLARC staff.

Tenant #1: \_\_\_\_\_ Print Full Name      Tenant #2: \_\_\_\_\_ Print Full Name

Tenant #1: \_\_\_\_\_ Signature      Tenant #2: \_\_\_\_\_ Signature

Date: \_\_\_\_\_      Date: \_\_\_\_\_

Work Phone: \_\_\_\_\_      Work Phone: \_\_\_\_\_

Home Phone: \_\_\_\_\_      E-mail (opt.): \_\_\_\_\_

### OFFICE USE ONLY

|    | NAME | DRIVER'S LIC. NO. | CARD NO. | DATE ISSUED |
|----|------|-------------------|----------|-------------|
| 1. |      |                   |          |             |
| 2. |      |                   |          |             |

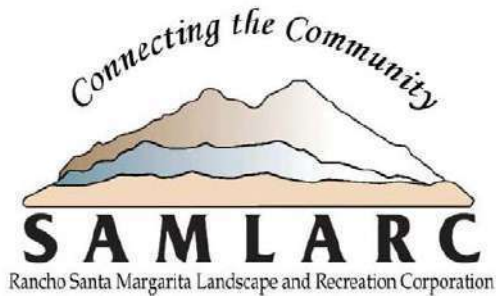
### DOCUMENTATION VERIFICATION

Copy of Registered Owner's Driver's License: \_\_\_\_\_

Copy of Lease/Rental Agreement: \_\_\_\_\_

Approved By: \_\_\_\_\_      Date: \_\_\_\_\_





## **ARCHITECTURAL STANDARDS**

Revised 12/1993

Revised 10/1995

Revised 9/1997

Revised 9/1997

Reformatted 7/1998

Revised 9/1999

Revised 7/2002

Revised 2005

Revised and Board Adopted - January 13, 2009

Revised and Board Adopted - January 12, 2010

Revised and Board Adopted – January 11, 2011

Revised and Board Adopted – January 24, 2012

Revised and Board Adopted – January 22, 2013

Revised and Board Adopted – April 22, 2014

Proprietary and Confidential

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## ARCHITECTURAL STANDARDS

### I. INTRODUCTION

The Architectural Standards provide design criteria to protect and maintain the aesthetic character of the SAMLARC community of within the City of Rancho Santa Margarita. The intent is to give specific design criteria to Owners to assist in the planning and aesthetic design of Improvements and the ongoing maintenance of homes and property.

These Standards are part of the overall governing documents of SAMLARC. They are meant to expand upon the more general issues covered in the CC&R's. These Standards have been established to protect property investment and keep the SAMLARC community attractive to all Residents. These Standards apply to all Subordinate Maintenance Corporations and Apartment Communities in SAMLARC, unless their specific Standards are more restrictive in nature. SAMLARC is not obligated to enforce the more restrictive guidelines.

These Standards are intended to be used by Owners and consultants in preparing drawings for architectural, landscape, and other Improvements; and by the Architectural Review Committee (hereinafter referred to as ARC) in reviewing these drawings. The ARC reviews proposed Improvements for aesthetic purposes only. It is the Owner's responsibility to obtain approval from their Subordinate Maintenance Corporation, and to comply with state and local building codes. Permits may be required by the City of Rancho Santa Margarita, County of Orange, and any other local jurisdictional agencies. By submitting an architectural application to the ARC, the owner represents and warrants to the ARC and SAMLARC that the plans and specifications submitted in connection with the application do not violate any government provisions of the law, including but not limited to, the Fair Employment and Housing Act (California Government Code Section 12900 et seq), or a building code or other applicable law governing land use or public safety.

It is not the intent of the ARC to restrict individual creativity or personal preferences, but to assure continuity in design and to preserve a high quality of appearance, to ensure compatibility between Improvements, and to enhance the overall value of the community.

**Prior to commencement of any addition, alteration, or construction work of any type, a complete architectural submittal must be submitted for approval to the ARC.** All forms necessary for submittal to the ARC can be found at SAMLARC's website. The forms are also available upon request. Members of a Subordinate Maintenance Corporation must receive written approval from the Subordinate Maintenance Corporation prior to any submittals to SAMLARC. **A SAMLARC application received from a Subordinate Maintenance Corporation without proper approval will be deemed incomplete.**

## II. DEFINITIONS

- Acceptable Quality Reception:** That which is the acceptable quality for the proposed installation site. This does not mean the strongest possible signal with respect to Solar Energy Systems and DBS dish/antennas.
- Adjacent Neighbor:** All neighbors with adjoining property lines to the applicant.
- Antenna:** The term antenna includes (i) satellite dish; (ii) TVBS - an antenna designed to receive over-the-air television broadcast signals; (iii) MMDS - an antenna designed to receive (wireless cable) programming services via multi-channel, multi-point distribution services; (iv) DBS - an antenna designed to receive direct broadcast satellite service. Antenna may also include a transmission device where required to select video programming.
- Attached Home:** All duplex, triplex, fourplex, or multi-family type homes.
- Color Palette:** Each of the eight (8) Villages have one approved Color Palette consisting of five (5) to twelve (12) Color Schemes.
- Color Scheme:** A set of complimentary colors approved for use on the various elements of a residence. Each Village has five (5) to twelve (12) approved Color Schemes which make up a Color Palette.
- Community Property:** All real property and the Improvements thereon, owned in fee, by easement or leased from time to time by SAMLARC for the common use and enjoyment of the Members.
- Covered Property:** All real property subject to the Declaration of Covenants, Conditions and Restrictions of Rancho Santa Margarita.
- Dwelling:** A residential unit together with garage and other structures on the same Lot. In the case of a condominium the Dwelling shall include all elements of a Unit as conveyed to the Owner in the condominium plan. In the case of an Apartment Lot, Dwelling shall refer to each Apartment Unit.
- Elevation:** An architectural drawing showing the projection on a vertical plane of an exterior surface of a building. A flat drawing of the front, sides and back of a building.
- Fascia:** A flat band at the surface of a building or eaves of a building; generally the board of the cornice to which the gutter is fastened.

- Floor Plan:** A drawing depicting the intersection of structures or features with an imaginary horizontal plane usually 3 to 4 feet above the subject finish surface.
- Front Yard:** The square footage of open space between the home and side yard fencing to the property line, street, or sidewalk excluding any driveway paving.
- General Drawing:** A drawing showing elevations, plans, and cross sections of the structure and the main dimensions.
- General Maintenance:** Color changes, finish changes and/or material changes are required to go through the SAMLARC architectural review process. ARC review or approval is not required for repainting the above components 1-3 provided colors match the existing colors (“like for like”). This will be considered repairs and/or maintenance.
- Impacted Neighbor:** All neighbors, in the immediate surrounding area, whose use and enjoyment of their property would be impacted by the construction of any proposed improvement.
- Improvement:** The term Improvement as defined in the CC&R’s includes but is not limited to homes, buildings, exterior surfaces of any visible structure, garages, carports, driveways, walkways, swimming pools, spas and other recreation facilities, fences, screening walls, retaining walls, awnings, patio and balcony covers, stairs, decks, lighting, landscaping, sprinkler and drainage lines, hedges, trees and shrubs, lighting, solar or wind powered energy systems, air conditioning and any other equipment, permanent or semi-permanent items intended as long term installations visible from the exterior of homes or buildings. General maintenance is defined as “like for like” repairs and/or touch-ups to builder installed Improvements or subsequent Owner installed Improvements approved by the ARC. These do not need to go through the SAMLARC architectural review process. Changes to color, finish, texture changes and/or materials (e.g. changing a wood fence to vinyl or wood garage door to metal) are required to go through the SAMLARC architectural review process.
- Impair:** The term impair means (i) an unreasonable delay or prevention by the Association of installation, maintenance or use of the antenna; (ii) an unreasonable increase in the cost of installation, maintenance or use; or (iii) precluding reception of an acceptable quality signal (pertaining to satellite dish / antenna).

|                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Mulch:</b>                   | A mixture, as of leaves and compost, that covers or is mixed with the earth, often to help enrich the soil; bark, crushed stone or other material used to cover planting beds, retain moisture, reduce weeds, and improve appearance.                                                                                                                                                                                                                                                                                                                                  |
| <b>Palapa:</b>                  | An open-sided Dwelling with a thatched roof made of dried palm leaves. A structure, such as a bar or restaurant in a tropical resort, that is open-sided and thatched with palm leaves.                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Reasonable:</b>              | Reasonable shall mean such costs, requirements, locations and the like which do not impose unreasonable expense or delay nor preclude reception of an acceptable quality reception (pertaining to satellite dish / antenna or Solar Energy Systems).                                                                                                                                                                                                                                                                                                                   |
| <b>Roof Pitch:</b>              | The slope of a roof provided as a ratio of the vertical rise in relation to 12 units of horizontal run.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Roof Plan:</b>               | A drawing indicating the style, material and pitch of the roof.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Setback:</b>                 | A setback is the area or distance between a building or other structure and the property line.                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Site Plan:</b>               | A scaled drawing showing the subject site (or lot), its property lines, buildings or any other improvements, proposed modifications, and a portion of adjacent properties with adequate dimensions to clearly describe the property or intent of property.                                                                                                                                                                                                                                                                                                             |
| <b>Solar Energy Systems:</b>    | As defined in Civil Code Section 801.5:<br>Solar Energy System shall mean either of the following:<br>(1) Any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating, space cooling, electric generation, or water heating.<br>(2) Any structural design feature of a building, whose primary purpose is to provide for the collection, storage and distribution of solar energy for electricity generation, space heating or cooling, or for water heating. |
| <b>Subordinate Declaration:</b> | Any declaration of covenants, conditions and restrictions recorded by Declarant, other than those contained herein or in a Supplementary Declaration which may be applicable to a particular portion of the Covered Property (SAMLARC).                                                                                                                                                                                                                                                                                                                                |

**Subordinate  
Maintenance  
Corporation:**

Refers to any nonprofit mutual benefit corporation which is formed among other things to facilitate the Maintenance and operation of any portion of the Covered Property (SAMLARC) which is either owned in common by the Owners who are members of such nonprofit mutual benefit corporation or which is owned by such nonprofit mutual benefit corporation for the benefit of the Owners, who are its members, or to enforce or administer any Subordinate Declaration.

**Stucco:**

A cement plaster used for coating exterior walls and other exterior surfaces of buildings.

**Surcharging:**

A surcharge is any load supported on soils within the 45-degree loading plane of the toe or stem bottom of the retaining wall. Loads that are supported by soils at the same elevation as the footing of the retaining walls are not considered surcharges.

**Trim/Shutters:**

Finish materials such as moldings applied around openings (window trim, door trim).

**Village:**

As used herein, Village shall refer to the areas commonly known as Eastlake Village, Golf Course Village, Heights, Mira Vista, Ranchwood, The Arroyos, The Vistas and Town Center.

**Window Trim:**

Finish components such as moldings applied around openings of windows.

**Wood Trim:**

Finish components of wood such as moldings applied around openings and intersections at exterior locations.

**III. ARCHITECTURAL REVIEW PROCESS AND SUBMITTAL REQUIREMENTS**

Owners must present a complete architectural submittal to the ARC of any proposed improvement(s), modification(s) or alteration(s) to the Lot, before work may begin. General maintenance, repairs and/or touch-ups do not need to go through the SAMLARC architectural review process. Color changes, finish changes and/or material changes are required to go through the SAMLARC architectural review process.

All drawings shall be prepared in accordance with the requirements of the City of Rancho Santa Margarita Building Department. Approval by the City of Rancho Santa Margarita in no way constitutes SAMLARC architectural approval.

Once an Owner receives written approval from the ARC and all required governmental agencies, construction may commence. Upon completion of the approved Improvement(s),



a SAMLARC Notice of Completion must be forwarded to the SAMLARC Architectural Review Committee.

If proposed improvements require access over the Community Property or Covered Property for the purposes of transporting labor or materials, written permission for such access shall be required from SAMLARC. Any such requests must be filed with the ARC prior to the commencement of construction. No Owner shall alter any landscaping, and/or otherwise change any Community Property, owned and maintained by SAMLARC.

All work must be performed in a manner consistent with the construction standards of the Dwelling, and with the design and appearance of the community. All work considered to be of an unsightly finished nature, or of lesser quality than the prevailing community standards, shall be reworked to an acceptable appearance at the Owner's expense.

**A. ABOUT THE REVIEW PROCESS:**

1. Plans will be reviewed by the ARC no less than once per month. The date and time of the meetings shall be set by the Members of the Committee.
2. The Architectural Review Committee shall review and approve or disapprove all plans and specifications submitted to it for any proposed Improvement solely on the basis of compliance with the Architectural Standards, aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Development generally. The Architectural Review Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, Color Schemes, exterior finishes, materials, and similar features.
3. The Architectural Review Committee shall approve plans and specifications submitted for its approval only if it deems that the proposed Improvement will not be detrimental to the appearance of the Development as a whole; that the Improvement complies with the Architectural Standards; that the appearance of any Improvements will be in harmony with the surrounding structures; and that the construction of any Improvement will not detract from the beauty and attractiveness of the Development.
4. It is important that these Guidelines be carefully read before submitting plans. Submittal forms are available upon request from the SAMLARC business office or downloaded from the website [www.samlarc.org](http://www.samlarc.org). Plans submitted without the properly filled out forms and signed by the Owner will be returned without review as incomplete. Members of a Subordinate Maintenance Corporation must receive written approval from the Subordinate Maintenance Corporation prior to any submittals to SAMLARC. A SAMLARC application received from a Subordinate Maintenance Corporation without proper approval will be deemed incomplete.

**Plan Submittal Requirement Check List may include:**

- Homeowner Signed SAMLARC Home Improvement Form.
- Homeowner Signed SAMLARC "General Conditions" (Attached to the Home Improvement Form).

Sub-Maintenance Corporation Approval signed by the appropriate entity (If Applicable).

SAMLARC Neighbor Notification Statement Form signed by impacted homeowners.

SAMLARC Paint Submittal Requirements Form (If Applicable) complete with color names and paint codes.

SAMLARC Paint Change Submittal Form with Required Color Photos Mounted (Color Digital Copies Accepted).

Color Photographs of the front elevation of home and all areas applicable for submittal.

Two (2) sets of plans should include a site plan, detailed specifications; dimensions; materials; elevation drawings; plant list; color brochure, color photos.

Application Fee as specified on the application (Make checks payable to: SAMLARC).

Completion Notice and color photos must be submitted 30 days after completion.

5. The ARC shall give final written approval or disapproval of the request within thirty (30) days from receipt of a complete submittal (including all the required supporting information and documentation). In the event the ARC fails to respond within thirty (30) days from receipt of the complete submittal, the request shall be deemed to be approved.
6. No Improvement shall be constructed, installed, expanded, made, planted, commenced or erected except in compliance with plans and specifications therefore which have been first submitted to and approved by the Architectural Review Committee. If written approval from the ARC is not obtained, construction shall constitute a violation of the CC&R's, and the unauthorized Improvement may have to be modified or removed at the Owner's expense.
7. Application Fee (Payable to SAMLARC)
  - a. Payment of a \$15.00 fee to SAMLARC will be required to cover the cost of review on all Improvements. The Architectural submittal packet will include information pertaining to additional fees that will be required depending on the type of proposed improvement.
8. Proposed Construction Schedule - Indicate start date and estimated completion date.

From the date a plan submittal is approved, Owners whose property is not in any type of violation will have six (6) months to begin construction. Once a project has begun, Owners will have one hundred twenty (120) days to complete the project or what the Building Permit allows.

Properties in Violation - When a property is in violation of the CC&R's due to lack of repair/maintenance and the Owner chooses a remedy that requires prior ARC approval, Owners will have thirty (30) days from the ARC approval date to commence construction or the execution of the remedy, then an additional thirty (30) days (60 days from ARC approval date) to complete the remedy. The Covenant Committee may, on its own, set to extend the date of completion as the Committee deems warranted by the extent and nature of the remedy. Or, a reasonable extension may be issued by the Covenant Committee subject to an Owner's request in writing. Dates of commencement and completion will NOT be suspended or extended while the Covenant Committee's considers a request to extend any date.

Allowed Construction Hours (as per the City of Rancho Santa Margarita's Municipal Code)

The following hours must be adhered to:

- a. 7 a.m. - 8 p.m. Monday through Saturday.
- b. No construction access on Sundays or Federal Holidays.

9. ARCHITECTURAL SUBMITTALS MAY BE DELIVERED TO:

SAMLARC Architectural Review Committee

22342A Avenida Empresa, Suite 102A

Rancho Santa Margarita, CA 92688

#### IV. ARCHITECTURAL AND MATERIAL STANDARDS

##### A. LANDSCAPING

Landscaping can be effectively used to accent entryways, define space, and create "soft" privacy screens. Since landscaping is a design element, the same consideration should be given to the relationship of the applicant's Residence to adjacent Residences.

All landscaping and plantings shall remain aesthetically consistent with the design and plan of the community. Submitted landscape plans must provide the location and size of, all prospective plants, including ground cover, vines, espaliers, shrubs and trees.

Raised planters, built against a property line, must have a sealed/waterproof block wall back to mitigate potential damage to an adjoining lot or a shared fence/wall.

Trees, hedges, shrubs and the like must be maintained so as to not block street signs, mail boxes, pose danger to the community, be a fire hazard or encroach upon other's property.

Trees, hedges, shrubs and the like must be maintained so as to not overhang over any streets, sidewalks, Community Property or Public Right-of-Way. No Residential landscape shall extend beyond property lines.

Trees must be planted with a minimum five (5) foot setback from all property lines. To accommodate the mature growth size of plantings and roots, an increased setback may be required accordingly.

Any plant material, including trees and shrubs, planted to create a visual barrier/privacy screen will be reviewed by the ARC on a case-by-case basis.

Planting Palette - May include seasonal plants and flowers. Particular care should be taken when planting Morning Glory due to its invasive nature in our climate. Morning Glory shall not be planted in proximity to a property line nor shall it be maintained in a manner to allow runners or growth over a property line into an adjacent lot.

1. Low Maintenance Landscape / Hardscape

SAMLARC is dedicated to the preservation of its lush vegetation and landscaping that has matured since the establishment of the community. At the same time the community is sensitive to the Residents and the State's efforts in supporting water conservation. The following Guidelines have been set forth to maintain SAMLARC's splendor while being receptive to alternative forms of landscaping.

- a. A minimum of sixty percent (60%) of the total front yard landscaping must consist of vegetation, grass, plantings, and/or trees. In the case of Synthetic / Artificial Turf this standard may be adjusted by the Architectural Review Committee on a case-by-case basis.
- b. A maximum of forty percent (40%) of low maintenance landscaping, such as rock and gravel will be acceptable.
- c. Rock, gravel, and bark will be considered (use of large rock or boulders is limited, and shall be reviewed on an individual basis). Colors must be of natural earth tones and must harmonize with the existing landscape and architecture.
- d. Plants should be selected that respect soil conditions and water use and that contribute to the overall appearance of the community. The use of a simple palette of long-lived plants that are drought tolerant, or have low water requirements is encouraged. Plant materials are expected to be consistent with those compatible with the Southern California coastal climate.
- e. No cactus landscapes will be accepted.
- f. An ornamental, yet drought tolerant landscape can be created with plant materials that are compatible with our sub-Mediterranean climate.
- g. Proper maintenance of the area is critical for its continued acceptability. Preventative measures should be taken to prohibit weed growth. Bubblers or drip systems for trees and substantial shrubs is recommended.

- h. The ARC will review any proposed landscaping that deviates from these Standards on an individual basis.
  - i. Front yard is defined as the square footage of open space bounded by the front of the home and the property line, street, or sidewalk excluding any driveway paving.
  - j. Driveways are not considered in the calculation of the 40% for the low maintenance landscape requirements.
2. Artificial Turf
- Synthetic Grass / Artificial Turf may be used in frontage landscape in addition to side areas and backyards according to the following requirements:
- a. Synthetic Grass / Artificial Turf must be approved by the ARC prior to installation.
  - b. Submit a minimum of 1x1 sq. ft. sample showing engineering/quality to the ARC for review.
  - c. Provide an adequate base/drainage system under the Synthetic Grass / Artificial Turf.
  - d. If it is to be used in front yard landscaping, then it can only be used as an enhancement, accessory to or to compliment the main landscaping features and not as a major focal landscaping feature.
  - e. Seams must NOT be visible.
  - f. Must be promptly replaced if stained or discolored.
3. Driveway Expansions are not permitted, except for a maximum of twenty-four (24) inch wide bands on each side of the driveway, so long as the improvement is in harmony with the surrounding structures and will not detract from the beauty and attractiveness of the Development.
4. Buffer Zone - A twenty-four (24) inch buffer zone of plant material must be maintained between the driveway / hardscape and the property line or median.
5. Pools, Spas, Water Elements and Rock Formations
- a. Pools, spas, fountains, waterfalls, water slides, ponds and the like must comply with the following:
    - 1) Pools, spas and water slides must be located in the rear yard and must be screened from view.
    - 2) Coloring must be of natural earth tones.

- 3) Setback from property line must be in compliance with the City of Rancho Santa Margarita Guidelines.
  - 4) Related equipment must be positioned in a location to minimize noise and visual impact.
- b. Rock formations will be reviewed on a case-by-case basis. Rock formations must not exceed the fence height and must be screened from view. The color must be of natural, earth tones and must be setback a minimum of three (3) feet from the fence.

## **B. DRAINAGE**

Drainage must be shown on plans. All drainage from Improvements shall be constructed so as to return runoff to the front street. **Coring of any sidewalk or curb must be in accordance with the City of Rancho Santa Margarita's regulations or guidelines.** There shall be no interference with the established drainage patterns over any Lot, or Community Property.

## **C. FENCES / WALLS**

1. Owners may not modify SAMLARC Community Property or walls or fences that SAMLARC has a maintenance responsibility for without prior approval of the ARC.
2. The structural framing or unfinished side of a fence or wall shall not be exposed to any street, sidewalk, Community Property, or neighboring Lot.
3. No double fences shall be allowed along adjoining property lines.
4. Unless otherwise approved by the ARC, fencing shall not exceed six (6) feet in height from ground level.
5. Fences comprised of more than one (1) material must complement each other and harmonize with the Dwelling and the surrounding neighborhood.
6. Materials for the extension, repair, or construction of fencing must match or harmonize with the existing Dwelling or existing fencing and be consistent with the character of the community.
  - a. Acceptable materials shall be:
    - 1) Wood, stained or painted to match or harmonize with the existing Dwelling or existing fencing.
    - 2) Wrought Iron / Tubular Steel
    - 3) Masonry and/or masonry and stucco walls, if the materials conform to the type, quality, and color consistent with the character of the community.
    - 4) Glass blocks may be considered if used for accent purposes only.

- 5) Textured Vinyl and alternative fencing will be considered on a case by case basis and must be painted to match or harmonize with the existing Dwelling or existing fencing.
  - 6) Fences visible from the Covered Property will only be approved if found to be acceptable based on aesthetic harmony within the community.
- b. Unacceptable materials for fencing shall be:
- 1) Aluminum, Corrugated Metal or Sheet Metal.
  - 2) Chicken wire.
  - 3) Metal or plastic chain link.
  - 4) Plastic or fiberglass panels.
  - 5) Plastic webbing, reed or straw-like materials.
  - 6) Smooth finished plastic.
  - 7) Wood grape stake.
  - 8) Woven bender board.

7. Setbacks

a. Front Yard Setbacks

All retaining walls, garden/decorative walls, pilasters and fences installed adjacent to a sidewalk that are thirty-six (36) inches or lower in height will be required to have a minimum eighteen (18) inch setback from sidewalks. The setback area must be planted with plant material.

The side yard fence return must maintain a five (5) foot setback from the front most face of the Residence immediately adjacent to the respective side yard. **(Please see the General Fence and Wall Planning Guide diagram included at the end of this package).**

b. Corner Lot Setbacks

All walls, fences or fence like structures, that run along the side of a Dwelling, adjacent to a street on corner Lots and that exceed thirty-six (36) inches in height, will be required to have a setback from the sidewalk. As determined by the ARC and depending on the Lot, a minimum setback of eighteen (18) inches to a maximum setback of five (5) feet may be required. The height of the wall/fence must not exceed six (6) feet from ground level. The setback area must be planted with plant material (minimum five (5) gallon shrubs) and must be a minimum of three (3) feet apart.

c. Back Yard Setbacks

- 1) Structures and Equipment must maintain a minimum five (5) foot setback from all property lines unless otherwise approved by the ARC.
- 2) Fire Pits, Fireplaces and Barbecues must not be visible from the street and must maintain a three (3) foot setback from any property line wall/fence.

**D. OUTDOOR STRUCTURES – PATIO COVERS, GAZEBOS, PLAY EQUIPMENT AND OTHER STRUCTURES (BBQ, FIREPIT, OUTDOOR FIREPLACE, PORTABLE SHADE STRUCTURE)**

1. All structures, including portable shade structures and play equipment must be ARC approved.
2. Unless otherwise approved by the ARC no structure shall exceed the plate height of the first story of the residence.
3. Any variance from the outline of this article will be reviewed on a case-by-case basis.
4. Unacceptable roofing materials for patio covers, gazebos, and other structures shall be but not limited to the following:
  - a. Flat metal panels.
  - b. Corrugated plastic, metal and fiberglass.
  - c. Plastic webbing, reed or straw-like materials.
  - d. Palapa type roofs or grass thatched roofs.
5. The below identified standards and required setbacks from property lines and/or back and side yard fences and walls will apply for outdoor structures:
  - a. Patio Covers
    - 1) For design purposes, Patio Covers shall be permitted to be detached from or attached to dwelling units. Patio covers shall be used only for outdoor recreational purposes and not as carports, garages, storage rooms or enclosed rooms.
    - 2) Patio Covers must maintain a minimum five (5) foot setback.
    - 3) Patio Covers shall be made of wood, or have the appearance of wood construction. Construction materials may be other than wood, such as aluminum, plastic, or other composite material, as long as it has the same grain, appearance, and texture of wood, and is colored or painted to match



the stucco color of the home, fascia, trim or harmonize with the colors of the home.

4) Patio Cover Roofs:

- a. Open flat horizontal top covers shall have a lattice pattern with at least fifty (50) percent open space over the entire surface.
- b. Solid flat horizontal Patio Covers shall have the same grain, appearance and texture as the rest of the structure, and be painted to match the existing stucco color, fascia, trim, or harmonize with the colors of the home.
- c. Solid roof patio covers with sloped design and materials must be consistent and compatible with the existing building.
- d. All roof designs and construction shall comply with all City codes and regulations.

b. Gazebos

- 1) Fabric-covered gazebos and umbrellas must be properly maintained. Worn or faded fabric must be removed and replaced with the same ARC-approved fabric. Structural gazebo frames, without fabric, must be removed.
- 2) Gazebos must maintain a minimum five (5) foot setback.
- 3) Gazebo Roofs:
  - a. Gazebos with an open flat horizontal top cover shall have a lattice pattern with at least fifty (50) percent open space over the entire surface.
  - b. Solid roof design must be consistent and compatible with the existing building.
  - c. All roof designs and construction shall comply with all City codes and regulations.
- 4) Gazebos shall be made of wood, or have the appearance of wood construction. Construction materials may be other than wood, such as aluminum, plastic, or other composite material, as long as it has the same grain, appearance, and texture of wood, and is colored or painted to match the stucco color of the home, fascia, trim or harmonize with the colors of the home.

c. Arbors, Archways, and Trellises

- 1) Arbors, Archways, and Trellises shall not exceed three (3) feet in walk-through depth.

d. Fire Pits, Fireplaces and Barbecues

- 1) Fire Pits, Fireplaces and Barbecues are allowed in rear yards or in fenced courtyards only. They must not be visible from the street or any Community Property Lot within the Covered Property and must maintain a three (3) foot setback from any property line wall/fence.

Approval does not constitute a waiver or variance of any of the use restrictions in the Governing Documents including those relating to nuisance. Operation of any installed Fire Pit, Fireplace and Barbecue shall not be conducted in a manner to permit a nuisance.

e. Second Story Deck / Balcony

- 1) Second story decks and balconies shall be constructed with materials that conform to the type, quality, character, and detail established in the existing Dwelling.
- 2) Railings must be installed and must harmonize with the existing architecture in color and proportion.
- 3) Second story decks and balconies must maintain a minimum setback of five (5) feet from side property lines, ten (10) feet from rear property line and twenty (20) feet from the front property line. All setbacks shall comply with the above and/or City codes and regulations, whichever is more stringent.

f. Playground Equipment

- 1) Playground equipment must maintain a minimum setback that is equal to the structure's height.
- 2) Playground equipment canopies are reviewed on a case-by-case basis and must be of canvas or approved fabric and must be properly maintained. Worn or faded fabric must be removed and replaced with the same ARC approved fabric. The canopy color must be approved by the ARC.
- 3) Trampolines with vertical safety nets are reviewed on a case-by-case basis and must be properly maintained. Worn or faded netting must be removed and replaced with the same ARC approved netting.

**E. PATIO ENCLOSURES**

All patio enclosure submittals are reviewed on a case-by-case basis. Please note that the following Guideline does not guarantee that all Lots will be able to meet the

criteria listed below. Neither SAMLARC nor the ARC can guarantee that any particular Lot will be approved for the installation of a patio enclosure.

All proposed Patio Enclosures must meet the following criteria:

1. Commercially manufactured, pre-fabricated patio enclosures and/or sun rooms shall:
  - a. Have all non-glazed exterior surfaces and roof material that match the exterior of the house in color and texture.
  - b. A roof that is glass, whether flat or curved is acceptable in place of a solid surface. Structural support members made of steel or aluminum material shall be painted to match the stucco or fascia trim of the house.
  - c. All submittals for a patio structure of this type must include a manufacturer brochure of the product.
  - d. Patio enclosures constructed from standard building materials shall follow the same criteria as those listed above in item one (1).
2. Unacceptable construction material for patio enclosures shall be:
  - a. Metal panels.
  - b. Corrugated plastic, metal or fiberglass.
  - c. Plastic webbing, reed or straw-like materials.
3. Setbacks shall comply with all City codes and regulations.

#### **F. ADDITIONS**

Within the community of SAMLARC, the architecture has been built upon the influences and heritage from the Spanish explorers who came to the area in 1769. They made camp near the area where Tijeras Creek Golf Course now stands. The original vision of the community was to create harmonious home, business and retail center designs while creating distinct “urban villages,” with an abundance of parks and a quality of life of a small village. The purpose of the ARC is to retain the original charm and established theme of the community while being mindful of the current styles and architectural trends. The following criteria have been created for home additions with careful consideration to fulfill the objective of the ARC and should be taken into consideration during the design process of all exterior modifications.

1. Room additions shall be constructed with forms, massing and materials that conform to the type, quality, character, and detail established in the existing Dwelling. The additional planting of trees may be required for screening from neighbors or public view as a condition of approval.
2. Submittal to the ARC for review/approval of proposals for alterations, modifications and additions is required, and should be done before ordering materials and start of demolition or construction.

3. Additions must maintain a minimum setback of five (5) feet from side property line(s), ten (10) feet from rear property line(s) and twenty (20) feet from the front property line(s). All setbacks shall comply with the above and/or City codes and regulations, whichever is more stringent.
4. The architectural integrity of the home's style shall be maintained in all its aspects.
5. The existing architectural design details (i.e. doors, windows, cornices, roof, fascia, etc.) shall be maintained in any proposed alteration, modification or addition.
6. Color and material palette changes shall be consistent with the range of palettes for the subject home's architectural style and location.
7. Timely construction of the ARC approved Improvements is required; 90 days or as determined reasonable by the ARC.
8. Existing roof forms and roof pitch shall be emulated in any proposed addition or expansion, in order to maintain the character of the existing architecture.

**G. STORAGE SHEDS/UTILITY BUILDINGS**

1. Storage sheds and/or utility buildings must harmonize or be painted to match the existing colors of the main Dwelling.
2. The location of the shed and/or utility building shall be located on the property so as to minimize visibility from the street. Storage sheds and/or utility buildings that exceed the fence height must be placed three (3) feet from the fence and must be screened from view.
3. Plant material must be used to soften the look of the structure, and be planted within thirty (30) days. Visible coverage from said planting must occur within one-hundred-and twenty (120) days of approval.
4. Setbacks shall comply with all City codes and regulations.

**H. BASKETBALL BACKBOARDS**

1. All basketball backboards require approval prior to installation. Basketball backboards are allowed only if installed above, and centered on, the garage door opening. Backboards permanently mounted on poles are not allowed in front yards.
2. Wooden backboards must be painted to match the trim, stucco or harmonize with the colors of the house. The square or box appearing behind the basketball hoop may be outlined in a contrasting color. Wooden backboard supports must be painted to match the fascia of the home. Owners may paint around any manufacturer warnings or other safety labels.
3. Composite material backboards may be approved. Logos imbedded in plastic or acrylic backboards will be reviewed on a case-by-case basis. Metal supports may be required to be painted to match the fascia of the home.

4. A manufacturer's illustration or brochure of the proposed basketball backboard is required.
5. No part of the basketball backboard, including the net, shall be allowed to fall into disrepair. Should the net become shredded, or fall into disrepair, the net is to be removed entirely or replaced with a new one.

#### **I. SATELLITE DISH / ANTENNA / CABLE WIRE**

All satellite dish/antenna submittals are reviewed on a case-by-case basis. Please note that the following Guideline does not guarantee that all Lots will be able to meet the criteria listed below. Neither SAMLARC nor the ARC can guarantee that any particular Lot will be approved for the installation of a satellite dish. The ARC prefers the location of roof-mounted antennas to be on portions of the roof facing the rear of the property.

SAMLARC makes no representation, warranty or guarantee that there will be a location, which will provide an acceptable quality signal available to each Owner or occupant. SAMLARC makes no representation, warranty or guarantee that there will be no interruption in the broadcast signal, broadcast service, installation or use of the satellite dish/antenna or other equipment.

The applicant is responsible for the clean-up of all waste, trash, debris and/or left over material(s) remaining after installation of the satellite dish/antenna. The applicant may periodically be required to provide proof to SAMLARC of a current subscription to a satellite broadcast system.

When an occupant of a home terminates the subscription to a satellite broadcast system, vacates or sells the home, any antenna (and/or any accessories thereto) on the exterior of the home, or in the patio, yard or other outside area of the home shall be removed immediately.

##### **1. Dishes over one (1) meter**

Dishes over one (1) meter will be reviewed on a case-by-case basis.

##### **2. Dishes one (1) meter or less**

All satellite dish, Multichannel Multipoint Distribution Service (MMDS) and Direct Broadcast Satellite (DBS) antennas must be one (1) meter (39") in diameter or less to be permitted within SAMLARC. Antennas larger than one (1) meter (39"), except Television Broadcast Satellite (TVBS) are prohibited unless approved by the ARC.

- a. Plans and specifications for any antenna may be submitted to the ARC for approval. However, the antenna may be installed before submitting request for approval. No penalties are imposed if an applicant installs an antenna before seeking ARC approval. However, it is recommended that ARC approval be obtained prior to installation. Installation of the antenna prior to approval may result in additional costs to relocate the antenna, or to conceal or screen it.

The ARC will consider size and type of antenna, make and model of antenna, location, reasonable screening/concealing options, signal quality, and cost of equipment or service and the visual impact of the antenna. In some cases, SAMLARC may pay the costs of the required or requested relocation and/or screening/concealment (where appropriate) of the antenna. Painting the antenna to make it blend in with its surroundings may also be required, so long as no impairment results.

- b. Antennas will be permitted only on property over which the applicant has exclusive use or control and a direct or indirect Ownership interest. No antenna may be placed on Community Property, Subordinate Maintenance Corporation owned, managed or maintained property, or on the property of another Owner without the written consent of the other property Owner. It is recommended that you check with the Management Company and the ARC when you are uncertain about whether the desired location for the antenna is Community Property, Subordinate Maintenance Corporation owned or managed.
- c. No prohibitions, or absolute bans, of antennas which are found within the SAMLARC CC&R's will be enforced by the Board of Directors or the ARC except, and to the extent, consistent with this policy and the FCC Rule of August 5, 1996, and subsequent FCC Rules, Orders and Opinions.
- d. Masts used to raise the height of an antenna will be given careful scrutiny to determine if a reasonable, but less obtrusive method or approach can be found which provides an acceptable quality signal. The Owner may be asked to paint or take other reasonable steps to minimize the impact of the mast so long as no impairment results.
- e. If placement does not impair reception of an acceptable quality signal, delay installation nor add unreasonably to the cost, it will be required that any antenna be placed in preferred rear yard, ground mounted locations, and to the extent feasible, in locations that are not visible from:
  - 1) The street.
  - 2) Community Property.
  - 3) Recreation areas.
  - 4) Other Community Property.
  - 5) The home and yards of neighbors.
- f. For safety reasons, any antenna must be adequately and safely installed. Bolting and/or guy-wires may be required for safe installation, use, operation and maintenance of the antenna, or to prevent damage or injury to the property or person of others, or property over which SAMLARC has a maintenance responsibility. No bolting or mounting of guy wiring may be attached to Community Property, Subordinate Maintenance Corporation owned, managed

or maintained or the property of others without the written consent of the other Owner.

The purpose of this rule is to prevent injury to persons and property caused by any antenna falling, or being blown off the support in a wind, other natural event, or as a result of use or maintenance by applicant.

- g. For safety reasons, no antenna may be installed or maintained in such a location, or fashion that results in the antenna obstructing:
  - 1) A fire exit, access to or egress from a fire exit.
  - 2) Access to any fire safety apparatus (e.g. smoke alarm, fire alarm, fire extinguisher, fire hose, fire tools and/or equipment, etc.).
  - 3) Access by any Fire Marshal or Firefighter on Fire Department business.
  - 4) Access by an Owner, guest, tenant, invitee or the like of a neighboring property to the neighboring property.

The purpose of this rule is to: (i) prevent the delay or inability of fire and/or rescue personnel and equipment reaching a person or location where their help is needed; (ii) to prevent the delay or inability to gain access to a neighboring home or property, by the neighboring Owner or his/her guest, tenant, invitee or the like.

- h. SAMLARC may enter the property, following reasonable notice during reasonable times, to take comparative signal strength measurements and to verify the information on the Home Improvement Form. These measurements will be used to assist the ARC in its review of alternative antenna locations, where appropriate.
- i. The violation of any provision of this Satellite Dish/Antenna Policy may result in a reasonable penalty upon the Owner or occupant of the Dwelling causing such violation.
- j. The ARC reserves the right to have the submittal reviewed by a satellite dish consultant. Should this be necessary, the ARC will make arrangements for the consultant, who is contracted by SAMLARC, to enter onto the Lot in order to accurately assess the submittal and to provide a written recommendation to the ARC.

### 3. Antenna

Unless provided otherwise by law, the Guidelines, or the CC&R's, no radio, "CB", or other electronic antenna or device of any type shall be erected, constructed, placed, or permitted to remain on any of the Lots or upon any of the buildings constructed upon such Lots. Such devices are allowed only if contained within the Dwelling.

4. Cable Wire

Cable wire installed on the outside of a Dwelling is permitted, provided the cable wire is painted to match the adjacent surface of the Dwelling. The cable will not be permitted to hang free from the roof or any other portion of the Dwelling. Cable wire meeting these requirements does not require approval from the ARC.

**J. MISCELLANEOUS**

1. Electric Vehicle Charging Stations

Plans that include installation of an Electric Vehicle Charging Station must include a statement confirming installation will meet all California Building Code (CBC) and California Electrical Code (CEC) requirements. Any portion of the charging station equipment that is visible from outside the garage or home must be reflected on the plans. Exterior charging stations shall include a method of storing charging cords out of site when not in use.

2. Tankless Water Heaters

- a. For exterior installations, plans must identify any and all equipment, piping or wiring. A brochure identifying equipment to be installed must accompany the application.
- b. Must meet or exceed requirements of California Plumbing Code (CPC) and any other applicable adopted ordinance of the City of Rancho Santa Margarita.
- c. Installation must meet Manufacturer Installation Guidelines for venting and gas piping.
- d. Tankless Water Heaters located on the exterior of homes must be rated for exterior use.

3. Surveillance Cameras

The use of video surveillance cameras is permitted to deter acts of vandalism and potential criminal activity, and, increase the likelihood that perpetrators of these acts will be identified.

- a. Video recording surveillance camera installations must be in compliance with privacy laws governing the collection of personal information. Cameras and/or recording equipment may not impede upon the privacy of neighbors by having camera angles of shared driveway areas and/or an adjacent structure's windows, back or side yards. Cameras may not be trained on Community Property including but not limited to parks, pools, trails, playgrounds or sports fields.
- b. For exterior installations, plans must identify location of cameras. Wiring must be hidden from view or painted to match the adjacent surface of the Dwelling.



c. Cameras shall not be installed on remote controlled rotating mounts. Cameras must be mounted so as to be stationary.

4. Permanent Exterior Lighting

If the intended use is permanent, lighting must be approved by the ARC. Exterior lighting must be of a low illumination level. Higher levels of lighting may be approved, if they are neither directed, nor placed so as to create an annoyance to the neighbors, as determined by the ARC.

5. Holiday Lighting and Decorations

If the intended use is temporary, lighting and decorations do not need ARC approval. Holiday lighting and decorations are permitted without ARC approval from November 1st through January 15th.

6. Glass Tinting

Glass tinting requests will be considered by the ARC. Mirror finishes will not be approved.

7. House Number

All dwellings must display the correct address number affixed to the exterior wall of the dwelling that is closest to the primary entry and visible from the public right of way. All house number(s) and decorative borders, other than those installed by the builder, are subject to review by the ARC. In no event shall number(s) replacing the original number(s) exceed six (6) inches in height. Acceptable materials shall include, but are not limited to, wood, ceramic tile, and metal.

8. Pet Enclosures / Dog Runs

Pet enclosures and dog runs will be reviewed on a case-by-case basis and must be placed in a location that is not visible from the street.

9. Screen Doors

Screen doors on the front door, or entrances facing the street, shall be reviewed by the ARC on a case-by-case basis. Screen doors may be required to be painted to match the color of the Dwelling.

Security doors made of tubular steel and/or covered with mesh material are discouraged and shall be reviewed by the ARC on a case-by-case basis.

10. Rain Gutters and Downspouts

Rain gutters, downspouts, or scuppers to control water shed from roofs will be reviewed on a case-by-case basis and shall be installed with the approval of the ARC. They must be painted to match the color of the adjacent surface or harmonize with the existing Color Scheme.

Rain gutters that are manufactured or constructed of finished materials, such as copper, and are architecturally intended to exhibit the material's innate color and texture, need not be painted but require ARC approval prior to installing.

11. Flags and Flagpoles

Ground mounted flagpoles shall be reviewed by the ARC on a case-by-case basis. The review will be based on the size of the flag, the location and height of the proposed flagpole in relationship to the size of the property lot. Maintenance and display of the flag must be in accordance with United States Code.

One (1) flag of reasonable dimension (3FTx5FT or 4FTx6FT), will be allowed when attached by a flagpole to the Residence and must be maintained.

12. Windows

Full Architectural Submittals, subject to review and approval by the ARC prior to installation is required for:

- a. Changing the style or size of an existing window.
- b. Retrofits, "same-style" or "like-for-like" window replacement.
- c. Windows visible from the Covered Property.

13. Window Coverings

Only curtains, drapes, shutters or blinds may be installed as permanent window covers. No aluminum foil, paint, newspaper, or similar covering deemed to be inappropriate for a window covering shall be applied to the windows or doors of any Dwelling.

14. Skylights

Any skylights must have the approval of the ARC prior to installation.

15. Solar Energy Equipment

Any Solar Energy Equipment must have the approval of the ARC prior to installation.

- a. Solar Energy Systems must meet or exceed applicable health and safety standards and requirements imposed by state and local permitting authorities.
- b. A solar energy system for heating water shall be certified by the Solar Rating Certification Corporation (SRCC) or other nationally recognized certification agencies. SRCC is a non-profit third party support by the United States Department of Energy. The certification shall be for the entire solar energy system and installation.
- c. A solar energy system for producing electricity shall also meet all applicable safety and performance standards established by the national Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing

laboratories such as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

- d. Solar Energy Systems on Community Property and on neighboring Separate Interests:
- 1) SAMLARC may prohibit, restrict or approve solar energy systems on Community Property, as defined in Civil Code section 1351, in its sole discretion.
  - 2) The owner of a separate interest seeking approval of installation on the separate interest of another owner for installation of a solar energy system must obtain SAMLARC's approval.
  - 3) SAMLARC may condition installation of solar energy systems on Community Property or on neighboring separate interests to the separate interest of the owner seeking approval on such terms and conditions, including maintenance and repair as it deems appropriate in SAMLARC's sole discretion.
  - 4) Installers of solar energy systems on Community Property as defined in Civil Code Section 1351 shall indemnify and reimburse SAMLARC and its members for loss or damage caused by the installation, maintenance, or use of the solar energy system.

16. Air Conditioners

Installation and replacement of air conditioning units shall be subject to review and approval by the ARC prior to installation. Air conditioning units shall not be visible from the street. Window air conditioning units and the like shall not be permitted within the covered property.

17. Awnings

All awning submittals will be reviewed on a case-by-case basis. Both retractable and fixed awnings are allowed. Awnings must be of canvas or approved fabric and the color must match or harmonize with the existing color of the residence.

Awnings visible from the Covered Property will only be approved if found to be acceptable based on aesthetic harmony within the community.

The standard plan submittal for awnings must include the following:

- a. A sample of the fabric and color of the awning(s).
- b. A drawing showing the written dimensions of the awning(s), with both aerial and side views.
- c. A drawing showing where the awning(s) will be attached to the home.
- d. Metal awnings and vertical drop down awnings are not allowed.

- e. All awnings must be properly maintained and must be replaced or removed when frayed, split, torn or faded. Any condition or material not defined within this Guideline shall become a matter of review on the part of the ARC (also see Gazebos).

18. Mailboxes

All mailbox submittals will be reviewed on a case-by-case basis. Individual standing and group mailbox structures are to remain as the Builder installed. All mailbox colors and material must match or harmonize with the SAMLARC-approved paint Color Schemes for the residence.

19. Exterior Painting

The term “building's exterior” as used in the following guideline shall include but not limited to; all structures such as pool buildings, single family detached dwellings, attached dwellings, condominiums and apartment buildings. The term component shall be defined and broken into the following; (1) Wood Trim, Fascia, Railing/Wrought Iron Accent and Shutters (2) Garage door and Entry Door (3) Stucco Accent(s) (4) Main Body of stucco/siding or any other material which encompasses the majority of the painted exterior of the building.

ARC review or approval is not required for repainting the above components 1-3 provided colors match the existing colors (“like for like”). This will be considered repairs and/or maintenance. The repainting of the above component 4 of your building’s exterior will require ARC review and approval and must comply with Color Palettes adopted by the Board. Prior written approval of the SAMLARC ARC is required of all Owners and Subordinate Maintenance Corporations.

a. Residential Village Paint Program Policies

- 1) The Color Schemes make up the Color Palettes for each Village. A Color Scheme is a set of complimentary colors approved for use on the various elements of a residence. Each Village has several Color Schemes approved for use within the Village. Collectively, the Village's Color Schemes constitute the Color Palette of each Village.
- 2) The Color Palettes for each Village are an absolute that must be followed without modification to color and/or method of application.
- 3) Some of the Subordinate Maintenance Corporations have established a uniform aesthetic appearance with colors for specific features. For example, some condominiums, attached homes and apartment buildings have adopted a uniform color for the front door. Existing Color Schemes which preserve a uniform aesthetic appearance may be approved, unless specifically eliminated.
- 4) Colors within a Color Scheme may be substituted with colors of another Color Scheme, like for like, within the Color Palette of that particular Village only. For example: Trim color of Color Scheme #2 may be

substituted for Trim color of Color Scheme #6 of the same Village's Color Palette.

- 5) Colors shall not be intermixed from one Village Color Palette to another Village Color Palette.
- 6) To encourage diversity of colors within the approved Color Palette for each Village. Single family detached dwellings that are adjacent to each other or share a property line may not be painted the same paint Color Scheme.
- 7) All duplex, triplex, fourplex, or multi-family buildings, having one or more common walls adjoining to another home, must be painted a single paint Color Scheme approved by the SAMLARC ARC. When one owner within the duplex, triplex, fourplex or multi-family buildings desires to change paint colors from an existing Color Scheme to a new approved Color Scheme, all unit owners within the attached structure must agree to the new color change and agree to paint at the same time. If all unit owners within the attached structure do not agree to the new paint Color Scheme, then the existing paint colors are the standard for paint maintenance and repainting.
- 8) All Residential Paint Submittals require approval by the ARC prior to commencement of painting.
- 9) Painting must be completed within one year of the receipt of ARC approval.
- 10) SAMLARC Completion Notice form must be submitted for review to the ARC within 30 days of completion.
- 11) Pre-fabricated, pre-painted roll-up garage doors will be considered on a case by case basis only.
- 12) Subordinate Maintenance Corporations may and can have stricter rules. For example: SAMLARC allows for intermixing paint colors from one Color Scheme to another within the same Color Palette and within the same Village. A Subordinate Maintenance Corporation may decide to keep each Color Scheme intact and NOT allow intermixing colors.
- 13) Condominium Owners must check with their property manager for painting responsibilities, details and schedules.

## **V. IMPORTANT INFORMATION**

This review is in no way intended to approve the proposed improvement(s) for structural engineering, nor is it in lieu of any required governing entities. The intent is to maintain the visual unity and aesthetics of the community. Any approved improvements are to be constructed upon the applicant Owner's Lot only.

Approval of proposed improvements does not constitute, nor shall approval be understood or taken: as a warranty or guarantee of any kind; as permission to violate any law; as permission to violate any provisions of the CC&R's, Bylaws or Policies and Guidelines of SAMLARC; as permission to build upon property not owned by the applicant; or, as permission to violate or interfere with any easement on or across the applicant's Lot.

Any modifications to the grade or improvements as installed by the builder shall relieve SAMLARC of responsibility and liability for any damage resulting from said modifications.

**A. CONDITIONS NOT DEFINED**

Any condition or material not defined within the Architectural Standards and the Policies and Guidelines shall become a matter of judgment on the part of the ARC.

**B. FAILURE TO COMPLY WITH REQUIRED PROCEDURES**

Failure to comply with the requirements and procedures set forth herein shall cause the request to be deemed not submitted (per Section 10.03 of the CC&R's).

**C. APPEAL PROCEDURE**

In the event plans and specifications submitted to the ARC are disapproved, the Owner filing such application may appeal in writing to the Board of Directors. The appeal must be received by the Board of Directors not more than fifteen (15) days following the final decision of the ARC.

Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. The Board may agree with the ARC and uphold the disapproval, or the Board may disagree with the ARC and approve the plans. The failure of the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the Owner.

**D. VARIANCE**

The Board of Directors may authorize a variance from compliance with any architectural provision contained in the CC&R's including, without limitation, restrictions upon height, size, floor area, or placement of structures, or similar restrictions when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental consideration may require such variance. The granting of a variance must be evidenced in writing, must be signed by a majority of Members of the Board, and, if possible should be recorded in the Office of the Orange County Recorder. If such variance is granted, no violation of the CC&R's shall be deemed to have occurred with respect to the matter for which the variance was granted.

**E. RIGHT TO ADOPT ADDITIONAL ARCHITECTURAL STANDARDS**

The ARC may, from time to time, adopt additional, and/or amend existing, standards. Copies of such additions, and/or amendments, will be distributed to the Membership and kept on file with the management company.

**F. APARTMENT LOT OWNERS**

Apartment Lot Owners are subject to these Guidelines and the CC&R's just as are any Owners. Any changes to the exterior of any buildings or Lots under the Management and control of an Apartment Community must receive the written consent from the SAMLARC ARC.

**G. SUBORDINATE MAINTENANCE CORPORATION**

Any changes to the exterior of any buildings or Lots under the Management and control of a Subordinate Maintenance Corporation must receive the written consent of the Subordinate Maintenance Corporation's ARC prior to submittal to the SAMLARC ARC. It is the Owner's responsibility to obtain approval from the Subordinate Maintenance Corporation and from the SAMLARC ARC.

**VI. ENFORCEMENT**

Violations of the Architectural Standards are subject to enforcement pursuant to SAMLARC's enforcement policy as set forth in SAMLARC's Polices & Guidelines.

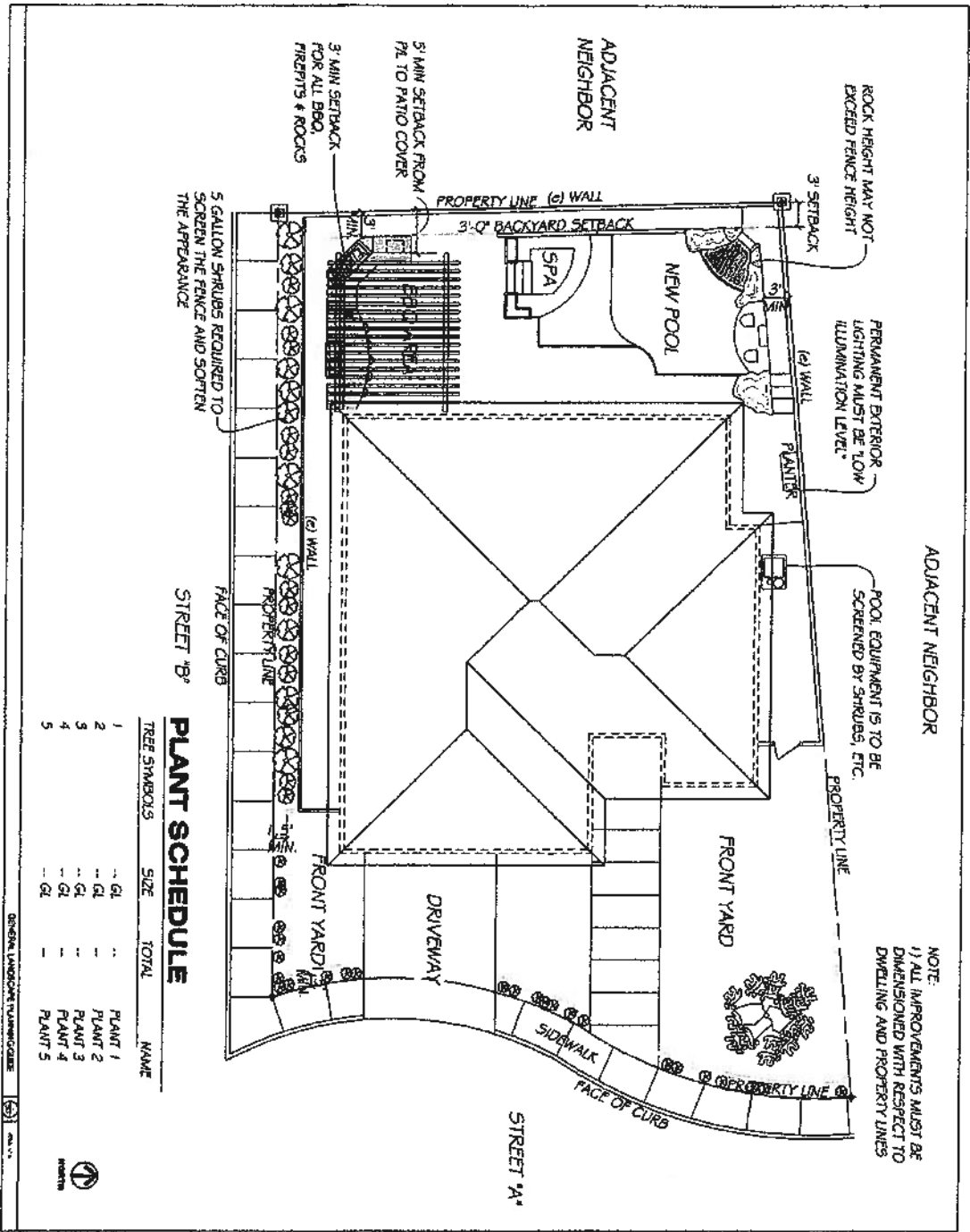
**Properties in Violation** - When a property is in violation of the CC&R's due to lack of repair/maintenance and the Owner chooses a remedy that requires prior ARC approval, Owners will have thirty (30) days from the ARC approval date to commence construction or the execution of the remedy, then an additional thirty (30) days (60 days from ARC approval date) to complete the remedy. The Covenant Committee may, on its own, extend the date of completion as the Committee deems warranted by the extent and nature of the remedy. Or, a reasonable extension may be issued by the Covenant Committee subject to an Owner's request in writing. Dates of commencement and completion will NOT be suspended or extended while the Covenant Committee considers a request to extend any date.

**Architectural Review Submittal Forms may be found in SAMLARC's website  
[www.samlarc.org](http://www.samlarc.org).**

(Forms are available upon request.)





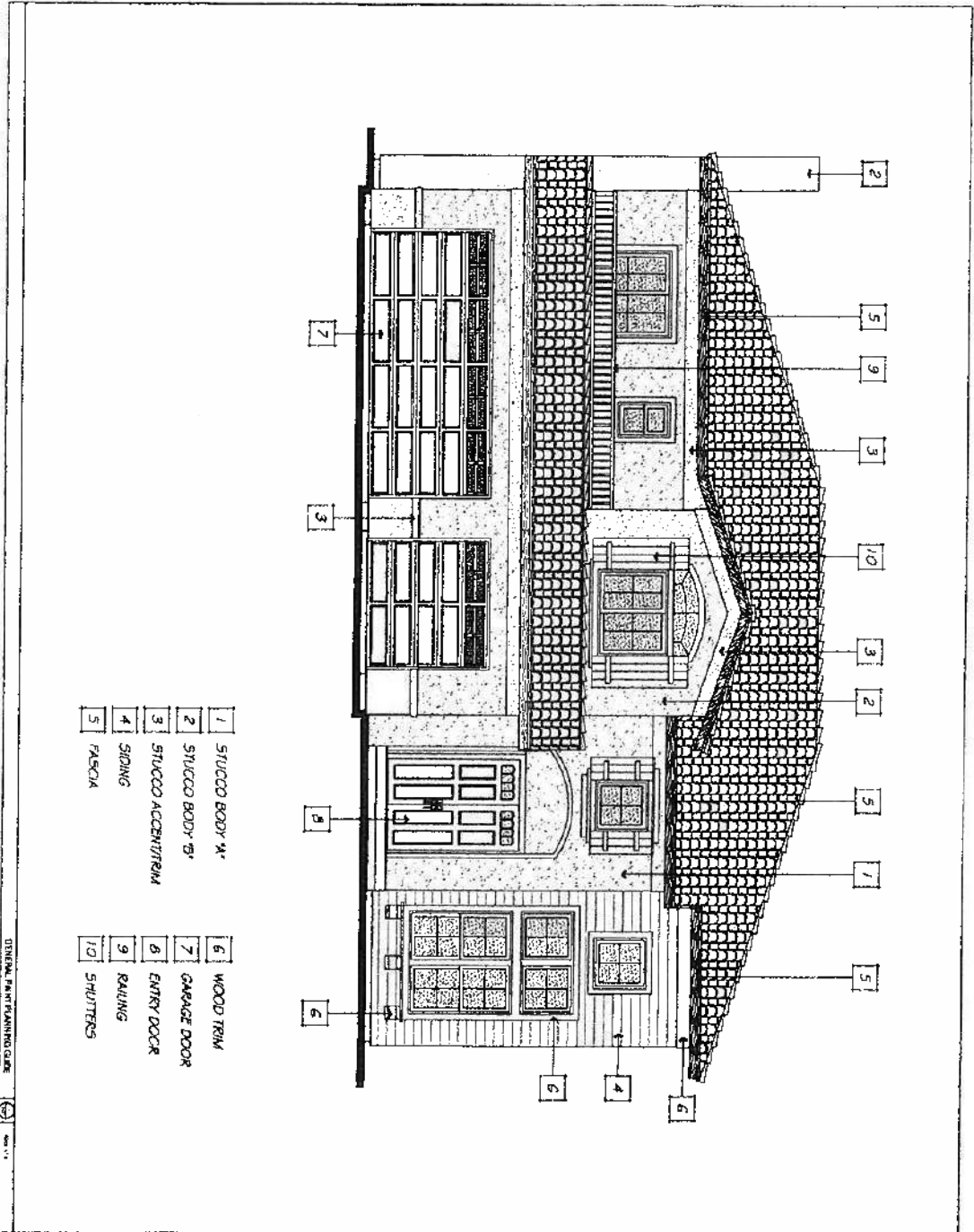


NOTE:  
1) ALL IMPROVEMENTS MUST BE DIMENSIONED WITH RESPECT TO DWELLING AND PROPERTY LINES

**PLANT SCHEDULE**

| TREE SYMBOLS | SIZE  | TOTAL | NAME    |
|--------------|-------|-------|---------|
| 1            | -- G1 | --    | PLANT 1 |
| 2            | -- G1 | --    | PLANT 2 |
| 3            | -- G1 | --    | PLANT 3 |
| 4            | -- G1 | --    | PLANT 4 |
| 5            | -- G1 | --    | PLANT 5 |

GENERAL LANDSCAPE PLANNING GUIDE



- |   |                    |    |             |
|---|--------------------|----|-------------|
| 1 | STUCCO BODY 4"     | 6  | WOOD TRIM   |
| 2 | STUCCO BODY 9"     | 7  | GARAGE DOOR |
| 3 | STUCCO ACCENT/TRIM | 8  | ENTRY DOOR  |
| 4 | SIDING             | 9  | RAILING     |
| 5 | FASCIA             | 10 | SHUTTERS    |

GENERAL PAINT PLANNING GUIDE





# **POLICIES AND GUIDELINES**

**For**

**GENERAL MEMBERSHIP**

**RECREATIONAL FACILITIES**

Effective - April 15, 1995

Revised - November 10, 1997

Revised - March 18, 1999

Revised - July 17, 2002

Revised - November 7, 2002

Revised - September 4, 2008

Revised and Board Adopted – January 13, 2009

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Revised and Board Adopted – January 11, 2011

Revised and Board Adopted – January 24, 2012

Revised and Board Adopted – January 22, 2013

Revised and Board Adopted – April 22, 2014

Proprietary and Confidential

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## **SAMLARC POLICIES AND GUIDELINES**

### **I. INTRODUCTION**

Policies and Guidelines ensure that the community Common Areas and Common Facilities are maintained to standards as identified herein. In order to protect and preserve these benefits, certain limitations and restrictions are placed on the Members.

