

CLARK-HARKNESS HOMEOWNERS' ASSOCIATION

March 23, 2023

Dear Homeowner: *Please read this information carefully and sign and date on page 2 to acknowledge your receipt.*

Congratulations on the purchase of your new home! As a new condominium owner, you have become a member of the CLARK-HARKNESS HOMEOWNERS' ASSOCIATION (The Association) along with the owner of the other unit(s) in your development. The Association, and each member, is responsible for the day-to-day management of the project as well as providing for long-term maintenance of all facilities owned in common. As owners of this condominium unit, you should be in possession of copies of certain management documents, which govern the operation of your association. These documents are important to you and should be retained in the event you sell your unit so that they can be given to the new buyers as required by law. By purchasing a unit in this association you agree to abide by these documents and agree to the obligations and restrictions they impose on you. These management documents include:

1. Covenants, Conditions, and Restrictions (CC&Rs): The CC&Rs contain rules and regulations which the Association must adhere to and set forth provisions for such management areas as insurance, maintenance of the facilities, voting rights and procedures, assessments for the daily and long-term maintenance of the project, use restrictions, lender's provisions and specific City requirements. Many of the provisions contained within the CC&Rs are mandated by State Law, as well as by local City Codes. This document is a recorded document and any changes to it must also be recorded to be effective. The amendment procedure is set forth in the CC&Rs as are requirements for notice to mortgage holders.

2. By-Laws: The By-laws contain procedures for operating your Homeowners Association. This document is not recorded and changes can be made by following the amendment procedures contained in the document.

3. Articles of Association: – Required to open a bank account in name of HOA.

4. Operating Budget: The budget sets forth expenses estimated for the day-to-day operation of the Association as well as necessary long term maintenance of all common facilities. The budget is a recommendation based on project information obtained from the developer or developer's contractor. It is not a recorded document and should be revised on a periodic basis to reflect actual costs of running the Association. The Association is required to present all unit owners with proposed budget changes 60 days in advance of implementing any budget changes. Budget increases are limited by law as set forth in your CC&Rs. An important aspect of the budget is the provision for establishing "Reserves" for the long-term maintenance of the project. Your Association must provide prospective purchasers with certain information regarding your reserve funds. This is the portion of your monthly operating budget that is placed in an account for long-term maintenance of major project components. These funds must be separately accounted for and are not refundable to an owner upon sale of the unit. Your Association should rigorously follow the project documents to enforce payment of defaulting unit owners' assessments.

5. Statement By Common Interest Development Association: The Secretary of State of the State of California requires that all condominium homeowners' associations file this form with the Secretary of State biennially in the month of July. Please read the instruction for filing information.

6. Federal Identification Number for the Association: An EIN has been obtained for the HOA and is attached. You will need this number in order to open the bank account for the Owners Association.

The Association must maintain a blanket fire/destruction and liability policy for the common areas of the project in the name of the homeowners' association and as stipulated in the CC&RS. Earthquake coverage is not required and generally not included in the insurance coverage; however, it can be added to the policy when agreed upon by The Association.

Rules for voting, elections, and duties and powers of the directors of the Association are contained in the CC&Rs and the By-laws. The duties of the Chief Financial Officer set forth in the By-laws contain the requirements for financial record keeping which are mandated by the California Civil Code.

At the first meeting of your Association you must adopt the By-laws, elect officers and adopt a budget. You must coordinate with the developer of your project regarding any past due assessments and prepaid operating expenses. The developer pays assessments for each unsold unit following the close of the sale escrow of the first unit, until all units are sold. You must pay monthly assessments each month commencing with the close of escrow for your unit.

Only one vote per unit is permitted regardless of the number of owners of a unit. Therefore, when electing directors to conduct the business of the Association, you should take care to balance the interests of all of the units. For example, a husband and wife should not both serve as directors on the same board because their unit would then have two votes, and only one vote per unit is permitted.

In order to maintain the integrity of your property and to protect your investment in your new home, it is imperative that the association and individual owners take responsibility for physical maintenance of all common facilities. This may include:

SITE DRAINAGE SYSTEM – including, as applicable, sump pump and basin, clarifier, area drains and drain lines, gutters and downspouts, all of which must be kept clear and free of debris. The sump pump system, if applicable, must be tested bi-annually by a licensed professional to insure that the system is operable whenever necessary.

LANDSCAPING & IRRIGATION SYSTEM – including irrigation lines, sprinkler apparatus and timers. This equipment must be regularly checked and periodically adjusted to prevent water intrusion, soil erosion and damage to nearby structures. Landscaping systems, including planters, grass, shrubs and trees, must be regularly trimmed, fed, and otherwise maintained to protect the physical integrity of the grounds. It is the responsibility of the association and/or the homeowners to engage the services of a professional landscape contractor.

UTILITY METERS - Your association may have a common electric meter, gas meter, or water meter. If so, it is the responsibility of the association to establish any common utility service in the name of the association. It is imperative that all common utility meters be checked regularly, at least bi-annually, by a licensed professional contractor to ensure that the necessary service is being provided and that all common area facilities such as safety and security lights, step lights, timers, sump pumps, gates and security systems, are functioning as designed.

ROOF STRUCTURES, DECKS, BALCONIES, ALL EXTERIOR WOOD SURFACES SUCH AS WINDOW AND DOOR FRAMES, EAVE DETAILS, COMMON AREA DRAINS, SUMP PUMP AND BASIN, SUBTERRANEAN AREAS & PLANTER STRUCTURES - The CC&RS require an annual inspection of certain facilities that apply to your association, conducted by a licensed professional. The purpose is to maintain consistent and dependable level of maintenance and protection from water intrusion, structural deterioration, and to maintain safe and secure premises. Wood exteriors should be treated annually by a licensed professional.

FIRE SAFETY SYSTEMS – Fire extinguishers must be recharged annually; individual unit interior fire sprinkler system is to be tested annually by a licensed professional. Smoke alarm detector system batteries are to be replaced bi-annually.

ACKNOWLEDGED and AGREED TO:

Dated: _____

Buyer's Signature _____

Dated: _____

Buyer's Signature _____