Rancho Santa Margarita Landscape and Recreation Corporation (SAMLARC) is a California non-profit mutual benefit corporation organized for the residential property Owners within its boundaries. These policies and guidelines also apply to all Subordinate Maintenance Corporations in SAMLARC.

The attached Policies and Guidelines have been developed with consideration given to providing each Member with the greatest enjoyment of the facilities without infringing on other Members and their rights to quiet enjoyment of their homes and community. The goal is to assure a continuity in procedures which preserves the integrity of the overall Community.

All Owners and tenants are subject to compliance with the governing documents of SAMLARC. All Policies and Guidelines are subject to review and change by the Board of Directors.

## II. DEFINITIONS

- A. **ACTIVE PARK AREAS** Shall mean park areas that can be reserved through a Park Use Permit.
- B. **APPROVED EVENTS** Shall mean an event or activity approved through SAMLARC with a Park Use Permit.
- C. **COMMUNITY PROPERTY** Shall mean all real property, and the Improvements thereon, owned by SAMLARC, for the common use and enjoyment of the Members.
- D. **COVERED PROPERTY** Shall mean all real property subject to the Declaration of Covenants, Conditions, and Restrictions of Rancho Santa Margarita.
- E. **DESIGNATED FACILITIES** Shall mean the gated facilities which include, but are not limited to: Lago Santa Margarita Beach Club, Swim Lagoon, Swimming Pools, Boat Launch, Tennis Courts, and the SAMLARC Arena Facility.
- F. **DETAILED PARK USE GUIDELINES** Shall apply to specific Park Use Permits.
- G. **GLASS** Shall mean material that shatters when dropped on a hard surface. This includes, but is not limited to: drinking glasses, bowls, beer/soda bottles, pitchers, etc.
- H. **MANAGEMENT COMPANY** Shall mean the Management Company which is retained by SAMLARC to manage the maintenance of the Community Property and to manage the day-to-day business of SAMLARC.
- I. **MEMBER** Shall mean the property Owner(s) holding title to a Residence.
- J. **NON-DISPOSABLE** Shall mean food storage containers that can be continually reused. Tupperware, metal or plastic containers are examples. Styrofoam and glass containers are excluded.
- K. **PARK USE PERMIT** A means for Resident's or User Groups to reserve park use.
- L. **PASSIVE PARK AREAS** Shall mean park areas that may not be reserved and that are open to all residents on a first-come, first serve basis.
- M. **PETS** Shall mean dogs, cats and other household animals. The definition does not provide for livestock or poultry. Service Animals are not included in this category.
- N. **RECREATIONAL FACILITIES** Shall mean, but not be limited to the: lake, parks, picnic areas, exercise par course, tot lots, shoreline fishing area, amphitheater, Beach Club, sand volleyball courts, swimming pools, tennis courts, basketball courts, baseball and softball diamonds, soccer fields, trails, parking areas and landscape areas.
- O. **REGISTERED RESIDENT** Shall mean the Member who has completed the forms required by SAMLARC to receive the SAMLARC Access ID Card, or a tenant who has been assigned rights to use SAMLARC Designated Facilities by a Member.
- P. **RESIDENCE** Shall mean a Lot together with the Dwelling and other Improvements constructed, or intended to be constructed, thereon; a Condominium; or an Apartment Unit.
- Q. **RESIDENT** Shall mean occupant of the Residence, whether it be the current Owner or tenant.
- R. **SAMLARC ACCESS CARD** Shall mean the card which opens Designated Facilities.

- S. SERVICE ANIMALS** Shall mean animals that are individually trained to perform tasks for people with disabilities such as guiding people who are blind, alerting people who are deaf, pulling wheelchairs, alerting and protecting a person who is having a seizure, or performing other special tasks. Service Animals are working animals, not Pets.
- T. SUBORDINATE DECLARATION** Any declaration of covenants, conditions and restrictions recorded by Declarant, other than those contained herein or in a Supplementary Declaration which may be applicable to a particular portion of the Covered Property (SAMLARC).
- U. SUBORDINATE MAINTENANCE CORPORATION** Refers to any non-profit mutual benefit corporation which is formed among other things to facilitate the Maintenance and operation of any portion of the Covered Property (SAMLARC) which is either owned in common by the Owners who are members of such non-profit mutual benefit corporation or which is owned by such non-profit mutual benefit corporation for the benefit of the Owners, who are its members, or to enforce or administer any Subordinate Declaration.
- V. SPECIAL PARK ACTIVITY** Shall mean any activity contrary to the Guidelines contained in this document, or not delineated in this document. Examples of special park activities may include but not limited to Carnivals, Jog-a-thon, End of School Year Event, etc.
- W. STRUCTURED ACTIVITY** Shall mean organized and reoccurring park use activity requiring Board approval as an organization, and specific park use through a permit.
- X. USE PERMIT** A Use Permit is a document granting the applicant permission for the requested use.
- Y. USE PERMIT FEES** Shall mean fees charged for reserved use of certain Designated and Recreational Facilities.
- Z. USER GROUP PRIORITY RANKINGS** Shall mean an order of issuing reservation permits based on user group categories as follows:

| <b>USE</b>            | <b>USER</b>                                                                                                   |
|-----------------------|---------------------------------------------------------------------------------------------------------------|
| <b>PRIORITY GROUP</b> |                                                                                                               |
| I                     | SAMLARC Events                                                                                                |
| II                    | SAMLARC Approved, Resident based, non-profit, organized recreation-level youth sports                         |
| III                   | SAMLARC Approved, Resident based, non-profit, organized recreation-level adult sports                         |
| III-A                 | SAMLARC Approved, Resident based non-profit club or travel teams                                              |
| III-B                 | SAMLARC Approved, Resident based, for profit club or travel teams                                             |
| IV                    | SAMLARC Resident based: (a) private parties; and, (b) neighborhood oriented activities, closed to the public. |
| V                     | Non-Profit service area organization                                                                          |
| VI                    | Non-Profit out of area service organization                                                                   |
| VII                   | Commercial or Corporate                                                                                       |

### **III. MEMBERSHIP**

#### **A. GATE ACCESS ID CARD**

SAMLARC issues one card for each Registered Resident, eighteen (18) years or older. A maximum of two (2) cards per household will be issued. If there is only one Registered Resident, a second card may be issued. This card opens Designated Facilities. All Members must be registered with SAMLARC in order to receive a card. It is the obligation of the Member to complete all appropriate forms and necessary documentation which provides the necessary information for registration.

All Registered Residents must adhere to all statements signed upon issuance of the Gate Access ID Card and any revisions adopted by the Board will supersede all previously signed statements.

Should the Gate Access ID Card be lost, there will be a fee per card to obtain a replacement. If the original Gate Access ID Card is found, a refund will not be issued nor will the old card be reactivated. It is important to notify the SAMLARC management company immediately whenever a card is lost so that it can be deactivated.

All Residents are required to have a Gate Access ID Card to enter the Designated Facilities. Residents are advised to have the Gate Access ID Card in their possession when using any Designated or Recreational Facilities. A Gate Access ID Card may be used by the Registered Resident or any Members of their immediate household, fourteen (14) years or older.

#### **B. TRANSFERRING OF THE GATE ACCESS ID CARD**

There is to be no transferring of the Gate Access ID Card to any person outside the immediate household, at any time. Registered Residents involved in the transfer of the Gate Access ID Card are subject to immediate forfeiture of the card, suspension of Recreational Facilities, Designated Facilities, and Community Property privileges for a period of thirty (30) days, and/or an assessment (fine) for each occurrence.

#### **C. RETURN OF THE GATE ACCESS ID CARD**

Members are not required to return their Gate Access ID Card to SAMLARC upon sale of their Residence.

### **IV. RESIDENT USE**

#### **A. GUESTS**

Each Residence is permitted to bring a MAXIMUM of five (5) guests per day to Designated Facilities, provided that the Resident is in possession of the Gate Access ID Card. The number of guests permitted may be further limited on certain days, as determined by the Board of Directors, or on seasonal high-usage days.

Registered Residents may bring their guests to all Recreational and Designated Facilities and must accompany them at all times. Use of the Recreational and Designated Facilities is at the users' own risk. Registered Residents are responsible for their guests' compliance with all Guidelines, for personal injuries, for any damage to Community Property, and are liable for all repair or replacement costs.



The above guest rule does not apply to organized, structured, and reoccurring approved sport organizations, where resident membership is based on league registration and not invited guests.

## **B. PETS**

Registered Residents are requested to adhere to the following:

1. No animals, livestock or poultry of any kind shall be raised, bred or kept upon the Covered Property except dogs, cats or other standard household pets may be kept on the Residences, provided they are not kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board.
2. No more than three (3) usual and ordinary household Pets are allowed per Residence. Caged birds are permitted and are included in the total of three (3). The Board, at its sole discretion, may determine that this number be reduced or increased.
3. All dogs shall be kept on a leash when on Covered Property, except within a Residence. All local leash laws will be strictly enforced.
4. Each Resident is responsible for removing his / her dog(s), cat(s), or other animal feces from the Covered Property.
5. Each Resident will be held responsible for any damage to the Community Property due to his/her pet(s).
6. No animals may be kept on the Residence which result in any annoyance, or are obnoxious to Residents in the vicinity, as determined by the Board. Such animals may be removed, at the Board's discretion. Excessive dog barking, or other animal noise, will be deemed a nuisance.
7. Staking an animal, and leaving it unattended on a tether, within Community Property, is not permitted.
8. Except for Service Animals, no animals allowed in Designated Facilities, unless in conjunction with an activity where Pets are permitted.
9. Dogs, cats or other animals shall not be carried or transported on the Lake; nor shall they be permitted in any manner to enter the Lake.

## **C. PARKING**

The following rules shall apply throughout the Covered Property, including Residential and the Designated and Recreational Facilities.

1. Residential Areas:

California Vehicle Codes will be strictly enforced.

- a. All Vehicles:

The following policies shall apply to all types of vehicles including but not limited to passenger vehicles, motorcycles, rental vehicles, commercial vehicles and recreational vehicles.

- 1) Unsightly and inoperable vehicles as referenced in California Vehicle Code are prohibited on the Covered Property, including without limitation, driveways, streets or alleys.

- 2) Unregistered vehicles are not permitted to be parked or stored on the Covered Property, including without limitation, driveways, streets or alleys.
  - 3) Vehicles with flat tires or accumulated dust and dirt on the vehicle are not permitted to be parked or stored on the Covered Property, including without limitation, driveways, streets or alleys.
  - 4) Vehicles may not be parked with blocks, bricks or other impediments behind wheels on the Covered Property, including without limitation, driveways, streets or alleys.
  - 5) Car or vehicle covers may not be used to conceal unregistered vehicles, inoperable vehicles or recreational vehicles.
  - 6) Car or vehicle covers used to protect vehicles must fit the vehicle.
  - 7) Car or vehicle covers may not be faded, baggy secured by bungee cords or permitted to fall into disrepair.
  - 8) Members are responsible for all parking violations of tenants and guests.
- b. Recreational Vehicles:
- 1) Shall include, without limitation, trailers, boats, campers, trailer coaches, buses, house cars, camp cars, motor homes (if a size larger than seven (7) feet in height, and/or greater than one hundred twenty-four (124) inches in wheel base length), or any other similar type of equipment or vehicle.
  - 2) Are prohibited on the Covered Property, including without limitation, streets, alleys or driveways unless obscured from view of adjoining Residences, streets and alleys, and are not permitted to be parked on any street, alley, or other portion of the Covered Property except for temporary parking for loading and unloading.
- c. Commercial Vehicles:
- 1) Shall include, without limitation, all vehicles exceeding a carrying capacity of  $\frac{3}{4}$  of a ton.
  - 2) Any vehicles which depict the name, logo, telephone number, physical or mailing address, web site address, description or other markings of any business or commercial entity or group shall be subject to the same restrictions on parking as "Recreational Vehicles".
  - 3) Altered for use in commercial purposes shall be subject to the same restrictions on parking as "Commercial Vehicles". Examples of such alterations may include one or more of the following:
    - (a) The installation of one or more racks to the vehicle (e.g. pipes, glass, and/or tool racks).
    - (b) The addition of doors, drawers and bins used for storage of parts and tools.
    - (c) Tools, and/or equipment mounted or carried (either permanently or temporarily) on the vehicle (e.g. air compressor, welding equipment, generator).

- (d) Installation of hydraulic lifts, gates, cranes, hoists, etc. The addition of fences, bordered beds, side stakes or the like to retain supplies, machinery, tools, and goods.
  - (e) The installation of vacuums, motorized brushes or other special-purpose equipment, (e.g. street sweepers).
  - 4) Are prohibited on the Covered Property, including without limitation, streets, alleys or driveways unless obscured from view of adjoining Residences, streets and alleys, nor permitted to be parked on any street, alley, or other portion of the Covered Property except for the temporary parking of Commercial Vehicles providing delivery, maintenance or repair services to the Residence.
2. Designated Facilities and Recreational Facilities:  
California Vehicle Codes will be strictly enforced.
- a. Parking is permitted as follows:
    - 1) Beach Club, Lake and Amphitheater - 6:00 a.m. to 11:30 p.m.
    - 2) Parks – 6:00 a.m. to 10:00 p.m.
  - b. Parking permitted only in designated parking spaces.
  - c. Recreational Vehicles as defined in Section IV. C. 1. a, shall not be parked in Park, Beach Club or Lake Amphitheater parking lots without express written permission of SAMLARC.
  - d. Commercial Vehicles as defined in Section IV. C. 1. b, shall not be parked in Park, Beach Club or Lake Amphitheater parking lots except as may be approved by SAMLARC for service vendors providing delivery, maintenance or repair services to the Designated and/or Recreational Facilities.
  - e. Unsightly, unregistered or inoperable vehicles are prohibited on the Designated and Recreational Facilities.
  - f. Vehicles in violation of parking policies are subject to towing at the vehicle owners expense.

**D. GARAGES**

- 1. Garages are to be used for the purpose of parking vehicles owned by, operated by, or within the control of, the Resident(s).
- 2. Vehicles shall not be overhauled (which includes major engine repairs that cannot be done in one day), or be set on blocks, either on the Covered Property or in a Resident's driveway.
- 3. Garage doors shall not remain open, except for a temporary purpose.
- 4. Garages shall not be used as a residential dwelling unit, either temporarily or permanently.

**E. BUSINESS OR COMMERCIAL ACTIVITY**

No part of a Residence, including the garage, shall be used for any business, trade, profession, commercial, manufacturing, mercantile, storing, or vending for which the provider is compensated, unless:

1. Such activities are conducted in conformance with applicable governmental ordinances.
2. Patrons or clientele do not visit the Lot or Condo or park cars or other Vehicles within the Properties.
3. Existence or operation of such activities does not constitute a community nuisance (not apparent or detectable by sight, sound or smell from outside the Residence).
4. Such business related activity does not increase the Association's liability or casualty insurance obligation or premium.
5. Such activities are consistent with the residential character and conform to the CC&R Use Restrictions, specifically regarding, but not limited to, nuisance, garage use and parking.
6. Such activities allow the garage to be used for the primary purpose of vehicle parking.

**F. TIME, PLACE AND MANNER**

No portion of the Community Property of SAMLARC shall be used for political or religious purposes except as permitted in writing by the Board of Directors, and then only on such terms and conditions as imposed.

1. Policy on Religious Activities/Worship Services:
  - a. Religious activities/worship services must be approved by the SAMLARC Board of Directors.
  - b. Worship services permitted in the Central Park Amphitheater only.
  - c. Religious activities/worship service must be open to the public.
  - d. Congregation must be located in the City limits of Rancho Santa Margarita.
  - e. Reservation request may be made six (6) months in advance but no less than ninety (90) days in advance.
  - f. Reservations are on a first come first serve basis.
  - g. No more than one permit per year per religious organization.
  - h. Worship service permits are limited to one day of one weekend a month and will not be approved on weekend when SAMLARC is conducting SAMLARC events.
  - i. SAMLARC Board of Directors reserves the right to impose terms and conditions on any request.
  - j. SAMLARC Board of Directors reserves the right to deny any request.
2. All Rules and Regulations, and terms of all governing documents shall apply to any use of Community Property.

**G. COMMUNITY PROPERTY LANDSCAPE AREAS (SLOPES AND PLANTERS)**

Slopes and planter areas with trees, shrubs and/or ground cover are not intended for pedestrian use ingress or egress. Slopes and planter areas are not to be used as a pathway or a means of accessing public or private walkways, streets, parks, schools, shopping centers or trails. Only persons specifically authorized by SAMLARC (e.g. landscapers, inspectors, etc.) are allowed on slopes and planter areas. Persons using the slopes and planter areas do so at their own risk. All owners and residents, and their tenants, guests and invitees are instructed to stay off of the slopes and planter areas.

Owners may be liable for any damage caused to Community Property by the owner, tenants, guests and invitees (including without limitation slope or planter vegetation, irrigation, and drainage improvements).

**H. SIGNS**

1. Non-commercial Signs:

Any non-commercial signs or posters on a Members separate interest shall not be larger than nine (9) square feet in size.

2. Real Estate "For Sale" & "Open House" Signs:

a. The following criteria apply to "FOR SALE" signs:

- 1) All signs for the purpose of selling a Residence must be professionally prepared.
- 2) Signs shall be free standing and are not to exceed a maximum height of four (4) feet (combined for both post and sign).
- 3) Signs must be only of the acceptable standard "Real Estate" type and size, and shall NOT exceed six (6) square feet.
- 4) All signs must conform to the City of Rancho Santa Margarita requirements.
- 5) Limit of one (1) sign per lot.
- 6) Signs may not extend above side or rear yard perimeter walls or fences facing Community Property.
- 7) No signs shall be placed on Community Property, which includes, and may not be limited to, landscaping, median islands, poles, and buildings.
- 8) The Owner of the Residence for sale is solely responsible for adherence to the Guidelines.

b. The following criteria apply to "OPEN HOUSE" signs:

- 1) Members (or their agents) wishing to advertise "OPEN HOUSE" for the purpose of selling their Residence, must use a standard sign with restrictions on type, location and quantity.
- 2) Signs are to conform to the following:
  - (a) No larger than 10" x 30".

- (b) Generic green and white signs only.
  - (c) The words "OPEN HOUSE" and an arrow only.
  - (d) The sign shall be of the type available to Realtors at the Orange County Association of REALTORS® office or available to others at Sign Masters in Mission Viejo.
  - (e) The Owner of the sign shall identify the sign as his/hers in an area no larger than 2" x 3".
- c. Only one (1) sign (in total) per corner on major streets (a major street is defined as any street outside of the various developments). At a four-way intersection, there are four (4) corners where only four (4) signs may be placed.
  - d. Signs may not remain on Community Property overnight.
  - e. No riders or flags are permitted.
  - f. "OPEN HOUSE" signs may be posted on Fridays, Saturdays and Sundays only.
  - g. Signs not complying with the Guidelines will be removed by SAMLARC. These signs will be kept for forty-eight (48) hours and then, if not claimed, may be discarded.
  - h. The Owner of the Residence for sale is solely responsible for adherence to the Guidelines.
  - i. Members not complying with the Guidelines will be subject to SAMLARC Enforcement Policies.
3. The following criteria apply to "GARAGE SALE" signs:
- a. Residents wishing to advertise "GARAGE SALE" for purposes of selling their goods must use a standard sign with restrictions on type, location and quantity. These signs will be available on a first come, first served basis (limit three [3] per garage sale) at the Lago Santa Margarita Beach Club on Friday, Saturday or Sunday, for a deposit fee. This deposit is returned to the Resident when the signs are returned to the Beach Club office.
  - b. Signs are to conform to the following:
    - 1) No larger than 10" x 30".
    - 2) Generic green and white signs only.
    - 3) The words "GARAGE SALE" and an arrow only.
  - c. Only one (1) sign (in total) per corner on major streets (a major street is defined as any street outside of the various developments). At a four-way intersection, there are four (4) corners where only four (4) signs may be placed.
  - d. No rider or flags are permitted.
  - e. "GARAGE SALE" signs may be posted on Saturdays and Sundays only.
  - f. Signs not complying with the Guidelines will be removed by SAMLARC.
  - g. The Owner of the Residence having the garage sale is solely responsible for adherence to the Guidelines.

- h. Members not complying with the Guidelines will be subject to SAMLARC Enforcement Policies.
- 4. The following rules and regulations apply to Political Signs on SAMLARC Community Property:
  - a. Political Signage for legally recognized elections at the Federal, State, County and City level or for Special Districts shall be permitted only on/within areas designated by the SAMLARC Board of Directors.
  - b. No Political Sign may exceed 24" x 36".
  - c. Political Signs will only be permitted to be on display for twenty-nine (29) days prior to said election.
  - d. All Political Signage must be removed within three (3) days after the election. Any signage not removed within three (3) days after the election will be removed by SAMLARC, or its designated personnel, and discarded if not claimed within three (3) days after removal.
  - e. SAMLARC will not be liable for damaged, lost or stolen signage placed upon SAMLARC maintenance areas.
  - f. SAMLARC will not be responsible for damage to Political Signs due to weather, irrigation damage, vandalism, etc.
  - g. Any non-compliant Political Signage on SAMLARC maintenance areas will be removed and discarded.
  - h. SAMLARC reserves the right to remove Political Signage in order to maintain SAMLARC maintenance areas.
  - i. Signs removed by SAMLARC for maintenance reasons will be discarded if not claimed within 3 days following removal.
  - j. Only designated SAMLARC maintenance area locations are approved for Political Signage.
  - k. No more than two signs per candidate are permitted at each designated SAMLARC maintenance area.
  - l. All political signage must be placed within the red ground stake indicators on designated SAMLARC maintenance areas at listed approved locations designated For Political Signage. Any signage outside of these designated areas will be removed. Maps available from the Management Company upon request.

#### **I. STORAGE PODS**

Storage pods require a request in writing and approval from Management. Requests will be approved on a case by case basis.

## **J. DUMPSTERS**

Dumpsters require a request in writing and approval from Management. Requests will be approved on a case by case basis. The City of Rancho Santa Margarita has a list of permitted haulers that are allowed to place their bins in the City. Residents may not use companies that are not permitted to haul within the City of Rancho Santa Margarita.

## **K. MISCELLANEOUS**

1. Driveway Maintenance: Must be kept clean and free of oil and rust stains.
2. Environmentally Sensitive Materials: Residents must not dispose of environmentally sensitive materials in the street, gutters, SAMLARC trash container, SAMLARC dumpster or any planted or unplanted SAMLARC common areas. In Rancho Santa Margarita, these products must be taken to an authorized location for disposal.
3. Posting of any signs and/or flyers will be not permitted on SAMLARC Community Property including, but not limited to landscaping, median islands, poles, and buildings, unless approved by SAMLARC.
4. Play equipment, including inflatable structures, are not permitted on SAMLARC Community Property unless a Use Permit is issued by SAMLARC.
5. Animals (e.g. pony rides) are not permitted on SAMLARC Community Property without prior approval of SAMLARC.
6. Unsightly Items:
  - a. All weeds, rubbish, debris, or unsightly materials or objects of any kind shall be regularly removed from the Lots and shall not be allowed to accumulate thereon.
  - b. All clotheslines, wood piles, storage areas, machinery, and equipment shall be prohibited upon any Lot unless obscured from view of adjoining streets, Lots, sidewalks, Dwellings, or Community Property.
  - c. Dead landscaping, including trees, shrubs, bushes, vines, and other plant material shall be removed immediately.
7. Portable Sports Equipment: When not in use, portable sports equipment, play equipment or free-standing equipment must be kept within property lines and not stored on front lot lawns, streets, sidewalks, curb ramps or Handicap-Access. All such equipment shall meet industry safety standards, kept aesthetically pleasing, and in proper maintenance.
8. Portable pop-up shade structures (i.e., canopies, tents, instant shelters), when not in-use, must be removed from street and adjoining lot view. Temporary shade structures cannot be used as a means to shade household windows, doorways, pets, vehicles, etc.
9. Residential waste and recycling containers shall not be placed out for service earlier than 3:00 p.m. on the afternoon prior to schedule service, and must be stored behind gate or in garage within 24 hours of service.



10. No variance from the use restrictions contained in the Article entitled "Use Restrictions" of the CC&R's may be granted.

## **V. RECREATIONAL AND DESIGNATED FACILITIES**

### **A. GENERAL**

Use of the Recreational and Designated Facilities is limited to Registered Residents and their guests, with the following restrictions:

1. Residents may use the Recreational and Designated Facilities without charge during normal operational hours, except when Designated Facilities are being reserved by a Use Permit or are posted CLOSED. Use by a permit has priority over use without a permit.
2. Hours of operation and Guidelines affecting specific facilities will be posted at that facility, and they form an integral part of these Guidelines.
3. Use priorities for reserved use through a permit are based on a priority system. Use authorized through a Permit shall have priority over non Permitted use.
4. Pursuant to California State Law, children under the age of fourteen (14) years must be accompanied, while in the Designated Facilities, by a responsible person, who shall not be younger than eighteen (18) years.
5. Each Resident is responsible at all times for his or her own conduct, as well as the conduct of all members of their family; their guests; their invitees; and or their agents within the Community Property. Use privileges will be suspended if any person is found to be in violation of these Guidelines.
6. Use of the Recreational and Designated Facilities is subject to the following Rules of Conduct:
  - a. No Smoking is permitted.
  - b. Profane or obscene language is not permitted.
  - c. No fighting is permitted.
  - d. No Littering is permitted. Trash containers must be used at all times.
  - e. Gambling and other illegal activities are prohibited.
  - f. No skateboarding permitted on SAMLARC amenities including but not limited to seat walls, tree planters, benches, stairs or railings.
7. Individuals, or groups, engaged in hazardous/destructive or potentially hazardous/destructive activities, and individuals who, in the opinion of staff or the Board, are incapable of reasonable control of their actions (due to alcoholic beverages, etc.) will be requested to leave any Recreational or Designated Facility immediately.
8. With the exception of the Lagoon and Beach Club subject to the requirements herein, alcoholic beverages are prohibited on the Recreational and Designated Facilities.
9. The Recreational and Designated Facilities may not be used for commercial purposes, except as otherwise designated by the CC&R's. Products, other than

those provided by SAMLARC vendors, may not be sold at any Recreational or Designated Facility for the profit of any individual or commercial enterprise. This does not apply to Board approved non-profit organizations that request fund-raising activities for support of activities approved by a Use Permit.

10. Health regulations will be strictly enforced at all times.
11. Glass of any type is prohibited at all Recreational and Designated Facilities, unless otherwise posted. This includes, but is not limited to: drinking glasses, bowls, beer/soda bottles, pitchers, etc.
12. Residents are responsible for closing Designated Facility gates when entering or leaving any Designated Facility.
13. Portable barbecues and or propane tanks are not permitted at any Recreational or Designated Facility unless specifically approved by a Use Permit.
14. Except for Service Animals, no animals are allowed in Designated Facilities, unless in conjunction with an approved activity where Pets are permitted.
15. Bicycles, skates, and skateboards are not permitted in any Designated Facilities, or on the basketball courts. Bicycles must be parked at the bike racks provided.
16. All accidents and/or injuries occurring at Recreational or Designated Facilities or on Community Property must be reported within twenty-four (24) hours to SAMLARC. SAMLARC will not be held responsible for any accident or injury occurring at any Recreational or Designated Facility, or on Community Property, by Residents, Members of their family, guests, invitees, and/or agents.
17. Any damage and/or vandalism occurring at the Recreational or Designated Facility, or on Community Property, should be reported immediately to SAMLARC. Any Resident witnessing damage or vandalism should attempt to inform SAMLARC Management immediately, and if safely possible, should obtain the violating Resident's name, license plate number, or Gate Access ID Card number. SAMLARC will not be held responsible for any damage and/or vandalism occurring at any Recreational or Designated Facility, or on Community Property, by Residents, Members of their family, guests, invitees, and/or agents.
18. Use of Recreational Facilities and Designated Facilities is at the Resident's own risk.
19. Posting of any signs and/or flyers will be not permitted on SAMLARC Community Property including, but not limited to landscaping, median islands, poles, and buildings, unless approved by SAMLARC.
20. Play equipment (e.g., bouncers) and/or animals (e.g., pony rides) are not permitted on SAMLARC Community Property, unless specifically approved by a Use Permit.
21. Violations of any of the rules or failure to follow the instructions of the program staff at any time, repeat violations of a rule or multiple violations of any rules are grounds for removal from any program and loss of use of the Recreational and Designated Facility.
22. All use shall be subject to applicable Detailed Park Use Guidelines.

23. No person shall bring into or discharge firearms, firecrackers, rockets, torpedoes, or other types of explosives: bring into or discharge any gun, pistol, slingshot or similar devices, or carry or use any bows and arrows, or carry or use any other object capable of propelling a projectile; or carry or use any object calculated or likely to make a noise sufficient to disturb the peace and quiet enjoyment of the Recreational Facility.
24. Recreational Facilities cannot be used for personal financial gain or commercial activity. If signs or flyers are posted advertising an event, they will be removed, and the Registered Resident may be fined, and the event canceled.
25. Events that require the use of amplified sound require an Amplified Sound Permit from SAMLARC.
26. Flowers, balloons, streamers are allowed, but only string or ribbon may be used to hang or attach decorations. Staples, tacks, and/or tape are not permitted. All decorations must be removed after the event.
27. Residents must indemnify and save SAMLARC harmless from any loss or damage to personal property by fire, theft, or from any cause whatsoever and to indemnify and save SAMLARC harmless from any and all liability for injury or death of any person or persons, or loss or damage to any property caused or occasioned by, or arising out of the use of SAMLARC Recreational or Designated facilities.

#### **B. BOATING**

In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

1. Only SAMLARC owned and maintained boats are allowed. This rule shall not apply to model hobby craft vessels smaller than two (2) feet in length.

#### **C. FISHING**

In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

1. The Lake is owned and stocked by SAMLARC.
2. Fishing is restricted to Registered Residents and their guests.
3. Fishing is permitted from a Boat, and from the areas surrounding the Lake, except the fenced area of the Beach Club facility and the concrete area at the east end of the Lake.
4. Fishing is permitted with no more than one (1) pole per person, with no more than two (2) hooks per line.
5. The line shall be attended at all times.
6. The use of gigs, spears, explosives, firearms, air rifles, nets, traps, or bow and arrows is prohibited. Netting or trapping minnows, or mosquito fish, is prohibited.
7. The reel limit per person, per day, is any combination of fish equaling four (4). A penalty per fish over the limit will be assessed.
  - a. Minimum size requirement is twelve (12) inches.

- b. Fish under the minimum size requirements must be returned to the Lake immediately. The releasing of any fish is permitted, providing the fish is in healthy condition. Do not try to remove the hook if the fish has swallowed it. If hooked other than in the lip, cut the line, and the fish will absorb the hook.
- 8. In order to protect the natural ecological balance of the Lake, the only types of bait permitted are: red worms, night-crawlers, meal worms, terrestrial insects (grasshoppers, crickets, etc.), salmon eggs (fish roe), marshmallows, and catfish stink bait.
- 9. SAMLARC is the only entity allowed to introduce any fish, or wildlife of any kind, into the Lake. Violators will be fined.
- 10. Cleaning of fish, or disposing of fish at the Lake edge, is prohibited, and will result in a fine.
- 11. Trash, rubbish, or other debris must be placed in trash containers around the Lake, and not left on the Lake edge. Violators will be subject to a fine.

#### **D. LAKE and LAKESHORE**

The Lake and Lakeshore are considered a Recreational Facility. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

The Lake is a man-made body of water and must be carefully maintained to keep it in an ecologically healthy and attractive condition. The Lake is maintained by technicians experienced in the use of chemicals, which are used to inhibit the accumulation of weeds, algae, animal wastes, and insect pests. At the time these chemicals are used, or if unforeseen problems arise, it may be necessary to restrict or prohibit the use of the Lake.

- 1. Throwing trash, rubbish, debris, cigarette butts or any foreign objects into the Lake is prohibited. All refuse must be disposed of in trash containers.
- 2. The introduction of any fish, reptile, animal, or other wildlife into the Lake is prohibited. Violators will be fined.
- 3. Domestic pets around the Lakeshore must be on a leash. Each Resident is responsible for removing his/her dog's, cat's or other animal's defecation from the Lakeshore.
- 4. Dogs, cats, or other animals shall not be carried or transported on the Lake; nor shall they be permitted in any manner to enter the Lake.
- 5. Feeding of ducks, mallards, and other birds is prohibited, and subject to a fine.
- 6. Wading, swimming, scuba or skin diving is not permitted in the Lake, other than for rescue or maintenance purposes.

#### **E. SWIM LAGOON**

The Swim Lagoon is a Designated Facility. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

Lagoon Monitors and/or Lifeguards may be in place during the Spring and Summer seasons to monitor the water and respond to emergencies. Lagoon Monitors and/or Lifeguards supplement parental supervision, they do not take the place of parental supervision. Always keep a close eye on your children when they are in the water.

When supervising children in the water, parents should not use cell phones, read books or engage in activities poolside that take attention from supervising children. Children, even those that have learned to swim, can become distressed or submerged in seconds. Please help keep the SAMLARC Swim Lagoon safe for your child by paying close attention to them at all times.

1. Swimming in the Lagoon is limited to specific hours, which are posted at the Lago Santa Margarita Beach Club entrance. Hours are subject to change without notice. Swimming is at one's own risk.
2. While in the water children three (3) years old and under must be within arm's length of a parent or responsible adult eighteen years of age or older. Children four (4) years old to six (6) years old must have a parent or responsible adult eighteen years of age or older in the water within ten (10) feet of the child.
3. Only U.S. Coast Guard-approved life preservers are allowed. A limited number of approved life vests are available for checkout at the Lagoon and pools during the hours of staffing. Please check with SAMLARC staff for availability.
4. Fins, air mattresses, flotation devices, or other similar devices are not permitted in the Lagoon.
5. All children under four (4) (toilet trained or not) must wear waterproof rubber shorts (with elastic at the waist and legs), when in the water. During staffing hours, vinyl waterproof swim shorts are available at the office.
6. Diving is not allowed.
7. All swimmers must shower prior to entering the Lagoon.
8. Persons having skin lesions, sores, inflamed eyes, mouth, nose or ear discharges, or who are carriers of any communicable disease, shall not use the Lagoon.
9. Running is not allowed in the swim Lagoon, on the adjacent sand, or on the paved areas. Horseplay or unruly conduct is not permitted in the swimming area.
10. Hairpins and metal clips are not allowed.
11. Cut-offs, or clothing other than normal swimming attire, is not allowed to be worn while in the Lagoon.
12. Food is not permitted in the water. Water fowl should never be encouraged by feeding. These birds add unwanted nutrients to the water that are damaging to the water quality.
13. SAMLARC furniture and property must not be removed from the Lago Santa Margarita Beach Club area nor shall it be placed in the water.
14. The use of Beach Club lounge chairs may be limited on seasonal high usage days.
15. Parents are to accompany all children into the Beach Club restroom facilities.
16. Changing of diapers on the beach is not permitted. Diaper changing tables are provided in the restroom facilities.
17. Throwing trash, rubbish, debris, cigarette butts or any foreign objects into the Lagoon is prohibited.

18. Personal items may not be left in the area overnight. All "lost and found" items should be turned in to the Beach Club office. These items will be kept for thirty (30) days and then, if not claimed, may be discarded.
19. Except for Service Animals, no animals allowed in Designated Facilities, unless in conjunction with an Approved activity where Pets are permitted.
20. Residents, or their guests, shall not enter the equipment areas at any time.
21. Radio and stereo noise shall be kept at a moderate level. SAMLARC has discretionary power to limit noise levels.
22. Water contamination will result in closure of the Swim Lagoon.
23. Non-compliance with these policies will result in expulsion from the Beach Club.

#### **F. POOLS AND WADERS**

The Swimming Pools and Waders are Designated Facilities. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

Pool Monitors and/or Lifeguards may be in place during the Spring and Summer seasons to monitor the water and respond to emergencies. Pool Monitors and/or Lifeguards supplement parental supervision, they do not take the place of parental supervision. Always keep a close eye on your children when they are in the water. When supervising children in the water, parents should not use cell phones, read books or engage in activities poolside that take attention from supervising children. Children, even those that have learned to swim, can become distressed or submerged in seconds. Please help keep the SAMLARC Pools and Waders safe for your child by paying close attention to them at all times.

1. Swimming in the Pools and Waders is limited to Registered Residents and their guests.
2. Swimming in the Pools and Waders is limited to specific hours, which are posted at each facility. Hours are subject to change without notice. Swimming is at one's own risk.
3. While in the water children three (3) years old and under must be within arm's length of a parent or responsible adult eighteen years of age or older. Children four (4) years old to six (6) years old must have a parent or responsible adult eighteen years of age or older in the water within ten (10) feet of the child.
4. Only U.S. Coast Guard-approved life preservers are allowed. A limited number of approved life vests are available for checkout at the pools during the hours of staffing. Please check with SAMLARC staff for availability.
5. Fins, balls, air mattresses, flotation devices or other similar devices are not permitted in the Pool.
6. All children under four (4) (toilet trained or not) must wear waterproof vinyl shorts, (with elastic at the waist and legs), when in the water. During staffing hours, vinyl waterproof swim shorts are available. Please see a staff member for assistance.
7. Diving is not allowed.
8. All swimmers must shower prior to entering the Pool or Waders.

9. Persons having skin lesions, sores, inflamed eyes, mouth, nose or ear discharges, or who are carriers of any communicable disease, shall not use the Pool or Waders.
10. Running is not allowed in the Pool and Waders areas. Horseplay or unruly conduct is not permitted in the swimming area.
11. Hairpins and metal clips are not allowed.
12. Cut-offs or clothing other than normal swimming attire, are not allowed to be worn while in the Pool or Waders.
13. Food is not permitted in the water.
14. SAMLARC furniture and property must not be removed from the Pool area, nor shall it be placed in the water.
15. Water contamination will result in immediate closure of the Pool or Waders.

#### **G. TENNIS COURTS**

The Tennis Courts are Designated Facilities. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

1. Use of the Tennis Courts is limited to Registered Residents and their guests during the specific hours posted at each facility.
2. Tennis shoes (rubber soled shoes) are the only type of footwear permitted on the courts.
3. All players waiting to play (and spectators) must remain off the court area. Parents bringing non-playing children must keep them supervised at all times.
4. All players must sign up on the chalkboard on the day of play (if posted at the facility) before playing, and must have their Gate Access ID Card with them when signing up for courts.
5. Tennis Courts may be used for 1 1/2 hours of playing time. If, at the end of the play period there is no one waiting for the court, players may continue to play until another party arrives. Individual players may not hold a court while others are waiting to play.
6. Courts are available on a first come, first served basis, unless posted "reserved" for an APPROVED or Structured Activity. APPROVED or Structured Activities will take precedence over individual use.
7. The use of privately owned ball machines is permitted with the approval of SAMLARC.
8. Rallying against the windscreens is not permitted.
9. Food and beverages, other than water, are not permitted on the tennis courts.

#### **H. PARKS AND TRAILS**

The Parks and Trails are considered a Recreational Facility. In addition to the specific Guidelines that follow, refer to General Guidelines, Section V-A.

1. The Parks and Trails consist of active and passive areas.
2. The active areas consist of the covered picnic areas and the adjacent barbecues, and sport fields, and the basketball and volleyball courts.

3. The passive areas include the tot lots, play equipment, uncovered picnic tables with barbecues; open grass areas, walkways and benches.
4. All active areas may be reserved for use by obtaining a Park Use Permit. If not reserved, the active areas are available on a first come first served basis. The passive areas cannot be reserved and are available on a first come first served basis only. Those with a Park Use Permit have use priority over those without a permit.
5. All league or structured activities must first obtain organization approval from SAMLARC before obtaining a Park Use Permit.
6. The following Guidelines apply to the use of all Park and Trail areas.
  - a. All Parks and Trails are open from 6AM to 10PM. Use from 10PM to 6AM is prohibited unless specifically authorized by SAMLARC.
    - 1) The Lakeshore shall be open until 11:00 PM.
    - 2) All lighted Sports Fields shall be open until 10:00 PM.
  - b. No person shall drive or otherwise operate a Vehicle in a Park or Trail area on surfaces other than those maintained and open to authorized users for the purposes of vehicular travel. The only exceptions are: Vehicles in service of SAMLARC; law enforcement Vehicles; emergency Vehicles; or, those specifically authorized by Park Use Permit.
  - c. No person or group shall install, use, and operate within any Park Non-Sports Area or Park Sports Field a loudspeaker or any sound amplifying equipment unless specifically authorized by an Amplified Sound Permit. Exceptions include: Use by law enforcement personnel; or, use by SAMLARC Staff.
  - d. Authorized non-profit organizations may obtain use of approved vendors for permit-authorized fund-raising efforts. All commercial vendors must first be requested by the fund raiser, then that vendor must obtain approval from SAMLARC.
  - e. No person, group or organization shall make any modifications or additions to, any area in the Park Non-Sports Areas or Park Sports Fields unless specifically authorized in writing by SAMLARC.
  - f. The practicing or playing of golf on any Park Non-Sports Area or Park Sports Field is prohibited.
  - g. Inclement weather is defined as weather which, in the sole judgment of SAMLARC, would leave a Park in a condition that would present a risk of damage to the Park Sports Field or injury to the user. SAMLARC has the authority to close all or any portion of a Park Sports Field to a user based on inclement weather.
7. Sports League and Organized Sports Use on Central Park and the neighborhood parks of Cielo Vista, Estrella Vista and Mesa Linda Park:
  - a. It is not recommended that these parks be utilized for sports league and organized sports use.
  - b. Any use will be restricted to practice only, and for no longer than one month during the calendar year unless otherwise approved by the Board of Directors.



- c. Use will require a Special Use Permit approve by the Board of Directors on a case by case basis.
- d. Use by sports leagues subject to all other fields being reserved and there being no other field available.

Note: Some Parks and Trails border natural wildlife habitats that may contain mountain lions, coyotes, rattlesnakes, ticks and other wildlife. This wildlife may be present at Parks and Trails at any time. Use caution at all times and carefully monitor children and pets.

**I. PARK USE PERMIT**

The Park Use Permit reservation system is available to all SAMLARC Residents. In addition to the specific Guidelines that follow, refer to General Guidelines, Section V-A.

Applications for reservations may be made by a Resident, at the Beach Club, the SAMLARC Business office or online at [www.samlarc.org](http://www.samlarc.org). The Resident making the reservation must be present during the entire period for which the facility was reserved.

- 1. Permits must be obtained whenever use involves one or more of the following conditions:
  - a. Groups that involve more than 30 persons.
  - b. Use for a Special Park Activity.
  - c. Activities that are structured, organized and reoccurring.
  - d. Use initiated by a non-resident person or organization.
- 2. A separate permit, in addition to the Park Use Permit, is required for any snack bar use, amplified sound use, tournaments or clinics, and "Jump Houses".
- 3. A Park Use Permit will be issued in accordance with the following User Group Priority Rankings:

**USE**

| <b>PRIORITY</b> | <b>USER GROUP</b>                                                                     |
|-----------------|---------------------------------------------------------------------------------------|
| I               | SAMLARC Events                                                                        |
| II              | SAMLARC Approved, Resident based, non-profit, organized recreation-level youth sports |
| III             | SAMLARC Approved, Resident based, non-profit, organized recreation-level adult sports |
| III-A           | SAMLARC Approved, Resident based non-profit club or travel teams                      |
| III-B           | SAMLARC Approved, Resident based, for profit club or travel teams                     |

- IV SAMLARC Resident based: (a) private parties; and, (b) neighborhood oriented activities, closed to the public
- V Non-Profit service area organization or City of Rancho Santa Margarita
- VI Non-Profit out of area service organization
- VII Commercial or Corporate

The SAMLARC Board of Directors reserves the right to facilitate necessary governmental events as appropriate.

SAMLARC Residents must be current on all assessments, as well as fines, fees and charges to be eligible for a Park Use Permit.

4. Resident-based Groups II and III are defined as groups with 50% or more SAMLARC Residents, and the Park Use Permit requestor is a SAMLARC Resident. The Park Use Permit will be granted to that organization in a specific activity having the higher percentage of SAMLARC Members.
5. Resident-based User Groups III-A is defined as groups with 30% or more SAMLARC Residents, non-profit, all volunteer based to include administrators, coaches, and trainers.
6. Resident-based User Groups III-B is defined as groups with 30% or more SAMLARC Residents, and has paid staff, including but not limited to administrators, coaches, and trainers that receives monetary compensation directly or indirectly from its membership.
7. Park Use Fees. There is no charge to SAMLARC Registered Residents for obtaining a Park Use Permit for any park area. However, there shall be Use Fees and/or Deposits charged for use of the Park Sports Fields or any Park Facilities in accordance with the current fee structure. Fees for governmental events will be determined based on scope and need.
8. Any park user wanting a Park Use Permit will be required to provide proof of liability insurance coverage in an amount and upon such terms as approved by SAMLARC. The only exceptions are for a picnic permit, and for permits for Resident pick-up games/activities, which are for one-time Park Sports Field use.
9. The following limitations apply when requesting reservations:
  - a. No reservation shall be obtained for:
    - 1) A legal holiday.
    - 2) Weekday use between dusk and 6:00 a.m. the following day or from 10:00 a.m. to 6:00 a.m. the following day at lighted fields.
    - 3) Saturday use between dusk and 8:00 a.m. the following day, or between 10:00 p.m. and 8:00 a.m. the following day for lighted fields.
    - 4) Sunday use between 5:00 p.m. and 6:00 a.m. the following day.
  - b. Priority IV-VII user requests must be for one date, time, and place only, no multiple dates.

- c. Priority IV - VII user requests must be scheduled for one (1) hour minimum, six (6) hours maximum.
  - d. Priority IV - VII requests will be considered on a first-come, first-serve basis. Any Priority IV - VII weekday reservation request is considered a special request.
  - e. The maximum people allowed for Priority IV permits are: 30-90 for picnic areas depending on seating capacity, and 30 for pick-up Sports Field use.
  - f. The covered picnic area will be reserved for picnic only.
  - g. Only one permit at a time will be issued per covered picnic area.
  - h. "Jump House", Snack Bars use, or other special considerations will require a separate permit in addition to the Park Use Permit.
10. Use Scheduling Guidelines - Priority II & III, III-A and III-B - Sports Facilities.
- a. Allocations. A rational, organized and fair yearly layout of Sports Field use by user category, organizations, and seasons should be used over a first-call, first-scheduled system.
  - b. Sports of Choice. The sports that are chosen for allocation should be those that by their popularity numbers will serve the most SAMLARC Members with the most efficient use of Sports Fields.
  - c. Season Blocks of Time. Specific attention should be made to traditional organized sports seasons. These seasons, or blocks, should be allocations to SAMLARC approved organizations and should be held open until the exact use schedules are delineated by permit. Any remaining time slots and/or Sports Fields from the "blocked" time can be made available to other demands. These blocks must take into consideration maintenance "blocks" of time.
  - d. Priority. The priority of approved organizations with the blocks of times should be based on the Use Priorities set forth herein. Other priority Guidelines are as follows:
    - 1) Season priority should go to the "Primary" season sport (e.g. baseball and softball in the spring, soccer and football in the fall). Off-season sports should have secondary priority as field availability allows.
    - 2) Priority III-A and III-B membership shall consist of SAMLARC residents at a percentage of no less than 30% of rosters.
    - 3) Priority III-A and III-B allocations will be determined once Priority II and III allocations have been distributed. There is no guarantee that Priority III-A or III-B will be granted use from one season to the next.
    - 4) No Park Use permit-holder may sublet to any other organization, club or team. Doing so will revoke the permit. Other sanctions may include banning the permit-holder from further use of facilities.
  - e. Tournaments and Clinics. The existing approved permitted league organizations should have priority when requesting permits for fundraising tournaments and/or clinics.

- f. Park Maintenance. Park Sports Field maintenance requirements should be coordinated with SAMLARC contractors and allocations or blocks set aside for this purpose. Field down time should be pre-planned and scheduled on a yearly basis to optimize both the user needs and Sports Field maintenance needs. Authorized Maintenance Personnel (AMP) may be used for this purpose.
  - g. Types of Organizations to Approve. Criteria for approval should be based on, but not limited to, non-profit status; insurance coverage; national or regional recognition; recreational instructional league; longevity of locally managed franchise; experience of current administrators; volunteer runs status; franchise area; and percentage of SAMLARC Members.
  - h. Adult Time. Sufficient time should be allocated specifically for adult sports, providing there are appropriate facilities and demand.
  - i. Pick-up, One-time Use. One-time, single use requests should be permitted on a first-come, first-served basis as the regular schedule allows. One-time use is not allowed for league teams.
  - j. Blanket Scheduling. The allocated blocked time should be the scheduled time, dates, and hours authorized on the Park Use Permit. The permit schedule should be determined by the actual schedules for practices, games, playoffs, and other season events within the blocked time. Any allocation left over should be made available to other needs.
  - k. Scheduling Coordination. Scheduling for picnics, priority IV, V, VI, VII, and Sports Field areas on a specific park should be coordinated in such a manner so as to prevent interaction conflict between users.
11. All organization approvals and Park Use Permits are obtained by contacting the SAMLARC Park Use and Sports Field Management department.
  12. Organizations applying for Priority III-A and III-B status need to supply the following information before consideration for approval by the Board of Directors:
    - a. Two years of financial statements.
    - b. Provide certified rosters from a National or Sanctioning body ( ASA, Pony, Little League, AYSO, Cal South, TCS) to include the name, address, City, zip code, and ID number of all members.
    - c. If non-profit, supply a copy of the letter of Non-Profit Status (501 c3) from the Internal Revenue Service.
    - d. Contact information of the Board of Directors, team officials.
    - e. Define boundaries of membership.
    - f. Indicate whether they have any paid staff.
  13. Fee waiver requests for Special Use Permits for Priority II, Priority V and Priority VI User Groups will be evaluated as follows:

- a. Fees may be waived for nonprofit organizations/groups whose proceeds are earmarked for charitable and/or beneficial causes. Organizations must demonstrate how their event and/or activity directly benefit the SAMLARC community.
- b. Fees may be waived for SAMLARC approved youth organizations conducting special events, e.g., picture day, or fundraisers to reduce player fees.
- c. Fees may be reduced or waived for the City of Rancho Santa Margarita where there is no charge to residents.

**J. SAMLARC ARENA**

The SAMLARC Arena is a Designated Facility. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

1. The primary use of the SAMLARC Arena will be arena (indoor) soccer.
2. The SAMLARC Arena is a "closed" facility and shall be open only when: (a) scheduled and supervised by an approved organization that has been issued a Park Use Permit; or, (b) for special events.
3. The SAMLARC Arena is available for use by Registered Residents and their guests only, and by approved league organization Members.
4. Anyone using the SAMLARC Arena when it is "closed", will be subject to trespassing violations.
5. All persons under the age of eighteen (18) years shall be required to have a completed liability waiver form and emergency card on file prior to the use of the SAMLARC Arena. The liability waiver form and emergency card must be completed by the child's responsible parent or guardian.
6. All persons under the age of eighteen (18) must be supervised by a responsible person twenty-one (21) years or older while in the SAMLARC Arena. The above criteria are subject to liability waiver and emergency card approval.
7. All Residents who want to use the Designated Facility for league play must register with the contracted program vendor.
8. No person, group or organization shall make any modifications to or addition to, anything in the SAMLARC Arena, unless specifically authorized in writing by SAMLARC.
9. Sportsmanlike conduct, fair play, and a cooperative attitude govern behavior at all times. Failure to observe this code could result in termination of Permit.
10. Food and beverages are not permitted inside the SAMLARC Arena.
11. Skate Boards are not allowed in the SAMLARC Arena.
12. The following equipment is required for all participants, regardless of age, during use of the SAMLARC Arena:
  - a. Shin guards.
  - b. Proper flat soled and rubber based athletic shoes.
13. Any size soccer ball, indoor or outdoor will be allowed.

14. Additional equipment requirements for arena soccer leagues and/or other programming options will be determined by the permitted program organization.
15. Equipment regulations will be strictly enforced upon entrance to the SAMLARC Arena. Failure to properly adhere to the specified equipment regulations will prohibit use of the SAMLARC Arena.
16. All authorized organizations must be made up of at least at least fifty one percent (51%) SAMLARC Residents. Rosters must be submitted with each seasons permit release for verification. Organizations falling below the minimum residency requirement may be subject to Use Permit cancellation.
17. Equipment regulations will be enforced by the permitted program vendor upon entrance to the SAMLARC Arena.
18. SAMLARC and the contracted program vendor reserve the right to remove persons from the SAMLARC Arena for violations of any of the above rules.
19. SAMLARC or the permitted program vendor reserves the right to close the arena due to rain or inclement weather, or due to unsafe or hazardous conditions.
20. All injuries or accidents must be reported to the on-site permitted program vendor and SAMLARC.

**K. AMPHITHEATERS AT CENTRAL, TRABUCO MESA AND LAKESHORE PARKS**

Amphitheaters are considered Recreational Facilities. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

1. The reservation of the amphitheater is restricted to Registered Residents for personal use only.
2. Reservation of the amphitheater does not include the exclusive use of other Recreational or Designated Facilities. Although the amphitheater may be used by those reserving it, and their guests, other Residents and their guests may not be excluded from the use of the surrounding areas.
3. The amphitheater may be reserved no more than one-hundred-and-eighty (180) days in advance, and cannot be reserved for two consecutive weeks.
4. A security deposit will be required to be provided to SAMLARC no later than 14 days prior to the scheduled time of use. If there is no damage to the property, the deposit will be returned.
5. All events must begin no earlier than 8:00 a.m. and must end no later than dusk. The amphitheater may not be reserved after dusk.
6. The following applies to Priority User Groups:
  - a. Requires a Reservation Use Permit indicating the number of guests.
  - b. 3 hours use minimum.
  - c. Preparation of food in the amphitheater area is not allowed.
  - d. Banquet tables or chairs may be set-up on the grass of the amphitheater with prior approval.

## **L. CENTRAL PARK GRAND TERRACE**

The Central Park Grand Terrace is the park area bounded by the Civic Center, two adjacent parking lots and palm trees and is considered a Recreational Facility. In addition to the specific Guidelines that follow, refer to the SAMLARC Policy and Guidelines, Section V-A.

1. Use Fees: Use of the Grand Terrace requires a reservation and will be subject to a fee. A security deposit will be required to be provided to SAMLARC no later than 14 days prior to the scheduled time of use.
2. All organized, structured use must be reserved by permit. Permit-reserved use has priority over non-permitted use.
  - a. No sports activities are allowed on the Terrace.
  - b. No alcohol allowed.
3. Private Resident Groups:
  - a. Private Resident Groups require a Reservation Use Permit.
  - b. 150 people maximum allowed.
  - c. 4 hours use minimum.
  - d. Approval is required for concerts or amplified sound.
  - e. Non-amplified musical accompaniment such as a guitar, flute or harp soloist is allowed.
  - f. Grand Terrace reservation does not include exclusive use of adjacent recreational or designated areas. Residents and their guests not part of the reserving group may not be excluded from the use of adjacent recreational or designated areas.
  - g. Private Resident groups may not reserve the Grand Terrace more than 180 days ahead of time, nor for two consecutive weeks.
  - h. Preparation of food in the Grand Terrace area is not allowed.
  - i. Banquet tables or chairs may be used. However, type and setup must be approved by staff for non-degradation of turf. User is responsible for obtaining these items.
  - j. No cars or trucks are allowed on the Grand Terrace. All tables, chairs, etc., must be carried on by the vendor.
  - k. No modifications can be made to the Grand Terrace without specific approval.
  - l. If any other sizeable items, not normally on the Grand Terrace, are required for the event (e.g. booths, platforms, jumpers), they must be separately approved and the transportation and placement coordinated through SAMLARC staff.
  - m. Use of placards, posters, or other temporary display or signage type items must specifically be authorized by SAMLARC.
  - n. The Grand Terrace and adjacent areas must be picked up at the end of the use.
  - o. All trash must be removed picked up and deposited in the trash receptacles located throughout the Grand Terrace.

- p. If receptacles are full, trash is to be put in tightly secured trash bags to be supplied by the permittee and placed next to any trash receptacle for pickup.
  - q. All items must be removed from the Grand Terrace no later than 1 hour after completion of the permitted use.
4. Use Hours and Days.
- The following applies only to private groups:
- a. Monday through Friday 8AM - dusk
  - b. Saturday - 8AM-dusk
  - c. Sunday - 10AM – dusk
5. Use Fees. Use by private use groups requires a reservation and will be subject to a fee. A security deposit will be required to be provided to SAMLARC no later than 14 days prior to the scheduled time of use.

## **M. FIESTA ROOM**

### **1. RESERVATIONS**

The Fiesta Room may be reserved by Registered Residents for their personal use. The following Guidelines apply:

- a. Reservation of the Fiesta Room does not include the exclusive use of other Recreational or Designated Facilities. Although the swim Lagoon may be used by those reserving the Fiesta Room, other Residents and their guests may not be excluded from the Lagoon area.
  - b. Application for reservation of the Fiesta Room may be made by a Resident, at the Beach Club or online at [www.samlarc.org](http://www.samlarc.org). The Resident making the reservation must be present during the entire period for which the Room was reserved.
  - c. Tenants who wish to reserve the Room must have the Owner of their unit complete and sign the Fiesta Room Reservation form.
  - d. A security deposit will be required to be provided to SAMLARC no later than 14 days prior to the scheduled time of use.
  - e. Residents may make reservations not more than 180 days in advance of the event. The Room may be reserved as late as 48 hours in advance. However, at least two (2) weeks notice must be given if alcohol is to be served at the event, and the security guard fee paid, if applicable.
  - f. The Fiesta Room rental fee, and guard fee, if applicable, is due at the time the reservation is made. Fees are non-refundable, and will be retained by SAMLARC if the event is canceled within the fourteen (14) days prior to the event.
  - g. Reservations are not accepted for Holidays.
  - h. The maximum capacity of the Fiesta Room is forty-two (42) persons.
2. Smoking is not permitted within the Fiesta Room.



3. All musicians, D.J. equipment, stereos and speakers, must be confined within the Fiesta Room.
4. All music must be turned down by 10:00 p.m. and turned off no later than 11:00 p.m.
5. SAMLARC functions have priority over Residents for reserving the Fiesta Room.
6. The Fiesta Room is for the use of Residents and their guests, and may be restricted by the Board of Directors for:
  - a. Delinquent SAMLARC dues.
  - b. Violation of these Policies and Guidelines.
  - c. Deliberate abuse of the Recreational and/or Designated Facilities.
7. The Fiesta Room may not be used for commercial purposes. Products, (other than those provided by SAMLARC vendors), may not be sold in the Fiesta Room, nor in any Recreational or Designated Facility, for the profit of any individual or commercial enterprise.
8. Furniture must not be moved from the interior of the Fiesta Room. Furniture may be moved within the Fiesta Room; however, a service charge will be incurred by the renter if the furniture is not returned to its original position at the close of the event.
9. Alcoholic Beverages may be permitted subject to the following conditions:
  - a. A certificate of insurance from the Homeowner's liability insurance, naming SAMLARC as an additional insured, is required.
  - b. In accordance with California State Law, no one under the age of twenty-one (21) years shall be served an alcoholic beverage while on the premises.
  - c. The Resident shall arrange for all pick-ups and deliveries to be made the day of the event.
  - d. All kitchen equipment, banquet tables, podiums, electrical equipment and sound equipment are to be provided by the Resident.
  - e. The Resident shall be completely responsible for all set-ups and clean-up.
10. The reserved function shall end no later than 12:00 midnight.
11. SAMLARC is not responsible for personal items that may be lost or stolen.
12. Refund of the Security Deposit is subject to deduction for:
  - a. Any damage to the Lago Santa Margarita Beach Club and/or its contents.
  - b. Any damage to SAMLARC Recreational or Designated Facilities or landscaped areas by Residents, or guests.
  - c. Cleaning the Fiesta Room.
  - d. Violation of any of these Policies and Guidelines.
13. Use Fees shall apply to Sub Maintenance Corporation meetings pursuant to the current fee schedule.

14. THE FIESTA ROOM RENTAL FEES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

**N. TEMPORARY BANNER POLICY**

The following banner rules and regulations apply to SAMLARC Community Property:

Temporary Banner Fee: In accordance with current Fee Schedule

1. Banners for legally recognized non-profit community organizations located in the City of Rancho Santa Margarita shall be permitted only on/within areas designated by the SAMLARC Board of Directors. The Community Property areas designated are set forth below.
2. No banner may exceed 48" x 96" (4x8 feet).
3. Commercial advertising for goods and services is not permitted.
4. Banners shall pertain to an upcoming community event only that is open to the general public and is not political or religious in nature.
5. A maximum of four (4) banners may be issued per applicant in one calendar year.
6. Banners will be permitted to be on display for a maximum period of fifteen (15) days prior to the date of the event.
7. Banners must be removed by applicant immediately following the event.
8. Banners must be freestanding mounted on hardware and may not exceed five (5) feet in height.
9. Each Banner Permit Application is limited to one banner. Use multiple applications for multiple banners.
10. SAMLARC will not be liable for damaged, lost or stolen banners due to weather, irrigation damage, vandalism, etc.
11. SAMLARC shall be responsible for the installation and removal of banner.
12. SAMLARC will approve all language on all banners and reserves the right to deny a banner request or remove banner that does not comply with the policies.
13. Banners will be approved for only one time events and excludes ongoing programs.
14. Each designated location shall not exceed a total of one (1) posted banner at any time.
15. All Banner requests will be considered on a first come, first served basis and applications will be accepted up six (6) months in advance.
16. SAMLARC Maintained Property Designated Banner Locations:
  - a. Santa Margarita Parkway at Melinda – two (2) corners in turf areas only.
  - b. Santa Margarita Parkway at Las Flores – two (2) corners in the turf area only.
  - c. Antonio adjacent to Canada Vista Park.
  - d. Santa Margarita Parkway at Alicia Parkway.
  - e. Santa Margarita Parkway and Antonio – northeast corner in turf area only.
  - f. Santa Margarita Parkway and Plano Trabuco – northwest corner in turf area only.

17. Banners located at Sports Fields are subject to the current Sports Field Banner Policy.

**O. SAMLARC VIDEO SURVEILLANCE AND CAMERA POLICY**

After careful consideration, SAMLARC has determined that the use of video surveillance cameras is necessary to deter acts of vandalism and potential criminal activity, and, increase the likelihood that perpetrators of these acts will be identified. SAMLARC has adopted this Video Surveillance Camera Policy in furtherance of these purposes and to assist in complying with privacy laws governing the collection of personal information.

1. Camera Locations And Operations: SAMLARC may install, or has installed, video surveillance cameras in the following locations:

|                                 |                    |
|---------------------------------|--------------------|
| Altisima Park                   | Mesa Linda Park    |
| Arroyo Vista Park               | Monte Vista Park   |
| Cañada Vista Park               | Solana Park        |
| Central Park                    | Tijeras Creek Park |
| Cielo Vista Park                | Trabuco Mesa Park  |
| Estrella Vista Park             | Vista Verde Park   |
| Lago Santa Margarita Beach Club |                    |

Each of these locations was selected because of its increased potential for incidents of vandalism and other criminal activity. At each location in which cameras are installed, images will be recorded 24 hours per day when motion is detected by the security cameras. All areas subject to video recording will be identified by signs that are clearly posted at the entrance to that area.

Cameras are intended for passive recording purposes. Digital video recording equipment will record video images for viewing in the event that facilities are vandalized or reports of possible criminal activity have been received. Live camera feeds may occasionally be viewed by authorized SAMLARC staff or the SAMLARC security vendor. SAMLARC disclaims any responsibility or obligation to view real time events.

2. Use And Retention of Digital Images:
  - a. Video cameras shall be used for the sole purpose of recording digital images to assist in deterring vandalism and other criminal activity. No warranty is made or implied as to resident safety.
  - b. In the event of a reported or observed incident, the recorded digital images may be used to assist in the investigation of the incident and may be turned over to law enforcement personnel, if appropriate.
3. Fiesta Room Camera: The Fiesta Room camera may be set to record during reserved hours.

## **VI. ENFORCEMENT POLICY**

### **A. STANDARD ENFORCEMENT PROCESS**

1. In the event that the SAMLARC Covenant Committee observes that an apparent violation of the Governing Documents and/or rules of SAMLARC has taken place or receives a Rules and Violation Report, which has been signed by two or more Residents, the Committee will act as follows:
  - a. Send a violation letter stating the violation and the date by which such violation is to be cured to avoid further enforcement efforts.
  - b. If the violation continues, send a second letter with a notice to the Member advising of the Member's right to appear and discuss the violation with the Covenant Committee. The hearing date will normally be set not less than thirty (30) or more than sixty (60) days from date of written notice of the hearing.
  - c. A Member is present either in person, or by written response to the alleged violation, at a hearing before the Committee. The Committee has seven (7) business days after hearing to deliver written decision to the Member.
  - d. If the decision is to impose a fine, the Fine Schedule will apply.
2. At any point the Committee may determine to continue fines, use the legal system or cause correction of the violation by SAMLARC to resolve the matter. The Member is responsible for legal fees and/or reimbursement of costs incurred by SAMLARC in enforcement activity.
3. Properties in Violation - When a property is in violation of the CC&R's due to lack of repair/maintenance and the Owner chooses a remedy that requires prior ARC approval, Owners will have thirty (30) days from the ARC approval date to commence construction or the execution of the remedy, then an additional thirty (30) days (60 days from ARC approval date) to complete the remedy. The Covenant Committee may, on its own, extend the date of completion as the Committee deems warranted by the extent and nature of the remedy. Or, a reasonable extension may be issued by the Covenant Committee subject to an Owner's request in writing. Dates of commencement and completion will NOT be suspended or extended while the Covenant Committee considers a request to extend any date.
4. A courtesy letter may be sent first on special circumstances.

### **B. RULES AND VIOLATION REPORT**

There must be two (2) Members representing two different Residences of the Master Association to pursue violations that cannot be viewed during an inspection of the community (i.e., barking dog, noise nuisance, garage storage, etc.) Please be as specific as possible to allow the Covenant Committee to expedite the process in a timely manner. Include specific times and locations. All alleged violations will be evaluated to ensure they are considered an infraction as defined by the Master Association's legal documents.

### **C. FAST-TRACK ENFORCEMENT PROCESS**

1. In cases when the violation can be easily and quickly resolved, and in the event that the SAMLARC Covenant Committee observes that an apparent violation of the Governing Documents and/or rules of SAMLARC has taken place or receives a Rules and Violation Report, which has been signed by two or more Residents, the Committee will act as follows:
  - a. Send a letter with a notice to the Member advising of the Member's right to appear and discuss the violation with the Covenant Committee. The hearing date will normally be set not less than fifteen (15) days from date of written notice of the hearing. The letter will include the violation, how to cure the violation and what enforcement may proceed if not cured.
  - b. A Member is present either in person, or by written response to the alleged violation, at a hearing before the Covenant Committee. The Covenant Committee has seven (7) business days after hearing to deliver written decision to the Member.
2. If the decision is to impose a fine, the Fine Schedule will apply.
3. At any point, the Covenant Committee may take action including but not limited to: change the on-going rate of fines; use the legal system; or, correct the violation to resolve the matter. The Member is responsible for legal fees and/or reimbursement of costs incurred by SAMLARC in enforcement activity.

NOTE: Refer to Article XIX, Section 19.01 of the CC&R's for specific language regarding SAMLARC's right of enforcement.

### **D. FINE SCHEDULE**

1. Letter inviting Member to first hearing. Follow-up letter with first fine plus legal fees, as applicable, following the scheduled hearing.
2. Letter inviting Member to second hearing. Follow-up letter with second fine, plus legal fees, as applicable, following the scheduled hearing.
3. Letter inviting Owner to third hearing. Follow-up letter with third fine, plus legal fees, as applicable, following the scheduled hearing.
4. The Covenant Committee may take action including but not limited to: change the ongoing rate of fines; use the legal system; or, correct the violation to resolve the matter. The Member is responsible for legal fees and/or reimbursement of costs incurred by SAMLARC in enforcement activity.

If the violation continues following the third notice of hearing and fine, continuing enforcement may proceed, which may include a combination of the following options:

- a. Seek remedy by use of Internal Dispute Resolution (IDR) to provide a fair, reasonable and expeditious procedure for resolving a dispute between SAMLARC (the Association) and a Member involving the parties' rights, duties, or liabilities under the Davis-Sterling Common Interest Development Act. The IDR process may be begun by either the Association or the Member (the "requesting party") requesting the same, in writing, and serving the other party (the "responding party") with a copy of the written request ("the

Request”) by certified mail. If the process is invoked by a Member, the Association shall participate. If the process is invoked by the Association, the Member may elect not to participate in the procedure. Should the Member elect not to participate in the procedure, however, the Member shall thereby waive any right to appeal or ask the Board of Directors to reconsider any decision it may make regarding the dispute.

- b. Suspend or condition the Owner's right to use any recreation facilities that SAMLARC owns, after Notice of Hearing and suspend the Owner's voting privileges as a Member.
  - c. Forward to legal counsel for further enforcement.
  - d. Seek remedy by use of Alternative Dispute Resolution (ADR) such as mediation or arbitration.
  - e. Enter upon Owner's Lot to remove the violation, make the necessary repairs, or perform maintenance, which is the responsibility of the Owner.
5. Fine amounts are categorized into levels according to the severity of the violation, based on a number of factors including, but not limited to, the violations impact on the neighborhood, cooperation of the Owner in resolving current and prior violations, multiple violations, repeated offenses, etc.

| <b>LEVELS OF FINE PROGRESSION</b> |                 |                 |                               |
|-----------------------------------|-----------------|-----------------|-------------------------------|
|                                   | <b>1st Fine</b> | <b>2nd Fine</b> | <b>3rd Fine and On Going*</b> |
| <b>Level 1:</b>                   | \$50            | \$100           | \$150                         |
| <b>Level 2:</b>                   | \$100           | \$150           | \$200                         |
| <b>Level 3:</b>                   | \$150           | \$200           | \$250                         |

**\* Fines increase in \$50.00 increments.**

| <b>VIOLATION ENFORCEMENT PROCESS<br/>AND FINE GUIDELINE</b> |                                |                                 |
|-------------------------------------------------------------|--------------------------------|---------------------------------|
| <b>Violation</b>                                            | <b>Enforcement<br/>Process</b> | <b>Standard Fine<br/>Level*</b> |
| Holiday Lighting                                            | Fast Track                     | Level 1                         |
| Garage Usage                                                | Standard                       | Level 1                         |
| Nuisance                                                    | Standard                       | Level 1                         |
| Portable Basketball Backboards                              | Standard                       | Level 1                         |
| Commercial and Inoperable Vehicles                          | Standard                       | Level 1                         |
| Trash Cans                                                  | Standard                       | Level 1                         |
| Unsightly Items                                             | Standard                       | Level 1                         |
| Home Maintenance                                            | Standard                       | Level 2                         |
| Landscape Maintenance                                       | Standard                       | Level 2                         |
| Signs                                                       | Fast Track                     | Level 2                         |
| Vehicle Repairs                                             | Fast Track                     | Level 2                         |
| Window Coverings                                            | Fast Track                     | Level 2                         |
| Non-Submittal of Plans                                      | Fast Track                     | Level 3                         |
| Business conducted from Residence                           | Standard                       | Level 3                         |
| Parking: Recreational / Vehicles                            | Standard                       | Level 3                         |
| Temporary Structures                                        | Standard                       | Level 3                         |

*\* May be modified by the Covenant Committee for specific circumstances and facts,( e.g. history of violation, cooperation, multiple violations).*

Any fines not paid will result in legal action per SAMLARC's legal documents. The Board of Directors will determine the time frame for curing the offenses for each violator consistent with previously reported similar violations, as applicable.

**SPECIAL NOTE:** Should a violation occur which imposes financial obligation upon SAMLARC, then the party responsible for said violation shall reimburse SAMLARC, by way of Special Assessment, for this financial obligation. Example: If an Owner, or an Owner's tenant, guest, family Member or other invitee causes damage to a fence, tree, or any other Community Property, the repair and replacement costs together with the cost of administrative time involved in securing the repair, locating the violator, etc. will be charged to the responsible party.

(Exhibit A)



## SAMLARC RULES AND VIOLATION REPORT

There must be two (2) signatures representing two separate dwellings of directly affected homeowners in the Association to pursue violations that cannot be viewed from the street (i.e. barking dog, noise nuisance, garage storage, etc.). Please be as specific as possible to enable the Covenant Committee to expedite the enforcement process in a timely manner. All alleged violations will be evaluated to ensure that they are considered an infraction as defined by the Association's legal documents.

### **REPORT FILED BY:**

Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Signature: \_\_\_\_\_ Signature: \_\_\_\_\_  
Address: \_\_\_\_\_ Address: \_\_\_\_\_  
Phone: \_\_\_\_\_ Phone: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Signature: \_\_\_\_\_ Signature: \_\_\_\_\_  
Address: \_\_\_\_\_ Address: \_\_\_\_\_  
Phone: \_\_\_\_\_ Phone: \_\_\_\_\_

### **VIOLATION INFORMATION:**

Name: \_\_\_\_\_ Address: \_\_\_\_\_ Phone: \_\_\_\_\_  
(Alleged Violator's Name)

Description of Alleged Violation: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*(If additional space is needed, please uses reverse of form)*

Date(s) and time(s) alleged violation occurs? \_\_\_\_\_  
\_\_\_\_\_

How often does the alleged violation occur? \_\_\_\_\_



(Exhibit B)  
Political Sign Location Key Maps  
(Available Upon Request)



# **POLICIES AND GUIDELINES**

**For**

**GENERAL MEMBERSHIP**

**RECREATIONAL FACILITIES**

Effective - April 15, 1995

Revised - November 10, 1997

Revised - March 18, 1999

Revised - July 17, 2002

Revised - November 7, 2002

Revised - September 4, 2008

Revised and Board Adopted – January 13, 2009

Revised and Board Adopted – January 12, 2010

Revised and Board Adopted – January 11, 2011

Revised and Board Adopted – January 24, 2012

Revised and Board Adopted – January 22, 2013

Revised and Board Adopted – April 22, 2014

Revised and Board Adopted – January 27, 2015

Revised and Board Adopted – January 26, 2016

Proprietary and Confidential

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## **SAMLARC POLICIES AND GUIDELINES**

### **I. INTRODUCTION**

Policies and Guidelines ensure that the community Common Areas and Common Facilities are maintained to standards as identified herein. In order to protect and preserve these benefits, certain limitations and restrictions are placed on the Members.

Rancho Santa Margarita Landscape and Recreation Corporation (SAMLARC) is a California non-profit mutual benefit corporation organized for the residential property Owners within its boundaries. These policies and guidelines also apply to all Subordinate Maintenance Corporations in SAMLARC.

The attached Policies and Guidelines have been developed with consideration given to providing each Member with the greatest enjoyment of the facilities without infringing on other Members and their rights to quiet enjoyment of their homes and community. The goal is to assure a continuity in procedures which preserves the integrity of the overall Community.

All Owners and tenants are subject to compliance with the governing documents of SAMLARC. All Policies and Guidelines are subject to review and change by the Board of Directors.

## II. DEFINITIONS

- A. **ACTIVE PARK AREAS** Shall mean park areas that can be reserved through a Park Use Permit.
- B. **APPROVED EVENTS** Shall mean an event or activity approved through SAMLARC with a Park Use Permit.
- C. **COMMUNICABLE DISEASE**
- D. **COMMUNITY PROPERTY** Shall mean all real property, and the Improvements thereon, owned by SAMLARC, for the common use and enjoyment of the Members.
- E. **COVERED PROPERTY** Shall mean all real property subject to the Declaration of Covenants, Conditions, and Restrictions of Rancho Santa Margarita.
- F. **DESIGNATED FACILITIES** Shall mean the gated facilities which include, but are not limited to: Lago Santa Margarita Beach Club, Swim Lagoon, Swimming Pools, Boat Launch, Tennis Courts, and the SAMLARC Arena Facility.
- G. **DETAILED PARK USE GUIDELINES** Shall apply to specific Park Use Permits.
- H. **GLASS** Shall mean material that shatters when dropped on a hard surface. This includes, but is not limited to: drinking glasses, bowls, beer/soda bottles, pitchers, etc.
- I. **MANAGEMENT COMPANY** Shall mean the Management Company which is retained by SAMLARC to manage the maintenance of the Community Property and to manage the day-to-day business of SAMLARC.
- J. **MEMBER** Shall mean the property Owner(s) holding title to a Residence.
- K. **NON-DISPOSABLE** Shall mean food storage containers that can be continually reused. Tupperware, metal or plastic containers are examples. Styrofoam and glass containers are excluded.
- L. **PARK USE PERMIT** A means for Resident's or User Groups to reserve park use.
- M. **PASSIVE PARK AREAS** Shall mean park areas that may not be reserved and that are open to all residents on a first-come, first serve basis.
- N. **PETS** Shall mean dogs, cats and other household animals. The definition does not provide for livestock or poultry. Service Animals are not included in this category.
- O. **RECREATIONAL FACILITIES** Shall mean, but not be limited to the: lake, parks, picnic areas, exercise par course, tot lots, shoreline fishing area, amphitheater, Beach Club, sand volleyball courts, swimming pools, tennis courts, basketball courts, baseball and softball diamonds, soccer fields, trails, parking areas and landscape areas.
- P. **REGISTERED RESIDENT** Shall mean the Member who has completed the forms required by SAMLARC to receive the SAMLARC Access ID Card, or a tenant who has been assigned rights to use SAMLARC Designated Facilities by a Member.
- Q. **RESIDENCE** Shall mean a Lot together with the Dwelling and other Improvements constructed, or intended to be constructed, thereon; a Condominium; or an Apartment Unit.
- R. **RESIDENT** Shall mean occupant of the Residence, whether it be the current Owner or tenant.

- S. **SAMLARC ACCESS CARD** Shall mean the card which opens Designated Facilities.
- T. **SERVICE ANIMALS** Shall mean animals that are individually trained to perform tasks for people with disabilities such as guiding people who are blind, alerting people who are deaf, pulling wheelchairs, alerting and protecting a person who is having a seizure, or performing other special tasks. Service Animals are working animals, not Pets.
- U. **SUBORDINATE DECLARATION** Any declaration of covenants, conditions and restrictions recorded by Declarant, other than those contained herein or in a Supplementary Declaration which may be applicable to a particular portion of the Covered Property (SAMLARC).
- V. **SUBORDINATE MAINTENANCE CORPORATION** Refers to any non-profit mutual benefit corporation which is formed among other things to facilitate the Maintenance and operation of any portion of the Covered Property (SAMLARC) which is either owned in common by the Owners who are members of such non-profit mutual benefit corporation or which is owned by such non-profit mutual benefit corporation for the benefit of the Owners, who are its members, or to enforce or administer any Subordinate Declaration.
- W. **SPECIAL PARK ACTIVITY** Shall mean any activity contrary to the Guidelines contained in this document, or not delineated in this document. Examples of special park activities may include but not limited to Carnivals, Jog-a-thon, End of School Year Event, etc.
- X. **STRUCTURED ACTIVITY** Shall mean organized and reoccurring park use activity requiring Board approval as an organization, and specific park use through a permit.
- Y. **USE PERMIT** A Use Permit is a document granting the applicant permission for the requested use.
- Z. **USE PERMIT FEES** Shall mean fees charged for reserved use of certain Designated and Recreational Facilities.
- AA. **USER GROUP PRIORITY RANKINGS** Shall mean an order of issuing reservation permits based on user group categories as follows:

| <b>USE<br/>PRIORITY</b> | <b>USER<br/>GROUP</b>                                                                                                               |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| I                       | SAMLARC Events                                                                                                                      |
| II-A                    | SAMLARC Approved, Resident based (50% and above SAMLARC Member participants), non-profit, organized recreation-level youth sports   |
| II-B                    | SAMLARC Approved, Non-Resident based (49% or less SAMLARC Member participants), non-profit, organized recreation-level youth sports |
| III-A                   | SAMLARC Approved, Resident based, non-profit, organized recreation-level adult sports                                               |
| III-B                   | SAMLARC Approved, Resident based non-profit club or travel teams                                                                    |
| III-C                   | SAMLARC Approved, Resident based, for profit club or travel teams                                                                   |

- IV SAMLARC Resident based: (a) private parties; and, (b) neighborhood oriented activities, closed to the public.
- V Non-Profit service area organization or City of Rancho Santa Margarita
- VI Non-Profit out of area service organization
- VII Commercial or Corporate

**III. MEMBERSHIP**

**A. GATE ACCESS ID CARD**

SAMLARC issues one card for each Registered Resident, eighteen (18) years or older. A maximum of two (2) cards per household will be issued. If there is only one Registered Resident, a second card may be issued. This card opens Designated Facilities. All Members must be registered with SAMLARC in order to receive a card. It is the obligation of the Member to complete all appropriate forms and necessary documentation which provides the necessary information for registration.

All Registered Residents must adhere to all statements signed upon issuance of the Gate Access ID Card and any revisions adopted by the Board will supersede all previously signed statements.

Should the Gate Access ID Card be lost, there will be a fee per card to obtain a replacement. If the original Gate Access ID Card is found, a refund will not be issued nor will the old card be reactivated. It is important to notify the SAMLARC management company immediately whenever a card is lost so that it can be deactivated.

All Residents are required to have a Gate Access ID Card to enter the Designated Facilities. Residents are advised to have the Gate Access ID Card in their possession when using any Designated or Recreational Facilities. A Gate Access ID Card may be used by the Registered Resident or any Members of their immediate household, fourteen (14) years or older.

**B. TRANSFERRING OF THE GATE ACCESS ID CARD**

There is to be no transferring of the Gate Access ID Card to any person outside the immediate household, at any time. Registered Residents involved in the transfer of the Gate Access ID Card are subject to immediate forfeiture of the card, suspension of Recreational Facilities, Designated Facilities, and Community Property privileges for a period of thirty (30) days, and/or an assessment (fine) for each occurrence.

**C. RETURN OF THE GATE ACCESS ID CARD**

Members are not required to return their Gate Access ID Card to SAMLARC upon sale of their Residence.

**IV. RESIDENT USE**

**A. GUESTS**

Each Residence is permitted to bring a MAXIMUM of five (5) guests per day to Designated Facilities, provided that the Resident is in possession of the Gate Access ID Card. The number of guests permitted may be further limited on certain days, as determined by the Board of Directors, or on seasonal high-usage days.

Registered Residents may bring their guests to all Recreational and Designated Facilities and must accompany them at all times. Use of the Recreational and Designated Facilities is at the users' own risk. Residents are responsible for their guests compliance with all Guidelines, for personal injuries, for any damage to Community Property, and are liable for all repair or replacement costs.

The above guest rule does not apply to organized, structured, and reoccurring approved sport organizations, where resident membership is based on league registration and not invited guests.

#### **B. PETS**

Residents, guests and invitees are required to adhere to the following:

1. No animals, livestock or poultry of any kind shall be raised, bred or kept upon the Covered Property except dogs, cats or other standard household pets may be kept on the Residences, provided they are not kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board.
2. No more than three (3) usual and ordinary household Pets are allowed per Residence. Caged birds are permitted and are included in the total of three (3). The Board, at its sole discretion, may determine that this number be reduced or increased.
3. All dogs shall be kept on a leash when on Covered Property, except within a Residence. All local leash laws will be strictly enforced.
4. Each Resident, guest and invitee is responsible for removing his / her dog(s), cat(s), or other animal feces from the Covered Property.
5. Each Resident, guest and invitee will be held responsible for any damage to the Community Property due to his/her pet(s).
6. Complaints received by SAMLARC and Management will be referred by SAMLARC to the appropriate agency and/or department at the County of Orange or City of Rancho Santa Margarita. The complainant will be advised to also submit a complaint to the appropriate agency and/or department at the County of Orange or City of Rancho Santa Margarita.
7. Staking an animal, and leaving it unattended on a tether, within Community Property, is not permitted.
8. Except for Service Animals, no animals allowed in Designated Facilities, unless in conjunction with an activity where Pets are permitted.
9. Dogs, cats or other animals shall not be carried or transported on the Lake; nor shall they be permitted in any manner to enter the Lake.

#### **C. PARKING**

The following rules shall apply throughout the Covered Property, including Residential and the Designated and Recreational Facilities.



1. Residential Areas:

California Vehicle Codes will be strictly enforced.

a. All Vehicles:

The following policies shall apply to all types of vehicles including but not limited to passenger vehicles, motorcycles, rental vehicles, commercial vehicles and recreational vehicles.

- 1) Unsightly and inoperable vehicles as referenced in California Vehicle Code are prohibited on the Covered Property, including without limitation, driveways, streets or alleys.
- 2) Unregistered vehicles are not permitted to be parked or stored on the Covered Property, including without limitation, driveways, streets or alleys.
- 3) Vehicles with flat tires or accumulated dust and dirt on the vehicle are not permitted to be parked or stored on the Covered Property, including without limitation, driveways, streets or alleys.
- 4) Vehicles may not be parked with blocks, bricks or other impediments behind wheels on the Covered Property, including without limitation, driveways, streets or alleys.
- 5) Car or vehicle covers may not be used to conceal unregistered vehicles, inoperable vehicles or recreational vehicles.
- 6) Car or vehicle covers used to protect vehicles must fit the vehicle.
- 7) Car or vehicle covers may not be faded, baggy, secured by bungee cords, or permitted to fall into disrepair.
- 8) Members are responsible for all parking violations of tenants and guests.

b. Recreational Vehicles:

- 1) Shall include, without limitation, trailers, boats, campers, trailer coaches, buses, house cars, camp cars, motor homes (if a size larger than seven (7) feet in height, and/or greater than one hundred twenty-four (124) inches in wheel base length), or any other similar type of equipment or vehicle.
- 2) Are prohibited on the Covered Property, including without limitation, streets, alleys or driveways unless obscured from view of adjoining Residences, streets and alleys, and are not permitted to be parked on any street, alley, or other portion of the Covered Property except for temporary parking for loading and unloading.

c. Commercial Vehicles:

- 1) Shall include, without limitation, all vehicles exceeding a carrying capacity of  $\frac{3}{4}$  of a ton.
- 2) Any vehicles which depict the name, logo, telephone number, physical or mailing address, web site address, description or other markings of any business or commercial entity or group shall be subject to the same restrictions on parking as "Recreational Vehicles".

- 3) Altered for use in commercial purposes shall be subject to the same restrictions on parking as “Commercial Vehicles”. Examples of such alterations may include one or more of the following:
    - (a) The installation of one or more racks to the vehicle (e.g. pipes, glass, and/or tool racks).
    - (b) The addition of doors, drawers and bins used for storage of parts and tools.
    - (c) Tools, and/or equipment mounted or carried (either permanently or temporarily) on the vehicle (e.g. air compressor, welding equipment, generator).
    - (d) Installation of hydraulic lifts, gates, cranes, hoists, etc. The addition of fences, bordered beds, side stakes or the like to retain supplies, machinery, tools, and goods.
    - (e) The installation of vacuums, motorized brushes or other special-purpose equipment, (e.g. street sweepers).
  - 4) Are prohibited on the Covered Property, including without limitation, streets, alleys or driveways unless obscured from view of adjoining Residences, streets and alleys, nor permitted to be parked on any street, alley, or other portion of the Covered Property except for the temporary parking of Commercial Vehicles providing delivery, maintenance or repair services to the Residence.
2. Designated Facilities and Recreational Facilities:
- California Vehicle Codes will be strictly enforced.
- a. Parking is permitted as follows:
    - 1) Beach Club, Lake and Amphitheater - 6:00 a.m. to 11:30 p.m.
    - 2) Parks – 6:00 a.m. to 10:00 p.m.
  - b. Parking permitted only in designated parking spaces.
  - c. Recreational Vehicles as defined in Section IV. C. 1. a, shall not be parked in Park, Beach Club or Lake Amphitheater parking lots without express written permission of SAMLARC.
  - d. Commercial Vehicles as defined in Section IV. C. 1. b, shall not be parked in Park, Beach Club or Lake Amphitheater parking lots except as may be approved by SAMLARC for service vendors providing delivery, maintenance or repair services to the Designated and/or Recreational Facilities.
  - e. Unsightly, unregistered or inoperable vehicles are prohibited on the Designated and Recreational Facilities.
  - f. Vehicles in violation of parking policies are subject to towing at the vehicle owners expense.

**D. GARAGES**

1. Garages are to be used for the purpose of parking vehicles owned by, operated by, or within the control of, the Resident(s).

2. Vehicles shall not be overhauled (which includes major engine repairs that cannot be done in one day), or be set on blocks, either on the Covered Property or in a Resident's driveway.
3. Garage doors shall not remain open, except for a temporary purpose.
4. Garages shall not be used as a residential dwelling unit, either temporarily or permanently.

**E. BUSINESS OR COMMERCIAL ACTIVITY**

No part of a Residence, including the garage, shall be used for any business, trade, profession, commercial, manufacturing, mercantile, storing, or vending for which the provider is compensated, unless:

1. Such activities are conducted in conformance with applicable governmental ordinances.
2. Patrons or clientele do not visit the Lot or Condo or park cars or other Vehicles within the Properties.
3. Existence or operation of such activities does not constitute a community nuisance (not apparent or detectable by sight, sound or smell from outside the Residence).
4. Such business related activity does not increase the Association's liability or casualty insurance obligation or premium.
5. Such activities are consistent with the residential character and conform to the CC&R Use Restrictions, specifically regarding, but not limited to, nuisance, garage use and parking.
6. Such activities allow the garage to be used for the primary purpose of vehicle parking.

**F. TIME, PLACE AND MANNER**

No portion of the Community Property of SAMLARC shall be used for political or religious purposes except as permitted in writing by the Board of Directors, and then only on such terms and conditions as imposed.

1. Policy on Religious Activities/Worship Services:
  - a. Religious activities/worship services must be approved by the SAMLARC Board of Directors.
  - b. Worship services permitted in the Central Park Amphitheater only.
  - c. Religious activities/worship service must be open to the public.
  - d. Congregation must be located in the City limits of Rancho Santa Margarita.
  - e. Reservation request may be made six (6) months in advance but no less than ninety (90) days in advance.
  - f. Reservations are on a first come first serve basis.
  - g. No more than one permit per year per religious organization.
  - h. Worship service permits are limited to one day of one weekend a month and will not be approved on weekend when SAMLARC is conducting SAMLARC events.

- i. SAMLARC Board of Directors reserves the right to impose terms and conditions on any request.
  - j. SAMLARC Board of Directors reserves the right to deny any request.
2. All Rules and Regulations, and terms of all governing documents shall apply to any use of Community Property.

**G. COMMUNITY PROPERTY LANDSCAPE AREAS (SLOPES AND PLANTERS)**

Slopes and planter areas with trees, shrubs and/or ground cover are not intended for pedestrian use ingress or egress. Slopes and planter areas are not to be used as a pathway or a means of accessing public or private walkways, streets, parks, schools, shopping centers or trails. Only persons specifically authorized by SAMLARC (e.g. landscapers, inspectors, etc.) are allowed on slopes and planter areas. Persons using the slopes and planter areas do so at their own risk. All owners and residents, and their tenants, guests and invitees are instructed to stay off of the slopes and planter areas.

Installation of paths, walkways, or gates leading to SAMLARC Community Property is not permitted.

Owners may be liable for any damage caused to Community Property by the owner, tenants, guests and invitees (including without limitation slope or planter vegetation, irrigation, and drainage improvements).

**H. SIGNS**

1. Non-commercial Signs:

Any non-commercial signs or posters on a Members separate interest shall not be larger than nine (9) square feet in size.

2. Real Estate "For Sale", "For Lease" & "Open House" Signs:

a. The following criteria apply to "FOR SALE" and "For Lease" signs:

- 1) All signs for the purpose of selling or leasing a Residence must be professionally prepared.
- 2) Signs shall be free standing and are not to exceed a maximum height of four (4) feet (combined for both post and sign).
- 3) Signs must be only of the acceptable standard "Real Estate" type and size, and shall NOT exceed six (6) square feet.
- 4) All signs must conform to the City of Rancho Santa Margarita requirements.
- 5) Limit of one (1) sign per lot.
- 6) Signs may not extend above side or rear yard perimeter walls or fences facing Community Property.
- 7) No signs shall be placed on Community Property, which includes, and may not be limited to, landscaping, median islands, poles, and buildings.
- 8) The Owner of the Residence for sale is solely responsible for adherence to the Guidelines.

- 9) "For Lease" banners or signs proposed by Apartment Communities, whether permanent or temporary, must have SAMLARC Architectural Review Committee approval prior to display. All such temporary or permanent banners or signs must conform to City of Rancho Santa Margarita requirements.
- b. The following criteria apply to "OPEN HOUSE" signs:
    - 1) Members (or their agents) wishing to advertise "OPEN HOUSE" for the purpose of selling their Residence, must use a standard sign with restrictions on type, location and quantity.
    - 2) Signs are to conform to the following:
      - (a) No larger than 10" x 30".
      - (b) Generic green and white signs only.
      - (c) The words "OPEN HOUSE" and an arrow only.
      - (d) The sign shall be of the type available to Realtors at the Orange County Association of REALTORS® office or available to others at Sign Masters in Mission Viejo.
      - (e) The Owner of the sign shall identify the sign as his/hers in an area no larger than 2" x 3".
    - c. Only one (1) sign (in total) per corner on major streets (a major street is defined as any street outside of the various developments). At a four-way intersection, there are four (4) corners where only four (4) signs may be placed.
    - d. Signs may not remain on Community Property overnight.
    - e. No riders or flags are permitted.
    - f. "OPEN HOUSE" signs may be posted on Fridays, Saturdays and Sundays only.
    - g. Signs not complying with the Guidelines will be removed by SAMLARC. These signs will be kept for forty-eight (48) hours and then, if not claimed, may be discarded.
    - h. The Owner of the Residence for sale is solely responsible for adherence to the Guidelines.
    - i. Members not complying with the Guidelines will be subject to SAMLARC Enforcement Policies.
  3. The following criteria apply to "GARAGE SALE" signs:
    - a. Residents wishing to advertise "GARAGE SALE" for purposes of selling their goods must use a standard sign with restrictions on type, location and quantity. These signs will be available on a first come, first served basis (limit three [3] per garage sale) at the Lago Santa Margarita Beach Club on Friday, Saturday or Sunday, for a deposit fee. This deposit is returned to the Resident when the signs are returned to the Beach Club office.
    - b. Signs are to conform to the following:
      - 1) No larger than 10" x 30".

- 2) Generic green and white signs only.
  - 3) The words "GARAGE SALE" and an arrow only.
  - c. Only one (1) sign (in total) per corner on major streets (a major street is defined as any street outside of the various developments). At a four-way intersection, there are four (4) corners where only four (4) signs may be placed.
  - d. No rider or flags are permitted.
  - e. "GARAGE SALE" signs may be posted on Saturdays and Sundays only.
  - f. Signs not complying with the Guidelines will be removed by SAMLARC.
  - g. The Owner of the Residence having the garage sale is solely responsible for adherence to the Guidelines.
  - h. Members not complying with the Guidelines will be subject to SAMLARC Enforcement Policies.
4. The following rules and regulations apply to Political Signs on SAMLARC maintenance areas:
- a. Political Signage for legally recognized elections at the Federal, State, County and City level or for Special Districts shall be permitted only on/within areas designated by the SAMLARC Board of Directors.
  - b. No Political Sign may exceed 24" x 36".
  - c. Political signs shall not be animated, revolve, rotate, move mechanically, flash, reflect, or blink and shall not have flags, kites, valances, pennants or flood lights, laser lights, search lights, or other similar attraction devices.
  - d. Political Signs will only be permitted to be on display for twenty-nine (29) days prior to said election.
  - e. All Political Signage must be removed within three (3) days after the election. Any signage not removed within three (3) days after the election will be removed by SAMLARC, or its designated personnel, and discarded if not claimed within three (3) days after removal.
  - f. SAMLARC will not be liable for damaged, lost or stolen signage placed upon SAMLARC maintenance areas.
  - g. SAMLARC will not be responsible for damage to Political Signs due to weather, irrigation damage, vandalism, etc.
  - h. Any non-compliant Political Signage on SAMLARC maintenance areas will be removed and discarded. This includes SAMLARC maintained medians where Political Signs are not permitted.
  - i. SAMLARC reserves the right to remove Political Signage in order to maintain SAMLARC maintenance areas.
  - j. Signs removed by SAMLARC for maintenance reasons will be discarded if not claimed within 3 days following removal.
  - k. Only designated SAMLARC maintenance area locations are approved for Political Signage.

- l. No more than two signs per candidate are permitted at each designated SAMLARC maintenance area.
- m. All political signage must be placed within the red ground stake indicators within designated SAMLARC maintenance areas at approved locations designated for Political Signage. Any signage outside of these designated areas will be removed. Maps are available from the Management Company upon request.

**I. STORAGE PODS**

Storage pods require a request in writing and approval from Management. Requests will be approved on a case by case basis.

**J. DUMPSTERS**

Dumpsters require a request in writing and approval from Management. Requests will be approved on a case by case basis. The City of Rancho Santa Margarita has a list of permitted haulers that are allowed to place their bins in the City. Residents may not use companies that are not permitted to haul within the City of Rancho Santa Margarita.

**K. MISCELLANEOUS**

1. Driveway Maintenance: Must be kept clean and free of oil and rust stains.
2. Environmentally Sensitive Materials: Residents must not dispose of environmentally sensitive materials in the street, gutters, SAMLARC trash container, SAMLARC dumpster or any planted or unplanted SAMLARC common areas. In Rancho Santa Margarita, these products must be taken to an authorized location for disposal.
3. Posting of any signs and/or flyers will be not permitted on SAMLARC Community Property including, but not limited to landscaping, median islands, poles, and buildings, unless approved by SAMLARC.
4. Play equipment, including inflatable structures, are not permitted on SAMLARC Community Property unless a Use Permit is issued by SAMLARC.
5. Animals (e.g. pony rides) are not permitted on SAMLARC Community Property without prior approval of SAMLARC.
6. Unsightly Items:
  - a. All weeds, rubbish, debris, or unsightly materials or objects of any kind shall be regularly removed from the Lots and shall not be allowed to accumulate thereon.
  - b. All clotheslines, wood piles, storage areas, machinery, and equipment shall be prohibited upon any Lot unless obscured from view of adjoining streets, Lots, sidewalks, Dwellings, or Community Property.
  - c. Dead landscaping, including trees, shrubs, bushes, vines, and other plant material shall be removed immediately.

7. Portable Sports Equipment: When not in use, portable sports equipment, play equipment or free-standing equipment must be kept within property lines and not stored on front lot lawns, streets, sidewalks, curb ramps or Handicap-Access. All such equipment shall meet industry safety standards, kept aesthetically pleasing, and in proper maintenance.
8. Portable pop-up shade structures (i.e., canopies, tents, instant shelters), when not in use, must be removed from street and adjoining lot view. Temporary shade structures cannot be used as a means to shade household windows, doorways, pets, vehicles, etc. in his setting apart
9. Residential waste and recycling containers shall not be placed out for service earlier than 3:00 p.m. on the afternoon prior to schedule service, and must be stored behind gate or in garage within 24 hours of service.
10. No variance from the use restrictions contained in the Article entitled "Use Restrictions" of the CC&R's may be granted.
11. The Board has determined that the operation of drones above, on, over Community Property is a nuisance. Further the Board has determined that operating a drone above, on, from, over, or across property not owned or leased by the drone operator constitutes a nuisance. The operation of drones above, from, over, and on Community Property is prohibited. The operation of drones above, on, from, over, or across property not owned or leased by the drone operator is prohibited.

## **V. RECREATIONAL AND DESIGNATED FACILITIES**

### **A. GENERAL**

Use of the Recreational and Designated Facilities is limited to Registered Residents and their guests, with the following restrictions:

1. Residents may use the Recreational and Designated Facilities without charge during normal operational hours, except when Designated Facilities are being reserved by a Use Permit or are posted CLOSED. Use by a permit has priority over use without a permit.
2. Hours of operation and Guidelines affecting specific facilities will be posted at that facility, and they form an integral part of these Guidelines.
3. Use priorities for reserved use through a permit are based on a priority system. Use authorized through a Permit shall have priority over non Permitted use.
4. Pursuant to California State Law, children under the age of fourteen (14) years must be accompanied, while in the Designated Facilities, by a responsible person, who shall not be younger than eighteen (18) years.
5. Each Resident is responsible at all times for his or her own conduct, as well as the conduct of all members of their family; their guests; their invitees; and or their agents within the Community Property. Use privileges will be suspended if any person is found to be in violation of these Guidelines.



6. Use of the Recreational and Designated Facilities is subject to the following Rules of Conduct:
  - a. No Smoking is permitted.
  - b. Profane or obscene language is not permitted.
  - c. No fighting is permitted.
  - d. No Littering is permitted. Trash containers must be used at all times.
  - e. Gambling and other illegal activities are prohibited.
  - f. No skateboarding permitted on SAMLARC amenities including but not limited to seat walls, tree planters, benches, stairs or railings.
7. Individuals, or groups, engaged in hazardous/destructive or potentially hazardous/destructive activities, and individuals who, in the opinion of staff or the Board, are incapable of reasonable control of their actions (due to alcoholic beverages, etc.) will be requested to leave any Recreational or Designated Facility immediately.
8. With the exception of the Lagoon and Beach Club subject to the requirements herein, alcoholic beverages are prohibited on the Recreational and Designated Facilities.
9. The Recreational and Designated Facilities may not be used for commercial purposes, except as otherwise designated by the CC&R's. Products, other than those provided by SAMLARC vendors, may not be sold at any Recreational or Designated Facility for the profit of any individual or commercial enterprise. This does not apply to Board approved non-profit organizations that request fund-raising activities for support of activities approved by a Use Permit.
10. Health regulations will be strictly enforced at all times.
11. Glass of any type is prohibited at all Recreational and Designated Facilities, unless otherwise posted. This includes, but is not limited to: drinking glasses, bowls, beer/soda bottles, pitchers, etc.
12. Residents are responsible for closing Designated Facility gates when entering or leaving any Designated Facility.
13. Portable barbecues and or propane tanks are not permitted at any Recreational or Designated Facility unless specifically approved by a Use Permit.
14. Except for Service Animals, no animals are allowed in Designated Facilities, unless in conjunction with an approved activity where Pets are permitted.
15. Bicycles, skates, and skateboards are not permitted in any Designated Facilities, or on the basketball courts. Bicycles must be parked at the bike racks provided.
16. All accidents and/or injuries occurring at Recreational or Designated Facilities or on Community Property must be reported within twenty-four (24) hours to SAMLARC. SAMLARC will not be held responsible for any accident or injury occurring at any Recreational or Designated Facility, or on Community Property, by Residents, Members of their family, guests, invitees, and/or agents.

17. Any damage and/or vandalism occurring at the Recreational or Designated Facility, or on Community Property, should be reported immediately to SAMLARC. Any Resident witnessing damage or vandalism should attempt to inform SAMLARC Management immediately, and if safely possible, should obtain the violating Resident's name, license plate number, or Gate Access ID Card number. SAMLARC will not be held responsible for any damage and/or vandalism occurring at any Recreational or Designated Facility, or on Community Property, by Residents, Members of their family, guests, invitees, and/or agents.
18. Use of Recreational Facilities and Designated Facilities is at the Resident's own risk.
19. Posting of any signs and/or flyers will be not permitted on SAMLARC Community Property including, but not limited to landscaping, median islands, poles, and buildings, unless approved by SAMLARC.
20. Play equipment (e.g., bouncers) and/or animals (e.g., pony rides) are not permitted on SAMLARC Community Property, unless specifically approved by a Use Permit.
21. Violations of any of the rules or failure to follow the instructions of the program staff at any time, repeat violations of a rule or multiple violations of any rules are grounds for removal from any program and loss of use of the Recreational and Designated Facility.
22. All use shall be subject to applicable Detailed Park Use Guidelines.
23. No person shall bring into or discharge firearms, firecrackers, rockets, torpedoes, or other types of explosives: bring into or discharge any gun, pistol, slingshot or similar devices, or carry or use any bows and arrows, or carry or use any other object capable of propelling a projectile; or carry or use any object calculated or likely to make a noise sufficient to disturb the peace and quiet enjoyment of the Recreational Facility.
24. Recreational Facilities cannot be used for personal financial gain or commercial activity. If signs or flyers are posted advertising an event, they will be removed, and the Registered Resident may be fined, and the event canceled.
25. Private events that include an admission charge, or commercial activities that include the exchange of money for goods is prohibited. This includes catering events, food vendors, and the sale of any type of goods for a fee.
26. Events that require the use of amplified sound require an Amplified Sound Permit from SAMLARC.
27. Flowers, balloons, streamers are allowed, but only string or ribbon may be used to hang or attach decorations. Staples, tacks, and/or tape are not permitted. All decorations must be removed after the event.
28. Residents must indemnify and save SAMLARC harmless from any loss or damage to personal property by fire, theft, or from any cause whatsoever and to indemnify and save SAMLARC harmless from any and all liability for injury or death of any person or persons, or loss or damage to any property caused or occasioned by, or arising out of the use of SAMLARC Recreational or Designated facilities.

## **B. BOATING**

In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

1. Only SAMLARC owned and maintained boats are allowed. This rule shall not apply to model hobby craft vessels smaller than two (2) feet in length.

## **C. FISHING**

In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

1. The Lake is owned and stocked by SAMLARC.
2. Fishing is restricted to Registered Residents and their guests.
3. Fishing is permitted from a Boat, and from the areas surrounding the Lake, except the fenced area of the Beach Club facility and the concrete area at the east end of the Lake.
4. Fishing is permitted with no more than one (1) pole per person, with no more than two (2) hooks per line.
5. The line shall be attended at all times.
6. The use of gigs, spears, explosives, firearms, air rifles, nets, traps, or bow and arrows is prohibited. Netting or trapping minnows, or mosquito fish, is prohibited.
7. The reel limit per person, per day, is any combination of fish equaling four (4). A penalty per fish over the limit will be assessed.
  - a. Minimum size requirement is twelve (12) inches.
  - b. Fish under the minimum size requirements must be returned to the Lake immediately. The releasing of any fish is permitted, providing the fish is in healthy condition. Do not try to remove the hook if the fish has swallowed it. If hooked other than in the lip, cut the line, and the fish will absorb the hook.
8. In order to protect the natural ecological balance of the Lake, the only types of bait permitted are: red worms, night-crawlers, meal worms, terrestrial insects (grasshoppers, crickets, etc.), salmon eggs (fish roe), marshmallows, and catfish stink bait.
9. SAMLARC is the only entity allowed to introduce any fish, or wildlife of any kind, into the Lake. Violators will be fined.
10. Cleaning of fish, or disposing of fish at the Lake edge, is prohibited, and will result in a fine.
11. Trash, rubbish, or other debris must be placed in trash containers around the Lake, and not left on the Lake edge. Violators will be subject to a fine.

## **D. LAKE and LAKESHORE**

The Lake and Lakeshore are considered a Recreational Facility. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

The Lake is a man-made body of water and must be carefully maintained to keep it in an ecologically healthy and attractive condition. The Lake is maintained by technicians experienced in the use of chemicals, which are used to inhibit the accumulation of weeds, algae, animal wastes, and insect pests. At the time these chemicals are used, or if unforeseen problems arise, it may be necessary to restrict or prohibit the use of the Lake.

1. Throwing trash, rubbish, debris, cigarette butts or any foreign objects into the Lake is prohibited. All refuse must be disposed of in trash containers.
2. The introduction of any fish, reptile, animal, or other wildlife into the Lake is prohibited. Violators will be fined.
3. Domestic pets around the Lakeshore must be on a leash. Each Resident is responsible for removing his/her dog's, cat's or other animal's defecation from the Lakeshore.
4. Dogs, cats, or other animals shall not be carried or transported on the Lake; nor shall they be permitted in any manner to enter the Lake.
5. Feeding of ducks, mallards, and other birds is prohibited, and subject to a fine.
6. Wading, swimming, scuba or skin diving is not permitted in the Lake, other than for rescue or maintenance purposes.

#### **E. SWIM LAGOON**

The Swim Lagoon is a Designated Facility. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

Lagoon Monitors and/or Lifeguards may be in place during the Spring and Summer seasons to monitor the water and respond to emergencies. Lagoon Monitors and/or Lifeguards supplement parental supervision, they do not take the place of parental supervision. Always keep a close eye on your children when they are in the water. When supervising children in the water, parents should not use cell phones, read books or engage in activities poolside that take attention from supervising children. Children, even those that have learned to swim, can become distressed or submerged in seconds. Please help keep the SAMLARC Swim Lagoon safe for your child by paying close attention to them at all times.

1. Swimming in the Lagoon is limited to specific hours, which are posted at the Lago Santa Margarita Beach Club entrance. Hours are subject to change without notice. Swimming is at one's own risk.
2. While in the water children three (3) years old and under must be within arm's length of a parent or responsible adult eighteen years of age or older. Children four (4) years old to six (6) years old must have a parent or responsible adult eighteen years of age or older in the water within ten (10) feet of the child.
3. Only U.S. Coast Guard-approved life preservers are allowed. A limited number of approved life vests are available for checkout at the Lagoon and pools during the hours of staffing. Please check with SAMLARC staff for availability.
4. Fins, air mattresses, flotation devices, or other similar devices are not permitted in the Lagoon.

5. All children under four (4) (toilet trained or not) must wear waterproof rubber shorts (with elastic at the waist and legs), when in the water. During staffing hours, vinyl waterproof swim shorts are available at the office.
6. Diving is not allowed.
7. All swimmers must shower prior to entering the Lagoon.
8. Consistent with Title 22 §65541 of the California Code of Regulations, Resident and Guest Lagoon users having a communicable disease while in an infectious state, or while having any symptoms such as a cough, nasal or ear discharge or when wearing bandages, shall not enter the Lagoon water unless the Lagoon user submits a current written statement to the Lagoon operator, signed by a license physician, confirming that the Lagoon user does not present a health hazard to others using the Lagoon or ancillary facilities.
9. Running is not allowed in the swim Lagoon, on the adjacent sand, or on the paved areas. Horseplay or unruly conduct is not permitted in the swimming area.
10. Hairpins and metal clips are not allowed.
11. Cut-offs, or clothing other than normal swimming attire, is not allowed to be worn while in the Lagoon.
12. Food is not permitted in the water. Water fowl should never be encouraged by feeding. These birds add unwanted nutrients to the water that are damaging to the water quality.
13. SAMLARC furniture and property must not be removed from the Lago Santa Margarita Beach Club area nor shall it be placed in the water.
14. The use of Beach Club lounge chairs may be limited on seasonal high usage days.
15. Parents are to accompany all children into the Beach Club restroom facilities.
16. Changing of diapers on the beach is not permitted. Diaper changing tables are provided in the restroom facilities.
17. Throwing trash, rubbish, debris, cigarette butts or any foreign objects into the Lagoon is prohibited.
18. Personal items may not be left in the area overnight. All "lost and found" items should be turned in to the Beach Club office. These items will be kept for thirty (30) days and then, if not claimed, may be discarded.
19. Except for Service Animals, no animals allowed in Designated Facilities, unless in conjunction with an Approved activity where Pets are permitted.
20. Residents, or their guests, shall not enter the equipment areas at any time.
21. Radio and stereo noise shall be kept at a moderate level. SAMLARC has discretionary power to limit noise levels.
22. Water contamination will result in closure of the Swim Lagoon.
23. Non-compliance with these policies will result in expulsion from the Beach Club.

24. Individual or group private swim lessons or swim instruction may not be provided in SAMLARC Pools or the Lagoon for commercial purposes unless approved SAMLARC. Commercial purposes is defined as any action taken on the part of an instructor for pay or income generation.

#### **F. POOLS AND WADERS**

The Swimming Pools and Waders are Designated Facilities. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

Pool Monitors and/or Lifeguards may be in place during the Spring and Summer seasons to monitor the water and respond to emergencies. Pool Monitors and/or Lifeguards supplement parental supervision, they do not take the place of parental supervision. Always keep a close eye on your children when they are in the water. When supervising children in the water, parents should not use cell phones, read books or engage in activities poolside that take attention from supervising children. Children, even those that have learned to swim, can become distressed or submerged in seconds. Please help keep the SAMLARC Pools and Waders safe for your child by paying close attention to them at all times.

1. Swimming in the Pools and Waders is limited to Registered Residents and their guests.
2. Swimming in the Pools and Waders is limited to specific hours, which are posted at each facility. Hours are subject to change without notice. Swimming is at one's own risk.
3. While in the water children three (3) years old and under must be within arm's length of a parent or responsible adult eighteen years of age or older. Children four (4) years old to six (6) years old must have a parent or responsible adult eighteen years of age or older in the water within ten (10) feet of the child.
4. Only U.S. Coast Guard-approved life preservers are allowed. A limited number of approved life vests are available for checkout at the pools during the hours of staffing. Please check with SAMLARC staff for availability.
5. Fins, balls, air mattresses, flotation devices or other similar devices are not permitted in the Pool.
6. All children under four (4) (toilet trained or not) must wear waterproof vinyl shorts, (with elastic at the waist and legs), when in the water. During staffing hours, vinyl waterproof swim shorts are available. Please see a staff member for assistance.
7. Diving is not allowed.
8. All swimmers must shower prior to entering the Pool or Waders.
9. Consistent with Title 22 §65541 of the California Code of Regulations, Resident and Guest Pool or Wader users having a communicable disease while in an infectious state, or while having any symptoms such as a cough, nasal or ear discharge or when wearing bandages, shall not enter the Pool or Wader water unless the Pool or Wader user submits a current written statement to the Pool or Wader operator, signed by a license physician, confirming that the Pool or Wader user does not present a health hazard to others using the Pool, Wader, or ancillary facilities.

10. Running is not allowed in the Pool and Waders areas. Horseplay or unruly conduct is not permitted in the swimming area.
11. Hairpins and metal clips are not allowed.
12. Cut-offs or clothing other than normal swimming attire, are not allowed to be worn while in the Pool or Waders.
13. Food is not permitted in the water.
14. Except for Service Animals, no animals are allowed in Designated Facilities, unless in conjunction with an Approved activity where Pets are permitted.
15. SAMLARC furniture and property must not be removed from the Pool area, nor shall it be placed in the water.
16. Water contamination will result in immediate closure of the Pool or Waders.

#### **G. TENNIS COURTS**

The Tennis Courts are Designated Facilities. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

1. Use of the Tennis Courts is limited to Registered Residents and their guests during the specific hours posted at each facility.
2. Tennis shoes (rubber soled shoes) are the only type of footwear permitted on the courts.
3. All players waiting to play (and spectators) must remain off the court area. Parents bringing non-playing children must keep them supervised at all times.
4. All players must sign up on the chalkboard on the day of play (if posted at the facility) before playing, and must have their Gate Access ID Card with them when signing up for courts.
5. Tennis Courts may be used for 1 1/2 hours of playing time. If, at the end of the play period there is no one waiting for the court, players may continue to play until another party arrives. Individual players may not hold a court while others are waiting to play.
6. Courts are available on a first come, first served basis, unless posted "reserved" for an APPROVED or Structured Activity. APPROVED or Structured Activities will take precedence over individual use.
7. The use of privately owned ball machines is permitted with the approval of SAMLARC.
8. Rallying against the windscreens is not permitted.
9. Food and beverages, other than water, are not permitted on the tennis courts.

#### **H. PARKS AND TRAILS**

The Parks and Trails are considered a Recreational Facility. In addition to the specific Guidelines that follow, refer to General Guidelines, Section V-A.

1. The Parks and Trails consist of active and passive areas.
2. The active areas consist of the covered picnic areas and the adjacent barbecues, and sport fields, and the basketball and volleyball courts.

3. The passive areas include the tot lots, play equipment, uncovered picnic tables with barbecues; open grass areas, walkways and benches.
4. All active areas may be reserved for use by obtaining a Park Use Permit. If not reserved, the active areas are available on a first come first served basis. The passive areas cannot be reserved and are available on a first come first served basis only. Those with a Park Use Permit have use priority over those without a permit.
5. All league or structured activities must first obtain organization approval from SAMLARC before obtaining a Park Use Permit.
6. The following Guidelines apply to the use of all Park and Trail areas.
  - a. All Parks and Trails are open from 6:00 A.M. to 10:00 P.M.. Use from 10:00 P.M. to 6:00 A.M. is prohibited unless specifically authorized by SAMLARC.
    - 1) The Lakeshore shall be open until 11:00 P.M.
    - 2) All lighted Sports Fields shall be open until 10:00 P.M.
  - b. No person shall drive or otherwise operate a Vehicle in a Park or Trail area on surfaces other than those maintained and open to authorized users for the purposes of vehicular travel. The only exceptions are: Vehicles in service of SAMLARC; law enforcement Vehicles; emergency Vehicles; or, those specifically authorized by Park Use Permit.
  - c. No person or group shall install, use, and operate within any Park Non-Sports Area or Park Sports Field a loudspeaker or any sound amplifying equipment unless specifically authorized by an Amplified Sound Permit. Exceptions include: Use by law enforcement personnel; or, use by SAMLARC Staff.
  - d. Authorized non-profit organizations may obtain use of approved vendors for permit-authorized fund-raising efforts. All commercial vendors must first be requested by the fund raiser, then that vendor must obtain approval from SAMLARC.
  - e. No person, group or organization shall make any modifications or additions to, any area in the Park Non-Sports Areas or Park Sports Fields unless specifically authorized in writing by SAMLARC.
  - f. The practicing or playing of golf on any Park Non-Sports Area or Park Sports Field is prohibited.
  - g. Inclement weather is defined as weather which, in the sole judgment of SAMLARC, would leave a Park in a condition that would present a risk of damage to the Park Sports Field or injury to the user. SAMLARC has the authority to close all or any portion of a Park Sports Field to a user based on inclement weather.
7. Sports League and Organized Sports Use on Central Park and the neighborhood parks of Cielo Vista, Estrella Vista and Mesa Linda Park:
  - a. It is not recommended that these parks be utilized for sports league and organized sports use.
  - b. Any use will be restricted to practice only, and for no longer than one month during the calendar year unless otherwise approved by the Board of Directors.



- c. Use will require a Special Use Permit approve by the Board of Directors on a case by case basis.
- d. Use by sports leagues subject to all other fields being reserved and there being no other field available.

Note: Some Parks and Trails border natural wildlife habitats that may contain mountain lions, coyotes, rattlesnakes, ticks and other wildlife. This wildlife may be present at Parks and Trails at any time. Use caution at all times and carefully monitor children and pets.

**I. PARK USE PERMIT**

The Park Use Permit reservation system is available to all SAMLARC Residents. In addition to the specific Guidelines that follow, refer to General Guidelines, Section V-A.

Applications for reservations may be made by a Resident, at the Beach Club, the SAMLARC Business office or online at [www.samlarc.org](http://www.samlarc.org). The Resident making the reservation must be present during the entire period for which the facility was reserved.

- 1. Permits must be obtained whenever use involves one or more of the following conditions:
  - a. Groups that involve more than 30 persons.
  - b. Use for a Special Park Activity.
  - c. Activities that are structured, organized and reoccurring.
  - d. Use initiated by a non-resident person or organization.
- 2. A separate permit, in addition to the Park Use Permit, is required for any snack bar use, amplified sound use, tournaments or clinics, and "Jump Houses".
- 3. A Park Use Permit will be issued in accordance with the following User Group Priority Rankings:

| <b>USE<br/>PRIORITY</b> | <b>USER GROUP</b>                                                                                                                   |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| I                       | SAMLARC Events                                                                                                                      |
| II-A                    | SAMLARC Approved, Resident based (50% and above SAMLARC Member participants), non-profit, organized recreation-level youth sports   |
| II-B                    | SAMLARC Approved, Non-Resident based (49% or less SAMLARC Member participants), non-profit, organized recreation-level youth sports |
| III-A                   | SAMLARC Approved, Resident based, non-profit, organized recreation-level adult sports                                               |
| III-B                   | SAMLARC Approved, Resident based non-profit club or travel teams                                                                    |
| III-C                   | SAMLARC Approved, Resident based, for profit club or travel teams                                                                   |

- IV SAMLARC Resident based: (a) private parties; and, (b) neighborhood oriented activities, closed to the public
- V Non-Profit service area organization or City of Rancho Santa Margarita
- VI Non-Profit out of area service organization
- VII Commercial or Corporate

The SAMLARC Board of Directors reserves the right to facilitate necessary governmental events as appropriate.

SAMLARC Residents must be current on all assessments, as well as fines, fees and charges to be eligible for a Park Use Permit.

4. Resident-based Groups II-A and III-A are defined as groups with 50% or more SAMLARC Residents, and the Park Use Permit requestor is a SAMLARC Resident. Resident Based Group II-B is defined as groups with 49% or less SAMLARC Resident participants. The Park Use Permit will be granted to organizations in a specific activity having the higher percentage of SAMLARC Members.
5. Resident-based User Groups III-B is defined as groups with 30% or more SAMLARC Residents, non-profit, all volunteer based to include administrators, coaches, and trainers.
6. Resident-based User Groups III-C is defined as groups with 30% or more SAMLARC Residents, and has paid staff, including but not limited to administrators, coaches, and trainers that receives monetary compensation directly or indirectly from its membership.
7. Park Use Fees. There is no charge to SAMLARC Registered Residents for obtaining a Park Use Permit for any park area. However, there shall be Use Fees and/or Deposits charged for use of the Park Sports Fields or any Park Facilities in accordance with the current fee structure. Fees for governmental events will be determined based on scope and need.
8. Any park user wanting a Park Use Permit will be required to provide proof of liability insurance coverage in an amount and upon such terms as approved by SAMLARC. The only exceptions are for a picnic permit, and for permits for Resident pick-up games/activities, which are for one-time Park Sports Field use.
9. The following limitations apply when requesting reservations:
  - a. No reservation shall be obtained for:
    - 1) A legal holiday.
    - 2) Weekday use between dusk and 6:00 a.m. the following day or from 10:00 a.m. to 6:00 a.m. the following day at lighted fields.
    - 3) Saturday use between dusk and 8:00 a.m. the following day, or between 10:00 p.m. and 8:00 a.m. the following day for lighted fields.
    - 4) Sunday use between 5:00 p.m. and 6:00 a.m. the following day.

- b. Priority IV-VII user requests must be for one date, time, and place only, no multiple dates.
  - c. Priority IV - VII user requests must be scheduled for one (1) hour minimum, six (6) hours maximum.
  - d. Priority IV - VII requests will be considered on a first-come, first-serve basis. Any Priority IV - VII weekday reservation request is considered a special request.
  - e. The maximum people allowed for Priority IV permits are: 30-90 for picnic areas depending on seating capacity, and 30 for pick-up Sports Field use.
  - f. The covered picnic area will be reserved for picnic only.
  - g. Only one permit at a time will be issued per covered picnic area.
  - h. "Jump House", Snack Bars use, or other special considerations will require a separate permit in addition to the Park Use Permit.
10. Use Scheduling Guidelines - Priority II-A, II-B, III-A, III-B and III-C - Sports Facilities.
- a. Allocations. A rational, organized and fair yearly layout of Sports Field use by user category, organizations, and seasons should be used over a first-call, first-scheduled system.
  - b. Sports of Choice. The sports that are chosen for allocation should be those that by their popularity numbers will serve the most SAMLARC Members with the most efficient use of Sports Fields.
  - c. Season Blocks of Time. Specific attention should be made to traditional organized sports seasons. These seasons, or blocks, should be allocations to SAMLARC approved organizations and should be held open until the exact use schedules are delineated by permit. Any remaining time slots and/or Sports Fields from the "blocked" time can be made available to other demands. These blocks must take into consideration maintenance "blocks" of time.
  - d. Priority. The priority of approved organizations with the blocks of times should be based on the Use Priorities set forth herein. Other priority Guidelines are as follows:
    - 1) Season priority should go to the "Primary" season sport (e.g. baseball and softball in the spring, soccer and football in the fall). Off-season sports should have secondary priority as field availability allows.
    - 2) Priority III-B and III-C membership shall consist of SAMLARC residents at a percentage of no less than 30% of rosters.
    - 3) Priority III-B and III-C allocations will be determined once Priority II and III-A allocations have been distributed. There is no guarantee that Priority III-B or III-C will be granted use from one season to the next.
    - 4) No Park Use permit-holder may sublet to any other organization, club or team. Doing so will revoke the permit. Other sanctions may include banning the permit-holder from further use of facilities.

- e. Tournaments and Clinics. The existing approved permitted league organizations should have priority when requesting permits for fundraising tournaments and/or clinics.
  - f. Park Maintenance. Park Sports Field maintenance requirements should be coordinated with SAMLARC contractors and allocations or blocks set aside for this purpose. Field down time should be pre-planned and scheduled on a yearly basis to optimize both the user needs and Sports Field maintenance needs. Authorized Maintenance Personnel (AMP) may be used for this purpose.
  - g. Types of Organizations to Approve. Criteria for approval should be based on, but not limited to, non-profit status; insurance coverage; national or regional recognition; recreational instructional league; longevity of locally managed franchise; experience of current administrators; volunteer runs status; franchise area; and percentage of SAMLARC Members.
  - h. Adult Time. Sufficient time should be allocated specifically for adult sports, providing there are appropriate facilities and demand.
  - i. Pick-up, One-time Use. One-time, single use requests should be permitted on a first-come, first-served basis as the regular schedule allows. One-time use is not allowed for league teams.
  - j. Blanket Scheduling. The allocated blocked time should be the scheduled time, dates, and hours authorized on the Park Use Permit. The permit schedule should be determined by the actual schedules for practices, games, playoffs, and other season events within the blocked time. Any allocation left over should be made available to other needs.
  - k. Scheduling Coordination. Scheduling for picnics, priority IV, V, VI, VII, and Sports Field areas on a specific park should be coordinated in such a manner so as to prevent interaction conflict between users.
11. All organization approvals and Park Use Permits are obtained by contacting the SAMLARC Park Use and Sports Field Management department.
12. Organizations applying for Priority III-B and III-C status need to supply the following information before consideration for approval by the Board of Directors:
- a. Two years of financial statements.
  - b. Provide certified rosters from a National or Sanctioning body (ASA, Pony, Little League, AYSO, Cal South, TCS) to include the name, address, City, zip code, and ID number of all members.
  - c. If non-profit, supply a copy of the letter of Non-Profit Status (501 c3) from the Internal Revenue Service.
  - d. Contact information of the Board of Directors, team officials.
  - e. Define boundaries of membership.
  - f. Indicate whether they have any paid staff.

13. Fee waiver requests for Special Use Permits will be evaluated as follows:

- a. Fees may be waived for nonprofit organizations/groups whose proceeds are earmarked for charitable and/or beneficial causes. Organizations must demonstrate how their event and/or activity directly benefit the SAMLARC community.
- b. Fees may be waived for SAMLARC approved youth organizations conducting special events, e.g., picture day, or fundraisers to reduce player fees.
- c. Fees may be reduced or waived for the City of Rancho Santa Margarita where there is no charge to residents.

**J. SAMLARC ARENA**

The SAMLARC Arena is a Designated Facility. Use shall be approved and permits issued in accordance with approved User Groups. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

1. The primary use of the SAMLARC Arena will be arena (indoor) soccer.
2. The SAMLARC Arena is a "closed" facility and shall be open only when: (a) scheduled and supervised by an approved organization that has been issued a Park Use Permit; or, (b) for special events.
3. The SAMLARC Arena is available for use by Registered Residents and their guests only, and by approved league organization Members.
4. Anyone using the SAMLARC Arena when it is "closed" will be subject to trespassing violations.
5. All persons under the age of eighteen (18) years shall be required to have a completed liability waiver form and emergency card on file prior to the use of the SAMLARC Arena. The liability waiver form and emergency card must be completed by the child's responsible parent or guardian.
6. All persons under the age of eighteen (18) must be supervised by a responsible person twenty-one (21) years or older while in the SAMLARC Arena. The above criteria are subject to liability waiver and emergency card approval.
7. All Residents who want to use the Designated Facility for league play must register with the contracted program vendor.
8. No person, group or organization shall make any modifications to or addition to, anything in the SAMLARC Arena, unless specifically authorized in writing by SAMLARC.
9. Sportsmanlike conduct, fair play, and a cooperative attitude govern behavior at all times. Failure to observe this code could result in termination of Permit.
10. Food and beverages are not permitted inside the SAMLARC Arena.
11. Skate Boards are not allowed in the SAMLARC Arena.

12. The following equipment is required for all participants, regardless of age, during use of the SAMLARC Arena:
  - a. Shin guards.
  - b. Proper flat soled and rubber based athletic shoes.
13. Any size soccer ball, indoor or outdoor will be allowed.
14. Additional equipment requirements for arena soccer leagues and/or other programming options will be determined by the permitted program organization.
15. Equipment regulations will be strictly enforced upon entrance to the SAMLARC Arena. Failure to properly adhere to the specified equipment regulations will prohibit use of the SAMLARC Arena.
16. Equipment regulations will be enforced by the permitted program vendor upon entrance to the SAMLARC Arena.
17. SAMLARC and the contracted program vendor reserve the right to remove persons from the SAMLARC Arena for violations of any of the above rules.
18. SAMLARC or the permitted program vendor reserves the right to close the arena due to rain or inclement weather, or due to unsafe or hazardous conditions.
19. All injuries or accidents must be reported to the on-site permitted program vendor and SAMLARC.

**K. AMPHITHEATERS AT CENTRAL, TRABUCO MESA AND LAKESHORE PARKS**

Amphitheaters are considered Recreational Facilities. In addition to the following specific Guidelines, please refer to the General Guidelines, Section V-A.

1. The reservation of the amphitheater is restricted to Registered Residents for personal use only.
2. Reservation of the amphitheater does not include the exclusive use of other Recreational or Designated Facilities. Although the amphitheater may be used by those reserving it, and their guests, other Residents and their guests may not be excluded from the use of the surrounding areas.
3. The amphitheater may be reserved no more than one-hundred-and-eighty (180) days in advance, and cannot be reserved for two consecutive weeks.
4. A security deposit will be required to be provided to SAMLARC no later than 14 days prior to the scheduled time of use. If there is no damage to the property, the deposit will be returned.
5. All events must begin no earlier than 8:00 a.m. and must end no later than dusk. The amphitheater may not be reserved after dusk.
6. The following applies to Priority User Groups:
  - a. Requires a Reservation Use Permit indicating the number of guests.
  - b. 3 hours use minimum.
  - c. Preparation of food in the amphitheater area is not allowed.

- d. Banquet tables or chairs may be set-up on the grass of the amphitheater with prior approval.

**L. CENTRAL PARK GRAND TERRACE**

The Central Park Grand Terrace is the park area bounded by the Civic Center, two adjacent parking lots and palm trees and is considered a Recreational Facility. In addition to the specific Guidelines that follow, refer to the SAMLARC Policy and Guidelines, Section V-A.

1. Use Fees: Use of the Grand Terrace requires a reservation and will be subject to a fee. A security deposit will be required to be provided to SAMLARC no later than 14 days prior to the scheduled time of use.
2. All organized, structured use must be reserved by permit. Permit-reserved use has priority over non-permitted use.
  - a. No sports activities are allowed on the Terrace.
  - b. No alcohol allowed.
3. Private Resident Groups:
  - a. Private Resident Groups require a Reservation Use Permit.
  - b. 150 people maximum allowed.
  - c. 4 hours use minimum.
  - d. Approval is required for concerts or amplified sound.
  - e. Non-amplified musical accompaniment such as a guitar, flute or harp soloist is allowed.
  - f. Grand Terrace reservation does not include exclusive use of adjacent recreational or designated areas. Residents and their guests not part of the reserving group may not be excluded from the use of adjacent recreational or designated areas.
  - g. Private Resident groups may not reserve the Grand Terrace more than 180 days ahead of time, nor for two consecutive weeks.
  - h. Preparation of food in the Grand Terrace area is not allowed.
  - i. Banquet tables or chairs may be used. However, type and setup must be approved by staff for non-degradation of turf. User is responsible for obtaining these items.
  - j. No cars or trucks are allowed on the Grand Terrace. All tables, chairs, etc., must be carried on by the vendor.
  - k. No modifications can be made to the Grand Terrace without specific approval.
  - l. If any other sizeable items, not normally on the Grand Terrace, are required for the event (e.g. booths, platforms, jumpers), they must be separately approved and the transportation and placement coordinated through SAMLARC staff.
  - m. Use of placards, posters, or other temporary display or signage type items must specifically be authorized by SAMLARC.
  - n. The Grand Terrace and adjacent areas must be picked up at the end of the use.

- o. All trash must be removed picked up and deposited in the trash receptacles located throughout the Grand Terrace.
  - p. If receptacles are full, trash is to be put in tightly secured trash bags to be supplied by the permittee and placed next to any trash receptacle for pickup.
  - q. All items must be removed from the Grand Terrace no later than 1 hour after completion of the permitted use.
4. Use Hours and Days.
- The following applies only to private groups:
- a. Monday through Friday 8 a.m. - dusk
  - b. Saturday – 8 a.m. - dusk
  - c. Sunday – 10 a.m. – dusk
5. Use Fees. Use by private use groups requires a reservation and will be subject to a fee. A security deposit will be required to be provided to SAMLARC no later than 14 days prior to the scheduled time of use.

## **M. FIESTA ROOM**

### **1. RESERVATIONS**

The Fiesta Room may be reserved by Registered Residents for their personal use. The following Guidelines apply:

- a. Reservation of the Fiesta Room does not include the exclusive use of other Recreational or Designated Facilities. Although the swim Lagoon may be used by those reserving the Fiesta Room, other Residents and their guests may not be excluded from the Lagoon area.
- b. Application for reservation of the Fiesta Room may be made by a Resident, at the Beach Club or online at [www.samlarc.org](http://www.samlarc.org). The Resident making the reservation must be present during the entire period for which the Room was reserved.
- c. Tenants who wish to reserve the Room must have the Owner of their unit complete and sign the Fiesta Room Reservation form.
- d. A security deposit will be required to be provided to SAMLARC no later than 14 days prior to the scheduled time of use.
- e. Residents may make reservations not more than 180 days in advance of the event. The Room may be reserved as late as 48 hours in advance. However, at least two (2) weeks notice must be given if alcohol is to be served at the event, and the security guard fee paid, if applicable.
- f. The Fiesta Room rental fee, and guard fee, if applicable, is due at the time the reservation is made. Fees are non-refundable, and will be retained by SAMLARC if the event is canceled within the fourteen (14) days prior to the event.
- g. Reservations are not accepted for Holidays.
- h. The maximum capacity of the Fiesta Room is forty-two (42) persons.



2. Smoking is not permitted within the Fiesta Room.
3. All musicians, D.J. equipment, stereos and speakers, must be confined within the Fiesta Room.
4. All music must be turned down by 10:00 p.m. and turned off no later than 11:00 p.m.
5. SAMLARC functions have priority over Residents for reserving the Fiesta Room.
6. The Fiesta Room is for the use of Residents and their guests, and may be restricted by the Board of Directors for:
  - a. Delinquent SAMLARC dues.
  - b. Violation of these Policies and Guidelines.
  - c. Deliberate abuse of the Recreational and/or Designated Facilities.
7. The Fiesta Room may not be used for commercial purposes. Products, (other than those provided by SAMLARC vendors), may not be sold in the Fiesta Room, nor in any Recreational or Designated Facility, for the profit of any individual or commercial enterprise.
8. Furniture must not be moved from the interior of the Fiesta Room. Furniture may be moved within the Fiesta Room; however, a service charge will be incurred by the renter if the furniture is not returned to its original position at the close of the event.
9. Alcoholic Beverages may be permitted subject to the following conditions:
  - a. A certificate of insurance from the Homeowner's liability insurance, naming SAMLARC as an additional insured, is required.
  - b. In accordance with California State Law, no one under the age of twenty-one (21) years shall be served an alcoholic beverage while on the premises.
  - c. The Resident shall arrange for all pick-ups and deliveries to be made the day of the event.
  - d. All kitchen equipment, banquet tables, podiums, electrical equipment and sound equipment are to be provided by the Resident.
  - e. The Resident shall be completely responsible for all set-ups and clean-up.
10. The reserved function shall end no later than 12:00 midnight.
11. SAMLARC is not responsible for personal items that may be lost or stolen.
12. Refund of the Security Deposit is subject to deduction for:
  - a. Any damage to the Lago Santa Margarita Beach Club and/or its contents.
  - b. Any damage to SAMLARC Recreational or Designated Facilities or landscaped areas by Residents, or guests.
  - c. Cleaning the Fiesta Room.
  - d. Violation of any of these Policies and Guidelines.
13. Use Fees shall apply to Sub Maintenance Corporation meetings pursuant to the current fee schedule.

14. THE FIESTA ROOM RENTAL FEES ARE SUBJECT TO CHANGE WITHOUT NOTICE.

**N. TEMPORARY BANNER POLICY**

The following banner rules and regulations apply to SAMLARC Community Property:

Temporary Banner Fee: In accordance with current Fee Schedule

1. Banners for legally recognized non-profit community organizations located in the City of Rancho Santa Margarita shall be permitted only on/within areas designated by the SAMLARC Board of Directors. The Community Property areas designated are set forth below.
2. No banner may exceed 48" x 96" (4x8 feet).
3. Commercial advertising for goods and services is not permitted.
4. Banners shall pertain to an upcoming community event only that is open to the general public and is not political or religious in nature.
5. A maximum of four (4) banners may be issued per applicant in one calendar year.
6. Banners will be permitted to be on display for a maximum period of fifteen (15) days prior to the date of the event.
7. Banners must be removed by applicant immediately following the event.
8. Banners must be freestanding mounted on hardware and may not exceed five (5) feet in height.
9. Each Banner Permit Application is limited to one banner. Use multiple applications for multiple banners.
10. SAMLARC will not be liable for damaged, lost or stolen banners due to weather, irrigation damage, vandalism, etc.
11. SAMLARC shall be responsible for the installation and removal of banner.
12. SAMLARC will approve all language on all banners and reserves the right to deny a banner request or remove banner that does not comply with the policies.
13. Banners will be approved for only one time events and excludes ongoing programs.
14. Each designated location shall not exceed a total of one (1) posted banner at any time.
15. All Banner requests will be considered on a first come, first served basis and applications will be accepted up six (6) months in advance.
16. SAMLARC Maintained Property Designated Banner Locations:
  - a. Santa Margarita Parkway at Melinda – two (2) corners in turf areas only.
  - b. Santa Margarita Parkway at Las Flores – two (2) corners in the turf area only.
  - c. Antonio and Banderas – two (2) corners in the turf area only.
  - d. Santa Margarita Parkway at Alicia Parkway – southwest corner in turf area only.
  - e. Santa Margarita Parkway and Antonio – northeast corner in turf area only.

17. Banners located at Sports Fields are subject to the current Sports Field Banner Policy.

**O. SAMLARC VIDEO SURVEILLANCE AND CAMERA POLICY**

After careful consideration, SAMLARC has determined that the use of video surveillance cameras is necessary to deter acts of vandalism and potential criminal activity, and, increase the likelihood that perpetrators of these acts will be identified. SAMLARC has adopted this Video Surveillance Camera Policy in furtherance of these purposes and to assist in complying with privacy laws governing the collection of personal information.

1. Camera Locations And Operations: SAMLARC may install, or has installed, video surveillance cameras in the following locations:

- |                                 |                           |
|---------------------------------|---------------------------|
| Altisima Park                   | Mesa Linda Park           |
| Arroyo Vista Park               | Monte Vista Park          |
| Cañada Vista Park               | Solana Park               |
| Central Park                    | Tijeras Creek Park        |
| Cielo Vista Park                | Trabuco Mesa Park         |
| Estrella Vista Park             | Urban Trail East and West |
| Lago Santa Margarita Beach Club | Vista Verde Park          |

Each of these locations was selected because of its increased potential for incidents of vandalism and other criminal activity. At each location in which cameras are installed, images will be recorded 24 hours per day when motion is detected by the security cameras. All areas subject to video recording will be identified by signs that are clearly posted at the entrance to that area.

Cameras are intended for passive recording purposes. Digital video recording equipment will record video images for viewing in the event that facilities are vandalized or reports of possible criminal activity have been received. Live camera feeds may occasionally be viewed by authorized SAMLARC staff or the SAMLARC security vendor. SAMLARC disclaims any responsibility or obligation to view real time events.

2. Use And Retention of Digital Images:

- a. Video cameras shall be used for the sole purpose of recording digital images to assist in deterring vandalism and other criminal activity. No warranty is made or implied as to resident safety.
- b. In the event of a reported or observed incident, the recorded digital images may be used to assist in the investigation of the incident and may be turned over to law enforcement personnel, if appropriate.

3. Fiesta Room Camera: The Fiesta Room camera may be set to record during reserved hours.

## **VI. ENFORCEMENT POLICY**

### **A. STANDARD ENFORCEMENT PROCESS**

1. In the event that the SAMLARC Covenant Committee observes that an apparent violation of the Governing Documents and/or rules of SAMLARC has taken place or receives a Rules and Violation Report, which has been signed by two or more Residents, the Committee will act as follows:
  - a. Send a violation letter stating the violation and the date by which such violation is to be cured to avoid further enforcement efforts.
  - b. If the violation continues, send a second letter with a notice to the Member advising of the Member's right to appear and discuss the violation with the Covenant Committee. The hearing date will normally be set not less than thirty (30) or more than sixty (60) days from date of written notice of the hearing.
  - c. A Member is present either in person, or by written response to the alleged violation, at a hearing before the Committee. The Committee has seven (7) business days after hearing to deliver written decision to the Member.
  - d. If the decision is to impose a fine, the Fine Schedule will apply.
2. At any point the Committee may determine to continue fines, use the legal system or cause correction of the violation by SAMLARC to resolve the matter. The Member is responsible for legal fees and/or reimbursement of costs incurred by SAMLARC in enforcement activity.
3. Properties in Violation - When a property is in violation of the CC&R's due to lack of repair/maintenance and the Owner chooses a remedy that requires prior ARC approval, Owners will have thirty (30) days from the ARC approval date to commence construction or the execution of the remedy, then an additional thirty (30) days (60 days from ARC approval date) to complete the remedy. The Covenant Committee may, on its own, extend the date of completion as the Committee deems warranted by the extent and nature of the remedy. Or, a reasonable extension may be issued by the Covenant Committee subject to an Owner's request in writing. Dates of commencement and completion will NOT be suspended or extended while the Covenant Committee considers a request to extend any date.
4. A courtesy letter may be sent first on special circumstances.

### **B. RULES AND VIOLATION REPORT**

There must be two (2) Members representing two different Residences of the Master Association to pursue violations that cannot be viewed during an inspection of the community (i.e., barking dog, noise nuisance, garage storage, etc.) Please be as specific as possible to allow the Covenant Committee to expedite the process in a timely manner. Include specific times and locations. All alleged violations will be evaluated to ensure they are considered an infraction as defined by the Master Association's legal documents.

### **C. FAST-TRACK ENFORCEMENT PROCESS**

1. In cases when the violation can be easily and quickly resolved, and in the event that the SAMLARC Covenant Committee observes that an apparent violation of the Governing Documents and/or rules of SAMLARC has taken place or receives a Rules and Violation Report, which has been signed by two or more Residents, the Committee will act as follows:
  - a. Send a letter with a notice to the Member advising of the Member's right to appear and discuss the violation with the Covenant Committee. The hearing date will normally be set not less than fifteen (15) days from date of written notice of the hearing. The letter will include the violation, how to cure the violation and what enforcement may proceed if not cured.
  - b. A Member is present either in person, or by written response to the alleged violation, at a hearing before the Covenant Committee. The Covenant Committee has seven (7) business days after hearing to deliver written decision to the Member.
2. If the decision is to impose a fine, the Fine Schedule will apply.
3. At any point, the Covenant Committee may take action including but not limited to: change the on-going rate of fines; use the legal system; or, correct the violation to resolve the matter. The Member is responsible for legal fees and/or reimbursement of costs incurred by SAMLARC in enforcement activity.

NOTE: Refer to Article XIX, Section 19.01 of the CC&R's for specific language regarding SAMLARC's right of enforcement.

### **D. FINE SCHEDULE**

1. Letter inviting Member to first hearing. Follow-up letter with first fine plus legal fees, as applicable, following the scheduled hearing.
2. Letter inviting Member to second hearing. Follow-up letter with second fine, plus legal fees, as applicable, following the scheduled hearing.
3. Letter inviting Owner to third hearing. Follow-up letter with third fine, plus legal fees, as applicable, following the scheduled hearing.
4. The Covenant Committee may take action including but not limited to: change the ongoing rate of fines; use the legal system; or, correct the violation to resolve the matter. The Member is responsible for legal fees and/or reimbursement of costs incurred by SAMLARC in enforcement activity.

If the violation continues following the third notice of hearing and fine, continuing enforcement may proceed, which may include a combination of the following options:

- a. Seek remedy by use of Internal Dispute Resolution (IDR) to provide a fair, reasonable and expeditious procedure for resolving a dispute between SAMLARC (the Association) and a Member involving the parties' rights, duties, or liabilities under the Davis-Sterling Common Interest Development Act. The IDR process may be begun by either the Association or the Member (the "requesting party") requesting the same, in writing, and serving the other party (the "responding party") with a copy of the written request ("the

Request”) by certified mail. If the process is invoked by a Member, the Association shall participate. If the process is invoked by the Association, the Member may elect not to participate in the procedure. Should the Member elect not to participate in the procedure, however, the Member shall thereby waive any right to appeal or ask the Board of Directors to reconsider any decision it may make regarding the dispute.

- b. Suspend or condition the Owner's right to use any recreation facilities that SAMLARC owns, after Notice of Hearing and suspend the Owner's voting privileges as a Member.
  - c. Forward to legal counsel for further enforcement.
  - d. Seek remedy by use of Alternative Dispute Resolution (ADR) such as mediation or arbitration.
  - e. Enter upon Owner's Lot to remove the violation, make the necessary repairs, or perform maintenance, which is the responsibility of the Owner.
5. Fine amounts are categorized into levels according to the severity of the violation, based on a number of factors including, but not limited to, the violations impact on the neighborhood, cooperation of the Owner in resolving current and prior violations, multiple violations, repeated offenses, etc.

| <b>LEVELS OF FINE PROGRESSION</b> |                 |                 |                               |
|-----------------------------------|-----------------|-----------------|-------------------------------|
|                                   | <b>1st Fine</b> | <b>2nd Fine</b> | <b>3rd Fine and On Going*</b> |
| <b>Level 1:</b>                   | \$50            | \$100           | \$150                         |
| <b>Level 2:</b>                   | \$100           | \$150           | \$200                         |
| <b>Level 3:</b>                   | \$150           | \$200           | \$250                         |

\* Fines increase in \$50.00 increments.

| <b>VIOLATION ENFORCEMENT PROCESS<br/>AND FINE GUIDELINE</b> |                                |                                 |
|-------------------------------------------------------------|--------------------------------|---------------------------------|
| <b>Violation</b>                                            | <b>Enforcement<br/>Process</b> | <b>Standard Fine<br/>Level*</b> |
| Holiday Lighting                                            | Fast Track                     | Level 1                         |
| Garage Usage                                                | Standard                       | Level 1                         |
| Nuisance                                                    | Standard                       | Level 1                         |
| Portable Basketball Backboards                              | Standard                       | Level 1                         |
| Commercial and Inoperable Vehicles                          | Standard                       | Level 1                         |
| Trash Cans                                                  | Standard                       | Level 1                         |
| Unsightly Items                                             | Standard                       | Level 1                         |
| Home Maintenance                                            | Standard                       | Level 2                         |
| Landscape Maintenance                                       | Standard                       | Level 2                         |
| Signs                                                       | Fast Track                     | Level 2                         |
| Vehicle Repairs                                             | Fast Track                     | Level 2                         |
| Window Coverings                                            | Fast Track                     | Level 2                         |
| Non-Submittal of Plans                                      | Fast Track                     | Level 3                         |
| Business conducted from Residence                           | Standard                       | Level 3                         |
| Parking: Recreational / Vehicles                            | Standard                       | Level 3                         |
| Temporary Structures                                        | Standard                       | Level 3                         |

\* *May be modified by the Covenant Committee for specific circumstances and facts, (e.g. history of violation, cooperation, multiple violations).*

Any fines not paid will result in legal action per SAMLARC's legal documents. The Board of Directors will determine the time frame for curing the offenses for each violator consistent with previously reported similar violations, as applicable.

**SPECIAL NOTE:** Should a violation occur which imposes financial obligation upon SAMLARC, then the party responsible for said violation shall reimburse SAMLARC, by way of Special Assessment, for this financial obligation. Example: If an Owner, or an Owner's tenant, guest, family Member or other invitee causes damage to a fence, tree, or any other Community Property, the repair and replacement costs together with the cost of administrative time involved in securing the repair, locating the violator, etc. will be charged to the responsible party.

(Exhibit A)



### SAMLARC RULES AND VIOLATION REPORT

There must be two (2) signatures representing two separate dwellings of directly affected homeowners in the Association to pursue violations that cannot be viewed from the street (i.e. barking dog, noise nuisance, garage storage, etc.). Please be as specific as possible to enable the Covenant Committee to expedite the enforcement process in a timely manner. All alleged violations will be evaluated to ensure that they are considered an infraction as defined by the Association's legal documents.

**REPORT FILED BY:**

|                  |                  |
|------------------|------------------|
| Name: _____      | Name: _____      |
| Signature: _____ | Signature: _____ |
| Address: _____   | Address: _____   |
| Phone: _____     | Phone: _____     |
| Name: _____      | Name: _____      |
| Signature: _____ | Signature: _____ |
| Address: _____   | Address: _____   |
| Phone: _____     | Phone: _____     |

**VIOLATION INFORMATION:**

Name: \_\_\_\_\_ Address: \_\_\_\_\_ Phone: \_\_\_\_\_  
*(Alleged Violator's Name)*

Description of Alleged Violation: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*(If additional space is needed, please uses reverse of form)*

Date(s) and time(s) alleged violation occurs? \_\_\_\_\_  
 \_\_\_\_\_

How often does the alleged violation occur? \_\_\_\_\_



(Exhibit B)  
Political Sign Location Key Maps  
(Available Upon Request)



**Rancho Santa  
Margarita  
Landscape and  
Recreation Corp**

Bylaws



**FirstService**  
RESIDENTIAL



BYLAWS  
OF  
RANCHO SANTA MARGARITA LANDSCAPE AND  
RECREATION CORPORATION

ARTICLE I

Name and Location

The name of this corporation is Rancho Santa Margarita Landscape and Recreation Corporation. The county in the State of California where the principal office for the transaction of the business of SAMLARC is located is the County of Orange. The principal office is hereby fixed and located within the Covered Property, or as close thereto as practicable in the County. The Board is hereby granted full power and authority to change said principal office from one location to another within the County.

ARTICLE II

Definitions

All terms as used in these Bylaws shall, unless stated otherwise, be defined as set forth in that certain Amended and Restated Declaration of Covenants, Conditions and Restrictions which defines SAMLARC named herein in the Article thereof entitled "Definitions" and which has been or will be recorded by Rancho Santa Margarita Joint Venture, a California General Partnership, in the Official Records of Orange County, California, and any amendments thereto (the "Declaration"). All of the terms and provisions of said Declaration and any amendments thereto are hereby incorporated herein by reference.

ARTICLE III

Meetings of SAMLARC

Section 3.01 - Annual Meetings. The first annual meeting of SAMLARC shall be held within forty-five (45) days after fifty-one percent (51%) of the Residences located within the Initial Covered Property have been conveyed or within

six (6) months after the first conveyance of a Residence, whichever occurs first, and each subsequent regular annual meeting of SAMLARC shall be held on the same day of the same month of each year thereafter, at the hour set forth in the notice given pursuant to the Section entitled "Notices of Meetings" of these Bylaws, provided, however, that the Board by resolution may fix a date for the meeting no more than thirty (30) days before or after said date and provided further that the Board may fix a new date for an adjourned meeting to be held within thirty (30) days of the date of the scheduled meeting without further notice, or within sixty (60) days of the date of the scheduled meeting if notice of the time and place of the meeting is required to be given as hereinafter provided. If the day for the annual meeting of SAMLARC is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 3.02 - Place of Meeting. All meetings of SAMLARC shall be held within the Covered Property or at a meeting place as close thereto as practical as may be fixed from time to time by resolution of the Board. Unless unusual conditions exist, such meetings shall not be held outside of the County.

Section 3.03 - Special Meetings. Special meetings of SAMLARC for any purpose shall be called at any time by the Chairman of the Board, the President, or the Board upon either the vote by a majority of the members of the Board or upon receipt of a written request for a special meeting signed by Members representing at least five percent (5%) of the total voting power of SAMLARC. Upon request in writing to the Chairman of the Board, President, Vice-President or Secretary by any person (other than the Board) entitled to call a special meeting of SAMLARC, the officer shall cause notice to be delivered to the Members entitled to vote within twenty (20) days after such request that a meeting will be held at a time fixed by the Board not less than thirty-five (35) nor more than ninety (90) days after the receipt of the request except as otherwise provided in the SAMLARC Management Documents for particular actions such as, and without limitation, the Article entitled "Enforcement of Bonded Obligations" of the Declaration.

Section 3.04 - Notice of Meetings. Written notice of meetings, annual or special, shall be given to each Member entitled to vote in the manner prescribed for delivery of notices in the Section entitled "Notices" of the Article entitled "General Provisions" of the Declaration. All

such notices shall be sent to each Member entitled thereto not less than thirty-five (35) days nor more than ninety (90) days before each meeting, and shall specify the place, the date and the time of such meeting and the general nature of the business which the Board intends to present for action by the Members through their respective Delegates. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to Members.

Section 3.05 - Waiver of Notice. The transactions of any meeting of SAMLARC, however called and noticed, and wherever held, are as valid as though had at a meeting held after regular call and notice if a quorum is present, and if, either before or after the meeting, each of the persons entitled to vote who has not voted signs a written waiver of notice or a consent to the holding of the meeting or an approval of the minutes thereof. All such waivers, consents and approvals shall be submitted by the Delegate representing such Members and filed within the SAMLARC records or made a part of the minutes of the meeting. Except for matters that may be presented at any meeting to remove a director without cause, to fill a vacancy on the Board, to ratify a transaction between SAMLARC and one or more of its directors, to approve amendments to the Articles, or to elect to voluntarily wind-up and dissolve SAMLARC, neither the business to be transacted at nor the purpose of any regular or special meeting of SAMLARC need be specified in any written waiver of notice, consent to the holding of the meeting or approval of the minutes thereof.

Section 3.06 - Quorum. The presence at the meeting of Delegates casting not less than twenty-five percent (25%) of the voting power of SAMLARC shall constitute a quorum for any action except as otherwise provided in the Articles, the Declaration, or these Bylaws. If any meeting cannot be held because a quorum is not present, the Delegates present may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called.

Section 3.07 - Adjourned Meetings. When any originally scheduled or adjourned meeting of SAMLARC, either annual or special, is adjourned for any reason (including, without limitation, that a quorum was not present) for more than thirty (30) days or if the time and place for the adjourned meeting are not announced at the original meeting, or if a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of

the adjourned meeting shall be given in the manner prescribed for the original meeting.

Section 3.08 - Approval of the Members. Except where a greater portion of the voting power is required by the Articles, the Declaration, or these Bylaws, a majority of the votes cast at a duly held meeting at which a quorum is present (which affirmative votes also constitute a majority of the required quorum) shall constitute approval of the Members and prevail at all meetings. The Delegates present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Delegates to leave less than a quorum, if any action taken (other than adjournment) is approved by Delegates casting at least a majority of the voting power required to constitute a quorum.

Any action which may be taken at a regular or special meeting, except the election of directors, may be taken without a meeting if done in compliance with the following provisions:

(a) A written ballot may be distributed to every Member entitled to vote on the matter which shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide the time within which to return the ballot to SAMLARC, which shall be not less than fifteen (15) days from the date that the written ballot is distributed to the Members.

(b) Approval by written ballot pursuant to this Section shall be valid only when the number of votes cast by ballot within the specified time period equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve such action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

(c) Ballots shall be solicited in a manner consistent with the requirements of the Section entitled "Notice of Meetings" of these Bylaws. All such solicitations shall indicate the number of responses needed to meet the quorum requirement and shall state the percentage of approvals necessary to pass the measure submitted. The solicitation must



specify the time by which the ballot must be received in order to be counted.

(d) Any form of written ballot distributed to the Members shall afford an opportunity on the form of written ballot to specify a choice between approval or disapproval of each matter or group of related matters which, at the time the written ballot is distributed, are intended to be acted upon by such written ballot, and shall provide, subject to reasonable specified conditions, that where the Member solicited specifies a choice with respect to any such matter the vote shall be cast in accordance therewith.

(e) A written ballot may not be revoked.

Section 3.09 - Voting Rights. SAMLARC shall have the classes of voting membership and the same voting rights and requirements set forth in the Declaration. All meetings of SAMLARC shall be attended by Delegates representing and casting the votes of the Members of their respective Delegate Districts, and by the Delegate representing and casting the votes of the Declarants. The Board shall adopt, amend and repeal from time to time such rules and regulations as it deems reasonable and appropriate to establish uniform voting forms, including, without limitation, proxy forms, registration books and voting procedures to be utilized by the Delegate Districts.

Section 3.10 - Appointment of Delegates.

(a) Each president of a Subordinate Maintenance Corporation shall be the Delegate of the Delegate District comprised of the property covered by the Subordinate Declaration of such Subordinate Maintenance Corporation. The vice president shall perform all of the duties of the Delegate in the absence or disability of the president pursuant to the provisions of the bylaws of such Subordinate Maintenance Corporation. The appointee to fill any vacancy in the office of president of any such Subordinate Maintenance Corporation shall automatically become the appointed Delegate of such Delegate District.

(b) The membership of each Delegate District that is comprised of property that is not encumbered by a Subordinate Declaration of a Subordinate Maintenance Corporation shall have the right to elect a Delegate to represent such Delegate District and to

fill any vacancy that may have been created by the death, resignation, disqualification or removal of any Delegate. Any such Delegate shall be elected at a meeting of the Delegate District duly called for such purpose in accordance with the requirements of the Section hereof entitled "Delegate District Meetings." The Board shall have the right to appoint a Delegate to represent the membership of any such Delegate District in the absence of any such election or to serve until any such Delegate is duly elected.

(c) Declarants who are Owners shall have the right to elect one Delegate.

All Delegates, with the exception of the Delegate elected by the Declarants, must be Members of SAMLARC. Any Delegate shall have the power to delegate to any other person and/or to committees any of the duties and powers of a Delegate under the SAMLARC Management Documents.

Section 3.11 - Notification to SAMLARC. All Delegates shall furnish written confirmation to the Board of their appointment or election together with the official address to be used for the purpose of providing notice to Delegates of SAMLARC matters. SAMLARC shall not be obligated to recognize any Delegate, or any person to which such Delegate has delegated any powers and duties, or the votes or assents of Members cast by any such person unless it has first received written confirmation of such appointment or election from the Delegate.

Section 3.12 - Removal of Delegates. A Delegate elected by the Declarants may be removed with or without cause only by a majority of the voting power of the Declarants. Delegates appointed by virtue of being presidents of Subordinate Maintenance Corporations may be removed in the manner provided in the corporation documents of such Subordinate Maintenance Corporations for the removal of directors. Any Delegate appointed by the Board may be removed from office with or without cause by the Board or by a majority of the votes cast on any such motion or resolution for removal (if such affirmative votes also constitute a majority of the required quorum) at any meeting of the Delegate District of such Delegate which has been called in accordance with the provisions of the Section entitled "Delegate District Meetings" of this Article of the Bylaws; provided, however, that if such Delegate District has a voting power of less than fifty (50) votes, then such removal must be approved by an affirmative vote of a majority of all of the voting power

entitled to be cast. The Board shall appoint a committee, officer, employee or agent to preside at such Delegate District meeting and any expense of providing the notice and conducting the meeting may be charged to the Members of such Delegate District as a Special Assessment.

Section 3.13 - Voting Procedure of Members. Written notice of any action requiring the vote of the membership shall be submitted to the Members not less than thirty-five (35) days nor more than ninety (90) days prior to the date of the SAMLARC meeting at which such actions are to be considered. Within such period of time, each of the Delegates shall provide an opportunity for each such Member to execute proxies, cast written ballots or approve or disapprove any actions in accordance with the procedures for voting adopted by the Board.

Section 3.14 - Voting Procedure of Delegates. If required by the Board, each Delegate shall provide written certification as to the voting power of the Members within his Delegate District, including, without limitation, the total voting power of the Declarant and of Members other than the Declarant as of the Record Date. The Delegate representing a Delegate District shall be entitled to cast the total voting power of the Delegate District of Members other than the Declarants at any meeting of SAMLARC for the purpose of establishing a quorum. However, on actions requiring votes "for" and "against" any actions each such Delegate shall cast the actual number of votes as the Members other than the Declarant in the Delegate District voted "for" or "against" such actions. The Delegate appointed by the Declarant shall cast the votes of the Declarant, and shall be entitled to cast three (3) votes for each Residence owned for all Phases in which it still qualifies as a Class B Member. Any Delegates casting votes on behalf of the Members will be deemed to have acted with the consent and authority of all such Members. All agreements and determinations lawfully made by SAMLARC in accordance with the voting procedures established herein and shall be deemed to be binding on all Members and their respective successors and assigns.

Section 3.15 - Delegate District Meetings.

(a) A Delegate District meeting for actions pertaining to Delegate District matters may be called by the Delegate of such Delegate District or by Members within such Delegate District representing at least five percent (5%) of the total voting power of such Delegate District. Upon request in writing to

the Delegate, the notice of meeting to the Members entitled to vote shall be delivered within twenty (20) days of the date of such request, and all notices of meetings must be delivered not less than thirty-five (35) days nor more than ninety (90) days before the date of the meeting and shall specify the place, date and the time of such meeting, and the general nature of the business to be transacted. A Delegate District meeting shall be held within such Delegate District or at a meeting place as close thereto as practical as may be fixed from time to time by the Delegate.

(b) The presence at any meeting in person or by proxy of Members entitled to vote at least twenty-five percent (25%) of the total voting power within such Delegate District shall constitute a quorum, and if any meeting cannot be held because a quorum is not present, the Members present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than five (5) nor more than thirty (30) days from the time the original meeting was called. If a time and place for the adjourned meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is not fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to Members in the same manner prescribed for the originally scheduled meeting.

(c) Except as provided in the Section entitled "Removal of Delegates" of this Article, the Delegate shall be the chairman to preside over the meeting and the Members present shall select a secretary to transcribe minutes of the meeting. Any action pertaining to Delegate District matters may be taken at any meeting of such Members upon the affirmative vote of the Members having a majority of the total voting power of the Delegate District present at such meeting in person or by proxy, except as otherwise provided in the Articles, Bylaws, or the Declaration, or any Supplementary Declaration.

(d) In the event a Delegate has not been elected or appointed in the manner set forth above to represent a Delegate District, such Delegate District meeting may be called by the Members of such Delegate District as aforesaid by notice delivered to the Chairman of the Board, President, Vice President or Secretary, and in such event any such officer shall

schedule such meeting and cause notice to be delivered as aforesaid, and the Board shall then appoint a committee, officer, employee or agent to preside at such Delegate District meeting.

(e) Notwithstanding the foregoing, a Delegate District is absolutely prohibited from taking any action that would modify any right or obligation of the Delegate imposed by any of the SAMLARC Management Documents including, without limitation, the obligation of the Delegate to attend SAMLARC meetings and cast the votes of the Members represented.

(f) SAMLARC shall pay all costs of providing notices and conducting any Delegate District meetings within a Delegate District comprised of property that is not subject to a Subordinate Maintenance Declaration of a Subordinate Maintenance Corporation, but the cost shall be charged as a Special Assessment to the Members of the Delegate District receiving the benefit of such services.

#### Section 3.16 - Proxies.

(a) Every Member entitled to vote or execute consents shall have the right to do so either in person, or by an agent or agents authorized by a written proxy executed by such Member or his duly authorized agent and filed with the Delegate of his Delegate District; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution unless otherwise provided in the proxy, except that the maximum term of any proxy shall be three (3) years from the date of execution. All proxies must satisfy the requirements of Section 7613 of the California Corporations Code or any successor statute thereof. If SAMLARC has one hundred (100) or more Members, any form of proxy distributed to ten (10) or more Members must comply with the requirements of Section 7514 of the California Corporations Code or any successor statute thereof.

(b) Any revocable proxy concerning certain matters which require a vote of the Members is not valid as to such matters unless it sets forth the general nature of the matter to be voted on. These certain matters are as follows:

(i) removal of a director without cause;

(ii) filling vacancies on the Board created by removal of a director;

(iii) approval of transactions involving directors;

(iv) amendment of the Articles;

(v) sale, lease, conveyance, exchange, transfer or other disposition of all or substantially all of the assets of SAMLARC;

(vi) merger of SAMLARC with another corporation;

(vii) amendment of an agreement of merger;

(viii) voluntary dissolution of SAMLARC;

(ix) distribution of SAMLARC's assets upon dissolution.

(c) Any form of proxy distributed to the Members shall afford an opportunity on the proxy to specify a choice between approval and disapproval of each matter or group of related matters which, at the time the proxy is distributed, are intended to be acted upon at the meeting for which the proxy is solicited, and shall provide, subject to reasonable specified conditions, that where the Member solicited specifies a choice with respect to any such matter the vote shall be cast in accordance therewith.

(d) The rules and regulations adopted by the Board to regulate voting within the Delegate Districts may include the approval of proxy forms to ensure compliance with this Section and applicable provisions of the California Corporations Code.

Section 3.17 - Mortgagee Protection. Written notice of annual meetings, upon written request, shall also be given to any First Mortgagee either personally or by sending a copy of the notice through the mail in the manner provided in the Section entitled "Notices" of the Article entitled "General Provisions" of the Declaration. First Mortgagees shall have the right to attend all SAMLARC meetings through a representative who has been designated in a writing that has been delivered to the Board.

## ARTICLE IV

### Election of Directors

Section 4.01 - Number and Qualification of Directors. The Board shall consist of five (5) directors until the annual meeting at which the Declarant ceases to have the ability to elect the majority of the directors at which time the Board shall consist of seven (7) directors until changed by an amendment to this Section of these Bylaws. A person may serve as a director without being a Member. With the exception of directors elected by Declarant, a person may serve as a director only as long as such person is not a director or officer of a Subordinate Maintenance Corporation.

Section 4.02 - Election and Term of Office. Until the holding of the first annual meeting of SAMLARC referred to in the Article of these Bylaws entitled "Meetings of SAMLARC," the incorporator of SAMLARC may do whatever is necessary and proper to perfect the organization of SAMLARC, including the adoption of these Bylaws and the appointment of the first directors and officers. All positions on the Board shall be filled at the first annual meeting. Of the directors who are elected, the two (2) candidates receiving the lowest number of votes shall be designated Class I directors elected to serve two (2) year terms and the remaining directors shall be designated Class II directors elected to serve three (3) year terms. At the SAMLARC meeting at which two additional directors are elected to increase the number of directors to seven, of all of the directors who are elected, the director receiving the lowest number of votes shall be elected to serve a one (1) year term and the remaining directors elected at such meeting shall serve two (2) year terms. Upon the expiration of such terms, all successor directors shall be elected for two (2) year terms at alternate annual meetings of SAMLARC, but if any such annual meeting is not held, or if the directors are not elected thereat, the directors may be elected for two (2) year terms at any special meeting of SAMLARC held for that purpose.

Election of directors shall be by secret written ballot. All directors shall hold office until their respective successors are elected.

Section 4.03 - Election Committee. An Election Committee shall be appointed annually by the Board to make rules for and supervise nominations, voting procedures, voting requirements and the orderly and fair election of

directors. The Election Committee shall consist of a Chairman, who shall be a member of the Board, and two (2) other persons who shall be Members. The Election Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Any person who is qualified to be elected to the Board may also be nominated by petition delivered to an officer of SAMLARC, signed within six (6) months preceding the next time directors will be elected, by Members representing two percent (2%) of the voting power of SAMLARC disregarding any provision for cumulative voting as long as such total voting power is less than 5,000 votes, and one-twentieth of one percent of the total voting power but not less than one hundred votes at such time as such total voting power disregarding any provision for cumulative voting totals 5,000 or more votes.

Nominations for the Board shall be closed one hundred (100) days before the date directors are to be elected. No nominations for the Board can be made after that date.

Section 4.04 - Cumulative Voting. Every Member entitled to vote for any election of directors shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected, multiplied by the number of votes to which he is entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

All Members shall be entitled to cumulate votes. Prior to the voting, the names of all candidates nominated by petition or by the Election Committee as aforesaid shall be placed in nomination and notice of the intention to cumulate votes shall be given.

Section 4.05 - Special Voting Rights. The Members other than Declarant shall be entitled to elect not less than forty percent (40%) of the total number of directors as set forth in the Declaration. The Declarant shall be entitled to elect not less than fifty-one percent (51%) of the total number of directors as long as Declarant has the obligation to subsidize not less than twenty percent (20%) of the total Common Expenses, provided, however, that such right shall expire no later than five (5) years after the first conveyance of a Residence. The Declarant also shall be entitled to elect not less than forty percent (40%) of the directors thereafter as long as Declarant has the



obligation to subsidize not less than Ten Thousand Dollars (\$10,000.00) of the Common Expenses, provided, however, that such right shall expire no later than ten (10) years after the first conveyance of a Residence. As used in this Section, (i) Budget, Subsidy Agreement and Bond shall mean such documents as disclosed in the latest Final Subdivision Public Report issued by the Department of Real Estate of the State of California prior to such election of directors, (ii) Declarant's obligation shall be the amount of such Bond, and (iii) the percentage of the Declarant's obligation shall be calculated on the basis that the Bond bears to the total Common Expenses shown in such Budget. Notwithstanding the provisions of the Section entitled "Removal of Directors" of this Article, any director elected by Members other than Declarant may not be removed without the vote of a majority of the voting power residing in Members other than Declarant and any director elected by the Declarants cannot be removed without the vote of the majority of the voting power of the Declarants.

Section 4.06 - Removal of Directors. At any meeting of SAMLARC of which notice has been properly given as provided in these Bylaws, the entire Board or any individual director may be removed from office as hereinafter set forth, provided that the same notice of said meeting has also been given to said entire Board or any individual director whose removal is to be considered at said meeting. The entire Board or any individual director may be removed from office without cause by a majority of the votes cast in the voting on any motion or resolution for removal (if such affirmative votes also constitute a majority of the required quorum); provided, however, that if SAMLARC has a voting power of less than fifty (50) votes, then such removal must be approved by an affirmative vote of a majority of all the votes entitled to be cast. However, unless the entire Board is removed, an individual director shall not be removed prior to the expiration of his term of office 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 and the entire number of directors authorized at the time of the most recent election of directors were then being elected. Upon any such motion or resolution for removal, every Member may cumulate his vote or votes, as the case may be, in the same manner as provided for the election of directors in these Bylaws. In the event that any or all directors are so removed, new directors may be elected at the same meeting. Notwithstanding the foregoing, as set forth in

the Declaration and the Section entitled "Special Voting Rights" of these Bylaws, a director elected pursuant to the voting rights of Members other than Declarant may only be removed by the vote or written assent of a majority of the Members other than Declarant and a director elected pursuant to the voting rights of Declarants may only be removed by the vote or written assent of a majority of the voting power of the Declarants.

Section 4.07 - Vacancies. A vacancy or vacancies shall be deemed to exist on the Board in case of the death, resignation or removal of any director. If the authorized number of directors has been increased at any meeting of SAMLARC, or at an adjournment thereof, without an election of directors required to fill such positions, or if the Delegates, with the voting power of their Members fail to at any time elect the full number of the authorized directors, a vacancy or vacancies shall be deemed to exist.

Vacancies on the Board, except for a vacancy created by the removal of a director, may be filled by a vote of a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual meeting of SAMLARC, or at a special meeting called for that purpose. The Board shall be prohibited from filling a vacancy created by the removal of a director or directors except with the vote or written assent of the voting power prescribed under the Section entitled "General Limitations and Restrictions on the Powers of the Board" of the Article entitled "Powers, Duties and Limitations of the Board" of the Bylaws. If the Board is not so authorized to act, vacancies occurring in the Board by reason of the removal of a director or directors may be filled only by approval of the Members by votes cast by their appointed Delegates at a duly held meeting.

The Members by votes cast by their appointed Delegates may at any time elect directors to fill any vacancy not filled by the directors, and may elect the additional directors at the meeting at which an amendment of the Bylaws is voted authorizing an increase in the number of directors.

If any director tenders his resignation to the Board, the Board shall have power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his term of office.

Notwithstanding the foregoing, as set forth in the Declaration and in the Section entitled "Special Voting Rights" of these Bylaws, a vacancy caused by the death, resignation or removal of any director elected pursuant to the special voting rights of Members other than Declarant may only be filled by the vote of a majority of the voting power of the Members other than Declarant and a vacancy caused by the death, resignation or removal of any director elected pursuant to the voting rights of the Declarant may only be filled by the vote of the majority of the voting power of the Declarants.

## ARTICLE V

### Meetings of the Board

#### Section 5.01 - Regular Meetings.

(a) Organizational Meeting. Immediately following each annual meeting of SAMLARC, the Board shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meeting is hereby dispensed with.

(b) Other Regular Meetings. Other regular meetings of the Board may be held without call at such place and day and hour as may be fixed from time to time by resolution of the Board provided, should said day fall upon a legal holiday, then the meeting which otherwise would be held on said day shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. In no event shall regular meetings of the Board be held less than once every six (6) months.

Section 5.02 - Special Meetings. Special meetings of the Board for any purpose may be called at any time by the Chairman or by the President, or by any two (2) directors other than the President.

Section 5.03 - Place of Meetings. All meetings of the Board shall be held at the principal office of SAMLARC, or at any other place or places within the Covered Property designated at any time by resolution of the Board or by written consent of all members of the Board unless in the judgment of the Board a larger meeting room is required than exists within the Covered Property in which case the

meeting room selected shall be as close as possible to the Covered Property.

Section 5.04 - Notice of Meetings.

(a) Regular Meeting. Notice of the time and place of any regular meeting shall be posted at a prominent and accessible place or places within the Covered Property and shall be communicated to directors not less than four (4) days prior to the meeting.

(b) Special Meetings. Written notice of the time and place of a special meeting and the nature of any special business to be considered thereat shall be posted in a prominent and accessible place or places in the Covered Property not less than four (4) days prior to the meeting. Such notice shall also be either delivered personally to the directors or sent to each director by letter or by telegram, postage or charges prepaid, addressed to him at his address as it is shown upon the records of SAMLARC. In case such notice is delivered personally to the directors, such delivery must occur not less than seventy-two (72) hours prior to the scheduled time of the meeting. In case such notice is mailed or telegraphed, it shall be deposited in the United States Mail or delivered to the telegraph company at or near the place in which the principal office of SAMLARC is located at least four (4) days (if by mail) or seventy-two (72) hours (if by telegraph) prior to the scheduled time of the meeting. Such mailing, telegraphing or delivery as provided herein shall be due, legal and personal notice to each such director.

Section 5.05 - Adjournment. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If a Board meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another 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 5.06 - Waiver of Notice. The transaction of any business at any meeting of the Board, however called and noticed to the directors, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present and each director who attends does so without protesting, either prior thereto or at its commencement, the lack of notice to such director, and if,

either before or after the meeting, each of the directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of SAMLARC or made a part of the minutes of the meeting.

Section 5.07 - Quorum. A majority of the number of directors as fixed by these Bylaws shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinbefore provided. Every act or decision made or done 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. 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 such meeting, or such greater number as is required by statute the Declaration, the Articles, or these Bylaws.

Section 5.08 - Attendance of Board Meetings by Members. Regular and special Board meetings shall be open to all Members; provided, however, no Member who is not an officer or director shall participate in any deliberation or discussion unless expressly authorized by a majority of a quorum of the Board. The Board may, upon the vote of a majority of the Board's quorum, adjourn a Board meeting and reconvene in executive session exclusive of all Members who are not directors to discuss and vote upon personnel matters, litigation in which SAMLARC is or may become involved and other similar matters requiring confidentiality. The nature of any and all business to be so considered in executive session shall first be announced in open session.

Section 5.09 - Consent of Board Obviating Necessity of Meeting. Notwithstanding anything to the contrary contained in these Bylaws, any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors. If the Board resolves by unanimous written consent to take action, an explanation of the action taken shall be posted at a prominent place or places within the Covered Property

within three (3) days after the written consents of all Board members have been obtained.

Section 5.10 - Telephonic Attendance. Members of the Board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting pursuant to this Section constitutes presence in person at such meeting.

Section 5.11 - Presiding Officer. The members of the Board shall elect one of their number to act as Chairman. The Chairman shall preside at all meetings of the Board.

## ARTICLE VI

### Powers, Duties and Limitations of the Board

Section 6.01 - Powers and Duties. In addition to the powers and duties of the Board as set forth in the SAMLARC Management Documents, and subject to limitations of the SAMLARC Management Documents, and of the California Corporations Code as to action to be authorized or approved by the Members, all corporate powers shall be exercised by or under the authority of, and the business and affairs of SAMLARC shall be controlled by the Board. Without prejudice to such general powers but subject to the same limitations, the Board is vested with and shall have the following powers and duties, to wit:

(a) SAMLARC Management Documents: the duty to enforce the provisions of the SAMLARC Management Documents and other instruments for the ownership, management and control of the Covered Property and carry out the obligations of SAMLARC;

(b) Real and Personal Property Taxes: the duty to pay any taxes and assessments which are, or could become, a lien on the Community Property or any portion thereof;

(c) Insurance: the duty to contract for insurance on behalf of SAMLARC or its Members pursuant to the Article entitled "Insurance" of the Declaration;

(d) Contracts for Goods and Services: subject to the restrictions and limitations set forth in the

Sections entitled "General Limitations on the Restrictions on the Powers of the Board" and "Additional Contractual Restrictions" of this Article, the duty to contract for goods and/or services for the Community Property to include, without limitation, water, gas and electric, refuse collections and other services, or for SAMLARC, to the extent such services are Common Expenses of SAMLARC, and are not provided by a Subordinate Maintenance Corporation, to include, without limitation the following:

- (i) trash pickup and disposal service for the benefit of the Owners and their Residences;
- (ii) cable television services for the benefit of the Owners who have subscribed for such service;
- (e) Grant Concessions: the power to grant commercial concessions over portions of the Community Property, provided that any such contract with an affiliate of Declarant must also comply with the requirements of other Sections of this Article.
- (f) Delegation of Powers: the power to delegate to Delegates, committees, officers, employees or agents any of its duties and powers under the SAMLARC Management Documents; provided, however, no such delegation to a professional management company, the Architectural Committee or otherwise shall relieve SAMLARC of its obligation to perform such delegated duty;
- (g) Budgets and Financial Statements: the duty to prepare budgets and financial statements for SAMLARC pursuant to the Article entitled "Budget and Financial Statements" of the Bylaws;
- (h) Rules and Regulations: the power to formulate rules of operation for the Community Property and facilities controlled by SAMLARC;
- (i) Disciplinary Proceedings: the duty to initiate and execute disciplinary proceedings against Members for violations of provisions of the SAMLARC Management Documents in accordance with the procedures set forth in the Article entitled "Discipline of Members" of the Bylaws;

(j) Right of Entry: the power to enter upon any Residence as necessary in connection with construction, maintenance or emergency repair for the benefit of the Community Property or the Owners, to include, without limitation, the following:

(i) Any member of the Architectural Committee or any officer, director, employee or agent of SAMLARC may at any reasonable time enter upon any Residence after notice to the Owner in order to inspect Improvements constructed or being constructed on such Residence to ascertain that such Improvements have been or are being built in compliance with plans and specifications submitted to and approved by the Architectural Committee in accordance with the Architectural Standards;

(ii) Entry may be made without notice in the event of any emergency involving illness or potential danger to life or property or as necessary to repair or maintain the Community Property so as not to deprive other Owners of the proper use thereof, for example, but without limitation, the repair of utility installations or structures that service other Residences. Such entry shall be made with as little inconvenience to the Owners as practicable, and any damage caused thereby shall be repaired by SAMLARC unless covered by insurance carried by the Owner;

(iii) Entry may be made upon any Residence in connection with any exterior maintenance, repair or construction in the exercise of the powers and duties of SAMLARC after approval by two-thirds (2/3) vote of the Board. Such entry shall be made only after not less than three (3) days' notice has been given to the Owner.

(j) Election of Officers: the duty to elect officers of the Board pursuant to the Section entitled "Officers" of the Article entitled "Officers" of the Bylaws;

(k) Vacancies on the Board: the power to fill vacancies on the Board except vacancies created by the removal of a director pursuant to the Section entitled "Removal of Directors" of the Article entitled "Election of Directors" of the Bylaws;



(l) Corporate Seal: the power to adopt and use a corporate seal;

(m) Membership Certificates. the power to issue appropriate membership certificates evidencing membership in SAMLARC;

(n) Tax-Exempt Status: the duty to conduct the business of SAMLARC in such manner that SAMLARC can qualify and be considered an organization exempt from federal and state income taxes pursuant to Internal Revenue Code Section 528 and California Revenue and Taxation Code Section 2370lt, as amended. The Board shall cause to be timely filed any annual election for tax-exempt status as may be required under federal or state law, and shall undertake to cause SAMLARC to comply with the statutes, rules and regulations which have been or shall be adopted by federal and state agencies pertaining to such exemptions; and

(o) the duty to adopt and amend as necessary from time to time, rules and regulations to be utilized by all of the various Delegate Districts to insure uniform and equitable voting procedures for all Members of SAMLARC.

Section 6.02 - General Limitations and Restrictions on the Powers of the Board. In addition to the limitations and restrictions enumerated elsewhere in the SAMLARC Management Documents and without limiting the generality thereof, and subject to further limitations set forth in the Section entitled "Additional Contractual Restrictions" of this Article, the Board shall be prohibited from taking any of the following action without the vote or written assent of a majority of each class of membership or a majority of the voting power of SAMLARC as well as a majority of the total voting power of Members other than the Declarant as set forth in the Section entitled "Voting Requirements for Certain Actions" of the Article entitled "Membership Voting Rights" of the Declaration or such higher percentage of the voting power of SAMLARC as specified in this Section:

(a) Long Term Contracts: enter into a contract with a third person wherein the third person will furnish goods or services for the Community Property or SAMLARC for a term longer than one (1) year, with the following exceptions:

(i) a management contract the terms of which have been approved by the FEA and VA;

(ii) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission, provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(iii) prepaid casualty and/or liability insurance policies of not to exceed three (3) years duration, provided that the applicable policy permits short rate cancellation by the insured; and

(iv) lease agreements for laundry room fixtures and equipment of not to exceed five (5) years duration provided that the lessor under the agreement is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more.

(b) Expenditures. incur aggregate expenditures for capital improvements to the Community Property in any fiscal year in excess of five percent (5%) of the estimated Common Expenses for the fiscal year;

(c) Sale of Real or Personal Property. sell any real or personal property of SAMLARC with an aggregate fair market value in excess of five percent (5%) of said estimated Common Expenses during any fiscal year;

(d) Compensation. pay compensation to directors or to officers of SAMLARC for services performed in the conduct of SAMLARC's business; provided, however, the Board may cause a director or officer to be reimbursed for expenses incurred in carrying on the business of SAMLARC. Nothing herein contained shall be construed to preclude any director or officer from serving SAMLARC as agent, counsel, or any capacity other than as such director or officer and receiving compensation therefor;

(e) Fill Vacancy on Board. fill a vacancy on the Board created by the removal of a director;

(f) Dissolve SAMLARC. dissolve SAMLARC or transfer all or substantially all of its assets

without the prior written consent of one hundred percent (100%) of the voting power of SAMLARC.

Section 6.03 - Additional Contractual Restrictions. Any agreement for professional management and any other contract providing for services of the Declarant, developer, sponsor or builder shall not exceed three (3) years in duration and shall be terminable (i) for cause on not more than thirty (30) days' written notice by SAMLARC, and (ii) without cause upon ninety (90) days' written notice by either party without payment of a termination fee, provided, however, no contract with SAMLARC negotiated by Declarant shall exceed a term of two (2) years.

Section 6.04 - Determination of Record Date:

(a) For Notice: The Board shall fix, in advance, a date as the record date for the purpose of determining the Members entitled to notice of any meeting of SAMLARC. Such record date shall not be more than ninety (90) days nor less than thirty-five (35) days before the date of the meeting. If the Board fails to fix such record date, the record date for the purpose of determining the Members entitled to notice of any meeting of SAMLARC shall be the close of business on the business day preceding the day on which notice is given or, if notice is waived, at the close of business on the business day preceding the record date established pursuant to the following section for purpose of determining the Members entitled to vote. A determination of Members entitled to notice of a meeting of SAMLARC shall apply to any adjournment of the meeting unless the Board fixes a new record date for the adjourned meeting.

(b) To Vote: The Board shall fix, in advance, a date as the record date for the purpose of determining the Members entitled to vote on the action or directors to be approved at any SAMLARC meeting. Such record date shall not be more than sixty (60) nor less than five (5) days before the date of the meeting. Such record date shall also apply in the case of an adjournment of the meeting unless the Board fixes a new record date for the adjourned meeting. If the Board fails to fix such record date, the record date for the purpose of determining the Members entitled to vote on the action or directors to be approved shall be the close of business on the sixth (6th) day preceding the date of the meeting.

(c) To Cast Ballots: The Board may fix, in advance, a date as the record date for the purpose of determining the Members entitled to cast written ballots in accordance with the Section entitled "Approval of the Members" of the Article entitled "Meetings of SAMLARC" of these Bylaws. Such record date shall not be more than sixty (60) days before the day on which the first written ballot is mailed or solicited. If no record date is fixed, Members on the day the first written ballot is mailed or solicited who are otherwise eligible to vote are entitled to cast written ballots.

(d) For Exercise of Rights: The Board may fix, in advance, a date as the record date for the purpose of determining the Members entitled to exercise any rights in respect of any other lawful action. Such record date shall not be more than sixty (60) days prior to such other action. If no record date is fixed, Members at the close of business on the day on which the Board adopts the resolution relating thereto, or the sixtieth (60th) day prior to the date of such other action, whichever is later, are entitled to exercise such rights.

Section 6.05 - Checks and Drafts. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness issued in the name of or payable to SAMLARC in excess of \$25,000 shall be signed or endorsed by the President and Chief Financial Officer. Any such items of a lesser amount may be signed or endorsed by such officer or officers, employee, employees, agent or agents of SAMLARC and in such manner as, from time to time, shall be determined by resolution of the Board.

Section 6.06 - Contracts; How Executed. The Board, except as otherwise provided in these Bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of SAMLARC, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind SAMLARC by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 6.07 - Indemnification of Directors, Officers and Employees. To the maximum extent permitted by and in accordance with the requirements and procedures of

Section 7237 of the California Corporations Code or any successor statute thereof, as interpreted by the judiciary from time to time, SAMLARC shall reimburse, indemnify and hold harmless each present and future director, officer, employee or other "agent," to include, without limitation, a member of any committee, of SAMLARC (as such term is defined in said Section 7237 or any successor statute thereof) and each person who, at the request of SAMLARC, acts as a director, officer, employee or agent of another foreign or domestic corporation, partnership, joint venture or other enterprise, (hereinafter in this Section referred to as the "SAMLARC representative"), from and against all loss, cost, liability and expense which may be imposed upon or reasonably incurred by such SAMLARC representative including reasonable settlement payments, in connection with any claim, action, suit or proceeding, or threat thereof, made or instituted, in which such SAMLARC representative may be involved or be made a party by reason of being or having been a SAMLARC representative or by reason of any action alleged to have been taken or omitted by such SAMLARC representative in such capacity. The right of indemnification provided in this Section shall inure to each SAMLARC representative whether or not the claim asserted is based on matters which arose in whole or in part prior to the adoption of this Section, and in the event of the death of the SAMLARC representative, shall extend to the legal representatives of such person. The right of indemnification provided in this Section shall not be exclusive of any other rights to which any person, or any other individual, may be entitled as a matter of law, under any agreement or otherwise.

Section 6.08 - Records. The Board shall cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Delegates at annual meetings of SAMLARC or at any special meeting where such statement is requested in writing by Delegates representing one-fourth (1/4) of the Members entitled to vote thereat.

Section 6.09 - Executive Committee. Any executive committee, empowered to act with the authority of the Board, must consist of at least two (2) directors. Any such committee, to the extent provided in the resolution of the Board, shall have all the authority of the Board, except with respect to:

- (a) any action for which the law requires approval of the Members or approval of a majority of all Members;

(b) the filling of vacancies on the Board or on any committee which has the authority of the Board;

(c) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable;

(d) the appointment of other committees of the Board or the members thereof;

(e) the approval of any self-dealing transaction with respect to assets held in charitable trust except as provided in Section 5233(d) of the California Corporations Code or any successor statute thereof.

## ARTICLE VII

### Officers

Section 7.01 - Officers. The officers shall be a President, a Vice President, a Secretary and a Chief Financial Officer which officers shall be elected by and hold office at the pleasure of the Board. Any two (2) or more of such offices, except those of President and Secretary, may be held by the same person. All offices except the President and Vice President may be held by someone who is not a member of the Board. A person may serve as an officer only as long as such person is not a director or officer of a Subordinate Maintenance Corporation.

Section 7.02 - Election. The officers of SAMLARC, except such officers as may be appointed in accordance with the provisions of the Sections entitled "Subordinate Officers" and "Vacancies" of this Article, shall be chosen annually by the Board and each shall hold his office until he shall resign or shall be removed or otherwise be disqualified to serve, or until his successor shall be elected and qualified.

Section 7.03 - Subordinate Officers. The Board may appoint such other officers as the business of SAMLARC may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine.

Section 7.04 - Removal and Resignation. Any officer may be removed, either with or without cause, by the vote of a

majority of all the directors then in office at any regular or special meeting of the Board at which a quorum is present.

Any officer may resign at any time by giving written notice to the Board or to the President or to the Secretary of SAMLARC. Any such resignation shall take effect as of the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7.05 - Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in these Bylaws for regular appointments to such office.

Section 7.06 - President. The President shall be the chief executive officer of SAMLARC and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of SAMLARC. The President may, but need not, be the Chairman of the Board. He shall be an ex officio member of all standing committees, if any, and shall have the general powers and duties of management usually vested in the office of the President of a corporation, and shall have other powers and duties as may be prescribed by the Board or these Bylaws.

The President shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes of SAMLARC in excess of \$25,000.

Section 7.07 - Vice President. 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 office of President. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed for him by the Board or the Bylaws.

Section 7.08 - Secretary. The Secretary shall keep, or cause to be kept, a book of Minutes at the principal office or such other place as the Board may order, of all meetings and proceedings of the Board and its committees and of SAMLARC, with the time and place of the holding of same, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at such meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office, a membership register showing the following: (1) the names and addresses of all members of the Board; (2) the names of the Members and their addresses; (3) the property to which each membership relates; (4) the names of the Delegates and their addresses; (5) the number and class of memberships held by each Member; (6) the number and date of membership certificates issued, if any; and (7) the number and date of cancellation of membership certificates, if any.

The Secretary shall give, or cause to be given, notice of all meetings of SAMLARC and of the Board required by the Bylaws or by law to be given, and he shall keep the seal of SAMLARC in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board or by these Bylaws.

Section 7.09 - Chief Financial Officer. 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 SAMLARC. The books and records of account shall at all reasonable times be open to inspection by any director or by any Member.

The Chief Financial Officer shall sign all checks and promissory notes of SAMLARC in excess of \$25,000, shall supervise and monitor any checks and promissory notes of lesser amounts signed or endorsed by any officers, employees, or agents authorized by the Board and the deposit of all monies and other valuables in the name and to the credit of SAMLARC with such depositories as may be designated by the Board. He shall disburse the funds of SAMLARC as may be ordered by the Board, shall render to the President and directors, whenever they request it, an account of all of his transactions as Chief Financial Officer and of the financial condition of SAMLARC, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

## ARTICLE VIII

### Budget and Financial Statements

Section 8.01 - Distribution of Financial Statements. The financial statements described in this Article shall be prepared and distributed to each Member and to holders, insurers and guarantors of First Mortgages at the times and in the manner provided in this Article.



Section 8.02 - Budget. The Board shall cause to be sent to each Member not less than forty-five (45) days nor more than sixty (60) days before the beginning of each fiscal year a pro forma operating statement (budget) for such fiscal year consisting of, without limitation, the following information:

(a) estimated revenue and expenses on an accrual basis;

(b) the amount of the total cash reserves of SAMLARC currently available for replacement or major repair of common facilities and for contingencies;

(c) an itemized estimate of the remaining life of, and the methods of funding to defray repair, replacement or additions to major components of the common facilities and areas for which SAMLARC is responsible;

(d) a general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the common facilities and areas for which SAMLARC is responsible; and a statement of SAMLARC's policies and practices in enforcing lien rights or other legal remedies against Members for defaults in the payment of Assessments.

Section 8.03 - Balance Sheet. Within sixty (60) days of the Accounting Date (as hereinafter defined) the Board shall cause to be sent to each Member:

(a) a balance sheet as of the Accounting Date;  
and

(b) an operating (income) statement for the period from the date of the first conveyance of a Residence to the Accounting Date. Said income statement shall include a schedule of Assessments received or receivable, itemized for each Residence within the Covered Property and identified by the numbers of each Residence and the name of the person or entity assessed therefor.

As used in this subsection, "Accounting Date" shall mean the last day of the month closest in time to six (6) months from the date of the first conveyance of a Residence.

Section 8.04 - Annual Report. The Board shall cause an annual report containing the following to be distributed to each Member within one hundred twenty (120) days after the close of SAMLARC's fiscal year:

(a) a balance sheet as of the end of such fiscal year;

(b) an operating (income) statement for such fiscal year;

(c) a statement of changes in financial position for such fiscal year;

(d) a copy of the review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State of Accountancy;

(e) a statement of the place where the names and addresses of the current Members may be found;

(f) any information regarding insider transactions required to be reported by Section 8322 of the California Corporations Code or any successor statute thereof.

Upon written request of a Member as required under Section 8321 of the California Corporations Code, the Board shall promptly cause to be mailed to such Member a copy of the most recent annual report.

Section 8.05 - Rights of First Mortgagees. In the event the Covered Property contains fifty (50) or more Residences, SAMLARC must provide at its expense an audited statement for the preceding fiscal year of SAMLARC to any holder, insurer or guarantor of any First Mortgage secured by a Residence who has submitted a written request therefor or, if such audited statement is not then completed and available, within one hundred twenty (120) days after the close of such fiscal year. In the event there are fewer than fifty (50) Residences within the Covered Property, and there is no audited statement available, any mortgage holder shall have the right to have an audited statement prepared at its own expense.

## ARTICLE IX

### Inspection of Records

Section 9.01 - Inspection By Members, Holders, Insurers and Guarantors. The SAMLARC Management Documents, the membership register, books and records of account, financial statements, minutes of meetings of SAMLARC, of the Board, of Delegate Districts, and any committees of the Board, shall be made available for inspection and copying by any prospective purchaser of a Residence, any Delegate, any Member or his duly-appointed representative, any holder, insurer or guarantor of a First Mortgage secured by a Residence at any reasonable time during normal business hours or under other reasonable circumstances and for a purpose reasonably related to their interest as a prospective purchaser, Delegate, Member, holder, insurer or guarantor, at the principal office of SAMLARC or such other place within the Covered Property as the Board shall prescribe, all as provided in the Corporations Code of the State of California.

Section 9.02 - Rules For Inspection. The Board shall establish reasonable rules with respect to notice to be given to the custodian of the records by the Delegate or Member desiring to make the inspection; hours and days of the week when such inspection may be made; and payment of the cost of reproducing copies of documents requested by a Delegate or Member.

Section 9.03 - Inspection By Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of SAMLARC and the physical properties owned or controlled by SAMLARC, all as provided in the Corporations Code of the State of California. Without limiting the generality of the foregoing, the right of inspection by a director includes the right to make extracts and copies of documents.

Section 9.04 - Inspection by Company. Company shall have the absolute right at any reasonable time to inspect all books, records, contracts or other documents impacting the Common Expenses of SAMLARC as long as Company or any Declarant is subsidizing SAMLARC in any manner, including, without limitation, the payment of any portion of Assessments levied against all other Owners, direct payment of Common Expenses, or by providing maintenance or other services that would otherwise be provided by SAMLARC.

## ARTICLE X

### Discipline of Members

Section 10.01 - SAMLARC Rules. The Board shall also have the power to adopt, amend, and repeal such rules and regulations as it deems reasonable (the "SAMLARC Rules") which may include provisions that authorize the Board to impose monetary penalties, temporary suspensions of an Owner's rights as a Member or other appropriate discipline for failure to comply with the SAMLARC Management Documents provided that the procedures for notice and hearing satisfying the minimum requirements of Section 7341 of the Corporations Code are followed with respect to the accused Member before a decision is reached. The SAMLARC Rules shall govern such matters in furtherance of the purposes of SAMLARC, including, without limitation, the nonpayment of Assessments, destruction of common property or a violation of use restrictions and the use of the Community Property; provided, however, that the SAMLARC Rules may not discriminate among Owners, shall not be inconsistent with the Declaration, the Articles or Bylaws and shall not empower SAMLARC to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his Residence on account of the failure of such Owner to comply with the provisions of the SAMLARC Management Documents, except by judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments duly levied by SAMLARC. A copy of the SAMLARC Rules as they may from time to time be adopted, amended or repealed or a notice setting forth the adoption, amendment or repeal of specific portions of the SAMLARC Rules shall be delivered to each Owner in the same manner established in the Declaration for the delivery of notices. Upon completion of the notice requirements, said SAMLARC Rules shall have the same force and effect as if they were set forth in and were part of the Declaration and shall be binding on the Owners and their successors in interest whether or not actually received thereby.

Section 10.02 - Enforcement. The Board shall have the right to suspend the voting rights and right to use the recreational facilities located within the Covered Property of a Member who is in default in the payment of any Assessment for any period during which such Assessment remains unpaid, and for a period not to exceed thirty (30) days for any infraction of its SAMLARC Rules. A decision cannot be made and discipline cannot be imposed by SAMLARC unless the Member is given fair and reasonable notice and

a hearing at which such Member has the right to present oral and written evidence and to confront and cross-examine adverse witnesses. The procedural requirements are mandated by California Corporations Code Section 7341, and any successor statute thereof, and until such Section of the Corporations Code is amended or supplemented to provide otherwise, shall be as set forth in the Section entitled "Notice and Hearing; Correction of Violation" of this Article.

Section 10.03 - Notice and Hearing; Correction of Violation. Until the provisions of Section 7341 of the California Corporations Code are supplemented or amended to provide otherwise, the following is the procedure for notice and hearing and for the correction of violation:

(a) Upon finding by the Board of a violation of any provision of the SAMLARC Management Documents for which notice and hearing is required, the Board shall give notice of the violation to the Owner which notice shall be given at the time and in the manner prescribed for notices in the Section entitled "Notices" of the Article entitled "General Provisions" of the Declaration, and shall briefly describe the violation and set a date for a hearing before the Board or a committee selected by the Board for such purpose. The Board may delegate its powers under this Section to a duly appointed committee of SAMLARC.

(b) Such hearing shall be held not less than thirty (30) days nor more than sixty (60) days from the date of said written notice to the accused Owner.

(c) Such hearing shall be conducted according to such reasonable rules and procedures as the Board shall adopt which shall provide the Owner with the right to present oral and written evidence and to confront and cross-examine any person offering at such hearing evidence adverse to such Owner. The Board or any such committee shall deliver to the accused Member within seven (7) days after the hearing a written decision which specifies the fines or penalties levied, if any, and the reasons therefor. In the event the correction of such violation also requires additional time in which the violation can be corrected (such as, and without limitation, for any installation, removal, repair, replacement, reconstruction or maintenance of improvements), the Board or any such committee shall set another date by which the violation is to be corrected by the Owner.

A decision of such committee may be appealed to the Board but a decision of the Board shall be final.

(d) If the violation is one that requires corrective work, and continues to exist after the time limitation imposed by a final decision of the Board or such committee, the Board or such committee may cause such corrective work to be accomplished. In such event the Board shall give written notice of such election to the violating Owner and the following shall apply:

(i) The Owner shall have no more than ten (10) days following receipt thereby of said written notice of election in which to select a day or days upon which such corrective work shall be accomplished;

(ii) The date which said Owner selects shall be not less than ten (10) days nor more than thirty (30) days following the last day of the ten (10) day period specified in such notice of election;

(iii) If said Owner does not select such day or days within the ten (10) day period specified in such notice of election, the Board or such committee may select a day or days upon which such corrective work may be accomplished which shall be not less than twenty-five (25) nor more than fifty-five (55) days from the last day of the ten (10) day period specified in such notice of election; and

(iv) Unless the Owner and the Board otherwise agree, such corrective work shall take place only during daylight hours on any day, Monday through Friday, excluding holidays.

(e) If SAMLARC pays for all or any portion of such corrective work required to correct a violation, such amount shall be reimbursed by the affected Owner.

Notwithstanding the foregoing, judicial proceedings must be instituted before any items of construction can be altered or demolished.

## ARTICLE XI

### Amendment Provisions

Section 11.01 - Powers of Members. These Bylaws may be amended or repealed by the vote or written assent of a majority of the voting power of each class of membership, or the vote or written assent of a majority of the voting power of SAMLARC and a majority of the votes by Members other than the Declarant as set forth in the Section entitled "Voting Requirements for Certain Actions" of the Article entitled "Membership Voting Rights" of the Declaration. Notwithstanding the above, the percentage of the voting power of SAMLARC or of Members other than the Declarant necessary to amend a specific clause or provision in these Bylaws or in SAMLARC Rules shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision. An amendment to this Section or any other Section of these Bylaws pertaining to voting rights must further have the approval of the voting power of the Members and of Eligible Mortgage Holders as provided in the Section entitled "Vote of Eligible Mortgage Holders and Owners" of the Article entitled "Mortgagee Protection" of the Declaration.

Section 11.02 - Record of Amendments. Whenever an amendment or new Bylaw is adopted it shall be placed in the book of Bylaws in the appropriate place. If any Bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said book.

Section 11.03 - FHA/VA. Anything stated in this Article to the contrary notwithstanding, no material amendment to the Bylaws shall be made without the prior written approval of Mortgagees holding seventy-five percent (75%) of the First Mortgages encumbering Residences; provided, further, that so long as there remains a Class B membership in SAMLARC, any amendments to these Bylaws must have the prior approval of FHA and VA.

## ARTICLE XII

### Miscellaneous

Section 12.01 - Singular Includes Plural. Wherever the context of these Bylaws requires same, the singular shall

include the plural and the masculine shall include the feminine.

Section 12.02 - Fiscal Year. The fiscal year of SAMLARC shall begin on the first day of January and end on the thirty-first (31st) day of December of each year, except that the first fiscal year shall begin on the date of incorporation. However, the fiscal year of SAMLARC is subject to change from time to time as the Board shall determine.



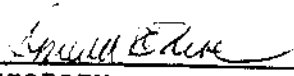
CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

(1) That I am the duly elected and acting secretary of Rancho Santa Margarita Landscape and Recreation Corporation, a California nonprofit mutual benefit corporation; and

(2) That the foregoing Bylaws, comprising 36 pages constitute the original Bylaws of said corporation as duly adopted on April 1, 1986.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said corporation this 1st day of April, 1986.

  
\_\_\_\_\_  
Secretary



**Rancho Santa  
Margarita  
Landscape and  
Recreation Corp**

CC and Rs



**FirstService**  
RESIDENTIAL



\$458<sup>00</sup>  
C7

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AFTER RECORDING MAIL TO:

Gibson, Dunn & Crutcher  
800 Newport Center Drive  
Newport Beach, CA 92660

RECORDING REQUESTED BY  
FIRST AMERICAN TITLE CO.  
RECORDED IN OFFICIAL RECORDS  
OF ORANGE COUNTY CALIFORNIA

Attention: Dorothy Urbanec

8 25 AM APR 24 '86

*H. A. Branch* COUNTY RECORDER

(Space Above This Line For Recorder's Use)

AMENDED AND RESTATED  
DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

RANCHO SANTA MARGARITA

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AMENDED AND RESTATED

DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS

RANCHO SANTA MARGARITA

ORANGE COUNTY, CALIFORNIA

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this \_\_\_\_\_ day of \_\_\_\_\_ by Rancho Santa Margarita Joint Venture, a California General Partnership, its successors and assigns, hereafter referred to as "Company" or "Declarant."

I. Declarant, as the fee owner and/or the master developer recorded a Declaration of Covenants, Conditions and Restrictions on October 28, 1985, as Instrument No. 85-413883, of Official Records of Orange County, California, (the "Declaration") covering the Initial Covered Property and describing Annexation Property which may from time to time be annexed pursuant to the Declaration and become a part of the Covered Property as such terms are defined in the Article entitled "Definitions" of the Declaration.

II. Portions of the Annexation Property were made subject to all of the terms, covenants, conditions and provisions as set forth in the Declaration by the recordation in the County of Orange, State of California of Supplementary Declarations of Covenants, Conditions and Restrictions (the "Supplementary Declarations") executed by Company and the following described Participating Builders:

(a) Supplementary Declaration covering Lot 1 of Tract No. 12263 as shown on a map filed in Book 546, Pages 5 to 14 inclusive, of Miscellaneous Maps, records of said County, executed by The Fieldstone Company, a California corporation as Participating Builder, recorded on November 15, 1985 as Instrument No. 85-443953 of Official Records of said County;

(b) Supplementary Declaration covering Lot 2 of Tract No. 12263 as shown on a map filed in Book 546, Pages 5 to 14 inclusive, of Miscellaneous Maps, records of said County, executed by Standard-Pacific Corp., a Delaware corporation as Participating Builder, recorded on November 15, 1985 as Instrument No. 85-443652 of Official Records of said County;

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(c) Supplementary Declaration covering Lot 3 of Tract No. 12263 as shown on a map filed in Book 546, Pages 5 to 14 inclusive, of Miscellaneous Maps, records of said County, executed by Akins Development Company - Santa Margarita, a California General Partnership as Participating Builder, recorded on November 18, 1985 as Instrument No. 85-463668 of Official Records of said County;

(d) Supplementary Declaration covering Lot 4 of Tract No. 12263 as shown on a map filed in Book 546, Pages 5 to 14 inclusive, of Miscellaneous Maps, records of said County, executed by John Laing Homes, Inc., a California corporation as Participating Builder, recorded on November 15, 1985 as Instrument No. 85-444210 of Official Records of said County;

(e) Supplementary Declaration covering Lot 5 of Tract No. 12263 as shown on a map filed in Book 546, Pages 5 to 14 inclusive, of Miscellaneous Maps, records of said County, executed by The William Lyon Company, a California corporation as Participating Builder, recorded on November 22, 1985 as Instrument No. 85-472193 of Official Records of said County;

(f) Supplementary Declaration covering Lot 1 of Tract No. 12265 as shown on a map filed in Book 546, Pages 19 to 25 inclusive, of Miscellaneous Maps, records of said County, executed by The William Lyon Company, a California corporation as Participating Builder, recorded on November 22, 1985 as Instrument No. 85-472198 of Official Records of said County;

(g) Supplementary Declaration covering Lot 3 of Tract No. 12265 as shown on a map filed in Book 546, Pages 19 to 25 inclusive, of Miscellaneous Maps, records of said County, executed by Wittenberg-Livingston Corporation, a California corporation as Participating Builder, recorded on November 15, 1985 as Instrument No. 85-444078 of Official Records of said County;

(h) Supplementary Declaration covering Lot 4 of Tract No. 12265 as shown on a map filed in Book 546, Pages 19 to 25 inclusive, of Miscellaneous Maps, records of said County, executed by The Fieldstone Company, a California corporation as Participating Builder, recorded on November 15, 1985 as Instrument No. 85-443947 of Official Records of said County;

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(i) Supplementary Declaration covering Lot 1 of Tract No. 12266 as shown on a map filed in Book 547, Pages 41 to 50 inclusive, of Miscellaneous Maps, records of said County, executed by Macco Pacific, a California General Partnership as Participating Builder, recorded on December 30, 1985 as Instrument No. 85-521800 of Official Records of said County;

(j) Supplementary Declaration covering Lot 2 of Tract No. 12266 as shown on a map filed in Book 547, Pages 41 to 50 inclusive, of Miscellaneous Maps, records of said County, executed by Baywood Homes - Santa Margarita, a California General Partnership as Participating Builder, recorded on November 26, 1985 as Instrument No. 85-476579 of Official Records of said County;

(k) Supplementary Declaration covering Lot 5 of Tract No. 12266 as shown on a map filed in Book 547, Pages 41 to 50 inclusive, of Miscellaneous Maps, records of said County, executed by Century American, a California corporation as Participating Builder, recorded on December 2, 1985 as Instrument No. 85-483033 of Official Records of said County;

(l) Supplementary Declaration covering Lot 1 of Tract No. 12267 as shown on a map filed in Book 547, Pages 34 to 40 inclusive, of Miscellaneous Maps, records of said County, executed by Standard-Pacific Corp., a Delaware corporation as Participating Builder, recorded on December 2, 1985 as Instrument No. 85-483021 of Official Records of said County;

(m) Supplementary Declaration covering Lot 2 of Tract No. 12267 as shown on a map filed in Book 547, Pages 34 to 40 inclusive, of Miscellaneous Maps, records of said County, executed by The Fieldstone Company, a California corporation as Participating Builder, recorded on December 2, 1985 as Instrument No. 85-483026 of Official Records of said County;

A Participating Builder was also designated as a Declarant with limited rights and obligations as more particularly set forth in the Declaration.

III. A portion of the Annexation Property was made subject to all of the terms, covenants, conditions and provisions as set forth in the Declaration by the recordation in said County of a Supplementary Declaration executed by Company and the following described Apartment Lot Owner:

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Supplementary Declaration covering all of Tract No. 12264 as shown on a map filed in Book 546, Pages 15 to 18 inclusive, of Miscellaneous Maps, records of said County, executed by SMV Partners, a California General Partnership as an Apartment Lot Owner, recorded on October 30, 1985 as Instrument No. 85-418523 of Official Records of said County.

IV. Section 20.01 of Article XX of the Declaration provides in part that as long as all of the Initial Covered Property is owned by Declarant and no Apartment Units have been rented, the Declaration may be cancelled or amended as to such Initial Covered Property by a writing executed by Company and such Declarant. Such property continues to be owned by Company as Declarant and no Apartment Units have been rented. An Amendment of Declaration of Covenants, Conditions and Restrictions was recorded on January 13, 1986 as Instrument No. 86-015123 of Official Records of said County, executed by Company as such Declarant, deleting the Initial Covered Property from the coverage of the Declaration.

V. Section 20.01 of Article XX of the Declaration provides further that as long as a Declarant who is not an Apartment Lot Owner continues to own all of the Annexed Property covered by a Supplementary Declaration, the Supplementary Declaration may be cancelled or amended as to all or any portion of such Annexed Property by a writing executed by Company and such Declarant. Each of the foregoing Participating Builders continues to be the fee owner of the Annexed Property described in each such Supplementary Declaration, and Company together with each such Participating Builder, as Declarant desire to amend each such Supplementary Declaration as hereinafter provided in this Amended and Restated Declaration of Covenants, Conditions and Restrictions.

VI. Section 20.01 of Article XX of the Declaration provides further that until such time as an Apartment Lot Owner has rented or leased an Apartment Unit within an Apartment Lot which comprises all or any portion of the Annexed Property covered by a Supplementary Declaration, such Supplementary Declaration may be cancelled or amended as to all or any portion of such Annexed Property by a writing executed by Company and such Apartment Lot Owner. The foregoing Apartment Lot Owner hereby declares that there has not been a rental or lease of any Apartment Unit within any Apartment Lot comprising all or any portion of the Annexed Property covered by such Supplementary Declaration.

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VII. Company and the foregoing Participating Builders, as Declarants, and the foregoing Apartment Lot Owner now desire to amend the Declaration in certain particulars as provided in this Amended and Restated Declaration of Covenants, Conditions and Restrictions, and to amend each such Supplementary Declaration to provide that the Annexed Property described therein shall hereafter be subject to the covenants, conditions, restrictions, reservations, liens and charges hereinafter set forth in this Amended and Restated Declaration of Covenants, Conditions and Restrictions.

NOW, THEREFORE, the foregoing Declarants and Apartment Lot Owners hereby amend the Declaration of Covenants, Conditions and Restrictions and the Supplementary Declarations by amending and restating the Declaration to provide as follows:

R E C I T A L S

A. Company is the master developer and Declarants and the Apartment Lot Owner are the fee owners of the Covered Property and the Annexation Property which may from time to time be annexed pursuant to this Amended and Restated Declaration of Covenants, Conditions and Restrictions and become part of the Covered Property as such terms are defined in the Article entitled "Definitions" of this Amended and Restated Declaration of Covenants, Conditions and Restrictions. This Amended and Restated Declaration of Covenants, Conditions and Restrictions shall hereinafter be referred to as the "Declaration." This Declaration is being imposed by the foregoing Declarants and Apartment Lot Owners upon the Covered Property.

B. Declarant has deemed it desirable to establish covenants, conditions and restrictions upon the Covered Property and each and every portion thereof, which will constitute a general scheme for the management of the Covered Property, and for the use, occupancy and enjoyment thereof, all for the purpose of enhancing and protecting the value, desirability and attractiveness of the Covered Property and enhancing the quality of life within the Covered Property.

C. It is desirable for the efficient management of the Covered Property and the preservation of the value, desirability and attractiveness of the Covered Property to create a corporation to which should be delegated and assigned the powers of managing the Covered Property, maintaining and administering the Community Property, administering and enforcing these covenants, conditions



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and restrictions, collecting and disbursing funds pursuant to the assessment and charges hereinafter created and referred to, and to perform such other acts as shall generally benefit the Covered Property.

D. Rancho Santa Margarita Landscape and Recreation Corporation, a nonprofit mutual benefit corporation, has been incorporated under the laws of the State of California for the purpose of exercising the powers and functions aforesaid.

E. Declarant will hereafter hold and convey title to all of the Covered Property subject to certain protective covenants, conditions and restrictions hereafter set forth.

Any portion of the project which will be submitted for approval by FHA and/or VA (as such terms are defined in the Article entitled "Definitions" of the Declaration) for the purpose of having FHA and/or VA insure or guarantee any Mortgage or provide any form of assistance within the purview of such agencies with respect to the Covered Property will be consistent with the overall development plan submitted to the FHA and/or VA.

This common interest development will be a multiphased planned development as such terms are defined in Section 1350 of the Civil Code of the State of California and is designed to consist of lots improved with single family, attached and detached houses, condominiums, apartment units and certain recreational facilities which will be owned in fee or by easement by SAMLARC. Such recreational facilities shall include, without limitation, landscaped areas adjacent to public rights-of-way, parks, a lake for the common use and enjoyment of all of the members of the aforesaid SAMLARC and a trail system which will be used by such members as well as owners within certain adjacent property as long as the members of the aforesaid SAMLARC have reciprocal rights of use and enjoyment of the trail system within such adjacent property. Any property covered by this Declaration may also be subject to one or more declarations of covenants, conditions and restrictions which will create planned unit developments and/or condominium projects and may contain recreational facilities and amenities intended for use and enjoyment by the members of the nonprofit mutual benefit corporation established for the purpose of exercising the powers and functions of a maintenance corporation established pursuant to such declaration of covenants, conditions and restrictions. Although Declarant currently intends to develop the Covered Property (as such term is

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defined in this Declaration) as a part of a single master planned development, it may elect not to develop all or any portion thereof or to modify current development plans.

NOW, THEREFORE, Declarant hereby covenants, agrees and declares that all of its interest as the same may from time to time appear in the Covered Property shall be held and conveyed subject to the following covenants, conditions, restrictions and easements which are hereby declared to be for the benefit of said interests in the Covered Property, and the owners of said interests, their successors and assigns. These covenants, conditions, restrictions and easements shall run with said interests and shall be binding upon all parties having or acquiring any right or title in said interests or any part thereof, and shall inure to the benefit of each owner thereof and are imposed upon said interests and every part thereof as a servitude in favor of each and every of said interests as the dominant tenement or tenements.

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ARTICLE I

DEFINITIONS

Unless the context clearly indicates otherwise, the following terms used in this Declaration are defined as follows:

Section 1.01. "Annexation Property" shall mean and refer to that real property in the County described on Exhibit A attached hereto. "Annexed Property" shall mean and refer to the Annexation Property or portion thereof or any other real property described in a Supplementary Declaration recorded in the Official Records of the County.

Notwithstanding the provisions of the Section entitled "Development of the Covered Property" of the Article entitled "Annexations" of this Declaration, it is contemplated that the total number of Residences which may be annexed as part of the Annexation Property shall not exceed twenty thousand (20,000) Residences.

Section 1.02. "Apartment Lot" shall mean and refer to a Lot containing one or more Apartment Buildings which shall be identified as such in the Supplementary Declaration annexing such Apartment Lot to the plan of this Declaration. In the event of any further subdivision of an Apartment Lot into more than one Lot each containing one or more Apartment Buildings, each such newly created Lot shall, effective on the date of the recording of the Tract or Parcel Map effecting such subdivision, be an "Apartment Lot."

Section 1.03. "Apartment Lot Owner" shall mean and refer to the fee owner of an Apartment Lot.

Section 1.04. "Apartment Building" shall mean and refer to a separate building containing Apartment Units located within an Apartment Lot.

Section 1.05. "Apartment Unit" shall mean and refer to a residential apartment in an Apartment Building located within an Apartment Lot.

Section 1.06. "Architectural Committee" shall mean and refer to the committee or committees provided for in the Article hereof entitled "Architectural Control".

Section 1.07. "Articles" and "Bylaws" shall mean and refer to the Articles of Incorporation and Bylaws of SAMLARC as the same may from time to time be duly amended.

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Section 1.08. "Assessments" shall mean Cable Television Service Assessments, Capital Improvement Assessments, Reconstruction Assessments, Regular Assessments, Special Assessments and Special Benefits Assessments, as each is defined in the Article entitled "Assessments" of this Declaration.

Section 1.09. "Benefitted Owner" shall mean and refer to an owner of property adjacent or in near proximity to the Covered Property who is obligated to contribute a Proportionate Share of Net Costs toward the construction, reconstruction, repair and maintenance of certain Improvements.

Section 1.10. "Board" shall mean the Board of Directors of SAMLARC.

Section 1.11. "Common Expenses" shall mean and refer to the actual and estimated costs or amounts paid for the benefit of SAMLARC and all Members for:

(a) maintenance, management, operation, repair and replacement of the Community Property, and all other areas which are maintained by SAMLARC pursuant to the provisions of this Declaration;

(b) unpaid Assessments other than Special Benefits Assessments;

(c) maintenance by SAMLARC of areas within the public right-of-way of public streets in the vicinity of the Covered Property as provided in this Declaration or pursuant to agreements with the County;

(d) management and administration of SAMLARC, including, but not limited to, compensation paid by SAMLARC to managers, accountants, attorneys and employees;

(e) utilities, trash pickup and disposal, gardening and other services which generally benefit and enhance the value and desirability of the Covered Property;

(f) fire, casualty, flood, liability, worker's compensation and other insurance required to be maintained by SAMLARC pursuant to the Article entitled "Insurance" of this Declaration;

(g) any other insurance obtained by SAMLARC;

(h) premiums on all bonds required in this Declaration for SAMLARC (except for premiums on fidelity

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bonds obtained by a management agent for its officers, employees and agents);

(i) reasonable reserves as deemed appropriate by the Board;

(j) taxes paid by SAMLARC;

(k) discharge of any lien or encumbrance levied against the Community Property or portions thereof;

(l) expenses incurred by the Architectural Committee or other committees established by the Board;

(m) other expenses incurred by SAMLARC for any reason whatsoever in connection with the Community Property, or the costs of any other item or items designated by the SAMLARC Management Documents, or in furtherance of the purposes of SAMLARC or in the discharge of any duties or powers of SAMLARC.

Common Expenses shall specifically not include any Special Benefits Expenses.

Section 1.12. "Community Property" shall mean all real property and the Improvements thereon, owned in fee, by easement or leased from time to time by SAMLARC for the common use and enjoyment of the Members. The Community Property within the Development shall be designated as such on the Supplementary Declaration by which such property is annexed to the plan of this Declaration.

Section 1.13. "Condominium" and "Condominium Owner" shall mean, respectively, the estate and the Owner thereof of any condominium within the Covered Property within any condominium project established pursuant to Sections 1350 and following of the Civil Code of the State of California or any similar statute hereinafter enacted.

Section 1.14. "County" shall mean and refer to the County of Orange, State of California.

Section 1.15. "Covered Property" shall mean and refer to, subsequent to the annexation thereof pursuant to the Article of this Declaration entitled "Annexations," any real property which has become subject to this Declaration which as of the recordation of this Declaration consists of the real property in the County described as:

Lots 1 to 5 inclusive of Tract No. 12263 as per map filed in Book 546 Pages 5 to 14 inclusive, of Miscellaneous Maps records of said County;

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All of Tract No. 12264 as per map filed in Book 546, Pages 15 to 18 inclusive, of Miscellaneous Maps, records of said County;

Lots 1, 3 and 4 of Tract No. 12265 as per map filed in Book 546, Pages 19 to 25 inclusive, of Miscellaneous Maps, records of said County;

Lots 1, 2 and 5 of Tract Map No. 12266 as per map filed in Book 547, Pages 41 to 50 inclusive, of Miscellaneous Maps, records of said County; and

Lots 1 and 2 of Tract Map No. 12267 as per map filed in Book 547, Pages 34 to 40 inclusive, of Miscellaneous Maps, records of said County.

Section 1.16. "Declarant" shall mean and refer to:

(a) Rancho Santa Margarita Joint Venture, a California General Partnership, its successors and assigns, by merger, consolidation or by purchase of all or substantially all of its assets;

(b) any person or entity, his or its successors and assigns, who purchases or ground leases from the Declarant named in subsection (a) of this Section five (5) or more Residences or one or more unimproved lots or parcels shown on a map filed for record in the County, within the Development for the purpose of selling or leasing Residences to the public and, if applicable, conveying Community Property to SAMLARC, if such purchaser or lessee agrees in writing with Declarant to accept assignment of Declarant's rights and duties as to the portion of the Covered Property purchased and such writing is recorded against such portion purchased.

A Participating Builder shall also be a Declarant and shall have all of the rights and obligations of the Declarant under the SAMLARC Management Documents excepting the following:

(i) the right to approve any amendments to the Declaration that are effective only when approved by the Declarant;

(ii) the right to appoint members to the Architectural Committee; and

(iii) the right to annex, without the approval of Company, any portion of the Annexation Property.

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Section 1.17. "Delegate" shall mean and refer to the person appointed in the manner provided in the SAMLARC Management Documents to represent all of the Members other than Declarant within the portion of the Covered Property comprising the Delegate District of such Delegate to represent the collective voting power of all such Members at meetings of SAMLARC and shall also mean and refer to the person elected by the Declarants to represent the collective voting power of the Declarants all as more particularly provided in the SAMLARC Management Documents.

Section 1.18. "Delegate District" shall mean and refer to a particular portion of the Covered Property which is created in the manner described in the section entitled "Establishment of Delegate Districts" of the Article entitled "Membership Voting Rights" of this Declaration.

Section 1.19. "Development" shall mean and refer to the Covered Property and the Annexation Property.

Section 1.20. "Dwelling" shall mean a Residential Dwelling Unit together with garages and other structures on the same Lot, but in the case of a Condominium, shall mean all elements of a "unit" conveyed to the Owner as "unit" is defined in the condominium plan recorded for said Condominium pursuant to Section 1350 et seq. of the California Civil Code, and in the case of any Apartment Lot, shall mean and refer to each Apartment Unit.

Section 1.21. "Exhibit" shall mean and refer to any document so designated herein and attached hereto and each of such Exhibits is by this reference incorporated in this Declaration. If additional property is annexed pursuant to the Article entitled "Annexations" of this Declaration, exhibits similar to any Exhibit attached to this Declaration may be attached to such Supplementary Declarations pertaining to the annexed property, and each of such exhibits shall thereby be incorporated in this Declaration.

Section 1.22. "Federal Agencies" shall mean and refer to collectively one or more of the following agencies and the following letter designation for such agencies shall mean and refer to respectively the agency specified within the parentheses following such letter designation: FHA (Federal Housing Administration), FHLMC (Federal Home Loan Mortgage Corporation), FNMA (Federal National Mortgage Association), GNMA (Government National Mortgage Association), VA (Veterans Administration).

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Section 1.23. "Final Subdivision Public Report" shall refer to that report issued by the Department of Real Estate of the State of California pursuant to Section 11018.2 of the California Business and Professions Code or any similar statute hereafter enacted.

Section 1.24. "Improvement" shall mean all:

(a) structures and appurtenances thereto of every type and kind, including but not limited to, buildings, out buildings, walkways, sprinkler and sewer pipes or lines, garages, carports, swimming pools and other recreational facilities, roads, driveway, parking areas, fences, screening walls, retaining walls, awnings, patio and balcony covers, stairs, decks, landscaping, hedges, slopes, windbreaks, the exterior surfaces of any visible structure, trees and shrubs, poles, signs, solar or windpowered energy systems or equipment, and water softener or heater or air conditioning and heating fixtures and equipment;

(b) the demolition or destruction by voluntary action of any structure or appurtenance thereto of every type and kind;

(c) the grading, excavation, filling, or similar disturbance to the surface of the land including, without limitation, change of grade, change of ground level, change of drainage pattern or change of stream bed;

(d) landscaping, planting, clearing, or removing of trees, shrubs, grass, or plants; and

(e) any change or alteration of any previously approved Improvement including any change of exterior appearance, color or texture.

Section 1.25. "Lot" shall mean and refer to a lot shown on a final map or a parcel shown on a parcel map filed for record in the County as such lot or parcel may be adjusted by Lot Line Adjustment recorded from time to time to the extent such lots or parcels are part of the Covered Property. "Lot" shall specifically not include any Community Property.

Section 1.26. "Member" shall mean and refer to every person or entity who qualifies for membership pursuant to the Article of this Declaration entitled "SAMLARC Membership," including Declarant so long as Declarant qualifies for membership pursuant to said Article.



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Section 1.27. "Mortgage" and "Mortgagee" shall mean and refer respectively to any duly recorded mortgage or deed of trust encumbering a Residence and the holder of the mortgagee's or beneficiary's interest under any such Mortgage. "First Mortgage" and "First Mortgagee" shall mean and refer respectively to (i) a Mortgage which has priority over all other Mortgages encumbering a specific Residence and the holder of any such First Mortgage, and (ii) any Mortgage held by an institutional lender who obtains a security interest in any portion of the Covered Property in connection with financing by means of an industrial development bond as defined in Section 103(b)(2) of the Internal Revenue Code of 1954, as amended, or any successor statute thereof, and the holder of any such Mortgage.

The following additional terms describe Mortgagees or insurers or guarantors of Mortgages who are entitled to specific rights described in the SAMLARC Management Documents:

"Eligible Mortgage Holder" shall mean a First Mortgagee who is entitled to receive notification from SAMLARC and has the right to vote or approve any proposed amendment or action that requires the consent of a percentage of Eligible Mortgage Holders. Such Eligible Mortgage Holder shall be entitled to receive such notification and to vote on such matters only if such Eligible Mortgage Holder delivered to the Board a prior written request therefor. Wherever the approval of all or a specified percentage of Eligible Mortgage Holders is required it shall be deemed to mean the vote or approval of all or a specified percentage only of those First Mortgagees who have become Eligible Mortgage Holders by reason of having provided such notification to the Board. Wherever the vote or written approval of Eligible Mortgage Holders is required, it shall be deemed to mean such vote or approval of the percentage specified based on one (1) vote for each First Mortgage held.

"Requesting Mortgagee, Insurer or Guarantor" shall mean the Mortgagee, or insurer or guarantor of a Mortgage entitled to receive timely written notification from SAMLARC of certain matters as provided elsewhere in the SAMLARC Management Documents. To be entitled to receive such notification, the Mortgagee, insurer or guarantor must deliver to SAMLARC a written request therefor stating the name and address of such Mortgagee, or insurer or

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guarantor and the address or other identification of the Residence encumbered by the Mortgage held, insured or guaranteed by such Mortgagee, or insurer or guarantor.

Section 1.28. "Owner" shall mean and refer to one or more persons or entities who are alone or collectively the record owner of a fee simple title to a Residence, including an Apartment Lot Owner and Declarant, excluding those having any such interest merely as security for the performance of an obligation. If a Residence has been sold under a land sale contract in which the State of California is the vendor, then the vendee shall be deemed to be the Owner of such Residence. With the exception of any Apartment Units on an Apartment Lot, if a Residence is leased by Declarant for a term in excess of ten (10) years and the lease or memorandum thereof is recorded, the lessee or transferee of the leasehold interest and not the Declarant shall be deemed to be the Owner. If fee title to a Residence is owned other than by Declarant, the Owner of the fee title and not the lessee of such Residence shall be deemed the Owner regardless of the term of the lease.

Section 1.29. "Participating Builder" shall mean and refer to any person or entity other than an Apartment Lot Owner which has or will acquire from Company a portion of the Covered Property for the purpose of improving such property in accordance with Company's master development plan.

Section 1.30. "Phase" shall mean and refer to each increment of the Covered Property on which the Department of Real Estate of the State of California has issued a Final Subdivision Public Report. "Phase" shall also mean any Apartment Lot or Lots specified as such in this Declaration or in any Supplementary Declaration.

Section 1.31. "Proportionate Share of Net Costs" shall mean the contribution made by Benefitted Owners toward certain Common Expenses of SAMLARC pursuant to agreements with or for the benefit of SAMLARC.

Section 1.32.

(a) "Residence" shall mean and refer to:

(1) a Lot together with the Dwelling and other improvements constructed or intended to be constructed thereon;

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- (ii) a Condominium;
- (iii) an Apartment Unit; and
- (iv) a Lot conveyed by Company or any other Declarant to a member of the public without a Dwelling thereon (a "Custom Lot").

(b) "Residence" shall specifically not include:

- (i) Community Property;
  - (ii) any real property owned or leased by a Subordinate Maintenance Corporation for the common use and enjoyment of its members; and
  - (iii) an unimproved or partially improved Lot that has been conveyed or leased by Company to a Participating Builder for the purpose of constructing or creating thereon Residences for sale or lease to the public.

Section 1.33. "SAMLARC" shall mean and refer to Rancho Santa Margarita Landscape and Recreation Corporation, a nonprofit mutual benefit corporation incorporated under the laws of the State of California, its successors and assigns.

Section 1.34. "SAMLARC Management Documents" shall mean and refer to the Articles, Bylaws, Architectural Standards, Declaration and the SAMLARC Rules and any amendments to any of the foregoing.

Section 1.35. "SAMLARC Rules" shall mean rules adopted by SAMLARC pursuant to the SAMLARC Management Documents, including, without limitation, the Section entitled "SAMLARC Rules" of the Article entitled "Discipline of Members" of the Bylaws.

Section 1.36. "Special Benefits Area" shall mean and refer to a particular portion of the Covered Property designated as such in any Supplementary Declaration which will require particular services for which SAMLARC shall incur expenses which are attributable only to Owners within such portion of the Covered Property.

Section 1.37. "Special Benefits Expenses" shall mean and refer to the actual and estimated costs or expenses incurred by SAMLARC for the exclusive benefit of Owners within a particular Special Benefits Area and may include, without limitation, the following:

(a) maintenance, management, operation, repair and replacement of Improvements, including, without limitation, landscaping and any irrigation Improvements appurtenant thereto, maintained by SAMLARC for the benefit of the particular Special Benefits Area as designated in a Supplementary Declaration for the exclusive benefit of the Owners within such Special Benefits Area;

(b) unpaid Special Benefits Assessments;

(c) utilities, trash pickup and disposal for the benefit of the Owners within such Special Benefits Area;

(d) reasonable reserves as deemed appropriate by the Board for the repair and replacement of any Improvements maintained by SAMLARC pursuant to this Section.

Section 1.38. "Subordinate Declaration" shall mean any declaration of covenants, conditions and restrictions recorded by Declarant, other than those contained herein or in a Supplementary Declaration which may be applicable to a particular portion of the Covered Property.

Section 1.39. "Subordinate Maintenance Corporation" shall mean and refer to any nonprofit mutual benefit corporation which is formed among other things to facilitate the maintenance and operation of any portion of the Covered Property which is either owned in common by the Owners who are members of such nonprofit mutual benefit corporation or which is owned by such nonprofit mutual benefit corporation for the benefit of the Owners who are its members, or to enforce or administer any Subordinate Declaration.

Section 1.40. "Supplementary Declaration" shall mean a writing annexing additional property extending the plan of this Declaration to such additional property as provided in the Article entitled "Annexations" of this Declaration. Such writing which must be recorded in the Official Records of the County shall incorporate by reference all of the covenants, conditions, restrictions, easements and other provisions of this Declaration, and shall contain such other provisions set forth in this Declaration as relating to Supplementary Declarations, and such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the annexed property and as are not inconsistent with the plan of this Declaration.

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Section 1.41. "Trail" shall mean and refer to the portion of the Trail and Landscape System described or depicted on Exhibits C and J or as may be described or depicted with particularity in any Supplementary Declaration.

Section 1.42. "Trail and Landscape System" shall mean and refer to sidewalks, walkways, bikeways and equestrian trails designed to connect public facilities and services, commercial properties, residential areas, churches, schools, parks and open spaces within the Covered Property as well as other properties owned and being developed by Company under its master development plan together with any landscaping and other improvements thereon. It shall specifically include landscaping and walkways adjacent to public rights-of-way. The Trail and Landscape System as designed at the time of the recording of this Declaration is generally depicted on Exhibit G attached hereto but will be fixed with particularity on Exhibits attached to this Declaration or to Supplementary Declarations annexing additional property to the plan of this Declaration.

Section 1.43. "Trail User" shall mean and refer to the Declarant and any person or entity to which Declarant expressly transfers and assigns any of the easement rights specifically described in the Section entitled "Trail and Landscape Easements" of the Article entitled "Rights of Ownership and Easements" of the Declaration.

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ARTICLE II

RIGHTS OF OWNERSHIP AND EASEMENTS

Section 2.01 - Amendment to Eliminate Easements. As long as any Declarant is an Owner, this Declaration cannot be amended to modify or eliminate the easements reserved to Declarant without the prior written approval of such Declarant and Company and any attempt to do so shall have no effect. As long as any Declarant is an Owner, any attempt to modify or eliminate this Section shall likewise require the prior written approval of such Declarant and Company.

Section 2.02 - Nature of Easements Unless otherwise set forth herein, any easement reserved to Declarant herein shall be nonexclusive.

Section 2.03 - Oil and Mineral Rights, Water Rights. Company shall reserve or has reserved, together with the right to grant and transfer the same:

(a) all oil, oil rights, minerals, mineral rights, natural gas rights, and other hydrocarbons by whatsoever name known, geothermal steam, and all products derived from any of the foregoing, that may be within or under the Covered Property together with the perpetual right of drilling, mining, exploring and operating therefor and storing in and removing the same from said land or any other land, including the right to whipstock or directionally drill and mine from lands other than the Covered Property, oil or gas wells, tunnels and shafts into, through or across the subsurface of the Covered Property and to bottom such whipstocked or directionally drilled wells, tunnels and shafts under and beneath or beyond the exterior limits thereof, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines without, however, the right to drill, mine, store, explore and operate through the surface or the upper five hundred (500) feet of the subsurface of the Covered Property; and

(b) the right and power to use or utilize on any other property owned or leased by Company, any and all water rights or interests in water rights no matter how acquired by Company, and all water rights or interests in water rights that may be within, under or on the Covered Property, whether such water rights shall be riparian, overlying, appropriative, percolating, prescriptive or contractual; provided, however, that the reservation did not reserve to or for the benefit of Company any right to

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enter upon the surface of the Covered Property in the exercise of such rights.

Section 2.04 - Development Rights and Easements Reserved to Declarant.

(a) Improvements. Easements (i) over the Community Property for the purpose of constructing, erecting, operating and maintaining thereon, therein or thereunder roads, streets, walks, driveways, parkways and park areas and (ii) over the Covered Property for the installation and maintenance of electric, telephone, cable television, water, gas, sanitary sewer lines and drainage facilities are hereby reserved by Declarant together with the right to grant and transfer the same on documents in the form normally used and provided by any such Grantee; provided, however, such easements shall not unreasonably interfere with the use and enjoyment by the Members of their Residences or the Community Property. The Declarant shall repair any damage to and complete any restoration of the Covered Property caused or necessitated by such installation and maintenance within a reasonable time after the occurrence of such damage or need for restoration.

(b) Cable Television. There is hereby reserved to Declarant over the Covered Property, together with the right to grant and transfer the same, the right to emplace on, under or across the Covered Property transmission lines and other facilities for a community antenna television system and thereafter to own and convey such lines and facilities and the right to enter upon the Covered Property to service, maintain, repair, reconstruct and replace said lines or facilities; provided, however, that the exercise of such rights shall not unreasonably interfere with any Owner's reasonable use and enjoyment of his Residence.

(c) Construction and Sales. There is hereby reserved to Declarant, together with the right to grant and transfer the same to Declarant's sales agents and representatives and prospective purchasers of Residences, over the Community Property as the same may from time to time exist, easements for construction, display, maintenance, sales and exhibit purposes in connection with the erection and sale or lease of Residences within the Covered Property provided, however, that such use shall not be for a period beyond (i) twelve (12) years after conveyance of such Community Property to SAMLARC or (ii) the fifth (5th) anniversary of the issuance of the original Final Subdivision Public Report for the most

recent Phase of the Development whichever of (i) or (ii) occurs later and provided further that no such use by any Declarant and others shall otherwise unreasonably restrict the Members in the reasonable use and enjoyment of the Covered Property. The Declarant exercising the easement rights conveyed herein shall repair any damage to and complete any restoration of the Covered Property caused or necessitated by such construction, display, maintenance, sales and exhibit purposes within a reasonable time after the occurrence of such damage or need for restoration.

(d) Public Bicycle and Pedestrian Trails. There is hereby reserved to Declarant, together with the right to grant and transfer the same on documents in the form normally used and provided by any such Grantee, an easement for public ingress and egress over any bicycle, pedestrian, equestrian or other trails shown on any recorded final tract or parcel map covering the Covered Property. The reservation of this easement shall not imply any right of public use of the Covered Property or improvements.

(e) Utilities Shown on Tract Map. There is hereby reserved to Declarant, together with the right to grant and transfer the same, easements over the Covered Property for the installation and maintenance of electric, telephone, cable television, water, gas, sanitary sewer lines and drainage facilities as shown on any recorded final tract or parcel map covering the Covered Property.

(f) Termination. The rights and easements reserved to Declarant under this Section shall terminate upon the later of (i) the expiration or twelve (12) years from the date on which this Declaration is recorded, or (ii) the fifth (5th) anniversary of the issuance of the original Final Subdivision Public Report for the most recent Phase of the Development; provided, however, that in no event shall such easements terminate prior to the exoneration of any Bond in favor of SAMLARC described in the Article entitled "Enforcement of Bonded Obligations" of this Declaration.

Section 2.05 - Certain Easements for Owners. Declarant hereby reserves to itself, its successors and assigns, and agrees that it will grant to all Owners together with the right of such Owners to grant and transfer same, non-exclusive appurtenant easements for ingress, egress, use and enjoyment (which includes, without limitation, the unrestricted right of ingress and egress to such Owner's Residence) on and upon the Community Property described in



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this Declaration or in any Community Property annexed pursuant to a Supplementary Declaration. These rights shall be subject to control and management by SAMLARC as more particularly provided in the Section entitled "General Powers of SAMLARC" of the Article entitled "Duties and Powers of SAMLARC" of this Declaration, and to all of the easements, covenants, conditions, restrictions and other provisions contained in this Declaration.

Section 2.06 - Certain Easements for SAMLARC. There is hereby reserved to Declarant easements over the Covered Property, together with the right and obligation to grant and transfer the same to SAMLARC, for the purpose of permitting SAMLARC to discharge its obligations and powers as described in the SAMLARC Management Documents including without limitation a right of entry for such purpose as provided in the Section entitled "Powers and Duties" of the Article entitled "Powers, Duties and Limitations of the Board" of the Bylaws.

Section 2.07 - Support, Settlement and Encroachment. There is hereby reserved to Declarant, together with the right to grant and transfer the same, the following reciprocal easements for the purposes set forth below:

- (a) An easement appurtenant to each Residence which is contiguous to another Residence or Community Property which Residence shall be the dominant tenement and the contiguous Residence or Community Property shall be the servient tenement;
- (b) An easement appurtenant to the Community Property contiguous to a Residence, which Community Property shall be the dominant tenement and which contiguous Residence shall be the servient tenement;
- (c) It is provided, however, that in the event Community Property is the dominant tenement in an easement described in this Section, Declarant shall have the right to transfer said easement to SAMLARC and not to Owners;
- (d) Said easements shall be for the purposes of:
  - (i) engineering errors, errors in construction, reconstruction, repair, support, and accommodation of the natural settlement or shifting of any portion of the improvements and for the maintenance thereof;
  - (ii) minor encroachments by reason of a roof or eave overhang from a Residence and for the maintenance of such roof or eave overhang by the Owner of the

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dominant tenement for as long as such encroachments exist; and

(iii) encroachment of fireplaces, doorsteps, foundations, footings, garage doors, utilities and other appurtenances or fixtures and the maintenance thereof by the Owner of the dominant tenement, which, in the construction of the structures upon the dominant tenement or from any reconstruction or modifications of such structures, project beyond the external surface of the outer walls of such structures.

The rights and obligations of Owners shall not be altered in any way by said encroachments, settlement or shifting provided, however, that in no event shall an easement for encroachment be created in favor of an Owner if said encroachment occurred due to the willful misconduct of any Owner. In the event any portion of a structure on the Covered Property is partially or totally destroyed and then repaired or rebuilt, each Owner agrees that minor encroachments over adjoining Residences or Community Property shall be easements for the maintenance of said encroachments as long as they shall exist.

Section 2.08 - Rights and Duties: Utilities and Cable Television. Wherever sanitary sewer house connections, water house connections, air conditioning connections or ducts, electricity, gas, telephone and cable television lines or drainage facilities are installed within the Covered Property, SAMLARC or any Owner as the owner of any property served by said connections, lines or facilities shall have the right, and there is hereby reserved to Declarant, together with the right to grant and transfer the same to any such owner, an easement to the full extent necessary for the full use and enjoyment of such portion of such connections which service such owner's property, and to enter, or have utility companies enter upon any portion of the Covered Property (including without limitation, upon the Residences in or upon which said connections, lines or facilities, or any portion thereof lie), to repair, replace and generally maintain said connections as and when the same may be necessary as set forth below, provided that any damage caused by such entry shall be repaired by such owner or utility company as promptly as possible after completion of work thereon. Entry for emergency purposes may be immediate. Entry for other than emergency repairs shall be made only after notice has been given to the owner of the property being entered as required under the provisions of the Bylaws and shall be made with as little inconvenience as possible to such owner and any damage caused thereby shall be repaired by the entering party.

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Section 2.09 - Subordinate Maintenance Corporation Rights. There is hereby reserved to Declarant, together with the right to grant and transfer same to the appropriate Subordinate Maintenance Corporation or Corporations easements over the Covered Property for the purpose of permitting said Subordinate Maintenance Corporation or Corporations to discharge its maintenance obligations on the Community Property as described in any declaration of covenants, conditions and restrictions recorded by Declarant for a portion of the Covered Property.

Section 2.10 - Trail and Landscape Easements. Declarant hereby reserves to itself easements over the Trails described on Exhibit C attached hereto or any similar Exhibit attached to a Supplementary Declaration, together with the right to grant and transfer same and has previously acquired an easement over the Trail and Landscape System that is not a part of the Covered Property together with the right to grant and transfer same:

(a) To SAMLARC, over the Trail for the purpose of maintaining the Improvements located upon or within the Trail, together with the right and obligation to manage the Trail and to regulate the use thereof by the Trail Users subject to the terms and conditions of this Declaration;

(b) To the Trail Users who are Members over the Trail and Landscape System for ingress, egress, use and enjoyment, subject to control and management of the Trail by SAMLARC and of the remaining portion of the Trail and Landscape System by other nonprofit mutual benefit corporations who have an easement over a portion of the Trail and Landscape System for such purpose;

(c) To the Trail Users who are owners of property adjacent to the property covered by the Declaration, and any nonprofit mutual benefit corporation formed for the management and control of such adjacent property, for ingress, egress, use and enjoyment of the Trail subject to control and management by SAMLARC and conditioned upon the continued use and enjoyment of reciprocal rights of ingress and egress by the Trail Users who are Members over the Trail and Landscape System located within such adjacent property, which Trail and Landscape System will be subject to control and management by a nonprofit mutual benefit corporation formed for the management and control of any such adjacent property.

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Except for the maintenance by Owners of any portion of the Trail as provided in this Declaration, SAMLARC shall have the duty and obligation to maintain and otherwise manage the Trail and all facilities and Improvements thereon. The Owner of any such Lot containing any portion of the Trail shall have the right of drainage over, across and upon such portion of the Trail for water draining from said Lot through drainage devices installed in the original construction of the Improvements upon such Lot or thereafter upon the prior written approval of SAMLARC. An Owner of a Lot containing any portion of a Trail shall have the right to enter upon such portion of the Trail for the installation, maintenance and repair of the drainage systems permitted by the foregoing provision provided that any damage caused thereby to the landscaping or other Improvements existing within the Trail will be repaired at the sole expense of such Owner as soon as reasonably possible following the completion of such installation, maintenance and repair. SAMLARC shall not disturb the grading of the Trail or otherwise act with respect to the Trail in any manner that would damage the Lot upon which such Trail is located. An Owner of a Lot containing a Trail shall have the right to install, repair and maintain any underground utility systems located within such portion of the Trail provided that such systems do not unreasonably restrict the intended use and enjoyment of the Trail and any damage to the landscaping or other Improvements existing in the Trail caused thereby shall be repaired at the sole expense of such Owner and shall be accomplished as soon as reasonably possible following the completion of any such installation, repair or maintenance. In the event repair is required for any Improvement upon the Trail because of the acts or negligence of any Owner of a Lot containing such Trail or any other Trail User, such repair shall be accomplished by such negligent Owner or Trail User at his expense, or, at the sole discretion of the Board, may be accomplished by SAMLARC with the cost thereof charged to and paid by the negligent Owner or Trail User.

Section 2.11 - Park and School Easement. There is hereby reserved to Company, together with the right to grant and transfer same to any school district acquiring school property adjacent to any Community Property, an easement for limited use for park and school purposes over portions of such Community Property all as more particularly described in any existing or future grant of easement by Company to the said school district.

Section 2.12 - Exclusive Use Areas. There is hereby reserved to Company, together with the right to grant and

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transfer same, easements over the Community Property, or any portion thereof, for the exclusive use by an owner or owners of contiguous property as a yard, recreational, gardening, and/or landscaping area, and for minor encroachment of any Improvements thereon and the repair and maintenance thereof (the "Exclusive Use Areas"). Such easement shall not be effective unless approved by the Department of Real Estate of the State of California and unless approved by the Board. The Board shall approve any such easement only if it has determined that it would be in the best interests of SAMLARC and the remaining Members to create such Exclusive Use Areas for the benefit of any particular owner or owners of any such contiguous property. For example and without limitation, it would be beneficial to SAMLARC and its Members to transfer the burden of management and maintenance of any property which in the course of development and construction became difficult or impossible to access. Upon conveyance, such Exclusive Use Area shall be appurtenant to the property of the owner who has the exclusive use thereof and shall be deemed to be a part of such contiguous property of such owner for the purpose of applying the rights and obligations of Owners as contained in the Declaration. Such easement shall also be subject to any additional terms, conditions and restrictions that may be imposed by the Board.

Section 2.13 - Subordination. Company and Declarant hereby agree, and any grantee of any easement by acceptance of such conveyance agrees, that the easements conveyed as described in this Article shall be subordinate to any easement which has been or will be conveyed over the property encumbered by such easement in favor of any public authority or utility company, it being further agreed by the parties hereto that any easement in favor of a public authority shall be superior to any easement in favor of a utility company. A Declarant, other than the Company and any such grantee further agree to execute any document acknowledging the subordination of such easement that may be required by Company.

Section 2.14 - Delegation of Use. Any Member may delegate his right of enjoyment to the Community Property to the members of his family or his tenants who reside on his Residence, or to his guests, or to a vendee under a land sales contract subject to the rules and regulations adopted by the Board. In the event and for so long as an Owner delegates said rights of enjoyment to his tenants or a vendee, said Owner shall not be entitled to the use and enjoyment of any facilities or equipment belonging to or controlled by SAMLARC for the use and enjoyment of its Members.

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Section 2.15 - Waiver of Use. No Member may exempt himself from personal liability for Assessments duly levied by SAMLARC, or release the Residence owned by him from the liens, charges and other provisions of the SAMLARC Management Documents by waiver of the use and enjoyment of the Community Property or the abandonment of his Residence.

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ARTICLE III

DUTIES AND POWERS OF SAMLARC

Section 3.01 - General Duties and Powers. In addition to the duties and powers enumerated in its Articles and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, SAMLARC shall have the specific duties and powers specified in this Article.

Section 3.02 - General Duties of SAMLARC. SAMLARC through the Board shall have the duty and obligation to:

(a) maintain and otherwise manage the following:

(i) the Trail, except any portion thereof required to be maintained by an Owner as hereinafter provided, and all other easements and real property and all facilities, improvements and landscaping thereon in which SAMLARC holds an interest, subject to the terms of any instrument transferring such interest to SAMLARC;

(ii) all personal property in which SAMLARC holds an interest, subject to the terms of any instrument transferring such interest to SAMLARC; and

(iii) all property, real or personal, which SAMLARC is obligated to repair or maintain pursuant to this Declaration, including, without limitation, the Article of this Declaration entitled "Repair and Maintenance."

(b) establish and maintain a working capital and contingency fund pursuant to the Section entitled "Reserves" of the Article entitled "Assessments" of this Declaration;

(c) accept and administer on behalf of and for the benefit of the Members any initial working capital fund or contingency reserve fund established by the Declarant pursuant to the Section entitled "Capitalization of SAMLARC" of the Article entitled "Assessments" of this Declaration;

(d) within ten (10) days of the delivery of written request, provide the Owner with (i) a copy of the SAMLARC Management Documents, (ii) a copy of the most recent financial statement of SAMLARC described in Article VIII of the Bylaws and (iii) a true statement in writing as to the amount of any unpaid assessments and information

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relating to late charges, interest, and costs of collection, which, as of the date of the statement, are or may be made a lien upon such Owner's Residence. A reasonable fee may be imposed for providing such documents and statement, but in no event shall the fee exceed the reasonable cost to prepare and reproduce the requested documents.

Section 3.03 - General Powers of SAMLARC. Subject to limitations contained in the Section entitled "General Limitations and Restrictions on the Powers of the Board" of the Bylaws, and the Article entitled "Mortgagee Protection" of this Declaration, and elsewhere in the SAMLARC Management Documents, SAMLARC, through the Board, shall have the power but not the obligation to:

(a) acquire interests in real or personal property for offices or other facilities that may be necessary or convenient for the management of the Covered Property, the administration of the affairs of SAMLARC or for the benefit or enjoyment of the Members;

(b) limit the number or guests of Members and to limit the use of the recreational facilities, if any, on the Community Property by persons not in possession of a Residence but owning a portion of the interest in a Residence required for membership;

(c) establish reasonable rules and regulations pertaining to the use of the Community Property;

(d) impose temporary suspensions of an Owner's rights or other appropriate discipline for failure to comply with the SAMLARC Management Documents provided that SAMLARC has complied with the requirements for notice and hearing as set forth in the Section entitled "Notice and Hearing; Correction of Violation" of the Article entitled "Discipline of Members" of the Bylaws. Notwithstanding the foregoing, SAMLARC shall not have the right hereunder to suspend any Member's right to use any portion of the Covered Property necessary for such Member to gain access to his Residence and cannot be empowered to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of his Residence on account of the failure by the Owner to comply with provisions of the SAMLARC Management Documents except by judgment of a court or a decision arising out of arbitration or on account of a foreclosure or sale under a power of sale for failure of the Owner to pay Assessments duly levied by SAMLARC;



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(e) borrow money as may be needed in connection with the discharge by SAMLARC of its powers and duties and for the purpose of improving, replacing, restoring or expanding the Community Property or adding new Community Property and in aid thereof, to mortgage said property, provided that the Board has obtained the written approval of Eligible Mortgage Holders required under the Section entitled "Vote of Eligible Mortgage Holders and Owners" of the Article entitled "Mortgage Protection" of this Declaration, has otherwise complied with all of the requirements of the Section entitled "General Limitations and Restrictions on the Powers of the Board" of the Article entitled "Powers, Duties and Limitations of the Board" of the Bylaws and provided further that the rights of the lender thereunder shall be subordinated to the rights of the Members. In the event of a default upon any such mortgage of the Community Property, the lender's rights thereunder shall be limited to a right, after taking possession of such properties, to charge admission and other fees as a condition to continued enjoyment by the Members and, if necessary, to open the enjoyment of the Community Property to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to SAMLARC and all rights of the Members hereunder shall be fully restored;

(f) subject to the approval rights of Eligible Mortgage Holders and Owners pursuant to the Article hereof entitled "Mortgage Protection," dedicate or transfer all or any part of the Community Property to any public agency, authority or utility or other entity;

(g) establish in cooperation with the County a special tax assessment district for the performance of all or a portion of the maintenance and other functions now within the responsibility of SAMLARC, together with the right of SAMLARC to convey, lease or otherwise transfer, subject to the provisions of this Section, all or any portion of the Community Property to said district;

(h) grant permits, licenses and easements on, over and under the Community Property to public utilities or governmental entities or agencies for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Covered Property; provided that such permits, licenses and easements shall not unreasonably interfere with the right of any Owner to the use and enjoyment of his Residence and the Community Property;

(i) levy a charge for the use of the recreational facilities, if any, located on the Community Property;

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(j) grant concessions for commercial activities relating to the use and enjoyment of the Community Property by the Members, provided that any such contract with an affiliate of Declarant must also comply with the provisions of the Section entitled "Additional Contractual Restrictions" of the Article entitled "Powers, Duties and Limitations of the Board" of the Bylaws; and

(k) negotiate and enter into contracts with Mortgagees and mortgage insurers and guarantors as may be necessary and desirable to facilitate the availability of loans secured by Mortgages within the Covered Property.

Notwithstanding any contrary provision in the Articles or Bylaws, so long as there is any Residence for which SAMLARC is obligated to provide management, maintenance, preservation or control, no such dedication or transfer pursuant to this Section shall be effective unless an instrument signed by seventy-five percent (75%) of the Members agreeing to such dedication or transfer has been recorded.

Section 3.04 - Pledge of Assessment Rights. SAMLARC shall have the power to pledge the right to exercise its Assessment powers in connection with obtaining funds to repay a debt of SAMLARC provided, however, any such pledge shall require the prior affirmative vote or written assent of not less than sixty-seven percent (67%) of the voting power of SAMLARC. Said power shall include, but not be limited to, the ability to make an assignment of Assessments which are then payable to or which will become payable to SAMLARC, which assignment may be then presently effective but shall allow said Assessments to continue to be paid to and used by SAMLARC as set forth in this Declaration, unless and until SAMLARC shall default on the repayment of the debt which is secured by said assignment. SAMLARC may levy Special Assessments against the Members to obtain such funds. Upon the failure of any Member to pay said Special Assessment when due, SAMLARC may exercise all rights, including, without limitation, the right to foreclose its lien pursuant to the Article hereof entitled "Enforcement of Assessment Liens". Without limiting the generality of the foregoing, any pledge of Assessment rights in excess of an amount equal to twenty-five percent (25%) of the total Regular Assessments collected by SAMLARC in the then preceding fiscal year shall require the prior written approval of seventy-five percent (75%) of the Eligible Mortgage Holders. The levying of Special Assessments pursuant to this Section must also comply with the requirements of the Section entitled "Maximum Assessments" of the Article entitled "Assessments" of this Declaration.

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Section 3.05 - Power of Attorney. In addition to any other rights, duties, obligations and powers granted to SAMLARC herein, and not in limitation of any such rights, duties, obligations and powers, each Owner, with the exception of the Administrator of Veterans Affairs, an Officer of the United States of America, hereby appoints SAMLARC as attorney-in-fact for the purpose of handling any losses or proceeds from condemnation, destruction or liquidation of all or any part of the Covered Property to the extent such functions are the obligation of SAMLARC as such obligations are more particularly described in the SAMLARC Management Documents. All such proceeds shall be retained in the general funds of SAMLARC except as specifically provided in the Articles entitled "Destruction of Improvements" and "Eminent Domain" of this Declaration.

Section 3.06 - SAMLARC to Defend Certain Actions. In the event that a lawsuit is filed against all or substantially all of the Owners as Members, or a lien is levied against all or substantially all of the Covered Property, SAMLARC, upon a majority vote of the Members named as defendants or those Members whose property is covered by the lien, shall defend such lawsuit or cause such lien to be removed. The costs of such litigation or removal shall be a Special Assessment against all Members joined as defendants in such lawsuit or whose property is covered by the lien and shall be allocated at an equal amount for each Residence of all Members named as such defendants, provided, however, in the event that an insurance carrier is obligated to provide such defense under a policy of insurance carried by SAMLARC, SAMLARC shall be relieved of the obligation to provide such defense. Nothing contained herein shall in any way limit the rights of any Member or Members to retain counsel of their choice to represent them in such lawsuit at their own expense. In the event that a Member so chooses, he shall not be relieved of liability for the Special Assessment provided for in this Section.

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ARTICLE IV

SAMLARC MEMBERSHIP

Section 4.01 - Membership. Every Owner including the Apartment Lot Owner and any Declarant as long as Declarant continues to be an Owner by virtue of holding title to a Residence shall be a Member. The terms and provisions set forth in this Declaration, which are binding upon all Owners, are not exclusive, as Owners shall, in addition, be subject to the terms and provisions of the Articles, Bylaws and SAMLARC Rules to the extent the provisions thereof are not in conflict with this Declaration. Membership of Owners shall be appurtenant to and may not be separated from the interest of such Owner in any Residence. Ownership of a Residence shall be the sole qualification for membership; provided, however, a Member's rights or privileges may be regulated or suspended for failure to comply with the SAMLARC Management Documents after notice and hearing as provided in the Section entitled "Notice and Hearing; Correction of Violation" of the Article entitled "Discipline of Members" of the Bylaws.

Section 4.02 - Transfer. The membership held by any Owner shall not be transferred, pledged or alienated in any way, except that such membership shall automatically be transferred to the transferee of the interest of an Owner required for membership. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of SAMLARC. SAMLARC shall have the right to record the transfer upon the books of SAMLARC without any further action or consent by the transferring Owner.

Section 4.03 - Plural Memberships. A Member may own more than one membership in SAMLARC by complying with the qualifications of membership as to more than one (1) Residence as set forth in this Article and the Section entitled "Owner" of the Article entitled "Definitions" of the Declaration.

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ARTICLE V

MEMBERSHIP VOTING RIGHTS

Section 5.01 - Voting Rights. All voting rights shall be subject to the restrictions and limitations provided in the SAMLARC Management Documents and shall commence at the time specified in the Section entitled "Vesting of Voting Rights" of the Article entitled "Assessments" of this Declaration.

Section 5.02 - Classes of Voting Membership.

(a) SAMLARC shall have three (3) classes of voting membership.

Class A. Class A Members shall be all Owners with the exception of the Declarant and the Apartment Lot Owners, until the Class B membership has been converted to Class A membership and after such conversion all Owners shall be Class A Members.

Class B. The Class B Member shall be Declarant. The Class B membership shall forever cease with respect to each Phase and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(a) When the total votes outstanding in the Class A membership in such Phase equals the total votes outstanding in the Class B membership in such Phase;

(b) The second anniversary of the original issuance of the Final Subdivision Public Report for such Phase of the Development; or

(c) January 1, 1998.

Class C. The Class C Member shall be the Apartment Lot Owner, subject to the provisions of the Article entitled "Apartment Lot Ownership" of this Declaration. The Class C membership shall forever cease and be converted to Class A membership (i) as to each Apartment Lot, upon the conversion of such Apartment Lot to a condominium project as hereinafter provided in the Article entitled "Apartment Lot Ownership" of this Declaration or (ii) as to all Apartment Lots when the Class B membership in all Phases of the Covered Property has converted to Class A membership.

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(b) All Class A Members, other than Members who are Apartment Lot Owners, shall be entitled to one (1) vote for each Residence in which they hold the interest required for membership. The Class B Member shall be entitled to three (3) votes for each Residence in a Phase in which it holds the interest required for membership. An Apartment Lot Owner shall, as either a Class A or a Class C Member, be entitled to one (1) vote for each Apartment Unit owned.

(c) When more than one person owns a portion of the interest in a Residence required for membership, each such person shall be a Member and the vote for such Residence shall be exercised as they among themselves determine. SAMLARC may, but shall not be obliged to, refuse to recognize the vote or written assent of any such co-Owner, except the vote or written assent of the co-Owner designated in a writing executed by all of such co-Owners and delivered to the Delegate of such Owner's Delegate District.

Section 5.03 - Voting Requirements for Special Actions.  
As long as there is a Class B membership, the actions indicated below in this Section shall require the percentage of each Class of the voting power of SAMLARC prescribed in the SAMLARC Management Documents. After the Class B membership has converted to Class A membership, such actions shall require the prescribed percentage of the voting power of SAMLARC together with the prescribed percentage of the total voting power of Members other than Declarants.

(a) General Limitations. Taking any of the actions specifically prohibited under the provisions of the Section entitled "General Limitations and Restrictions of the Powers of the Board" of the Article entitled "Powers, Duties and Limitations of the Board" of the Bylaws;

(b) Amendments. Amending any provision of the Articles, Bylaws or the Declaration;

(c) Annexation. Annexing real property to the plan of the Declaration other than the annexation of the Annexation Property in accordance with the provisions of the Section entitled "Annexation Without Approval and Pursuant to the General Plan" of the Article entitled "Annexations" of the Declaration.

Notwithstanding any other provision of the SAMLARC Management Documents, any action requiring a vote of the membership pertaining to or affecting a particular Special

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Benefits Area or the Owners therein shall require the approval of the prescribed percentage and the class or classes of membership of the voting power of only the Owners within such Special Benefits Area.

Section 5.04 - Special Voting Rights. Notwithstanding the provisions of this Article, from the first election of directors, and thereafter for as long as a majority of the voting power of SAMLARC resides in the Declarant, or as long as there is a Class B membership, not less than forty percent (40%) of the directors shall have been elected solely by the votes of Owners other than the Declarant.

Section 5.05 - Approval of All Members. Unless elsewhere otherwise specifically provided in this Declaration, any provision of this Declaration which requires the vote or written assent of either the voting power of SAMLARC or any class or classes of membership shall be deemed satisfied by the following:

(a) The vote in person or by proxy of the specified percentage of all of the votes which are entitled to be cast by either the entire membership of SAMLARC or any class or classes of membership, as the case may be. Said vote shall be at a meeting duly called and noticed pursuant to the provisions of the Bylaws dealing with annual or special meetings of the Members;

(b) Written consents signed by the specified percentage of all of the votes which are entitled to be cast by either the entire membership of SAMLARC or any class or classes of membership, as the case may be. Said vote by written consent shall be solicited pursuant to the procedures provided in the Bylaws.

Section 5.06 - Establishment of Delegate Districts. All of the Covered Property shall be divided into Delegate Districts. In the event that a Subordinate Maintenance Corporation is created for the administration of any of the property subject to the Declaration, the real property subject to the Subordinate Declaration of such Subordinate Maintenance Corporation shall constitute a Delegate District. The Supplementary Declaration annexing property that is not subject to a Subordinate Declaration shall designate the Delegate District being established by the Declarant for such Annexed Property or the Delegate District to which such Annexed Property is being annexed.

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ARTICLE VI

ASSESSMENTS

Section 6.01 - Creation of the Lien and Personal Obligation of Assessments. Each Owner, including the Declarant to the extent Declarant is an Owner as defined herein, is deemed to covenant and agree to pay to SAMLARC Assessments to be fixed, established and collected from time to time as provided in this Declaration. The Assessments, together with any late charges that have been levied plus any other reasonable costs of collection, including attorneys' fees, and interest, as permitted by Section 1366(c) of the Civil Code of the State of California, or any successor statute thereof, shall be a charge on the Residence and shall be a continuing lien upon the Residence against which each such Assessment is made, the lien to become effective upon the recordation of a Notice of Lien. Each such Assessment, together with such late charges and such other costs shall also be the personal obligation of the Owner of such Residence at the time when the Assessment becomes due. The personal obligation shall not pass to successors in title of an Owner unless expressly assumed by such successors or required by applicable law.

Section 6.02 - Purpose of Assessments. The Assessments levied by SAMLARC shall be used exclusively for the purposes of promoting the recreation, health, safety and welfare of the Members, the management of the Covered Property, enhancing the quality of life in the Covered Property, and the value of the Covered Property including, without limitation, the improvement and maintenance of the Covered Property, services and facilities devoted to this purpose and related to the use and enjoyment of the Community Property, or in furtherance of any other duty or power of SAMLARC.

Section 6.03 - Cable Television Service Assessments. "Cable Television Service Assessment" shall mean a charge against an Owner and his Residence for cable television services. The Board may but shall not be obligated to contract with a cable television service company to provide service for the benefit of Members who subscribe for such service. In the event the Board makes such selection, Cable Television Service Assessments shall be levied against Owners who have subscribed with SAMLARC for such service and shall be payable in full or in installments, and at the times designated by the Board.



Section 6.04 - Capital Improvement Assessments. "Capital Improvement Assessment" shall mean a charge against a member and his Residence levied by SAMLARC in any calendar year applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any installation, construction or replacement (other than due to destruction) of a described capital improvement upon the Community Property to the extent the same is not covered by the provisions affecting Reconstruction Assessments in the Article hereof entitled "Destruction of Improvements," including the necessary fixtures and personal property related thereto. All amounts collected as Capital Improvement Assessments may only be used for capital improvements and shall be deposited by the Board in a separate bank account to be held in trust for such purposes. Said funds shall not be commingled with any other funds of SAMLARC and shall be deemed a contribution to the capital account of SAMLARC by Members.

Section 6.05 - Reconstruction Assessments. "Reconstruction Assessment" shall mean a charge against each Member and his Residence representing a portion of the cost to SAMLARC for the repair, replacement or reconstruction of any portion or portions of the Community Property pursuant to the provisions of the Article entitled "Destruction of Improvements" of this Declaration.

Section 6.06 - Regular Assessments.

(a) "Regular Assessment" shall mean the charge levied against each Member and his Residence representing such Member's proportionate share of the estimated Common Expenses for the forthcoming fiscal year. Prior to the beginning of each fiscal year, as more particularly provided in the Bylaws, the Board shall distribute to each Member a pro forma operating statement or budget for the upcoming fiscal year which shall estimate the total Common Expenses to be incurred for such fiscal year. The Board shall at that time determine the amount of the Regular Assessment and the installments thereof to be paid by each Member. Each such installment shall be due and payable on a date established by the Board in the written notice sent to each Member.

(b) In the event the Board shall determine that the estimate of total charges for the current year is, or will become, inadequate to meet all Common Expenses for any reason, it shall then immediately determine the approximate amount of such inadequacy, issue a supplemental estimate of the Common Expenses and to the extent permitted in the Section entitled "Maximum

Assessments" of this Article, determine the revised amount of the Regular Assessment and installments thereof, if applicable, against each Member, and the date or dates when due.

Section 6.07 - Special Assessments. "Special Assessment" shall mean a charge against a particular Owner and his Residence, directly attributable to the Owner for charges and costs designated below and any other charges that are designated as a Special Assessment in the SAMLARC Management Documents, and include, without limitation, the following:

(a) cost of any action or undertaking on behalf of SAMLARC which is not specifically covered under Regular Assessments, Capital Improvement Assessments, Reconstruction Assessments, Special Benefits Assessments, or Cable Television Service Assessments;

(b) any charge designated as a Special Assessment in the SAMLARC Management Documents;

(c) charges imposed against an Owner consisting of reasonable late payment penalties for delinquent Assessments and/or charges to reimburse SAMLARC for the loss of interest if permitted by law and for costs reasonably incurred, including attorney's fees, in its efforts to collect delinquent Assessments;

(d) charges against any Member to reimburse SAMLARC for costs incurred in bringing such Member and his Residence into compliance with the provisions of the SAMLARC Management Documents, which Special Assessments may be levied upon the vote of the Board after notice and an opportunity for a hearing which satisfy the requirements of § 7341 of the California Corporations Code as set forth in the Section entitled "Notice and Hearing; Correction of Violation" of the Article entitled "Discipline of Members" of the Bylaws; and

(e) reallocation of any unpaid Proportionate Share of Net Costs.

In the event SAMLARC undertakes to provide materials or services which benefit individual Residences and which can be accepted or not by individual Owners, such Owners in accepting such materials or services agree that the costs thereof shall be a Special Assessment.

In the event SAMLARC undertakes to deliver notice or provide services for a Delegate District because such

Delegate District is not comprised of property that is subject to a Subordinate Declaration of a Subordinate Maintenance Corporation, or for any other reason, the cost and expense of any such notices or services may be charged as a Special Assessment against the Owners within such Delegate District.

Section 6.08 - Special Benefits Assessments. "Special Benefits Assessments" shall mean the charge levied against an Owner within a particular Special Benefits Area and his Residence representing such Owner's proportionate share of the estimated Special Benefits Expenses for the forthcoming fiscal year. The Board shall distribute to each such Owner a pro forma operating statement or budget for the upcoming fiscal year which shall estimate the total Special Benefits Expenses to be incurred for such fiscal year, and shall determine the amount of the Special Benefits Assessment, and the installments thereof, to be paid by each such Owner all in the same manner as provided in the SAMLARC Management Documents for the determination and payment of Regular Assessments.

Section 6.09 - Maximum Assessments.

Until January 1st of the year immediately following the conveyance of the first Residence to an Owner, the maximum annual Regular Assessment shall be Six Hundred Seventy-Five Dollars (\$675.00).

During the initial fiscal year in which Special Benefits Assessments are levied against the Owners within a particular Special Benefits Area, the Special Benefits Assessments for the Owners within such Special Benefits Area shall be the amount computed pursuant to the budget of SAMLARC in effect on the date of the first conveyance by Declarant of a Residence within such Special Benefits Area. The Board shall not impose Regular Assessments, Special Benefits Assessments or any other Assessments to defray the costs of any act or undertaking of SAMLARC except in compliance with Section 1366(b) of the Civil Code of the State of California, or any successor statute thereof, which as of the date hereof provides that the Board shall not impose Regular Assessments or Special Benefits Assessments that are more than ten percent (10%) greater than the Regular Assessments or Special Benefits Assessments, as applicable, for SAMLARC's preceding fiscal year and shall not impose any other Assessment to defray the costs of any act or undertaking of SAMLARC which in the aggregate for the fiscal year exceeds five percent (5%) of the estimated Common Expenses of SAMLARC for the said fiscal year without the vote or written assent of a

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majority of the voting power cast at a meeting or election of SAMLARC conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3 of Division 2 of Title 1 of the Corporations Code and Section 7613 of the Corporations Code. The provisions of this paragraph do not limit Assessment increases for the following purposes:

(1) the maintenance and repair of Community Property or other areas which SAMLARC is obligated to maintain or repair including but not limited to the payment of insurance premiums, the payment of utility bills, the costs incurred in maintaining or repairing structures or Improvements, and funding reserves; and

(2) addressing emergency situations.

The Board shall not impose Regular Assessments or Special Benefits Assessments if the portions thereof directly attributable to the purposes shown under subparagraphs (1) and (2) above are more than fifteen percent (15%) greater than the portions of the Regular Assessments or Special Benefits Assessments, as applicable, for such items for SAMLARC's preceding fiscal year without the vote or written assent of a majority of the Class A and a majority of the Class B voting power of SAMLARC for as long as there is a Class B membership, and after the Class B membership has converted to Class A membership, a majority of the voting power of SAMLARC together with a majority of the total voting power of Members other than Declarants. For the purpose of calculating the percentage increase in the portions of such assessments directly attributable to the specific purposes shown under subparagraphs (1) and (2) above, the Board shall determine on a per Residence basis for each such fiscal year the aggregate amount of the Common Expense items pertaining to such purposes shown on the budget, exclusive of any other items that may be shown on the budget.

Section 6.10 - Notice and Quorum for Any Action Authorized Under Section 6.09. Any action authorized under Section 6.09 shall be taken at a meeting of SAMLARC called for that purpose written notice of which shall be sent to all Members as more particularly provided in the Eylaws. A quorum for such meetings shall be votes totaling fifty-one percent (51%) of each class of Members entitled to vote on such action. If the required quorum is not present, another meeting may be called subject to the same notice requirements and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum for the preceding meeting. If the proposed action is favored by a majority of the votes cast at such meeting

but such vote is less than the requisite fifty-one percent (51%) of each class of Members, Members who did not vote may give their assent in writing, provided the same is obtained by the appropriate Delegate and forwarded to SAMLARC not later than thirty (30) days from the date of such meeting.

Section 6.11 - Assessment Allocation. Regular Assessments, Capital Improvement Assessments, Reconstruction Assessments and Special Assessments levied against all Residences for an act or undertaking of SAMLARC not covered under Regular Assessments and Capital Improvement Assessments shall be fixed at an equal amount for each Residence. Special Benefits Assessments levied against all Residences on which Assessments have commenced within a particular Special Benefits Area shall be fixed at an equal amount for each Residence within each such Special Benefits Area on which Assessments have commenced.

The provisions of this Section do not apply to an Assessment levied by the Board to reimburse SAMLARC for costs incurred in bringing the Member and his Residence into compliance with the provisions of the SAMLARC Management Documents but any such Assessment shall be subject to the provisions of the Section entitled "Costs and Charges Not Subject to Lien" of this Article.

All Assessments may be collected at intervals selected by the Board.

Section 6.12 - Costs and Charges Not Subject to Lien. A monetary penalty imposed by SAMLARC as a disciplinary measure for failure of a Member to comply with the SAMLARC Management Documents or as a means of reimbursing SAMLARC for costs incurred by SAMLARC in the repair of damage to Community Property for which the Member was allegedly responsible or in bringing the Member and his Residence into compliance with the SAMLARC Management Documents may not be characterized nor treated as an Assessment which may become a lien against such Member's Residence enforceable in accordance with the Section entitled "Foreclosure Sale" of the Article entitled "Enforcement of Assessment Liens" of the Declaration. Nothing in this Declaration, however, shall prevent SAMLARC from bringing an action at law or in equity against a Member to collect any monetary penalty imposed by SAMLARC for any of the foregoing reasons.

Section 6.13 - Certificate of Payment. SAMLARC shall, upon demand, furnish to any Member liable for Assessments a certificate in writing signed by an officer or

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authorized agent of SAMLARC setting forth whether the Assessments on such Owner's Residence have been paid, and the amount of delinquency, if any. A reasonable charge may be collected by the Board for the issuance of these certificates. Such certificates shall be conclusive evidence of payment of any Assessment therein stated to have been paid.

Section 6.14 - Exempt Property. All properties dedicated to and accepted by, or otherwise owned or acquired by, a public authority shall be exempt from the Assessments created herein.

Section 6.15 - Date of Commencement of Assessments. The Regular Assessments shall commence with respect to all Residences (notwithstanding that the Dwelling or Improvements thereon may not be completed) other than Apartment Units in a Phase on the first day of the month following the first conveyance of a Residence within such Phase or the first day of the month following the conveyance of the Community Property, if any, in such Phase to SAMLARC, whichever shall first occur and with respect to Apartment Units shall commence as to all Apartment Units within an Apartment Building on the first day of the month following the date of the issuance of a Certificate of Occupancy for an Apartment Unit within such Apartment Building. Special Benefits Assessments shall commence with respect to all Residences (notwithstanding that the Dwelling or Improvements thereon may not be completed) other than Apartment Units in a Phase of a Special Benefits Area on the first day of the month following the first conveyance of a Residence within such Phase and with respect to Apartment Units shall commence as to all Apartment Units within an Apartment Building within such Special Benefits Area on the first day of the month following the date of the issuance of a Certificate of Occupancy for an Apartment Unit within such Apartment Building. The first Regular Assessment and the first Special Benefits Assessment within each Special Benefits Area shall be adjusted according to the number of months remaining in the fiscal year. In the event the amount budgeted to meet Common Expenses or Special Benefits Assessments for the then current year proves to be excessive in light of the actual Common Expenses or Special Benefits Assessments, the Board in its discretion may either reduce the amount of the Regular Assessment or Special Benefits Assessments, as applicable, or may abate collection of Regular Assessments or Special Benefits Assessments, as applicable, as it deems appropriate.

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Section 6.16 - Vesting of Voting Rights. An Owner's right to vote shall vest immediately upon the date Regular Assessments are levied against such Owner's Residence.

Section 6.17 - No Offsets. All Assessments shall be payable in the amount specified by the Assessment and no offsets against such amount shall be permitted for any reason, including, without limitation, a claim that (i) SAMLARC is not properly exercising its duties and powers as provided in this Declaration; (ii) a Member has made and elects to make no use of the Community Property; or (iii) any construction or maintenance performed pursuant to the Section entitled "Transfer of Title and/or Control" of the Article entitled "Repair and Maintenance" of this Declaration shall in any way postpone Assessments or entitle a Member to claim any such offset or reduction.

Section 6.18 - Homestead Waiver. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Declaration, whether such liens are now in existence or are created at any time in the future, the benefit of any homestead or exemption laws of the State of California now in effect or in effect from time to time hereafter.

Section 6.19 - Reserves.

(a) The Regular Assessments which are payable in regular installments as established by the Board include an adequate reserve fund established by the Board to cover the deductible amounts of any insurance policies maintained by SAMLARC and for the periodic maintenance, repair and replacement of Community Property improvements that may be required to be maintained by SAMLARC pursuant to this Declaration.

(b) The Special Benefits Assessment which are payable in regular installments as established by the Board may also include an adequate reserve fund established by the Board for the periodic maintenance, repair and replacement of Improvements that may be required to be maintained by SAMLARC within such Special Benefits Area pursuant to this Declaration or a Supplementary Declaration.

(c) All amounts collected as reserves, whether pursuant to this Section or otherwise, shall be deposited by the Board in a separate bank account to be held in trust for the purposes for which they are collected and are to be segregated from and not commingled with any other funds of SAMLARC, and may be in the form of a cash deposit or invested in obligations of, or fully guaranteed

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as to principal by the United States of America. The reserve fund is for the purpose of effecting replacements for structural elements and mechanical equipment of any recreational or other facilities owned by SAMLARC or owned in common by the Members and maintained by SAMLARC pursuant to the Declaration, or for any other purposes as may be determined by the Board. Such reserves shall be deemed a contribution to the capital account of SAMLARC by the Member.

Section 6.20 - Subordination of Assessment Liens. The lien of the Assessments, interest, late charges and costs provided for herein shall be subordinate to the lien of any First Mortgage upon any Residence. The foreclosure of any lien provided for in the Article hereof entitled "Enforcement of Assessment Liens" for the payment of Assessments, late charges and interest levied by SAMLARC in connection with unpaid Assessments, shall not operate to affect or impair the lien of a First Mortgage; and the foreclosure of the lien of a First Mortgage or the sale under a power of sale included in such First Mortgage (such events being hereinafter referred to as "Events of Foreclosure") shall not operate to affect or impair such Assessment lien, except that any persons who obtain an interest through any of the Events of Foreclosure, and the successors in interest, shall take title free of such Assessment lien or any personal obligation for said charges as shall have accrued up to the time of any of the Events of Foreclosure, but subject to the Assessment lien for all said charges that shall accrue subsequent to the Events of Foreclosure. Notwithstanding the foregoing, any such delinquent Assessments that were extinguished pursuant to this paragraph may be reallocated and assessed to all Residences as a Common Expense.

A First Mortgagee's rights pursuant to this Section shall not be affected by the failure of such First Mortgagee to deliver a notice to the Board.

Section 6.21 - Capitalization of SAMLARC. Upon acquisition of record title to a Residence from Declarant, each Owner in the first Phase of the Covered Property shall contribute to the capital of SAMLARC an amount equal to one-sixth (1/6th) of the amount of the then annual Regular Assessment for that Residence as determined by the Board provided that such Phase was approved by FHA and/or VA for the purpose of having FHA and/or VA insure or guarantee any Mortgage within such Phase. This amount shall be deposited by the buyer into the purchase and sale escrow and at the close of escrow disbursed therefrom to SAMLARC. Any amounts paid into this fund pursuant to this



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Section should not be considered as advance payments of Regular Assessments.

Section 6.22 - Collection of SAMLARC Assessments. SAMLARC may contract with any Subordinate Maintenance Corporation for the collection of Assessments and related services.

Section 6.23 - Collection of Proportionate Share of Net Costs. SAMLARC shall perform repair and maintenance obligations within or adjacent to the Covered Property which may provide benefit to owners of adjacent property and may be entitled to reimbursement of a proportionate share of the costs of such repair and maintenance pursuant to agreements with such adjacent owners. Any amounts collected by SAMLARC from such owners for such purpose and pursuant to such agreement shall be deposited in the general funds of SAMLARC and shall be applied against the Common Expenses of SAMLARC.

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ARTICLE VII

ENFORCEMENT OF ASSESSMENT LIENS

Section 7.01 - Delinquency. Any Assessment provided for in this Declaration which is not paid shall be delinquent fifteen (15) days after the date such Assessment is due (the "delinquency date"). If an Assessment becomes delinquent, SAMLARC may recover costs, late charges and interest in the amounts permitted by Section 1366(c) of the Civil Code of the State of California, or any successor statute thereof, which, as of the date hereof, permits (i) reasonable costs incurred in collecting delinquent Assessments, including reasonable attorneys' fees, (ii) a late charge not exceeding ten percent (10%) of the delinquent Assessment or Ten Dollars (\$10.00), whichever is greater, and (iii) interest on all sums imposed in accordance with this Section, including the delinquent Assessment, reasonable costs of collection and late charges, at an annual percentage rate not to exceed twelve percent (12%) interest, commencing thirty (30) days after the Assessment becomes due. SAMLARC may at its option, and without waiving the right to judicially foreclose its lien against the Residence, pursue any available remedies, including, without limitation, bringing an action at law against the Member personally obligated to pay the same, and/or upon compliance with the notice provisions set forth in the Section entitled "Notice of Lien" of this Article, to foreclose the lien against the Residence under the power of sale granted herein. If action is commenced, there shall be added to the amount of such Assessment, Assessments which become due and payable with respect to said Residence following the recordation of the Notice of Lien, the costs, late charges, and interest as hereinabove provided in this Section, and in the event a judgment is obtained, such judgment shall include said costs, late charges and interest. Each Member vests in SAMLARC, or its assigns, the right and power to bring all actions at law or any lien foreclosure against such Member or other Members for the collection of such delinquent Assessments.

Section 7.02 - Notice of Lien. No action shall be brought to foreclose said Assessment lien or to proceed under the power of sale herein provided until thirty (30) days after the date a notice of claim of lien is deposited in the United States mail, certified or registered, postage prepaid, to the Owner of said Residence, and a copy thereof is recorded by SAMLARC in the office of the County Recorder of the County; said notice of claim of lien must recite a good and sufficient legal description of any such

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Residence, the record Owner or reputed Owner thereof the amount claimed which, at the option of the Board and without prior demand or notice, may include all accelerated installments of such Assessment for the remainder of the fiscal year, shall include costs, late charges and interest in the amounts stated above, and the name and address of SAMLARC as claimant. For nonjudicial foreclosures, the Notice of Lien must include the name and address of the trustee authorized by SAMLARC to enforce the lien by sale. Such notice shall be signed by the person or persons authorized by resolution of the Board. Each Owner is hereby deemed to have consented to and authorized the recordation against his Residence of such a notice of claim of lien. When a Notice of Lien has been recorded, such Assessment shall constitute a lien on each respective Residence prior and superior to all other liens, except (i) all taxes, bonds, assessments and other levies which, by law, would be superior thereto, and (ii) the lien or charge of any First Mortgage of record.

Section 7.03 - Foreclosure Sale. Said Assessment lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the Notice of Lien, or sale by a trustee substituted pursuant to Section 2934a of the Civil Code of the State of California or any successor statute thereof. Any sale by the trustee provided for above is to be conducted in accordance with the provisions of Sections 2924 et seq. of the Civil Code of the State of California as said statutes may from time to time be amended, applicable to the exercise of powers of sale in mortgages and deeds of trust. SAMLARC, through its duly authorized agents, shall have the power to bid on the Residence, using SAMLARC funds, or funds borrowed for such purpose, at the sale, and to acquire and hold, lease, mortgage and convey the same. Nothing herein prohibits actions against an Owner to recover sums for which a lien is created pursuant to this Article or prohibits SAMLARC from taking a deed in lieu of foreclosure.

Section 7.04 - Curing of Default. Upon the timely payment or other satisfaction prior to the completion of any sale held to foreclose the lien provided for in this Article of: (a) all delinquent Assessments specified in the notice of claim of lien, (b) all other Assessments which have become due and payable with respect to the Residence as to which such notice of claim of lien was recorded, and (c) reasonable costs, late charges, and interest as permitted by the said Section 1366(c) of the Civil Code of the State of California, or any successor statute thereof, the Board shall record an appropriate release of such notice signed by the person or persons authorized by

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resolution of the Board upon payment by the defaulting  
owner of a fee to be determined by SANLARC to cover the  
costs of preparing and filing or recording such release.

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ARTICLE VIII

USE RESTRICTIONS

Section 8.01 - Commercial Use. Subject to the subsection entitled "Construction and Sales" of the Article entitled "Rights of Ownership and Easements" of this Declaration, no part of a Residence shall be used or caused to be used or allowed or authorized in any way, directly or indirectly, for any business, commercial, manufacturing, mercantile, storing, vending, or any nonresidential purposes; provided, however, that the Apartment Lot Owner shall have the right to lease or rent Apartment Units and SAMLARC shall have the right to provide or authorize non-residential services on the Community Property as it deems appropriate for the enjoyment of the Community Property or for the benefit of the Members.

Section 8.02 - Signs. No sign or billboard of any kind shall be displayed to the public view on any portion of the Covered Property except (i) such signs as may be used by Declarant or its sales agents in connection with the development of the Covered Property and sale of the Residences, and (ii) signs installed or displayed by SAMLARC; provided, however, that a Member may display on his Residence a sign advertising the sale or lease of his Residence so long as such sign shall comply with any customary and reasonable standards promulgated by the Board as to the size, color, shape or other qualification for permitted signs. The Declarant shall repair any damage to or complete any restoration of the Covered Property caused or necessitated by the display of signs by Declarant or its sales agents within a reasonable time after the occurrence of such damage or need for restoration. Declarant's right to display signs under this Section shall terminate upon the later of (i) the expiration of twelve (12) years from the date on which this Declaration is recorded, or (ii) the fifth (5th) anniversary of the original Final Subdivision Public Report for the most recent Phase of the Development.

Section 8.03 - Nuisance. No noxious or offensive trade or activity, including without limitation, excessive or unreasonable mechanical or electronic sounds or music or excessive barking, shall be permitted upon any Residence or any part of the Covered Property, nor shall anything be done thereon which may be, or may become, an annoyance or nuisance to the neighborhood, or which shall in any way interfere with the quiet enjoyment of each of the Owners of his respective Residence, or which shall in any way increase the rate of insurance on any other Residence or the Covered Property.

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Section 8.04 - Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out-building shall hereafter be used on any Residence at any time, either temporarily or permanently.

Section 8.05 - Vehicles.

(a) Except as provided in this Section, no commercial vehicle, recreational vehicle or equipment shall hereafter be permitted to remain upon the Covered Property, including, without limitation, streets alleys or driveways unless obscured from view of adjoining Residences, streets, and alleys, nor permitted to be parked on any street, alley, or any other portion of the Covered Property except that recreational vehicles and equipment may be parked in areas designated by the Board for such purpose. This restriction shall not be deemed to prevent temporary parking for loading and unloading of vehicles or the temporary parking of commercial vehicles providing maintenance or repair services to the Residence.

(b) No automobile, recreational vehicle or equipment, commercial vehicle or any other motorized vehicle may be dismantled, rebuilt, repaired, serviced or repainted on the Covered Property unless performed within a completely enclosed garage or other structure located on a Residence which completely screens the sight and sound of such activity from streets, Community Property and neighboring Residences. The foregoing restriction shall not be deemed to prevent temporary parking for washing and polishing and those activities normally incident to washing and polishing of vehicles.

(c) As used in this Section, "recreational vehicle or equipment" shall include, without limitation, trailers, boats, campers, trailer coaches, buses, house cars, camp cars, motor homes (if a size larger than seven (7) feet in height and/or greater than one hundred twenty-four (124) inches in wheel base length), or any other similar type of equipment or vehicle.

(d) As used in this Section, "commercial vehicle" shall be defined as a truck of greater than three-quarter (3/4) ton capacity.

(e) Temporary parking shall mean parking of vehicles belonging to guests of Owners and commercial vehicles being used in the furnishing of services to SAMLARC or the Owners and parking vehicles belonging to or being used by Owners for loading and unloading purposes.

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(f) The Board may adopt rules for the regulation of the admission and parking of vehicles within the Covered Property, including the assessment of charges to owners who violate, or whose invitees violate, such rules. Such rules may permit parking of recreational and commercial vehicles and equipment for limited periods of time on a non-recurring basis.

(g) Any fence, screen or structure required under this Section shall comply with any standards established pursuant to the Article entitled "Architectural Control" of this Declaration as to size, color, or other qualification for permitted fences or screens.

Section 8.06 - Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept upon the Covered Property, except that dogs, cats or other household pets may be kept on the Residences, provided they are not kept, bred or maintained for any commercial purpose, or in numbers deemed unreasonable by the Board.

Notwithstanding the foregoing, no animals may be kept on the Residences which in the good faith judgment of the Board, or a committee selected by the Board for this purpose, result in any annoyance or are obnoxious to residents in the vicinity. All animals permitted to be kept by this Section shall be kept on a leash when on any portion of the Covered Property except within a Residence.

Section 8.07 - Oil and Mineral Rights. No oil drilling, oil development operations, oil refining, quarrying, or mining operations of any kind shall be permitted upon or in the Covered Property nor, subsequent to the recording of this Declaration, shall oil wells, tanks, tunnels, or mineral excavations or shafts be installed upon the surface of the Covered Property or within five hundred (500) feet below the surface of such properties. No derrick or other structure designed for use in boring for water, oil or natural gas shall be erected, maintained or permitted upon the Covered Property.

Section 8.08 - Unsightly Items. All weeds, rubbish, debris, or unsightly material or objects of any kind shall be regularly removed from the Residences and shall not be allowed to accumulate thereon. All clotheslines, refuse containers, trash cans, woodpiles, storage areas, machinery and equipment shall be prohibited upon any Residence unless obscured from view of adjoining streets or portions of the Covered Property from a height of six (6) feet or less. Any fence or screen required by this Section shall comply with any standards established

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pursuant to the Article entitled "Architectural Control" of this Declaration as to size, color or other qualification for permitted fences or screens.

Section 8.09 - Antennae And Other Roof Structures.

Television, radio, or other electronic towers, aerials, antennae or devices of any type for the reception or transmission of radio or television broadcasts or other means of communication shall hereafter be erected, constructed, placed or permitted to remain on an Apartment Lot as long as any such devices are completely enclosed, are located on the ground and have been approved by the Architectural Committee. Such devices shall not be permitted to remain on any other portion of the Covered Property unless the same be contained within a building or underground conduits. No other appliances or installations on exterior roofs of structures including, without limitation, roof-top turbine ventilators, shall be permitted unless they are installed in such a manner that they are not visible from streets, Community Property, or neighboring Residences, except that attic ventilators and solar panels which are architecturally treated in conformity with guidelines contained in the Architectural Standards and which have been approved by the Architectural Committee pursuant to the provisions of the Article entitled "Architectural Control" of this Declaration shall be permitted.

Section 8.10 - Drainage. All drainage of water from any Residence shall drain or flow into adjacent streets or alleys and shall not be allowed to drain or flow upon, across, or under any other portion of the Covered Property unless an easement for such purpose is granted. An Owner shall not alter the drainage of water which exists pursuant to the drainage plan originally created at the time of the initial sale of his Residence by Declarant except through the use of a positive drainage device which does not materially affect the concentration or flow direction of drainage water under said drainage plan.

Section 8.11 - Garages. No garage doors shall be permitted to remain open except for a temporary purpose, and the Board may adopt rules for the regulation of the opening of garage doors, including the assessment of charges to Owners who violate or whose invitees violate such rules.

Section 8.12 - Window Covers. Curtains, drapes, shutters or blinds may be installed as window covers. No window shall be covered with aluminum foil, newspapers or other material not designed for use as a window cover.



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Section 8.13 - Recreational Facilities. Any sports and recreational facilities and equipment on the Residences, including, without limitation, the mounting of basketball backboards shall be prohibited if visible from any street unless permitted under the Architectural Standards and, if required by the Architectural Standards, approved by the Architectural Committee.

Section 8.14 - Leases. Any agreement for the leasing or rental of a Residence (hereinafter in this Section referred to as a "lease") shall provide that the terms of such lease shall be subject in all respects to the provisions of the SAMLARC Management Documents and any applicable agreements between SAMLARC and any of the Federal Agencies. Said lease shall further provide that any failure by the lessee thereunder to comply with the terms of the foregoing documents shall be a default under the lease. All leases shall be in writing. Any Owner who shall lease his Residence shall be responsible for assuring compliance by such Owner's lessee with the SAMLARC Management Documents. No Residence shall be leased for transient or hotel purposes, which shall be defined as rental for any period less than thirty (30) days or any rental whatsoever if the occupants of the Residence are provided customary hotel services such as room service for food and beverage, maid service, furnishing laundry and linen and bellboy service except that Apartment Units may be leased for periods of less than thirty (30) days.

Section 8.15 - Exemption of Declarant. As long as Declarant is utilizing the easement described in the subsection entitled "Construction and Sales" of the Section entitled "Development Rights and Easements Reserved to Declarant" of the Article entitled "Rights of Ownership and Easements" of the Declaration, Declarant shall not be subject to the provisions of this Article and any amendment to this Article shall require the prior written approval of Declarant.

Section 8.16 - Subordinate Maintenance Corporation Use Restrictions. Nothing herein shall prevent a Subordinate Maintenance Corporation from adopting use restrictions for its portion of the Covered Property which are more restrictive than those set forth herein, provided that such restrictions shall in no way modify the provisions hereof.

Section 8.17 - Disclosure Notice. Each purchaser from the Declarant of any portion of the Covered Property shall be given a Disclosure Notice in the form attached hereto as

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Exhibit D or any form substituted therefor from time to time by the Declarant to disclose certain activities on or adjacent to the Covered Property which may impact an Owner's use and enjoyment of his Residence and shall be requested to execute a receipt therefor. SAMLARC shall distribute any such Disclosure Notices provided by the Declarant to any subsequent purchaser from an Owner and request a similar receipt therefor.

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ARTICLE IX

REPAIR AND MAINTENANCE

Section 9.01 - Repair and Maintenance by SAMLARC. Except to the extent that an Owner may be obligated to maintain and repair as hereinafter provided and as may be provided otherwise in the Association Management Documents, and without limiting the generality of the statement of duties and powers contained in the SAMLARC Management Documents, SAMLARC acting through its Board and its officers shall have all the power of a nonprofit mutual benefit corporation contained in Section 7140 of the Corporations Code which includes, without limitation, the power to assume obligations and enter into contracts, and shall have the duty to accomplish the following upon the Covered Property or other land in such manner and at such times as the Board shall prescribe:

(a) manage, operate, control, maintain, repair, restore, replace and make necessary improvements to the Community Property, including, without limitation, the following:

(i) the Trail and any other private walkways, bicycle paths, trails or other pedestrian paths except that SAMLARC shall be required to maintain only that portion of a Trail fence (defined to mean a fence separating a Lot or portion thereof from the Trail) shown on Exhibit E attached hereto or attached to any similar Exhibit attached to a Supplementary Declaration as being maintained by SAMLARC;

(ii) drainage facilities and easements in accordance with the requirements of the County Flood Control District;

(b) maintain those lot perimeter walls, or portions thereof, shown on Exhibit E or on any similar Exhibit attached to a Supplementary Declaration as being maintained by SAMLARC;

(c) maintain the public rights-of-way shown on Exhibit F or on any similar Exhibit attached to a Supplementary Declaration according to the standards established by the responsible public official of the County for public rights-of-way in the County;

(d) maintain any portion of the Trail and Landscape System located upon adjacent property as described on Exhibit J attached hereto or on any similar Exhibit attached to a Supplementary Declaration;

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(e) maintain village entry signs and monuments located within the portions of the Covered Property indicated on Exhibit I or on any similar Exhibit attached to a Supplementary Declaration;

(f) maintain any landscaping or irrigation systems appurtenant thereto and other improvements located upon that property described on Exhibit H or on any similar Exhibit attached to any Supplementary Declaration; and

(g) maintain all other areas, facilities, equipment, services or aesthetic components of whatsoever nature as may from time to time be requested by the vote or written consent of a majority of the voting power of SAMLARC.

SAMLARC shall execute any agreements with the County pertaining to maintenance and repair obligations of SAMLARC consistent with the provisions of this Declaration. The costs of any such maintenance and repair pursuant to this Section shall be paid out of the general funds of SAMLARC, except as otherwise specified in this Declaration as payable by the particular Owners.

Section 9.02 - Repair and Maintenance by Owner. Each Owner shall:

(a) maintain the Dwelling in good condition and repair;

(b) install and thereafter maintain in attractive condition yard landscaping in accordance with the provisions of this Article;

(c) Unless otherwise provided on Exhibit E attached hereto or on any similar Exhibit attached to a Supplementary Declaration, every Owner of a Lot that (i) contains all or any portion of a Trail fence or any portion of the lot perimeter walls shown on Exhibit E attached hereto or as may be shown on any similar Exhibit attached to a Supplementary Declaration, or (ii) is contiguous to Community Property containing any such Trail fence or lot perimeter wall, shall maintain, repair, restore and reconstruct the portion of any such Trail fence or lot perimeter wall within his Lot or lying between the prolongation of the boundary lines of his Lot, into such Community Property to such Trail fence or lot perimeter wall;

(d) In the event the Board shall determine that any improvements required to be maintained by SAMLARC have been damaged by a particular Owner, the said Owner shall

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be responsible for repairing such damage in a timely manner and in accordance with such rules as the Board or Architectural Committee shall from time to time adopt; and

(e) Owners shall be relieved of their obligations under this Section to the extent that such obligations are the responsibility of a Subordinate Maintenance Corporation.

Section 9.03 - Noncompliance by Owner. In the event that an Owner fails to accomplish any installation, maintenance or repair required by this Article, after approval by two-thirds (2/3rds) vote of the Board, the Board shall give notice to the Owner describing the deficiency and setting a date for a hearing before the Board or a committee selected by the Board for such purpose. The procedure for such notice and hearing and for the correction of the violation is described in the Section entitled "Notice and Hearing; Correction of Violation" of the Article entitled "Discipline of Members" of the Bylaws.

Section 9.04 - Standards for Maintenance and Installation.

(a) Maintenance of the exterior of the Dwelling, including, without limitation, walls, fences and roofs, shall be accomplished in accordance with the Architectural Standards and, if required by the Architectural Standards, only after approval of the Architectural Committee.

(b) All portions of the yard of a Residence which are unimproved and visible from the street on which said residence fronts shall be landscaped by the Owner thereof on or before a date six (6) months from the original conveyance of such Residence by Declarant. Thereafter, such landscaping shall be maintained by the Owner in an attractive condition.

(c) All slopes or terraces on any Residence shall be maintained as to prevent any erosion thereof upon adjacent streets or adjoining property.

(d) Any Subordinate Maintenance Corporation shall maintain any landscaped areas which it owns or which are owned in common by its members in an attractive condition and shall maintain any slopes and terraces which are its responsibility so as to prevent erosion thereof upon adjacent streets or adjoining property.

Section 9.05 - Maintenance of Public Utilities. Nothing contained herein shall require or obligate SAMLARC to maintain, replace or restore the underground facilities or

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public utilities which are located within easements in the Community Property owned by such public utilities. However, SAMLARC shall take such steps as are necessary or convenient to ensure that such facilities are properly maintained, replaced or restored by such public utilities.

Section 9.05 - Transfer of Title and/or Control.

(a) The Community Property within any Phase of the Covered Property shall be conveyed to SAMLARC prior to or concurrently with the first conveyance of a Residence requiring the delivery of a Final Subdivision Public Report in such Phase. Any real property denominated as "Community Property" in a Supplementary Declaration shall be conveyed to SAMLARC prior to or concurrently with the first conveyance of a Residence located within the real property which is annexed to the coverage hereof by such Supplementary Declaration. Declarant shall convey the Community Property to SAMLARC free of all liens and encumbrances except current real property taxes and assessments (which taxes and assessments shall be prorated as of the date of conveyance), title exceptions of record and the covenants, conditions, reservations and restrictions contained in this Declaration and the instrument which conveys the Community Property to SAMLARC. SAMLARC shall be deemed to have accepted the obligation to maintain the Improvements upon the Community Property and any Improvements upon any other property required to be maintained by SAMLARC pursuant to this Declaration or any Supplementary Declaration (i) when such Improvements have been completed in substantial conformance with the plans and specifications therefor and (ii) as to any Community Property and any Improvements on any other property described in the Declaration, on the date Regular Assessments commence upon the Residences within the Covered Property, and as to the Community Property and any Improvements on any other property described in a Supplementary Declaration, on the date Regular Assessments commence upon the Residences within the Annexed Property described in such Supplementary Declaration. The issuance of a certificate by the architect who designed any such Improvements stating that such Improvements are in substantial conformance with the original plans and specifications, shall be satisfactory evidence of such completion. SAMLARC shall release Declarant from the Bond defined in the Article entitled "Enforcement of Bonded Obligations" of this Declaration as to any Improvements which are accepted for maintenance. Any dispute between any Declarant and SAMLARC shall be resolved in accordance with the provisions contained in

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the Section entitled "Enforcement" of the Article entitled "General Provisions" of this Declaration.

(b) Declarant, its subcontractors and the agents and employees of the same shall have the right to come on the Community Property to complete the construction of any landscaping or other improvement to be installed on the Community Property, and if any excess of Assessments collected over actual Common Expenses incurred by SAMLARC is caused by reason of construction or maintenance pursuant to this Section, or otherwise, such excess shall be placed in reserve to offset the future expenses of SAMLARC in any manner designated by the Board. Declarant shall repair any damage to and complete any restoration of the Covered Property caused or necessitated by such construction within a reasonable time after the occurrence of such damage or need for reconstruction.

Declarant's rights to come on the Community Property under this Section shall terminate upon the later of (i) the expiration of twelve (12) years from the date of the conveyance of the Community Property to SAMLARC, or (ii) the fifth (5th) anniversary of the original Final Subdivision Public Report for the most recent Phase of the Development, provided, however, in no event shall Declarant's rights hereunder terminate prior to the exoneration of any Bond in favor of SAMLARC described in the Article entitled "Enforcement of Bonded Obligations" of this Declaration.

Section 9.07 - Relationship With Subordinate Maintenance Corporation. For purposes of this Declaration, a Subordinate Maintenance Corporation shall be deemed responsible for the maintenance of an area if the Subordinate Declaration of such Subordinate Maintenance Corporation recorded by Declarant designates such area to be maintained by such Subordinate Maintenance Corporation. SAMLARC shall be responsible for such maintenance or other obligations, if any, imposed in the Subordinate Declaration, or any amendments thereto, recorded by Declarant to which SAMLARC consents in writing, and in such event no Subordinate Maintenance Corporation shall be responsible therefor. The members of the Subordinate Maintenance Corporation shall not amend any such Subordinate Declaration to terminate or modify the maintenance responsibilities of such Subordinate Maintenance Corporation without the prior written approval of the Board. In the event that a Subordinate Maintenance Corporation does not execute its maintenance responsibilities in compliance with the Architectural Standards and the Section of this Article entitled

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"Standards for Maintenance and Installation" SAMLARC may perform such maintenance itself and levy a Special Assessment therefor on the Members who are owners of property under the Subordinate Declaration of such Subordinate Maintenance Corporation.

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ARTICLE X

ARCHITECTURAL CONTROL

Section 10.01 - Architectural Committee.

(a) The Architectural Committee shall consist of not less than three (3) nor more than five (5) persons as fixed from time to time by resolution of the Board. The Declarant shall initially appoint the Architectural Committee. The Declarant shall retain the right to appoint, augment or replace all members of the Architectural Committee until one (1) year after the date of the issuance of a Final Subdivision Public Report covering the first Phase of the Covered Property. The Declarant shall retain the right to appoint, augment or replace a majority of the members of the Architectural Committee until twelve (12) years after the date of the issuance of said Final Subdivision Public Report, or until ninety percent (90%) of the Residences within the Development have been conveyed by the Declarant, whichever occurs later.

(b) Notwithstanding the foregoing, commencing one (1) year following the issuance of said Final Subdivision Public Report, the Board shall have the right but not the obligation to appoint the remaining persons to the Architectural Committee. Twelve (12) years after the date of the issuance of said Final Subdivision Public Report, or when ninety percent (90%) of the Residences within the Development have been conveyed by Declarant, whichever shall later occur, the right to appoint, augment or replace all members of the Architectural Committee shall automatically be transferred to the Board. Persons appointed by the Board to the Architectural Committee must be Members; however, persons appointed by Declarant to the Architectural Committee need not be Members, in Declarant's sole discretion.

(c) The Board shall designate from time to time the address of the Architectural Committee. Such address shall be the place where the current Architectural Standards shall be kept. In the event plan review responsibilities have been delegated to a person or committee established within a Delegate District, the Board may establish secondary addresses within the Delegate Districts for the submittal of plans and specifications.

Section 10.02 - Architectural Standards. The Board may, from time to time, adopt and promulgate Architectural

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Standards to be administered through the Architectural Committee. The Architectural Standards may include among other things those restrictions and limitations upon the Owners set forth below:

(a) Time limitations for the completion of the Improvements for which approval is required pursuant to the Architectural Standards.

(b) Conformity of completed Improvements to plans and specifications approved by the Architectural Committee; provided, however, purchasers and encumbrancers of a Residence in good faith and for value shall be deemed to be in compliance with plans and specifications for such Residence approved by the Architectural Committee and in compliance with the Architectural Standards unless notice of noncompletion or nonconformance specifying the reason for the notice shall be filed of record against such Residence in the Office of the County Recorder of the County and given to such Owner within one (1) year of the expiration of the time limitation described in subsection (a) above, or unless legal proceedings shall have been instituted to enforce compliance or completion within said one (1) year period. The Owner to whom a notice of noncompletion or noncompliance has been issued shall be bound by such notice regardless of whether such notice has been filed of record in the Office of the County Recorder. Each Owner hereby is deemed to have consented to and authorized the recordation against his Residence of such a notice of noncompletion or nonconformance executed by duly authorized officers of SAMLARC.

(c) Such other limitations and restrictions as the Board in its reasonable discretion shall adopt, including, without limitation, the regulation of the following: placement, construction, reconstruction, exterior addition, change or alteration to or maintenance of any Improvement including, without limitation, the nature, kind, shape, materials, exterior color, surface and location of any Improvement and the height of any Improvement other than landscaping.

(d) A description of the types of such construction, reconstruction, additions, alterations or maintenance which, if completed in conformity with the Architectural Standards, do not require the approval of the Architectural Committee.

(e) Restrictions controlling the species and placement of any trees, plants, bush, ground cover or other growing thing placed or planted on the Covered

Property but shall specifically not include any provision that would require the pruning of trees, plants or bushes or mowing of lawns except to the extent necessary to preserve the attractiveness of the Covered Property.

Section 10.03 - Functions of Architectural Committee.

(a) It shall be the duty of the Architectural Committee to consider and act upon proposals or plans submitted pursuant to the terms of the Declaration or the Architectural Standards, and to perform such other duties delegated to it by the Board.

(b) The Architectural Committee may delegate all or any portion of its plan review responsibilities to one or more members of such Architectural Committee or to a person or committee established for such purpose within the Delegate District in which the affected Residence is located. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Architectural Committee.

(c) The Architectural Committee has the right, but not the obligation, to require that plans and specifications be approved by an architectural committee of a Subordinate Maintenance Corporation prior to being submitted to the Architectural Committee for approval. In such event, the plans and specifications will be deemed to have been submitted, provided that the Owner has complied with all other conditions for submittal, on the date the Architectural Committee receives written evidence of such approval.

(d) The Architectural Committee may, from time to time, subject to the approval of the Board, adopt, amend and repeal Architectural Committee Rules, may require the prepayment of a deposit to be applied toward the payment of any Special Assessment levied by the Board if such Owner fails to restore any portion of the Covered Property to a clean and attractive condition and may assess a reasonable fee as appropriate for the type and nature of the Improvement, in connection with the review of plans and specifications for proposed Improvements, including without limitation, a procedure for approval of preliminary plans and drawings, as well as final approval, the number of sets of plans to be submitted, the minimum content of any submission, and may require such detail as it deems proper, including without limitation, floor plans, site plans, elevation drawings, and descriptions or samples of exterior material and colors.

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(e) The establishment of the Architectural Committee and the systems herein for architectural approval shall not be construed as changing any rights or restrictions upon Owners to maintain, repair, alter or modify or otherwise have control over the Residences as may otherwise be specified in the SAMLARC Management Documents.

(f) Unless all of the rules of the Architectural Committee have been complied with, plans and specifications shall be deemed not submitted. In the event the Architectural Committee initially required the prior approval of plans and specifications by an architectural committee of a Subordinate Maintenance Corporation and subsequently waived its requirement prior to receiving any evidence of approval by such architectural committee, the plans and specifications will be deemed to have been submitted, provided that the Owner has complied with all other conditions for submittal, on the date the Architectural Committee waives such requirement. Approval by the Architectural Committee shall not be deemed to include approval by any architectural committee of a Subordinate Maintenance Corporation nor shall it imply that approval by any such architectural committee is not required.

Section 10.04 - Approval of Plans.

(a) If required by the Architectural Standards, no improvement shall be constructed, installed, expanded, made, planted, commenced, erected or maintained upon the Covered Property except in compliance with plans and specifications therefor which have been submitted to and approved by the Architectural Committee.

(b) The Architectural Committee shall review and approve or disapprove all plans and specifications submitted to it for any proposed improvement solely on the basis of compliance with the Architectural Standards, aesthetic considerations and the overall benefit or detriment which would result to the immediate vicinity and the Development generally. The Architectural Committee shall take into consideration the aesthetic aspects of the architectural designs, placement of buildings, landscaping, color schemes, exterior finishes and materials, and similar features.

(c) The Architectural Committee shall approve plans and specifications submitted for its approval only if it deems that the proposed improvement will not be detrimental to the appearance of the Development as a whole; that the improvement complies with the

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Architectural Standards; that the appearance of any Improvements will be in harmony with the surrounding structures; and that the construction of any Improvement will not detract from the beauty and attractiveness of the Development.

(d) The Architectural Committee may condition its approval of plans and specifications for any Improvement on such changes therein as it deems appropriate or may determine that such Improvement cannot be approved because of its effect on existing drainage, utility or other easements, or may condition its approval of such improvement upon approval of such improvement by the holder of any such easement, or may condition its approval upon approval of any such Improvement by the appropriate governmental entity, and may require submission of additional plans and specifications or other information or materials prior to approving or disapproving plans and specifications submitted. Any Architectural Committee approval conditioned upon the approval by a governmental entity shall not imply SAMLARC is enforcing any government codes or regulations, nor shall the failure to make such conditional approval imply that any such governmental agency approval is not required.

(e) In the event the Architectural Committee fails to approve or disapprove such plans and specifications within thirty (30) days after the same have been duly submitted in accordance with any rules regarding such submission adopted by the Architectural Committee, such plans and specifications will be deemed approved.

(f) As long as Declarant is utilizing the easement described in the subsection entitled "Construction and Sales" of the Section entitled "Development Rights and Easements Reserved to Declarant" of the Article entitled "Rights of Ownership and Easements" of this Declaration, Declarant shall not be subject to the provisions of this Section, and any amendment to this Section shall require the prior written approval of Declarant.

Section 10.05 - Nonliability for Approval of Plans. Plans and specifications shall be approved by the Architectural Committee as to style, exterior design, appearance and location, and are not approved for engineering design or for compliance with zoning and building ordinances, and other applicable statutes, ordinances or governmental rules or regulations, the requirements of any public utility, or any easements or other agreement, and by approving such plans and specifications neither the Architectural Committee, the members thereof, SAMLARC, the

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Members, the Board nor Declarant nor agents, employees, attorneys or consultants of any of the foregoing, assume liability or responsibility therefor, or for any defect in any improvement constructed from such plans and specifications.

Section 10.06 - Appeal. In the event plans and specifications submitted to the Architectural Committee are disapproved thereby, the party or parties making such submission may appeal in writing to the Board. The written request shall be received by the Board not more than fifteen (15) days following the final decision of the Architectural Committee. The Board shall submit such request to the Architectural Committee for review, whose written recommendations are to be submitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the appellant.

Section 10.07 - Inspection and Evidence of Approval.

(a) The Architectural Committee shall cause an inspection to be undertaken within forty-five (45) days of a request therefor from any Owner as to his Residence, and if such inspection reveals that the Improvement has been completed in compliance with this Article, any person or persons authorized by resolution of the Board, shall provide to such Owner a notice of such approval in recordable form which shall be conclusive evidence of compliance with the provisions of this Article as to the Improvement described in such notice, but as to such Improvement only.

(b) If for any reason the Architectural Committee fails to cause an inspection to be made within forty-five (45) days of being notified by the Owner of the completion of an Improvement or fails to notify the Owner of any noncompliance within thirty (30) days after an inspection, the Improvement shall be deemed to be completed in substantial conformance with approved plans and specifications. In such event, the Owner shall be entitled to receive a notice of compliance in recordable form upon request, executed by any person or persons authorized by resolution of the Board. Such notice of compliance shall be conclusive evidence of compliance with the provisions of this Article as to the Improvements described in the notice.

Section 10.08 - Failure to Submit Plans; Nonconformity.  
 SAMLARC has the right to enter the Residence pursuant to the provisions of the Section entitled "Powers and Duties" of the Article entitled "Powers, Duties and Limitations of the Board" of the Bylaws for the purpose of inspecting an Improvement constructed or being constructed upon such Residence. In the event an Improvement was commenced without the required approval of the Architectural Committee, or, if such Improvement was not completed in substantial conformance with the approved plans and specifications, the Architectural Committee shall give notice of the violation to the violating Owner, which notice shall briefly describe the violation and shall set a date for a hearing before the Board, or a committee selected by the Board for such purpose. The procedure for notice and hearing and for the correction of any violation is described in the Section entitled "Notice and Hearing; Correction of Violation" of the Article entitled "Discipline of Members" of the Bylaws.

Section 10.09 - Variances. In the event the Board finds in favor of the Architectural Committee upon appeal of a disapproval of plans and specifications pursuant to the Section entitled "Appeal" of this Article or in the event the Board finds a noncompliance with the provisions of this Article upon review of a decision by the Architectural Committee after an inspection pursuant to the Section entitled "Failure to Submit Plans; Nonconformity" of this Article, the Board may authorize a variance from compliance with the architectural controls set forth in this Article when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental consideration may require; provided, however, that no variance from the use restrictions contained in the Article entitled "Use Restrictions" of this Declaration may be granted. Such variances must be evidenced in writing, must be signed by a majority of the members of the Architectural Committee, and if possible, should be recorded in the Office of the County Recorder of the County. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of this Declaration for any purpose except as to the particular Residence and particular provision of this Article covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all government laws and regulations affecting his use of his Residence including, but not limited to, zoning ordinances and lot setback

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lines or requirements imposed by any governmental or municipal authority.

Section 10.10 - Reconstruction of Condominiums. The reconstruction after destruction by casualty or otherwise of any Condominium which is accomplished in substantial compliance with a condominium plan filed covering the portion of the Covered Property in which such Condominium is situated shall not require compliance with the provisions of this Article. Such reconstruction shall be conclusively deemed to be in substantial compliance with such condominium plan if it has received the approval of the Subordinate Maintenance Corporation formed by Condominium Owners within the portion of the Covered Property in which the Condominium being reconstructed is located. This Section may not be modified or eliminated without the prior vote or written assent of a majority of the Condominium Owners; provided, however, except upon the occasion of such reconstruction in accordance with such condominium plan, the Architectural Standards, if any, shall apply to a Subordinate Maintenance Corporation consisting of Condominium Owners, or other Owners, to the same extent as they apply to an individual Owner, unless the Board provides otherwise.



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ARTICLE XI

INSURANCE

Section 11.01 - Public Liability Insurance. SAMLARC shall obtain and maintain in effect a comprehensive public liability insurance policy insuring SAMLARC against any liability incident to the ownership or use of the Community Property or any other areas under the supervision of SAMLARC.

(a) Amount and Scope of Insurance. The limits of such insurance shall not be less than One Million Dollars (\$1,000,000) for claims arising out of a single occurrence for bodily injury, deaths of persons and property damage. Coverage under this policy shall include without limitation liability of the insureds for property damage, bodily injury and deaths of persons in connection with the operation, maintenance or use of the Community Property and legal liability arising out of lawsuits related to employment contracts of SAMLARC.

(b) Supplemental Coverage. Such policy shall include, if obtainable, a cross-liability endorsement insuring each insured against liability to each other insured and a "severability of interest" clause or endorsement precluding the insurer from denying the claim of an Owner because of negligent acts of SAMLARC or other Owners and such other coverage in kinds and amounts required by private institutional mortgage investors for projects similar in construction, location and use.

Section 11.02 - Fire and Casualty Insurance. SAMLARC shall obtain and maintain in effect a policy of fire and casualty insurance covering all of the insurable improvements upon the Community Property, including fixtures and building service equipment to the extent that they are part of the Community Property as well as common personal property and supplies belonging to SAMLARC.

(a) Amount of Coverage. The policy shall be in an amount equal to at least one hundred percent (100%) of the current replacement cost, without deduction for depreciation or coinsurance, of all of the property covered by the policy.

(b) Perils Covered. Such insurance must afford protection against at least loss or damage by fire and other perils normally covered by the standard extended coverage endorsement, and such other perils which are customarily covered and required by private institutional

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mortgage investors with respect to similar planned unit development projects in the area of the Covered Property, including all perils normally covered by the standard "all risk" endorsement, if available.

(c) Required Endorsements. Such policy must contain if required by any of the Federal Agencies and if obtainable:

(i) an Agreed Amount and Inflation Guard and replacement cost Endorsement; and

(ii) Construction Code Endorsements (such as Demolition Cost Endorsement, a Contingent Liability from Operation of Building Laws Endorsement and an Increased Cost of Construction Endorsement) if the Covered Property is subject to a construction code provision which would become operative and require changes to undamaged portions of the buildings, thereby imposing significant costs in the event of partial destruction of the Covered Property by an insured peril.

(d) Optional Endorsements. Such policy may contain vandalism and malicious mischief coverage, special form endorsement, a stipulated amount clause and a determinable cash adjustment clause, a similar clause to permit cash settlement covering full value of the improvements on the Covered Property in the event of destruction of improvements and a decision not to rebuild pursuant to the Article entitled "Destruction of Improvements" of this Declaration.

(e) Named Insured and Loss Payable. The policy shall name SAMLARC as the insured for the use and benefit of the Owners.

(f) Mortgage Clause. Such policy shall contain the "standard mortgage clause" or equivalent endorsement providing that coverage of a mortgage under the insurance policy will not be adversely affected or diminished by an act or neglect of the mortgagor, which is commonly accepted by private institutional mortgage investors in the area in which the Covered Property is located, unless such coverage is prohibited by applicable law. A mortgage clause in favor of Mortgagees holding Mortgages on Residences is not required on a policy insuring the Community Property.

(g) Deductible. Unless a higher maximum amount is required by state law, the maximum deductible amount for

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fire and casualty insurance policies covering the Community Property shall be the lesser of Ten Thousand Dollars (\$10,000) or one percent (1%) of the face amount of the policy.

Section 11.03 - Fidelity Bonds. SAMLARC shall comply with the fidelity bond requirements of Federal Agencies contained in this Section unless otherwise permitted by the Federal Agencies.

SAMLARC shall obtain and maintain in effect a blanket fidelity bond covering losses resulting from dishonest or fraudulent acts on the part of anyone who handles or is responsible for funds held or administered by SAMLARC, including directors, officers, trustees, employees or volunteers of SAMLARC. Where SAMLARC delegates some or all of the responsibility for the handling of funds to a management agent, fidelity bonds are required for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, SAMLARC. A management agent who handles funds for SAMLARC should also be covered by its own fidelity bond and must submit evidence of such coverage to SAMLARC.

(a) Amount of Coverage. The fidelity bond should cover the maximum funds that will be in the custody of SAMLARC or its management agent at any time while the bond is in force. In addition, the fidelity bond shall be written in the highest amount required by any of the Federal Agencies.

(b) Other Requirements. Fidelity bonds must also meet the following requirements:

(i) Fidelity bonds shall name SAMLARC as obligee; and

(ii) The bonds shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

Section 11.04 - Flood Insurance. If the Community Property or any portion thereof is located within an area having special flood hazards and for which flood insurance has been made available under the National Flood Insurance Program (NFIP), SAMLARC shall obtain a policy of flood insurance on the buildings and any other property covered by the required form of policy (herein "insurable property").

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(a) Amount of Coverage. The flood insurance policy shall be in an amount deemed appropriate, but not less than the lesser of: (1) the maximum coverage available under the NFIP for all such insurable property; or (2) 100% of current replacement cost of all such insurable property or in the amount of the aggregate of the outstanding principal balances of the Mortgage loans on the insurable property, whichever is the higher.

(b) Named Insured and Loss Payable. The policy shall name as the insured SAMLARC for the use and benefit of the Owners. Such policy shall contain a standard mortgagee clause which provides that any proceeds shall be paid to SAMLARC for the use and benefit of Mortgagees as their interest may appear.

(c) Deductible. Unless a higher amount is required by state law, the maximum deductible amount for policies covering Community Property shall be the lesser of Five Thousand Dollars (\$5,000) or one percent (1%) of the face amount of the policy.

Section 11.05 - Worker's Compensation Insurance. The Board shall purchase and maintain in force worker's compensation insurance, to the extent that the same shall be required by law, for all employees of SAMLARC.

Section 11.06 - Notice of Cancellation or Modification. All insurance policies and fidelity bonds maintained by SAMLARC must provide that such policies or bonds may not be cancelled, reduced or substantially modified without at least thirty (30) days' prior written notice to SAMLARC and any First Mortgagee named in a mortgage clause and in the case of fidelity bonds to each mortgage servicing contractor acting on behalf of any of the Federal Agencies.

Section 11.07 - Waiver by Members. All insurance obtained by SAMLARC shall be maintained by SAMLARC for the benefit of SAMLARC, the Owners and the Mortgagees as their interests may appear. As to each of said policies which will not be voided or impaired thereby, the Owners hereby waive and release all claims against SAMLARC, the Board, other Owners, the Declarant and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence or breach of any agreement by said persons, but to the extent of insurance proceeds received in compensation for such loss only.

Section 11.08 - Premiums. Insurance and fidelity bond premiums for any such blanket insurance coverage obtained

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by SAMLARC and any other insurance deemed necessary by SAMLARC shall be a Common Expense to be included in the Regular Assessments levied by SAMLARC.

Section 11.09 - Annual Insurance Review. The Board shall at least annually determine whether the amounts and types of insurance it has obtained provide adequate coverage in light of increased construction costs, inflation, practice in the area in which the Covered Property is located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under existing policies are necessary or desirable to protect the interest of the Owners and of SAMLARC. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 11.10 - Federal Requirements. Notwithstanding the foregoing provisions of this Article, SAMLARC must obtain and shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for planned unit development projects established by any of the Federal Agencies, when any such Federal Agency first becomes and as long as it continues to be either a Mortgagee, Owner, or insurer or guarantor of a Mortgage within the Covered Property, except to the extent such coverage is not available or has been waived in writing by the foregoing entity.

ARTICLE XII

DESTRUCTION OF IMPROVEMENTS

Section 12.01 - Definitions. The following terms used in this Article are defined to mean as follows:

(a) "Insured Improvements" shall mean the Improvements on the Covered Property insured under the fire and casualty insurance policy maintained by SAMLARC.

(b) "Affected Common Facility" shall mean a partially or totally destroyed Insured Improvement.

(c) "Affected Owner" shall mean and refer to an Owner who has commenced paying Regular Assessments and is entitled to vote pursuant to the provisions of the Declaration.

(d) "Acceptable Range of Reconstruction Cost" shall mean that the amount of the insurance proceeds paid for partially or totally destroyed Insured Improvements together with the amount of any deductible amount designated in the fire and casualty insurance policy maintained by SAMLARC totals at least ninety percent (90%) of the estimated cost to repair, replace or reconstruct such partially or totally destroyed Insured Improvements. If the Board has not been able to make any determination as to the Acceptable Range of Reconstruction Cost within sixty (60) days of the date of the destruction, it shall be deemed to mean that the Acceptable Range of Reconstruction Cost requirements were not met and the Board shall proceed as hereinafter provided in the Section entitled "Determination to Proceed with Reconstruction" of this Article.

(e) "Substantial Destruction" shall mean a destruction of Insured Improvements representing at least seventy-five percent (75%) of the current replacement cost value of all Insured Improvements upon the Covered Property.

Section 12.02 - Immediate Action of the Board. In the event any Insured Improvements are damaged, the Board shall take the following action:

(a) Notice of Destruction. The Board shall notify all Requesting Mortgagees, Insurers and Guarantors as promptly as practicable. As used herein, "damaged" shall mean as defined in the subsection entitled "Destruction or Taking" of the Article entitled "Mortgagee Protection" of this Declaration.

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(b) Acceptable Range of Reconstruction Cost. The Board shall ascertain the cost of repair, replacement or reconstruction by obtaining fixed price bids from at least two (2) reputable contractors, which bids shall include the obligation of the contractor to obtain a performance bond, if the Board deems that such bids are necessary or appropriate. The Board shall further have full authority to negotiate with representatives of the insurer and to make settlement with the insurer for less than full insurance coverage on the damage. Any settlement made by the Board in good faith shall be binding upon all Owners with the exception of the Administrator of Veterans Affairs of the United States of America. After the settlement has been approved by the Board, any two (2) directors of SAMLARC may sign a loss claim form and release form in connection with the settlement of a loss claim.

(c) Notice of Reconstruction Assessment. The Board shall promptly cause notice to be delivered to all Affected Owners if, during the process of determining the Acceptable Range of Reconstruction Cost, it appears likely that the repair, replacement or reconstruction of a partially or totally destroyed Insured Improvement will result in the levying of Reconstruction Assessments. Such notice shall specify the estimated amount of any such Reconstruction Assessment.

Section 12.03 - Determination to Proceed with Reconstruction. The Board shall, upon the happening of any one of the events shown in subsection (a) of this Section, call a special meeting of SAMLARC or shall distribute written ballots to the Owners for action to be taken by Owners without a meeting to determine whether not to proceed with the repair, replacement or reconstruction of partially or totally destroyed Insured Improvements.

(a) Events Requiring Vote.

(i) a Substantial Destruction;

(ii) failure to meet the requirements of the Acceptable Range of Reconstruction Cost;

(iii) receipt of a written request of Affected Owners representing at least five percent (5%) of the total voting power of the Affected Owners requesting such action.

(b) Failure to Obtain Requisite Vote. Unless the board has obtained the vote or written consent of the

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percentage of the voting power of Eligible Mortgage Holders and Owners required under the Article entitled "Mortgagee Protection" of this Declaration, it shall proceed with the repair, replacement or reconstruction of the partially or totally destroyed Insured Improvements. The vote or consent of Eligible Mortgage Holders may be solicited concurrently or subsequent to the vote of the Owners, except that even if the requisite percentage of the voting power of the Owners has determined not to proceed, the Board shall nevertheless proceed with such repair, replacement or reconstruction unless it has received the written consent of the requisite percentage of the voting power of Eligible Mortgage Holders within one hundred twenty (120) days from the date of such destruction.

Section 12.04 - Reconstruction.

(a) Commencement of Repair, Replacement or Reconstruction. The repair, replacement or reconstruction shall commence as soon as practicable following either of the following events:

(i) a determination that the requirements of the Acceptable Range of Reconstruction Cost have been met, except that if Reconstruction Assessments must be levied, such work shall not commence until thirty (30) days have elapsed following the delivery of the notice of the Reconstruction Assessment to all Affected Owners required to pay Reconstruction Assessments. The notice of estimated Reconstruction Assessment required to be delivered to each such Affected Owner as hereinabove provided in this Article shall satisfy this condition if the actual amount of the Reconstruction Assessment does not exceed the estimated amount set forth in the said notice;

(ii) if a vote of Affected Owners is required under the Section entitled "Determination to Proceed with Reconstruction" of this Article, the expiration of the time limitation imposed under the said Section.

(b) Proceeds of Insurance. All insurance proceeds shall be paid to SAMLARC to be used for the benefit of Owners, mortgagees and others as their respective interests shall appear. In the event any portion of the insurance proceeds were paid to a mortgagee, an amount equal to the amount paid to such mortgagee shall be paid to the Board by the Affected Owners. In the event any Affected Owner fails to pay such amount within thirty (30) days of a written demand therefor by SAMLARC, the Board



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may levy a Special Assessment against such Owner and his Residence for such amount.

(c) Reconstruction Assessments. If necessary, the Board shall levy a Reconstruction Assessment against the Affected Owners at such time and in such amount determined necessary to cover the costs of repair, replacement or reconstruction in excess of insurance proceeds.

(d) Compliance with Plans and Specifications. Any reconstruction undertaken pursuant to this Article shall substantially conform to the original plans and specifications unless other action is approved by Eligible Mortgage Holders or Owners as required in the Section entitled "Vote of Eligible Mortgage Holders and Owners" of the Article entitled "Mortgagee Protection" of this Declaration.

Section 12.05 - Determination of Allocable Proceeds. The amount of insurance proceeds "allocated" or "allocable" to an Affected Common Facility shall be determined pursuant to this Section as follows:

(a) In the event the insurance carrier allocates insurance proceeds among Affected Common Facilities and such allocation is approved by the Board, such allocation shall be final and binding upon the Owners and mortgagees.

(b) In the event the insurance carrier fails to allocate the insurance proceeds, such allocation shall be determined by multiplying the amount of insurance proceeds available for distribution by a fraction, the denominator of which is the total decrease of M.A.I. appraised fair market value of all of the Affected Common Facilities and the numerator of which is the decrease of M.A.I. appraised fair market value of each such Affected Common Facility. The appraised values shall be determined by an M.A.I. appraiser selected by the Board. Such allocation shall be final and binding on the Owners, the mortgagees and SAMLARC.

Section 12.06 - Distribution of Insurance Proceeds. In the event there has been a decision not to repair, replace or reconstruct any partially or totally destroyed Insured Improvements, the Board shall retain the insurance proceeds allocated to each Affected Common Facility in the general funds of SAMLARC subject to the prior rights of all mortgagees holding mortgages encumbering the particular Affected Common Facility for which such insurance proceeds have been allocated.

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Allocable proceeds paid to mortgagees shall be paid in the order of their recorded priority on such Affected Common Facility.

Section 12.07 - Payment of Mortgagees. Any insurance proceeds paid to a mortgagee pursuant to this Article shall be paid in the amount required by such mortgagee, but not to exceed (i) the outstanding indebtedness secured by said mortgage, or (ii) the insurance proceeds allocated to such Affected Common Facility as hereinabove provided in this Article, whichever of (i) or (ii) is the lesser.

Section 12.08 - Requirements of Federal Agencies. Notwithstanding the foregoing Sections of this Article, so long as any First Mortgage is held, guaranteed or insured by any of the Federal Agencies, any partially or totally destroyed improvements will be replaced or restored substantially to their condition prior to the destruction unless there has also been compliance with the requirements of the Article entitled "Mortgagee Protection" of this Declaration.

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ARTICLE XIII

EMINENT DOMAIN

Section 13.01 - Definition of Taking. The term "taking" as used in this Article shall mean condemnation by eminent domain, or by sale under threat thereof, of all or part of the Community Property.

Section 13.02 - Representation by Board in Condemnation Proceedings. In the event of a taking, the Members hereby appoint the Board and such persons as the Board may delegate to represent all of the Members in connection with the taking. The Board shall act in its sole discretion with respect to any awards being made in connection with the taking and shall be entitled to make a voluntary sale to the condemnor in lieu of engaging in a condemnation action.

Section 13.03 - Award for Community Property. Any awards received on account of the taking of Community Property shall be paid to SAMLARC and shall be retained in the general funds of SAMLARC subject to the prior rights of any mortgagee holding an encumbrance upon any Community Property for which such award has been paid.

Section 13.04 - Inverse Condemnation Proceedings. The Board is authorized to bring an action in inverse condemnation. In such event, the provisions of this Article shall apply with equal force.

Section 13.05 - Notice of Condemnation Proceedings. In the event that any Community Property and any improvements thereto or any portion thereof is made the subject of any condemnation proceedings in eminent domain or is otherwise sought to be acquired by a condemning authority, the Board shall promptly notify all Owners and any Requesting Mortgagee, Insurer or Guarantor affected by such taking or threatened taking. As used herein, "taking" shall mean as defined in the subsection entitled "Destruction or Taking" of the Article entitled "Mortgagee Protection" of this Declaration.

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ARTICLE XIV

PARTY WALLS

Section 14.01 - Definition of Party Wall. Each wall or fence which is placed on the dividing line between two Lots (defined to exclude Community Property) shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto. A party wall shall be considered to adjoin and abut against the property line dividing the Lots from the bottom of the foundation over the full length and height of any wall.

Section 14.02 - Use of Party Wall. Owners whose Residences are separated by a party wall shall equally have the right to use such party wall, except that each shall have the right to the exclusive use of the surface of the wall on his side. Neither such Owner shall use any portion of such party wall so as to interfere with the use and enjoyment of the other Owner.

Section 14.03 - Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 14.04 - Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 14.05 - Right to Contribution Runs With Land. The right of an Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 14.06 - Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, said dispute shall be resolved in accordance with the provisions of subsections (b) and (c) of the Section entitled "Enforcement" of the Article entitled "General Provisions" of this Declaration.

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ARTICLE XV

ANNEXATIONS

Real property may be annexed to and become subject to this Declaration by any of the methods set forth hereinafter in this Article, as follows:

Section 15.01 - Development of the Covered Property.

Declarant intends to sequentially develop the Annexation Property on a phased basis; however, Declarant may elect not to develop all or any part of such real property, to annex such real property to this Declaration in increments of any size whatsoever, or to develop more than one such increment at any given time and in any given order. Moreover, Declarant reserves the right to subject all or any portion of the Annexation Property to the plan of this Declaration or one or more separate declarations of covenants, conditions and restrictions which subjects said property to the jurisdiction and powers of a nonprofit mutual benefit corporation or other entity with powers and obligations similar to SAMLARC and which is not subject to the provisions of this Declaration. Although Declarant shall have the ability to annex the Annexation Property as provided in this Article, Declarant shall not be obligated to annex all or any portion of such property, and such property shall not become subject to this Declaration unless and until a Supplementary Declaration shall have been so executed and recorded.

Section 15.02 - Annexation Without Approval and Pursuant to the General Plan.

(a) Definitions: The following terms used in this Section are defined to mean as follows:

(i) "Budget" shall mean the "Reserves Worksheet" of SAMLARC's budget as approved by the Department of Real Estate of the State of California in effect for SAMLARC as of the First Closing.

(ii) "Covered Improvements" with respect to any month during a Developer Rental Program shall mean all Improvements in the Annexed Property which are included in the Budget, except those Recreational Facilities which are not installed and available for use by tenants at the beginning of such month.

(iii) "Developer Rental Program" shall mean a rental program involving Residences in the Annexed Property which has been in effect for a period of at

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least one (1) year as of the First Closing. Any such Developer Rental Program shall be deemed to commence on the effective date of the first rental agreement covering a Residence in the Annexed Property and terminate on the date on which Assessments commence for Residences in the Annexed Property. Short term occupancy agreements which permit a purchaser to take possession of a Residence prior to the close of escrow between Developer and such purchaser shall not be considered a part of a Developer Rental Program.

(iv) "First Closing" shall mean the date of the first close of an escrow covering the sale of a Residence within the Annexed Property.

(v) "Recreational Facilities" shall mean any swimming pools, spas, tennis courts and any other recreational facilities in the Annexed Property which are separately itemized in the Budget.

(b) Conditions of Annexation. All or any part of the Annexation Property may be annexed to and become subject to this Declaration and subject to the jurisdiction of SAMLARC without the approval, assent or vote of SAMLARC or its Members, provided that:

(i) no proposed annexation will result in an overburdening of the common interests of the then existing Owners;

(ii) no proposed annexation will cause a substantial increase in Assessments against existing Owners which was not disclosed in Final Subdivision Public Reports under which pre-existing Owners purchased their interests;

(iii) the annexation of a new Phase must be effected prior to the fifth (5th) anniversary of the issuance of the original Final Subdivision Public Report for the immediately preceding Phase; and

(iv) for each Residence in the Annexed Property, Declarant shall pay to SAMLARC, prior to or concurrently with the First Closing, an amount for each month or portion thereof during which such Residence was occupied under a Developer Rental Program equal to the pro rata portion of the aggregate monthly per unit reserve amount shown on the Budget attributable to all Covered Improvements for that month.

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(v) Prior to annexation pursuant to this Section of any Phase of the Development that is being developed as a phased FHA and/or VA project, plans for the development of the additional property must be submitted to FHA and/or the VA as applicable, and FHA and/or VA as applicable, must determine that such plans are in accordance with the previously approved general plan and so advise Declarant.

(vi) Each Supplementary Declaration effecting the annexation contemplated under this Section must be executed by Company and the Participating Builder, if any, who owns the Annexed Property described in the Supplementary Declaration.

All improvements annexed pursuant to this Section shall be consistent with the initial improvements in terms of quality of construction.

Section 15.03 - Annexation Pursuant to Approval. Upon approval in writing of SAMLARC, pursuant to the vote or written assent of sixty-seven percent (67%) of (i) each class of membership or (ii) the total voting power of SAMLARC as well as the vote or written assent of the same percentage of the total voting power of Members other than the Declarant as set forth in the Section entitled "Voting Requirements for Special Actions" of the Article entitled "Membership Voting Rights" of this Declaration, any person who desires to add real property other than the Annexation Property to the plan of this Declaration and to subject such property to the jurisdiction of SAMLARC, may file or record a Supplementary Declaration. The provisions of this Section shall also apply to the Annexation Property subsequent to the expiration of the power of Declarant to annex such property without the approval of the Members as provided in this Article. The certificate of the President and the Secretary of SAMLARC, or any other officer or officers authorized by resolution of the Board, attached to any Supplementary Declaration recorded pursuant to this Section certifying that the required voting power of SAMLARC has approved the recordation of such Supplementary Declaration shall be deemed conclusive proof thereof.

Section 15.04 - Effectuation of Annexation. Upon the satisfaction of all of the conditions contained in either the Section entitled "Annexation Without Approval and Pursuant to the General Plan" or "Annexation Pursuant to Approval" of this Article, the recordation of a Supplementary Declaration shall constitute and effectuate the annexation of the real property described therein.

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making said real property subject to this Declaration and subject to the functions, powers and jurisdiction of SAMLARC, and thereafter said annexed real property shall be part of the Covered Property and all of the Owners of Residences in said annexed real property shall automatically be Members. In no event, however, shall any such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration or by any prior Supplementary Declaration with respect to property covered by this Declaration at the time of the recording of the said Supplementary Declaration.

Section 15.05 - Mergers or Consolidations. Upon a merger or consolidation of SAMLARC with another nonprofit mutual benefit corporation which merger or consolidation must be approved by the vote or written assent of sixty-seven percent (67%) of (i) each class of membership or (ii) the total voting power of SAMLARC as well as the vote or written assent of the same percentage of the total voting power of Members other than the Declarant as set forth in the Section entitled "Voting Requirements for Special Actions" of the Article entitled "Membership Voting Rights" of this Declaration. SAMLARC's properties, rights and obligations may, by operation of law, be transferred to the surviving or consolidated nonprofit mutual benefit corporation, or, alternatively, the properties, rights and obligations of another nonprofit mutual benefit corporation, may, by operation of law, be added to the properties, rights and obligations of SAMLARC as a surviving corporation pursuant to a merger. The surviving or consolidated nonprofit mutual benefit corporation, may administer the covenants, conditions and restrictions established by this Declaration within the Covered Property, together with the covenants, conditions and restrictions established upon any other property as one plan.

Section 15.06 - De-Annexation. It is the intention of Company to insure that sales of Residences or the rental of Apartment Units by Company or any of its Participating Builders shall not be inhibited because of the failure of or inability of any Participating Builder and/or its Mortgagees to join in or approve any amendment to the Declaration or any Supplementary Declaration or the failure or inability of any such Mortgagee to subordinate the lien of its Mortgage to the Declaration or a Supplementary Declaration. Therefore, if any such consent or subordination is required and such Participating Builder and/or its Mortgagees are unable or unwilling to consent or subordinate as aforesaid, Company shall have the unilateral right to de-annex such Phase of the Covered



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Property from the Declaration as long as there has been no prior rental of an Apartment Unit or conveyance of a Residence that requires the delivery of a Final Subdivision Public Report within such Phase.

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ARTICLE XVI

MORTGAGEE PROTECTION

Section 16.01 - Priority of Mortgage Lien. No breach of the covenants, conditions or restrictions, nor the enforcement of any lien provisions contained in this Declaration, shall affect, impair, defeat or render invalid the lien or charge of any First Mortgage made in good faith and for value encumbering any Residence, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise, with respect to a Residence.

Section 16.02 - Curing Defaults. A Mortgagee, or the immediate transferee of such Mortgagee, who acquires title by judicial foreclosure, deed in lieu of foreclosure or trustee's sale shall not be obligated to cure any breach of the provisions of this Declaration which is noncurable or of a type which is not practical or feasible to cure. The determination of the Board made in good faith as to whether a breach is noncurable or not feasible to cure shall be final and binding on all Mortgagees.

Section 16.03 - Resale. It is intended that any loan to facilitate resale of any Residence after judicial foreclosure, deed in lieu of foreclosure or trustee's sale is a loan made in good faith and for value and entitled to all of the rights and protections afforded to other Mortgagees.

Section 16.04 - Vote of Eligible Mortgage Holders and Owners. Seventy-five percent (75%) written approval of the total voting power of Eligible Mortgage Holders and seventy-five percent (75%) of the voting power of SAMLARC is required to amend a material provision of the SAMLARC Management Documents shown under subsection (a) of this Section, and seventy-five percent (75%) written approval of the total voting power of Eligible Mortgage Holders and sixty-seven percent (67%) of the voting power of SAMLARC is required to take such other actions shown under subsection (b) of this Section.

(a) Material Amendment of SAMLARC Management Documents. A material provision in any of the SAMLARC Management Documents shall be defined as those provisions governing the following subjects:

- (1) Voting rights;

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- (ii) Assessments, assessment liens, or subordination of such liens;
- (iii) Reserves for maintenance, repair and replacement of the Community Property;
- (iv) Responsibility for maintenance and repair of the Covered Property;
- (v) Right to use of the Community Property;
- (vi) Boundaries of any Residence;
- (vii) Convertibility of Residences into Community Property or of Community Property into Residences;
- (viii) Expansion or contraction of the Covered Property or the addition, annexation or withdrawal of property to or from the Covered Property;
- (ix) Insurance or fidelity bonds;
- (x) Leasing of Residences;
- (xi) Imposition of any right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey such Owner's Residence; and
- (xii) Any provision, which by its terms, is for the express benefit of Mortgagees or insurers or guarantors.

An amendment or addition shall not be considered material under this Section if it is for the purpose of correcting technical errors, or for clarification only. An Eligible Mortgage Holder who receives a written request to approve additions or amendments which are not considered material who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request.

(b) Actions and Decisions.

- (i) Effectuate any decision to assume self-management of the Covered Property when professional management had been previously required by an Eligible Mortgage Holder;
- (ii) Restoration or repair of the Covered Property (after a hazard damage or partial

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condemnation) in a manner other than that specified in the SAMLARC Management Documents;

(iii) Termination of the legal status of the Development for any reason, including without limitation, the substantial destruction or condemnation of the Covered Property;

(iv) By any act or omission, abandon, partition, sell, alienate, subdivide, release, transfer, hypothecate or otherwise encumber the Community Property; provided, however, the granting of easements for public utilities or other public purposes consistent with the intended use of the Community Property shall not require such approval;

(v) Change the method of determining the obligations, Assessments, dues or other charges which may be levied against an Owner;

(vi) Use hazard insurance proceeds for losses to any Community Property, for other than repair, replacement or reconstruction;

(vii) Fail to maintain fire and extended coverage insurance on the Community Property and the improvements thereto in an amount less than one hundred percent (100%) of the insurable value based on current replacement cost;

(viii) By act or omission change, waive or abandon any scheme of regulations, or enforcement thereof, pertaining to the architectural design or the exterior appearance of Residences, the exterior maintenance of Residences, the maintenance of the Community Property including, without limitation, the party walks or common fences and driveways, or the upkeep of lawns and plantings.

Section 16.05 - Rights of Requesting Mortgagees, Insurers and Guarantors. A Requesting Mortgagee, Insurer or Guarantor shall be entitled to timely written notice of:

(a) Destruction or Taking. destruction, taking or threatened taking of any Community Property and any improvements thereto or any portion thereof affecting the Mortgage held, insured or guaranteed by such Requesting Mortgagee, Insurer or Guarantor. As used in this Declaration, "damaged" or "taking" shall mean damage to or taking of the Community Property exceeding Ten Thousand Dollars (\$10,000). If requested in writing by such

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Requesting Mortgagee, or Insurer or Guarantor, SAMLARC shall evidence its obligations under this subsection in a written agreement in favor of such Requesting Mortgagee or Insurer or Guarantor;

(b) Default in Performance. default in the performance of the obligations imposed by this Declaration by the Owner whose Residence is encumbered by a Mortgage held, insured or guaranteed by such Requesting Mortgagee or Insurer or Guarantor which default remains uncured for a period of sixty (60) days;

(c) Lapse, Cancellation or Modification of Insurance. any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by SAMLARC; and

(d) Action Requiring Consent. any proposed action which under the Declaration or the Bylaws requires the consent of a specified percentage of the voting power of Eligible Mortgage Holders.

Section 16.06 - Mortgagees Furnishing Information. Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage.

Section 16.07 - Right of First Refusal. Except to impose reasonable limitations that restrict occupancy to persons of particular age groups, this Declaration cannot be amended to provide for any right of first refusal in SAMLARC. In the event this Declaration provides or is amended to provide for any right of first refusal to purchase or lease a Residence in SAMLARC, such right of first refusal shall not impair the right of a First Mortgagee to (a) foreclose or take title to a Residence pursuant to the remedies provided in its Mortgage; or (b) accept a deed (or assignment) in lieu of foreclosure in the event of default under the Mortgage, or (c) sell or lease a Residence acquired by the said Mortgagee. In addition, conveyances to and from mortgage insurers and guarantors shall be exempt.

Section 16.08 - Conflicts. In the event of any conflict between any of the provisions of this Article and any of the other provisions of this Declaration, the provisions of this Article shall control.

Section 16.09 - Priority of Mortgagee. Nothing in the Declaration, Articles or Bylaws shall give an Owner, or any other party, priority over the rights of a First Mortgagee in the case of a distribution to such Owner of

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insurance proceeds or condemnation awards for losses to or a taking of any Community Property.

Section 16.10 - Payment of Taxes or Premiums. Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Community Property unless such taxes or charges are separately assessed against the Owners, in which case the rights of Mortgagees shall be governed by the provisions of their Mortgages. Mortgagees may, jointly or singly, also pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for the Community Property. Mortgagees making payments pursuant to this Section shall be owed immediate reimbursement therefor from SAMLARC. Entitlement to such reimbursement shall be reflected in an agreement in favor of any Mortgagee which requests the same to be executed by SAMLARC.

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ARTICLE XVII

ENFORCEMENT OF BONDED OBLIGATIONS

In the event that the improvements to the Community Property have not been completed prior to the issuance of a Final Subdivision Public Report covering the Covered Property, and SAMLARC is obligee under a bond or other arrangement (the "Bond") to secure performance of the commitment of Declarant to complete such improvements, the following provisions shall apply:

(a) The Board shall consider and vote on the question of action by SAMLARC to enforce the obligations under the Bond with respect to any improvements for which a Notice of Completion has not been filed within sixty (60) days after the completion date specified for such improvements in the Planned Construction Statement appended to the Bond. If SAMLARC has given an extension in writing for the completion of any Community Property improvement, the Board shall consider and vote on the aforesaid question if a Notice of Completion has not been filed within thirty (30) days after the expiration of such extension.

(b) In the event that the Board determines not to initiate action to enforce the obligations under the Bond, or in the event the Board fails to consider and vote on such question as provided above, Members representing not less than five percent (5%) of the total voting power of SAMLARC may present a signed petition to the Board or to the President or Secretary of SAMLARC demanding a meeting for the purpose of voting to override such decision or such failure to act by the Board. Such meeting shall be called according to the provisions of the Bylaws dealing with meetings of SAMLARC, but in any event such meeting shall be held not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of a petition for such meeting.

(c) The only votes to be cast at such meeting of SAMLARC shall be the votes of Owners other than Declarant. A vote at such meeting of a majority of the voting power of such Members other than Declarant to take action to enforce the obligations under the Bond shall be deemed to be the decision of SAMLARC and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of SAMLARC.

## ARTICLE XVIII

APARTMENT LOT OWNERSHIP

Section 18.01 - Delegation of Vote. An Apartment Lot Owner, in its sole discretion, may from time to time delegate its vote to the tenants within any of its Apartment Buildings provided that such Apartment Lot Owner shall notify the Delegate representing such Apartment Lot Owner's Delegate District in writing of such delegation and provided further that the total number of the votes allocated to such tenants does not exceed the total number of votes allocated to such Apartment Building.

Section 18.02 - Delegation of Use The Apartment Lot Owner may delegate its right of enjoyment in and to the Community Property to tenants of its Apartment Units and such tenants may further delegate such rights of enjoyment to the members of their families and guests (subject to such rules and regulations pertaining to guests as are applied to other Members).

Section 18.03 - Subdivision and/or Conversion to Condominium. An Apartment Lot Owner shall have the right to subdivide an Apartment Lot into two or more Lots and/or to convert its Apartment Lot or Lots into a condominium project pursuant to Section 1350 et seq. of the California Civil Code or any successor statute thereof. Effective upon the recording of a tract or parcel map effecting a subdivision of an Apartment Lot and presentation of such recorded tract or parcel map to the Board, each Lot shown on such tract or parcel map shall be an Apartment Lot. Effective upon the conveyance of the first Condominium within any such condominium project, and presentation of evidence of such recording to the Board, each Condominium in such condominium project shall be a Residence as defined in this Declaration. Upon either of the foregoing events, the Owner or Owners of any such Apartment Lot or Residence shall have the voting rights and the obligation to pay Assessments allocated in the manner prescribed for the calculation of voting rights and Assessments in this Declaration, except that the Board, in its sole discretion, may determine that the Assessments shall remain fixed for the remainder of the fiscal year in which the subdivision and/or the conversion to condominiums occurred with each Owner of such Apartment Lot or Condominium, as applicable, paying a pro rata portion of the Assessments allocated to the property affected by such subdivision or conversion.



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ARTICLE XIX

GENERAL PROVISIONS

Section 19.01 - Enforcement.

(a) SAMLARC, Company (as long as any Declarant is an Owner or has any right to annex any Annexation Property without the approval of the membership) or any Owner shall have the right of action against any Owner and any Owner shall have a right of action against SAMLARC to enforce by proceedings at law or in equity, all restrictions, conditions, covenants and reservations now or hereafter imposed by the provisions of this Declaration or any amendment thereto, including the right to prevent the violation of such restrictions, conditions, covenants, or reservations and the right to recover damages or other dues for such violation except that Owners shall not have any right of enforcement with respect to Assessment liens. SAMLARC or any Owner shall also have the right to enforce by proceedings at law or in equity the provisions of the Articles or Bylaws and any amendments thereto. With respect to architectural control and SAMLARC Rules, SAMLARC shall have the exclusive right to the enforcement thereof unless SAMLARC refuses or is unable to effectuate such enforcement, in which case any Owner who otherwise has standing shall have the right to undertake such enforcement.

(b) Any controversy, dispute, or claim whatsoever between SAMLARC and Declarant arising out of, in connection with, or in relation to the interpretation, performance or breach of any of the provisions of this Declaration, including without limitation the validity, scope and enforceability of this general reference provision, shall be determined, at the request of either party, by a general reference conducted by a judge pro tem appointed pursuant to the provisions of California Code of Civil Procedure Section 638(1) et seq. who shall be a retired judge of the Superior Court of the State of California. It is intended this general reference provision to be specifically enforceable in accordance with said Section 638(1). If the parties cannot agree upon a referee, one shall be appointed by the Presiding Judge of the Orange County Superior Court from among that court's list of retired judges of the Superior Court.

(c) Any controversy, dispute, or claim whatsoever between SAMLARC and any Owner other than Declarant arising out of, in connection with, or in relation to the interpretation, performance or breach of any of the

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provisions of this Declaration, including without limitation the validity, scope and enforceability of this arbitration provision, shall be settled, at the request of either party, by arbitration conducted in the County in accordance with the then existing rules for commercial arbitration of the American Arbitration Association, and judgment upon any award rendered by the arbitrator may be entered by any State or Federal Court having jurisdiction thereof. Such matters shall be submitted to one (1) arbitrator who shall be a retired judge of the Superior Court of the State of California. If the parties cannot agree upon an arbitrator, one shall be appointed by the Presiding Judge of the Orange County Superior Court from among that court's list of retired judges of the Superior Court. It is intended that this arbitration provision be valid and enforceable.

(d) Either or both of the two preceding subsections regarding general reference and/or arbitration may be terminated, and shall be of no further force nor effect with respect only to controversies, disputes, or claims which arise after such termination, if within ninety (90) days after a majority of the members of the Board have been elected for the first time by Members other than Declarant, such termination is approved by (a) a majority of the Board, and (b) a majority vote of the Members other than Declarant. Notwithstanding the provisions of the Articles hereof entitled "Amendment Provisions" and "Mortgage Protection", an amendment to this Declaration with respect to such termination may be recorded without the approval of any other persons, including without limitation the Declarant or Eligible Mortgage Holders, if such amendment is recorded with a certificate of the President and Secretary attached thereto certifying that the approval of the Board and of the Members other than Declarant required by this subsection has been obtained within the time period specified herein.

Section 19.02 - No Waiver. Failure by SAMLARC or by any Member to enforce any covenant, condition, restriction or reservation herein contained, or the Articles, Bylaws or SAMLARC Rules, in any certain instance or on any particular occasion shall not be deemed a waiver of such right on any such future breach of the same or any other covenant, condition, restriction and reservation.

Section 19.03 - Cumulative Remedies. All rights, options and remedies of Declarant, SAMLARC, the Owners, Delegates or Mortgagees under this Declaration are cumulative, and no one of them shall be exclusive of any other, and Declarant, SAMLARC, the Owners, Delegates and the

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Mortgagees shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.

Section 19.04 - Severability. Invalidation of any one or a portion of these covenants, conditions, restrictions or reservations by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 19.05 - Covenants to Run with the Land; Term. The covenants, conditions and restrictions of this Declaration shall run with and bind the Covered Property and shall inure to the benefit of and be enforceable by SAMLARC, Company (as long as any Declarant is an Owner or has any right to annex any Annexation Property without the approval of the membership) or any Owner, their respective legal representatives, heirs, successors and assigns, for a term of sixty (60) years from the date this Declaration is recorded, after which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by not less than sixty-seven percent (67%) of the then Owners and not less than seventy-five (75%) of the Eligible Mortgage Holders has been recorded at least one (1) year prior to the end of any such period, agreeing to terminate said covenants, conditions and restrictions in whole or in part.

Section 19.06 - Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a plan for the development of a residential community or tract and for the maintenance of the Covered Property. The Article and Section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

Section 19.07 - Singular Includes Plural. Whenever the context of this Declaration requires the same, the singular shall include the plural and the masculine shall include the feminine and the neuter.

Section 19.08 - Nuisance. The result of every act or omission where any provision, condition, restriction, covenant, easement, or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a private nuisance, shall be applicable against every such result,

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and may be exercised by SAMLARC or any Member. Such remedy shall be deemed cumulative and not exclusive.

Section 19.09 - Attorneys' Fees. In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto reasonable attorneys' fees and costs of such suit as determined by the court or by arbitration as part of the judgment.

Section 19.10 - Notices. Any notice to be given to a Delegate, an Owner, SAMLARC, an Eligible Mortgage Holder or a Requesting Mortgagee, or Insurer or Guarantor under the provisions of this Declaration shall be in writing and may be delivered as follows:

(a) Notice to a Delegate or an Owner shall be deemed to have been properly delivered when personally delivered or delivered to a common carrier for personal delivery to the addressee, or delivered to a person giving such notice by electronic means, or when deposited in the United States mail, first class, postage prepaid and directed to the most recent address furnished by such Owner or Delegate in writing to SAMLARC for the purpose of giving notice. If no such address shall have been furnished, notice to a Delegate elected by Declarants may be sent to the Company and notice to any Owner or other Delegate may be sent to the street address of the Residence owned by such Owner or Delegate. In the case of co-Owners any such notice may be delivered or sent to any one of the co-Owners on behalf of all co-Owners and shall be deemed delivery on all such co-Owners.

(b) Notice to SAMLARC shall be deemed to have been properly delivered when placed in the first class United States mail, postage prepaid, to the address furnished by SAMLARC or the address of its principal place of business.

(c) Notice to an Eligible Mortgage Holder or Requesting Mortgagee or Insurer or Guarantor shall be deemed to have been properly delivered when placed in the first class United States mail, postage prepaid, to the address furnished to SAMLARC by such Eligible Mortgage Holder or Requesting Mortgagee or Insurer or Guarantor for the purposes of notice.

The affidavit of an officer or authorized agent of SAMLARC declaring under penalty of perjury that a notice has been mailed to any Delegate, Owner or Owners, to any Mortgagee or Mortgagees, to any insurer or guarantor or to all

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Members or all Delegates or all Mortgagees, or all insurers or all guarantors to the address or addresses shown on the records of SAMLARC, shall be deemed conclusive proof of such mailing, whether or not such notices are actually received.

Section 19.11 - Conflicts Between SAMLARC Management Documents. In the event of a conflict between any provisions of any of the SAMLARC Management Documents with the provisions of another SAMLARC Management Document, the provisions of the Controlling Document named below in the first column shall be deemed to supersede the provisions of the Subordinate Document or Documents named below in the second column to the extent of any such conflict.

| <u>CONTROLLING DOCUMENTS</u> | <u>SUBORDINATE DOCUMENTS</u>                                   |
|------------------------------|----------------------------------------------------------------|
| (a) Articles                 | Declaration, Bylaws, Architectural Standards and SAMLARC Rules |
| (b) Declaration              | Bylaws, Architectural Standards and SAMLARC Rules              |
| (c) Bylaws                   | Architectural Standards and SAMLARC Rules                      |
| (d) Architectural Standards  | SAMLARC Rules                                                  |

Section 19.12 - Conflicts Between SAMLARC Management Documents and Subordinate Maintenance Corporation Documents. In the event of any conflict between the SAMLARC Management Documents and any provisions of the articles of incorporation, bylaws, Subordinate Declaration, architectural standards and any rules and regulations of a Subordinate Maintenance Corporation, the SAMLARC Management Documents shall be deemed to supersede such other documents of the Subordinate Maintenance Corporation to the extent of such conflict.

Section 19.13 - Effect of Declaration. This Declaration is made for the purposes set forth in the Recitals to this Declaration and Declarant makes no warranties or representations, express or implied, as to the binding effect or enforceability of all or any portion of this Declaration, or as to the compliance of any of these provisions with public laws, ordinances and regulations applicable thereto.

Section 19.14 - Personal Covenant. To the extent the acceptance or conveyance of a Residence creates a personal covenant between the Owner of such Residence and Declarant or other Owners, such personal covenant shall terminate and be of no further force or effect from or after the date when a person or entity ceases to be an Owner except to the extent this Declaration may provide otherwise with respect to the payment of money to SAMLARC.

Section 19.15 - Nonliability of Officials. To the fullest extent permitted by law, neither the Board, the Architectural Committee, and other committees of SAMLARC or any member of such Board or committee shall be liable to any Member or SAMLARC for any damage, loss or prejudice suffered or claimed on account of any decision, approval or disapproval of plans or specifications (whether or not defective), course of action, act, omission, error, negligence or the like made in good faith within which such Board, committees or persons reasonably believed to be the scope of their duties.

Section 19.16 - Construction By Declarant. Nothing in this Declaration shall limit the right of Declarant to alter the Community Property or the Residences still owned by Declarant, or to construct such additional Improvements as Declarant deems advisable prior to completion of Improvements upon and sale of the entire Development. Such right shall include but shall not be limited to erecting, constructing and maintaining on the Covered Property such structures and displays as may be reasonably necessary for the conduct of the business of completing the work and disposing of the same by sale, lease or otherwise. Declarant shall repair any damage to and complete any restoration of the Covered Property caused or necessitated by such activities of Declarant within a reasonable time after the occurrence of such damage or need for restoration. This Declaration shall not limit the right of Declarant at any time prior to acquisition of title by a purchase from Declarant to establish on the Covered Property additional licenses, reservations and rights-of-way to itself, to utility companies, or to others as may from time to time be reasonably necessary to the proper development and disposal of the Development. Declarant reserves the right to alter its construction plans and designs as it deems appropriate. The rights of Declarant under this Declaration may be assigned in whole or in part to any successor or successors by an express assignment incorporated in a recorded instrument including but not limited to a deed, lease, option agreement, land sale contract or assignment as the case may be, transferring such interest to such successor. Declarant

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shall exercise its rights contained in this provision in such a way as not to unreasonably interfere with the Members' rights to use and enjoy the Covered Property.

Declarant's rights under this Section shall terminate upon the later of (i) the expiration of twelve (12) years from the date on which this Declaration is recorded, or (ii) the fifth (5th) anniversary of the issuance of the original Final Subdivision Public Report for the most recent Phase of the Development; provided, however, that in no event shall Declarant's rights hereunder terminate prior to the exoneration of any Bond in favor of SAMLARC described in the Article entitled "Enforcement of Bonded Obligations" of this Declaration.

Section 19.17 - Inapplicability to Government Property.  
The provisions of this Declaration shall not be applicable to any portion of the Covered Property owned by a governmental entity, authority or agency and held for a public purpose unless expressly agreed to by any such entity, authority or agency, but shall apply to any Residence owned by such governmental entity, authority or agency.

Section 19.18 - Termination of Status of Covered Property. The SAMLARC shall have no right to abandon or terminate the maintenance of the Community Property, or any part thereof, by SAMLARC, except as expressly set forth in this Declaration.

Section 19.19 - FHA and/or VA Approval. So long as there is a Class B membership, the approval of FHA and VA is required for the following: amendments to the Declaration, mergers or consolidations of SAMLARC with another nonprofit mutual benefit corporation and dedications or mortgaging of Community Property and the annexation and de-annexation of additional properties of a phased FHA and/or VA project, and the levy of Capital Improvement Assessments upon Owners of an FHA and/or VA project.

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ARTICLE XX

AMENDMENT PROVISIONS

Section 20.01 - Vote of Association. Subject to the other provisions of this Declaration, including, without limitation, the rights of Mortgagees, and of FHA and/or VA as provided in the Articles entitled "Mortgagee Protection," and the Section entitled "FHA and/or VA Approval" of the Article entitled "General Provisions" of this Declaration, this Declaration may be amended as follows:

(a) As long as all of the covered property under the Declaration is owned by Declarant and no Apartment Units have been rented, the Declaration may be cancelled or amended as to such Covered Property by a writing executed by Company and such Declarant. As long as a Declarant who is not an Apartment Lot Owner continues to own all of the Annexed Property covered by a Supplementary Declaration, the Supplementary Declaration may be cancelled or amended as to all or any portion of such Annexed Property by a writing executed by Company and such Declarant. Until such time as an Apartment Lot Owner has rented or leased an Apartment Unit within an Apartment Lot which comprises all or any portion of the Annexed Property covered by a Supplementary Declaration, such Supplementary Declaration may be cancelled or amended as to all or any portion of such Annexed Property by a writing executed by Company and such Apartment Lot Owner. All such cancellations or amendments must be recorded in the Official Records of the County. Except as hereinafter provided, after a Class A Membership has been established under the Declaration and/or an Apartment Unit has been rented or leased as aforesaid, any amendments shall require (i) the vote or written assent of not less than seventy-five percent (75%) of the voting power of each class of Members, or (ii) not less than seventy-five percent (75%) of the total voting power of SAMLARC and not less than seventy-five percent (75%) of the votes of Members other than Declarant as set forth in the Section entitled "Voting Requirements for Special Actions" of the Article entitled "Membership Voting Rights" of this Declaration. Notwithstanding the above, as long as any Declarant is an Owner or has the right to annex any portion of the Annexation Property without the approval of the membership, any amendment must also have the written approval of Company, and any material amendment must have the vote or approval of the voting power of SAMLARC and Eligible Mortgage Holders, as prescribed in the Section entitled "Vote of Eligible



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Mortgage Holders and Owners" of the Article entitled "Mortgagee Protection" of this Declaration.

(b) An amendment or modification that requires the vote and written assent of the Members as hereinabove provided shall be effective when executed by the President and Secretary of SAMLARC, or any other officer or officers authorized by resolution of the Board, who shall certify that the amendment or modification has been approved as hereinabove provided, and when recorded in the Official Records of the County. The notarized signatures of the Members shall not be required to effectuate an Amendment of this Declaration.

(c) Notwithstanding the foregoing, any provision of the SAMLARC Management Documents which expressly requires the approval of a specified percentage of the voting power of SAMLARC for action to be taken under said provision can be amended only with the affirmative vote or written assent of not less than the same percentage of the voting power of SAMLARC.

(d) Notwithstanding the foregoing provisions of this Section, this Declaration may be unilaterally amended by Company without the consent of any Participating Builders or Mortgagees of Mortgages encumbering any portion of the Covered Property for the purpose of complying with any law, regulation or other requirement of any of the Federal Agencies, as long as such amendment has been approved by the Department of Real Estate of the State of California. Similarly, any Supplementary Declaration executed by Company and a Participating Builder may be unilaterally amended by Company, without the consent of such Participating Builder or any Mortgagee holding a Mortgage encumbering the Annexed Property described in such Supplementary Declaration, for the purpose of complying with any law, regulation or other requirement of any of the Federal Agencies as long as such amendment has been approved by the Department of Real Estate of the State of California. Any such amendment shall become effective upon the recordation of an instrument duly executed by Company reflecting the change. Certification by Company within such recorded amendment that the amendment was required by a Federal Agency and has been approved by the Department of Real Estate of the State of California shall be deemed to satisfy the foregoing requirements.

Section 20.02 - Compliance with Applicable Law. Nothing in this Article shall excuse compliance with any applicable statutory or regulatory requirement, including without limitation Section 11018.7 of the California

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Business and Professions Code or any similar statute hereinafter enacted.

IN WITNESS WHEREOF, Declarant has executed this instrument the day and year first herein above written.

RANCHO SANTA MARGARITA JOINT VENTURE, a California General Partnership

By: Santa Margarita Realty Company, a California corporation, a General Partner

By: Stephen C. Schrank  
Stephen C. Schrank, Sr. Vice President

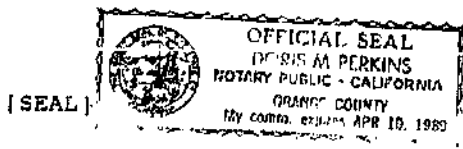
By: Donald E. Moe  
Donald E. Moe, Vice President

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss.

On April 22, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Stephen C. Schrank and Donald E. Moe

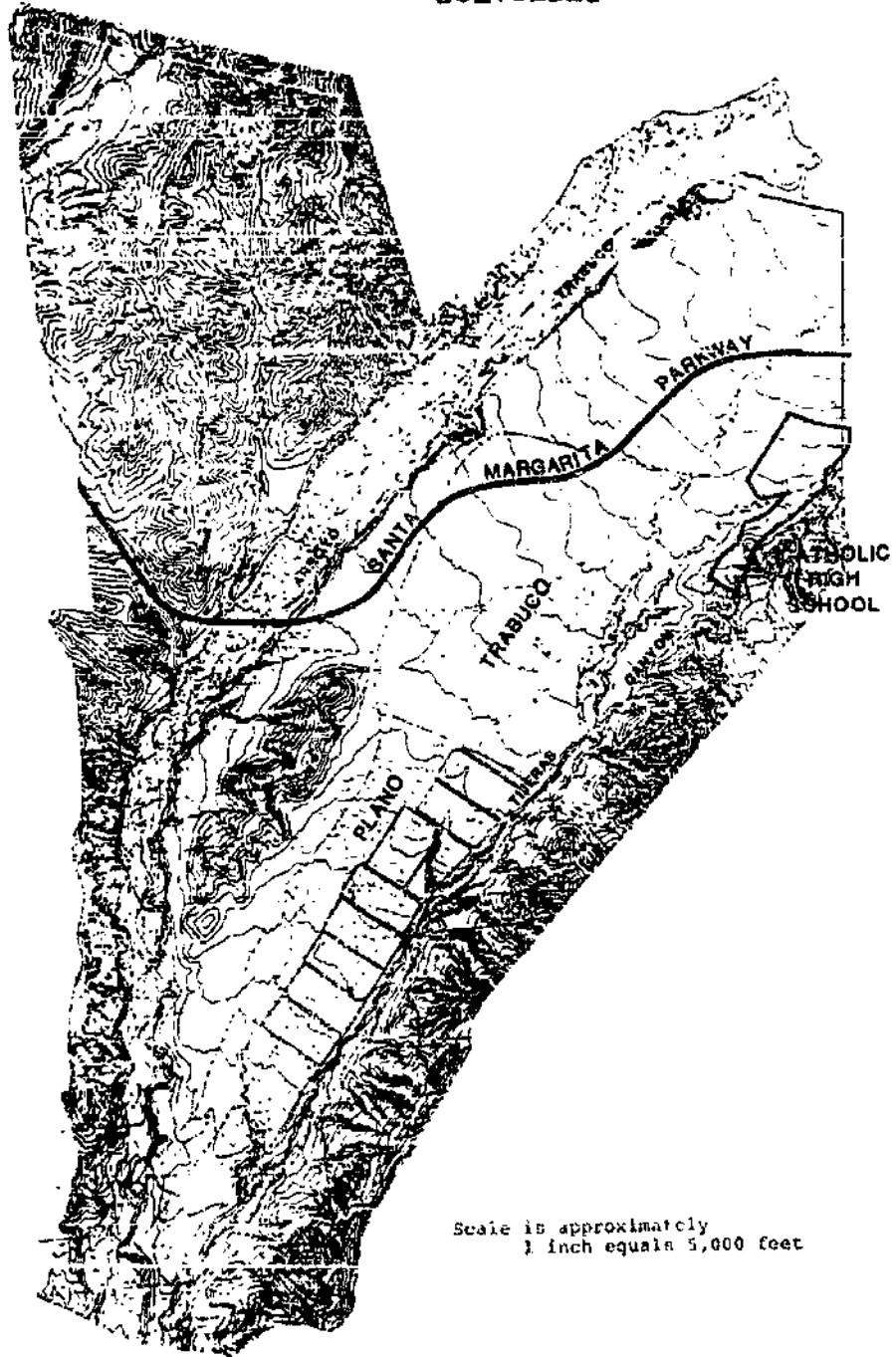
personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as, Senior Vice President and Vice President, respectively, on behalf of the corporation therein named that executed the within instrument on behalf of RANCHO SANTA MARGARITA JOINT VENTURE, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.



Doris M. Perkins  
Notary Public in and for said State

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Scale is approximately  
1 inch equals 5,000 feet

ANNEXATION PROPERTY

EXHIBIT A

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EXHIBIT B

COMMUNITY PROPERTY OTHER THAN TRAILS

Community Property, if any, described in those  
Supplementary Declarations recorded by Declarants and  
described under Paragraph II of the preamble of this  
document.

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EXHIBIT C

TRAILS IN THE COVERED PROPERTY

Trails within the Covered Property as of the recordation of this Declaration shall be as such Trails are identified on the Supplementary Declarations recorded by Declarants and Apartment Lot Owners described in Paragraph II and III of the preamble of this document.

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EXHIBIT D  
DISCLOSURE NOTICE

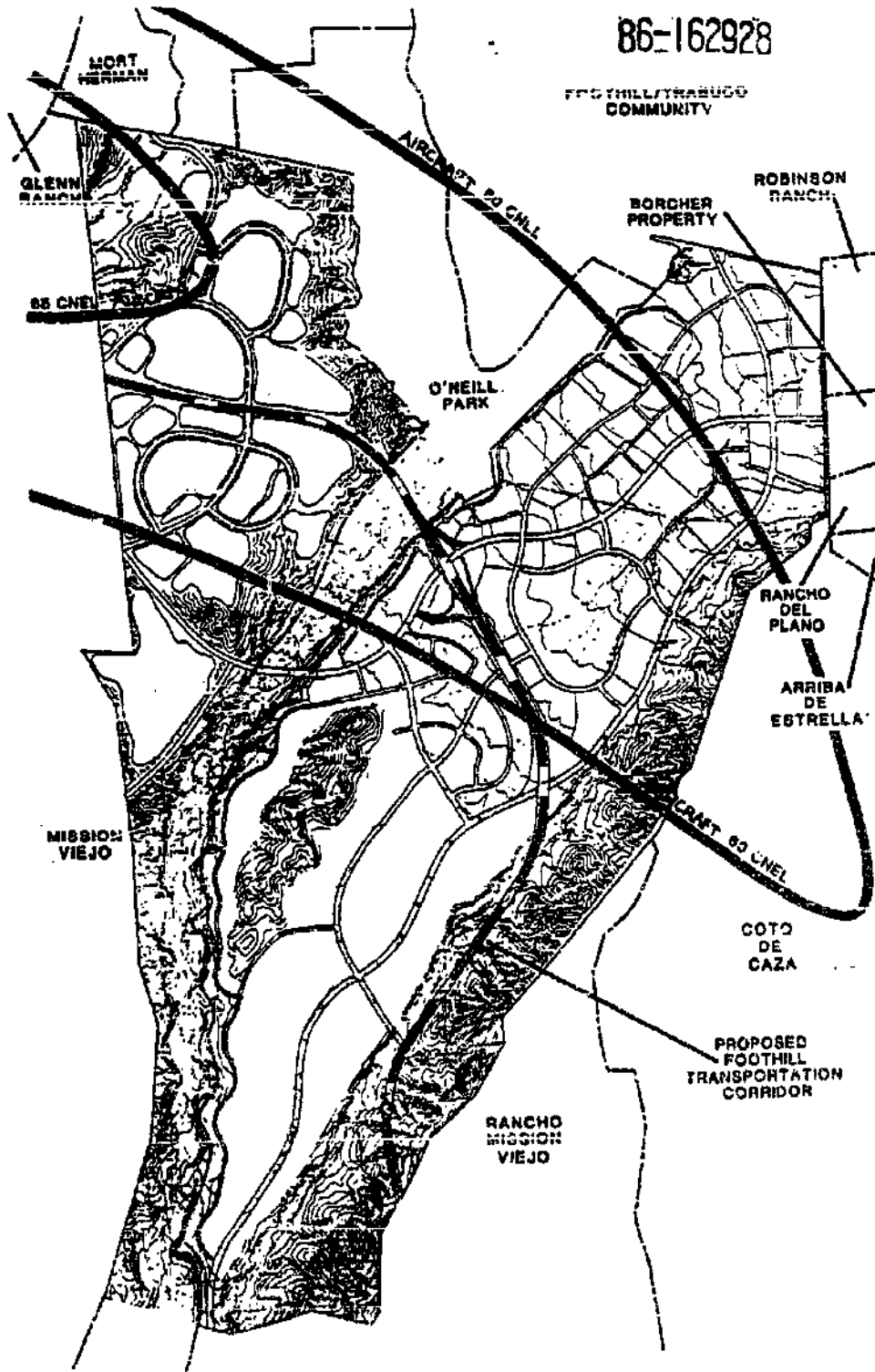
The attached map depicts the potential areas of impact within the overall project. Possible impact may occur due to adjacent developed areas, O'Neill Regional Park and open space; transportation systems including the proposed Foothill Transportation Corridor; and the 60 CNEL and 65 CNEL noise contours from both overflight and arterial highways.

The areas shown as developed on this map are typical of the land uses which are possible under the current project plan. The land uses and impacts are subject to change as more specific planning takes place; various governmental and public agency approvals are obtained and economic conditions change.

Prospective purchasers may be subject to overflight, sight and sound of aircraft operations from El Toro Marine Corps Air Station. Flight operation to the Air Station may create significant aircraft environmental impacts affecting the prospective purchasers, tenants and occupants.

86-162928

FOOTHILL/TRABUCO  
COMMUNITY



DISCLOSURE NOTICE

EXHIBIT D

86-162928

EXHIBIT E

MAINTENANCE OF LOT PERIMETER WALLS AND TRAIL FENCES

Maintenance of Lot Perimeter Walls and Trail Fences as of the recordation of this Declaration shall be as such obligation may be identified on the Supplementary Declarations recorded by Declarants and Apartment Lot Owners described in Paragraphs II and III of the preamble of this Declaration.



B6-162928

EXHIBIT F

ANY SUCH EXHIBITS SHALL BE ADDED TO A SUPPLEMENTARY DECLARATION  
ANNEXING ADDITIONAL PROPERTY TO THIS DECLARATION.

86-162928

EXHIBIT G

ANY SUCH EXHIBIT SHALL BE ADDED TO A SUPPLEMENTARY DECLARATION  
ANNEXING ADDITIONAL PROPERTY TO THIS DECLARATION.

86-162928

EXHIBIT I

VILLAGE ENTRY SIGNS AND MONUMENTS MAINTAINED BY SAMLARC

The maintenance obligation of SAMLARC as of the recordation of this Declaration shall be as such obligation may be identified on any Supplementary Declarations recorded by Declarants and Apartment Lot Owners described in Paragraphs II and III of the preamble of this Declaration.

86-162928

EXHIBIT J

TRAILS ON ADJACENT PROPERTY MAINTAINED BY SAMLARC

The Trails on adjacent property to be maintained by SAMLARC as of the recordation of this Declaration shall be as such Trails are identified on any Supplementary Declarations recorded by Declarants and Apartment Lot Owners described in Paragraph II and III of the preamble of this Declaration.

86-162928

CONSENT AND AGREEMENT  
BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

Lot 1 of Tract No. 12263 as per map filed in Book 546, Pages 5 to 14 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED

9/1/86

THE FIELDSTONE CORPORATION, a  
California corporation

By

By

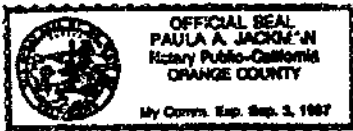
[Signature] *via facs*  
[Signature] *Asst. Secy*

86-i62928

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

On April 4, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared D. R. Langlois and S. Middleton, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President & Asst. Secre.on behalf o. the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



[Seal]

*Paula A. Jackson*  
Notary Public in and for  
said State

86-162928

CONSENT AND AGREEMENT  
BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

Lot 2 of Tract No. 12263 as per map filed in Book 546, Pages 5 to 14 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED April 4, 1986

STANDARD-PACIFIC CORP., a  
Delaware corporation

By Stephen J. Scarborough  
Stephen J. Scarborough, Vice President

By John Blakeley  
John Blakeley, Asst. Secretary

86-162928

STATE OF CALIFORNIA

)  
) ss.  
)

COUNTY OF ORANGE

On April 4, 1986, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Stephen J. Scarborough & John Blakey, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President & Asst. Secretary on behalf of the corporation that executed the within instrument and ackr wledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Jari L. Kartozian  
Notary Public in and for  
said State



86-162928

CONSENT AND AGREEMENT

BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

Lot 3 of Tract No. 12263 as per map filed in Book 546, Pages 5 to 14 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED April 9, 1986

AKINS DEVELOPMENT COMPANY -  
SANTA MARGARITA, a California  
General Partnership

By: Akins Development Company,  
a California corporation,  
General Partner

By *[Signature]*

By *[Signature]*

BL INVESTORS, a California  
General Partnership,  
General Partners

By: Barclay Associates, Inc.,  
a California corporation,  
General Partner

By *[Signature]*

By \_\_\_\_\_

86-162928

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

On April 9, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Bruce K. Akins and R. W. Michaels, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as Executive VicePresident, and Secretary, on behalf of Akins Development Company, the corporation therein named, and acknowledged to me that said corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors, said corporation being known to me to be one of the partners of Akins Development Company - Santa Margarita, the partnership that executed the within instrument, and acknowledged to me that such corporation executed same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.

Signature M. Karen Welch

(Seal)



86-162928

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF ORANGE )

On April 8, 1986, before me, the under-  
signed, a Notary Public in and for said State, personally  
appeared Richard Barclay and \_\_\_\_\_,  
personally known to me (or proved to me on the basis of  
satisfactory evidence) to be the person(s) who executed  
the within instrument as \_\_\_\_\_ President, and  
\_\_\_\_\_ Secretary, on behalf of BARCLAY  
ASSOCIATES, the corporation therein named, and that  
said corporation that executed the within instrument is a  
general partner of BL INVESTORS, a California general  
partnership, known to me to be one of the partners of  
Akins Development Company - Santa Margarita,  
the partnership that executed the within instrument, and  
acknowledged to me that such partnership executed same  
as such partner and that such partnership executed the  
same.

WITNESS my hand and official seal.

M. Karen Welch  
Signature

(Seal)



B6-162928

CONSENT AND AGREEMENT  
BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

Lot 4 of Tract No. 12263 as per map filed in Book 546, Pages 5 to 14 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 29, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED April 7, 1986

JOHN LAING HOMES, INC., a  
California corporation

By [Signature]

By [Signature]

B6-162928

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

On April 7, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Jonathan P. Hayes and Jerome B. Baker, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as President & Asst. Secretary on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



[Seal]

Theresa L. Pinton  
Notary Public in and for  
said State

86-162928

CONSENT AND AGREEMENT

BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

Lot 5 of Tract No. 12263 as per map filed in Book 546, Pages 5 to 14 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED 4-10-86

THE WILLIAM LYON COMPANY, a  
California corporation

By Brian M. [Signature]

By [Signature]

ASST. SECRETARY

86-162928

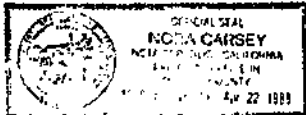
STATE OF CALIFORNIA

COUNTY OF ORANGE

) ss.

On April 11, 1986, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared BRIAN V. NORKAITIS <sup>1</sup> ~~ROBERT S. ROBINSON~~, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice Pres + Asst Secy on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



[Seal]

Nora Carsey  
Notary Public in and for  
said State

86-162928

CONSENT AND AGREEMENT  
BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

Lot 1 of Tract No. 12265 as per map filed in Book 546, Pages 19 to 25 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413683, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED 4-15-86

THE WILLIAM LYON COMPANY, a  
California corporation

By Bruce J. [Signature]  
VICE PRESIDENT

By [Signature]  
ASST. SECRETARY

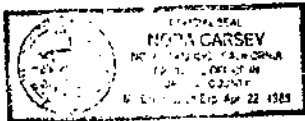


86-162928

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

On 4-10-86, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared BRUCE V. ROXBOROUGH & RICHARD S. ROBINSON, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice Pres & Asst Secy on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Nora Carsey  
Notary Public in and for  
said State

{Seal}

GOVERNMENT CODE 27361.7

I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary: Nora Carsey

Date Commission Expires: April 22, 1988

County where bond is filed: Orange

Place of Execution: Santa Ana, California Date: 4-24-86

Mrs. L. Ball  
Signature (firm name, if any)  
FIRST AMERICAN TITLE INSURANCE COMPANY

86-162928

CONSENT AND AGREEMENT  
BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

Lot 3 of Tract No. 12265 as per map filed in Book 546, Pages 19 to 25 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED April 8, 1986

WITENBERG-LIVINGSTON, INC.  
a California corporation

By 

By \_\_\_\_\_

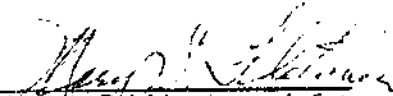
86-162928

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

On April 8, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared Eric A. Wittenberg

Eric A. Wittenberg, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as President on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

  
Notary Public in and for  
said State

[Seal]



86-162928

CONSENT AND AGREEMENT  
BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

Lot 4 of Tract No. 12265 as per map, filed in Book 546, Pages 19 to 25 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413083, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED 4/7/86

THE FIELDSTONE CORPORATION,  
a California corporation

By *[Signature]*

By *[Signature]*  
*Asset Buy*

86-162928

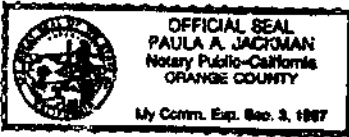
STATE OF CALIFORNIA

COUNTY OF ORANGE

)  
) ss.  
)

On April 4, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared D. R. Langlois and S. Middleton, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President & Assis. Secretary on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



[Seal]

*Paula A. Jackson*  
Notary Public in and for  
said State

86-162928

CONSENT AND AGREEMENT  
BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

Lot 1 of Tract No. 12266 as per ~~ms~~ filed in Book 547, Pages 41 to 50 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED 4- 1986

MACCO PACIFIC, a California  
General Partnership

By: Macco Properties, Inc., a  
California corporation, a  
General Partner

By 

By \_\_\_\_\_

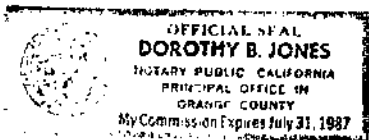
86-162928

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

On 1/11/87, 1987, before me, the undersigned, a Notary Public in and for said State, personally appeared MACCO PACIFIC

MACCO PACIFIC, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as, MACCO PACIFIC President and MACCO PACIFIC Secretary, respectively, on behalf of the corporation therein named that executed the within instrument on behalf of MACCO PACIFIC, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.



[Seal]

Dorothy B. Jones  
Notary Public in and for  
said State

DOROTHY B. JONES

86-162928

CONSENT AND AGREEMENT

BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered property in the County of Orange, State of California described as:

Lot 2 of Tract No. 12266 as per Map filed in Book 547, Pages 41 to 50 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED APRIL 9, 1986

BAYWOOD HOMES-SANTA MARGARITA, a California General Partnership

By: Baywood Development Group, Inc., a California corporation, a General Partner

By W.R. Watt pres.  
<W.R. WATT, PRESIDENT>

By: Watt Industries, Inc., a California corporation, a General Partner

By Robert Lee  
<ROBERT LEE, VICE PRES>



86-162928

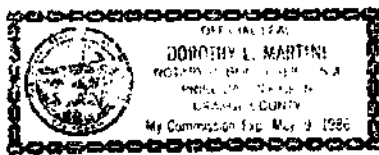
STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss.

On APR. 9, 1986, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared William R. WAT

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as, PRESIDENT

Non behalf of the corporation therein named that executed the within instrument on behalf of BAYWOOD HOMES - SANTA MARGARITA, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.



Dorothy L. Martini  
Notary Public in and for said State

(Seal)

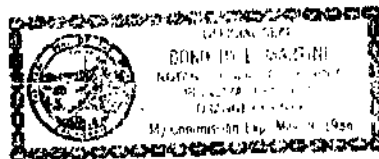
STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss.

On APRIL 16, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Robert L & E

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as, VICE PRESIDENT

Non behalf of the corporation therein named that executed the within instrument on behalf of BAYWOOD HOMES - SANTA MARGARITA, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.



Dorothy L. Martini  
Notary Public in and for said State

(Seal)

86-162928

CONSENT AND AGREEMENT  
BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

Lot 5 of Tract No. 12266 as per map filed in Book 547, Pages 41 to 50 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED April 4, 1986

CENTURY AMERICAN CORPORATION,  
a California corporation

By [Signature]

By Mary A. Coats

86-162928

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss.

On April 4, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared ROGER C. HOBBS AND ARRY A. COTTE, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as PRESIDENT AND SECRETARY on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



[Seal]

[Signature]  
Notary Public in and for  
said State

GOVERNMENT CODE 27361.7

I certify under the penalty of perjury that the notary seal on the document to which this statement is attached reads as follows:

Name of Notary: Patty Moore  
Date Commission Expires: November 3, 1989  
County where bond is filed: Orange  
Place of Execution: Santa Ana, California Date: 4-24-86

[Signature]  
Signature (firm name, if any)  
FIRST AMERICAN TITLE INSURANCE COMPANY

86-162928

CONSENT AND AGREEMENT  
BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

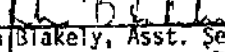
Lot 1 of Tract No. 12267 as per map filed in Book 547, Pages 34 to 40 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED April 4, 1986

STANDARD-PACIFIC CORPORATION,  
a Delaware corporation

By   
Stephen J. Scarborough, Vice President

By   
John Blakey, Asst. Secretary

86-162928

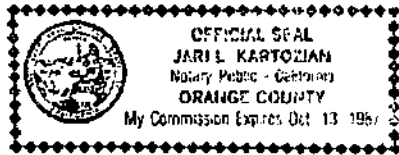
STATE OF CALIFORNIA

COUNTY OF ORANGE

)  
) ss.

On April 4, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Stephen J. Scarborough & John Blakely, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President & Asst. Secretary on beha! of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



{Seal}

Jaril Kartozian  
Notary Public in and for  
said State

86-162928

CONSENT AND AGREEMENT

BY PARTICIPATING BUILDER

The undersigned Participating Builder under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property in the County of Orange, State of California described as:

Lot 2 of Tract No. 12267 as per map filed in Book 547, Pages 34 to 40 inclusive, of Miscellaneous Maps, records of said County

and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Participating Builder further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED 4/4/86

THE FIELDSTONE CORPORATION,  
a California corporation

By [Signature] vice Pres.

By [Signature] and Secy.

86-162928

STATE OF CALIFORNIA

COUNTY OF ORANGE

) ss.  
)

On April 4, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared D. R. Langlois and S. Middleton

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President & Assis. Secretary on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



*Paula A. Jackson*  
Notary Public in and for  
said State

[Seal]

86-162928

CONSENT AND AGREEMENT  
BY APARTMENT LOT OWNER

The undersigned Apartment Lot Owner under the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions as of the date hereof is the fee owner of that portion of the Covered Property described as:

All of Tract No. 12264 as per map filed in Book 546, Pages 15 to 18 inclusive, of Miscellaneous Maps, records of said County

and hereby declares that no Apartment Unit has been rented or leased as of the date hereof and hereby consents to and joins in the amendment of the Declaration of Covenants, Conditions and Restrictions recorded on October 28, 1985, as Instrument No. 85-413883, of Official Records of said County as provided in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions. The undersigned Apartment Lot Owner further consents to and joins in the amendment of the Supplementary Declaration of Covenants, Conditions and Restrictions covering the property described above to provide that such property shall hereafter be conveyed, rented or leased subject to the covenants, conditions, restrictions, reservations, liens and charges as set forth in said Supplementary Declaration and as set forth in the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions.

DATED 4-11-86

SMV PARTNERS, a California  
General Partnership,

By: Western National Partners VI,  
a California General  
Partnership,

By: Western National Properties,  
a California corporation

By 

By 



86-162928

STATE OF CALIFORNIA

COUNTY OF ORANGE

)  
) ss.  
)

On APRIL 11, 1986<sup>P.M.</sup> before me, the undersigned, a Notary Public in and for said State, personally appeared JERRY E. STONE AND MICHAEL R. HAYDE personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as PRESIDENT AND VICE PRESIDENT on behalf of the corporation therein named that executed the within instrument on behalf of WEBBANK NATIONAL PARTNERS VI, the partnership that executed the within instrument on behalf of SMV PARTNERS, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as a partner of the partnership that executed the same as the partner of the last named partnership and that such last named partnership executed the same.

WITNESS my hand and official seal.

Renee R. Keller  
Notary Public in and for  
said State

[Seal]



86-162928

SUBORDINATION

The undersigned, beneficiary under those certain deeds of trust encumbering all or a portion of the real property described within as the Covered Property, which deeds of trust were recorded in the Official Records of the County as indicated below, hereby consents to the within Declaration and hereby subordinates the lien of said deeds of trust to the provisions of the Declaration.

| <u>Recorded On</u>        | <u>Instrument No.</u> |
|---------------------------|-----------------------|
| 1/12263 November 15, 1985 | 85-443957             |
| 2/12263 November 15, 1985 | 85-443856             |
| 3/12263 November 18, 1985 | 85-463672             |
| 4/12263 November 15, 1985 | 85-444214             |
| 5/12263 November 22, 1985 | 85-472197             |
| 1/12264 October 31, 1985  | 85-421627             |
| 1/12265 November 22, 1985 | 85-472202             |
| 3/12265 November 15, 1985 | 85-444082             |
| 4/12265 November 15, 1985 | 85-443952             |
| 1/12266 December 30, 1985 | 85-521803             |
| 2/12266 November 26, 1985 | 85-476583             |
| 5/12266 December 2, 1985  | 85-483037             |
| 1/12267 December 2, 1985  | 85-483025             |
| 2/12267 December 2, 1985  | 85-483030             |

RANCHO SANTA MARGARITA JOINT  
VENTURE, a California General  
Partnership

By: Santa Margarita Realty  
Company, a California  
corporation, a General Partner

By: Stephen C. Schrank  
Stephen C. Schrank, Sr. Vice President

By: Donald E. Moe  
Donald E. Moe, Vice President

86-162928

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

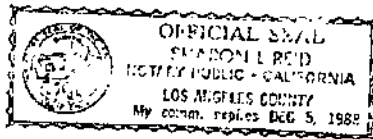
On April 22, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Stephen C. Schrank and Donald E. Moe

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as, Senior Vice President and Vice President ~~XXXXXXXXXX~~, respectively, on behalf of the corporation therein named that executed the within instrument on behalf of RANCHO SANTA MARGARITA JOINT VENTURE, the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.

*Sharon L. Reid*  
Notary Public in and for  
said State

[Seal]



86-162928

SUBORDINATION

The undersigned, beneficiary under that certain deed of trust encumbering Lot 1 of said Tract 122634 which deed of trust is recorded on November 15, 1985 as Instrument No. 85-443955 of Official Records of the County hereby consents to the within Declaration of Covenants, Conditions and Restrictions, and subordinates the lien of said deed of trust to the provisions of such Declaration, any amendment that may be required for the purpose of complying with any law, regulation or other requirement of any of the Federal Agencies, and to any Supplementary Declaration annexing additional property to the Declaration.

UNION BANK, a California corporation

By Helen M. Adams  
By [Signature]

STATE OF California  
COUNTY OF Orange

} ss.  
}

On April 7, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Helen M. Adams and Robert Steel

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President & Loan Officer on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



{ Seal }

[Signature]  
Notary Public in and for said State

86-162928

SUBORDINATION

The undersigned, beneficiary under that certain deed of trust encumbering Lot 5 of said Tract 12263A which deed of trust is recorded on November 22, 1985 as Instrument No. 85-472203 of Official Records of the County hereby consents to the within Declaration of Covenants, Conditions and Restrictions, and subordinates the lien of said deed of trust to the provisions of such Declaration. any amendment that may be required for the purpose of complying with any law, regulation or other requirement of any of the Federal Agencies, and to any Supplementary Declaration annexing additional property to the Declaration.

UNION BANK, a California corporation

By Kurt W. Krauss VICE PRESIDENT

By [Signature]  
LOAN OFFICER

STATE OF California )  
 ) ss.  
COUNTY OF Orange )

On April 17, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Kurt W. Krauss & Robert A. Steel

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President & Loan Officer on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

[Signature]  
Notary Public in and for  
said State

[Seal]



86-162928

SUBORDINATION

The undersigned, beneficiary under that certain deed of trust encumbering Lot 1 of said Tract 12265A which deed of trust is recorded on November 22, 1985 as Instrument No. 85-472203 of Official Records of the County hereby consents to the within Declaration of Covenants, Conditions and Restrictions, and subordinates the lien of said deed of trust to the provisions of such Declaration, any amendment that may be required for the purpose of complying with any law, regulation or other requirement of any of the Federal Agencies, and to any supplementary Declaration annexing additional property to the Declaration.

UNION BANK, a California corporation

By Kurt W. Kraushaar, Vice President

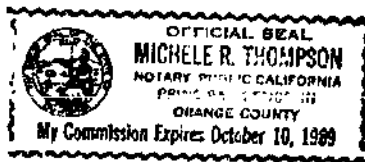
By ASST, Loan Officer

STATE OF California )  
 ) ss.  
COUNTY OF Orange )

On April 17, 1986 before me, the undersigned, a Notary Public in and for said State, personally appeared Kurt W. Kraushaar & Robert A. Steel

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President & Loan Officer on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



{Seal}

Michele R. Thompson  
Notary Public in and for  
said State

86-162928

SUBORDINATION

The undersigned, beneficiary under that certain deed of trust encumbering Lots 1-93 of Tract No. 12430 which deed of trust is recorded on December 20, 1985 as Instrument No. 85-510825 of Official Records of the County hereby consents to the within Declaration of Covenants, Conditions and Restrictions, and subordinates the lien of said deed of trust to the provisions of such Declaration, any amendment that may be required for the purpose of complying with any law, regulation or other requirement of any of the Federal Agencies, and to any supplementary Declaration annexing additional property to the Declaration.

FIRST INTERSTATE BANK OF CALIFORNIA, a California corporation

By Gary R. Jackson, Vice President
By Nancy Dressler, Asst. Secretary

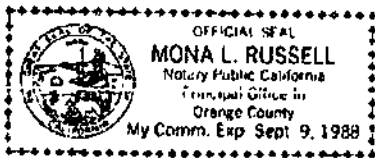
STATE OF CALIFORNIA )
COUNTY OF ORANGE ) ss.

On April 14, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Gary R. Jackson and Nancy Dressler

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President and Asst. Secretary on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

[Signature]
Notary Public in and for said State



[Seal]

86-162928

SUBORDINATION

The undersigned, beneficiary under that certain deed of trust encumbering Lot 4 of said Tract 122024, which deed of trust is recorded on November 15, 1985 as Instrument No. 85-443950 of Official Records of the County hereby consents to the within Declaration of Covenants, Conditions and Restrictions, and subordinates the lien of said deed of trust to the provisions of such Declaration, any amendment that may be required for the purpose of complying with any law, regulation or other requirement of any of the Federal Agencies, and to any Supplementary Declaration annexing additional property to the Declaration.

UNION BANK, a California corporation

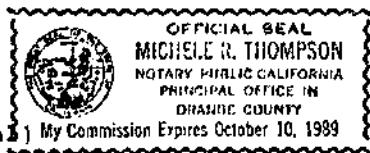
By Helen M. Adams  
By Robert Steel

STATE OF California )  
 ) ss.  
COUNTY OF Orange )

On April 7, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Helen M. Adams and Robert Steel

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President & Loan Officer on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.



Michele R. Thompson  
Notary Public in and for  
said State





86-162928

SUBORDINATION

The undersigned, beneficiary under that certain deed of trust encumbering Lot 2 of said Tract 122566 which deed of trust is recorded on November 26, 1985 as Instrument No. 85-476572 of Official Records of the County hereby consents to the within Declaration of Covenants, Conditions and Restrictions, and subordinates the lien of said deed of trust to the provisions of such Declaration, any amendment that may be required for the purpose of complying with any law, regulation or other requirement of any of the Federal Agencies, and to any supplementary Declaration annexing additional property to the Declaration.

WELLS FARGO BANK, a national association, a national banking association

By [Signature] - VP

By [Signature] - COO

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss.

On April 21, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Ralph [Signature]

personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President of [Signature] on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Katherine Mulder  
Notary Public in and for  
said State

[Seal]



86-162928

SUBORDINATION

The undersigned, beneficiary under that certain deed of trust encumbering Lot 5 of said Tract 12266, which deed of trust is recorded on December 2, 1985 as Instrument No. 85-483038 of Official Records of the County hereby consents to the within Declaration of Covenants, Conditions and Restrictions, and subordinates the lien of said deed of trust to the provisions of such Declaration, any amendment that may be required for the purpose of complying with any law, regulation or other requirement of any of the Federal Agencies, and to any Supplementary Declaration annexing additional property to the Declaration.

FAR WEST SAVINGS AND LOAN ASSOCIATION, a California corporation

By David M. Striph

By Wendy Heina

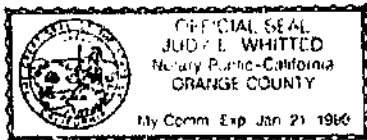
STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF ORANGE )

On April 8, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared David M. Striph and Wendy Heina, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice-President & Vice President on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

Judy L. Whitted  
Notary Public in and for  
said State

[Seal]



86-162928

SUBORDINATION

The undersigned, beneficiary under that certain deed of trust encumbering Lot 2 of said Tract 12267, which deed of trust is recorded on December 2, 1985 as Instrument No. 85-483031 of Official Records of the County hereby consents to the within Declaration of Covenants, Conditions and Restrictions, and subordinates the lien of said deed of trust to the provisions of such Declaration, any amendment that may be required for the purpose of complying with any law, regulation or other requirement of any of the Federal Agencies, and to any Supplementary Declaration annexing additional property to the Declaration.

UNION BANK a California corporation

By Helen M. Adams  
By [Signature] Vice President  
Loan Officer

STATE OF California )  
COUNTY OF Orange ) ss.

On April 8, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared Helen M. Adams & Robert Steel

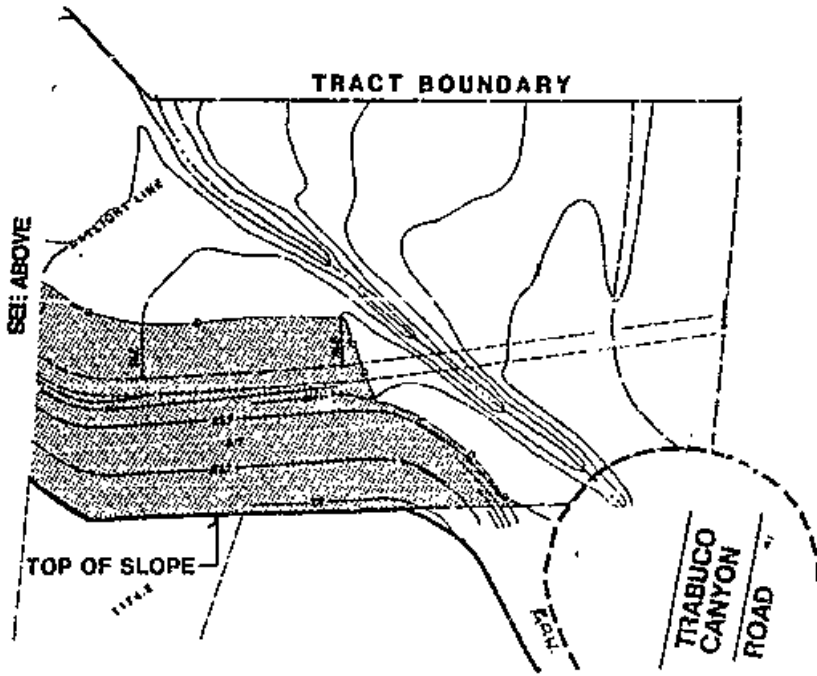
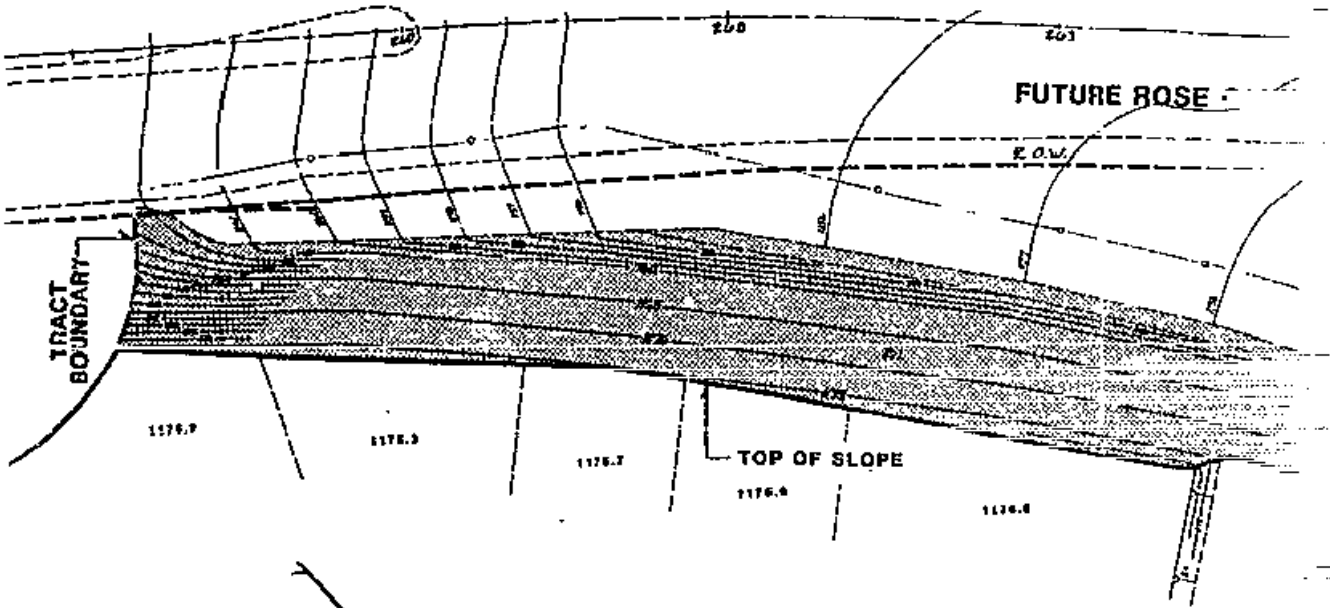
personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) who executed the within instrument as Vice President & Loan Officer on behalf of the corporation that executed the within instrument and acknowledged to me that said corporation executed the within instrument pursuant to its Bylaws or a resolution of its board of directors.

WITNESS my hand and official seal.

[Seal] 

Michele R. Thompson  
Notary Public in and for said State

86-16297R



86-162928

FUTURE ROSE CANYON ROAD

E.O.W.

TRACT BOUNDARY

SEE BELOW

2178.5

1674.8

1534.5



NOT TO SCALE

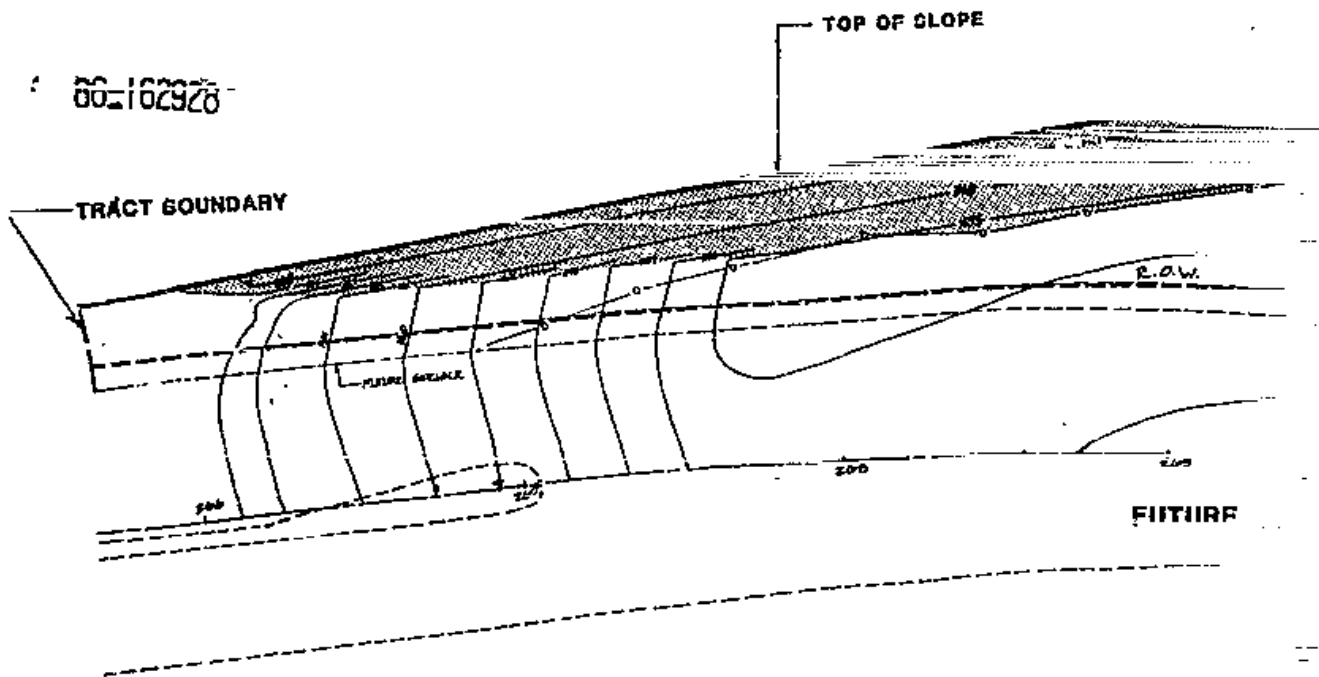
TRACT 12263

LOT A

EXHIBIT H.  
LANDSCAPE AREAS MAINTAINED  
BY SAMLARC

TRABUCO  
CANYON  
ROAD

00-162926



**Rancho Santa  
Margarita  
Landscape and  
Recreation Corp**

Articles of Incorporation



**FirstService**  
RESIDENTIAL



1355244

ENDORSED  
FILED  
In the office of the Secretary of State  
of the State of California

OCT 23 1985

ARTICLES OF INCORPORATION

OF

MARK H. KING, ESQ. Secretary of State  
Sharon K. Hawkins Deputy

RANCHO SANTA MARGARITA LANDSCAPE AND RECREATION CORPORATION

ARTICLE I

Name

The name of this corporation is Rancho Santa Margarita Landscape and Recreation Corporation.

ARTICLE II

Purposes

(a) This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

(b) The specific and primary purpose for which this corporation is formed is to provide community services and facilities or contract for the provision thereof for the general use, benefit and welfare of the owners and/or occupants of the residences situated within that certain real property in Orange County, California known as the development of Rancho Santa Margarita and more particularly described in a declaration of covenants, conditions and restrictions (the "Declaration") which defines this corporation as "SAMLARC" in the Article thereof entitled "Definitions" and has been or will be recorded by Rancho Santa Margarita Joint Venture, a California General Partnership.

(c) Included in the specific and primary purpose as hereinabove set forth is the performance of all lawful acts as shall generally benefit said property, including, without limitation: the management and maintenance of said property and the preservation of the value, desirability and attractiveness thereof all in accordance with the terms of the Declaration, as well as the disbursement and allocation of funds as set forth therein.

### ARTICLE III

#### Initial Agent

The name of the initial agent of the corporation for service of process is Stephen C. Schrank, 31726 Rancho Viejo Road, Suite 101, San Juan Capistrano, California 92693.

### ARTICLE IV

#### Amendment of Articles

The amendment, alteration or repeal of any provision contained in these Articles of Incorporation shall require both a resolution of the Board of Directors and the vote or written assent of not less than seventy-five percent (75%) of the voting power of the corporation, and all rights and powers conferred herein on members, directors and officers are subject to this reserved power. In addition to the foregoing, as long as there is a Class B membership as provided in the Bylaws, any amendment of these Articles of Incorporation must also be approved by the vote or written assent of not less than seventy-five percent (75%) of the voting power of each Class of memberships. Once the Class B membership has been converted to Class A membership, any amendment of these Articles of Incorporation must also be approved by the vote or written assent of not less than seventy-five percent (75%) of the voting power of SANLARC residing in members other than the Declarant, as such term is defined in the Declaration. In addition to the foregoing, an amendment to this Article of the Articles of Incorporation must have the written approval of the percentage of the voting power of the Members and Eligible Mortgage Holders as provided in the Section entitled "Vote of Eligible Mortgage Holders and Owners" of the Article entitled "Mortgage Protection" of the Declaration.

### ARTICLE V

#### Activities and Powers

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise

any powers that are not in furtherance of the specific purposes of this corporation.

DATED: 10/09/85

*Stephen C Schrank*  
Signature of Incorporator

Stephen C. Schrank  
Typed name of Incorporator

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.

*Stephen C Schrank*  
Signature of Incorporator