Annual Budget Report (Required Civil Code Sec. 4525)

Village Walk Association

VILLAGE WALK ASSOCIATION

Annual Budget Report
Fiscal Year: January 1, 2026 – December 31, 2026

November 18, 2025

RE: Annual Budget Report and Annual Policy Statement

Dear Village Walk Association Member:

Enclosed are copies of the Annual Budget Report and Annual Policy Statement for the fiscal year of **January 1, 2026 – December 31, 2026.** This information is required to be distributed to each association member in accordance with California Civil Code §§ 5300 and 5310.

Effective January 1, 2026, the monthly assessment will remain the same. Please refer to the assessment schedule for assessment amount.

- *If you are set up for automated recurring payments via Seabreeze Management Company's free Direct Debit (ACH) program, nothing has changed.*
- *If you pay by check with your statement, please be sure to write the account number on your check.*

The Association must provide for reserve funds to maintain, repair or replace major components identified in a reserve study, which is mandated by California law. The current assessment program in the budget does provide funding for reserves. A reserve study has been completed and is available for review upon request; however, a summary of the study is enclosed.

Last year, the Association's reserve study reflected the following items for repair and/or replacement this year, but these items have not been completed yet for the reasons noted below:

Reserve Component	***Reason for Deferral***
Corridor Decks - Seal/Repair	To be Completed as Necessary
Balcony Decks – Clean, Seal, Repair	To be Completed as Necessary
Elevated Structures – Inspection	To be Completed as Necessary
Common Area Planters – Waterproofing	To be Completed as Necessary
HVAC Systems – Common Area Replacement	To be Completed as Necessary
Security Camera System – Modernize	To be Completed as Necessary
Boilers with Tanks – Replace;	To be Completed as Necessary
Boiler Circulation Pumps – Replace	To be Completed as Necessary

Elevator Machines – Replace	To be Completed as Necessary
Elevator Smoke Guards - Replace	To be Completed as Necessary
Plumbing Inspection/Evaluation	To be Completed as Necessary
Plumbing Repair/Replace	To be Completed as Necessary

The Association does not currently have any outstanding loans and did borrow from reserves. As of the last board meeting, the Board of Directors does anticipate the need to levy a special assessment to repair, replace or restore any major component or provide adequate reserves during the next fiscal year.

At the end of the fiscal year: (a) the estimate of cash reserves necessary is $2,431,792.00 (b) the amount of actual accumulated reserves is estimated to be $373,308.00 which equaled 15.4% of actual cash reserves set aside in relation to the estimate of reserves necessary to repair, replace, restore, or maintain the major components.

The following annual policy statement is provided to you in accordance with the requirements of California Civil Code Section 5310.

1. The name and address of the person designated to receive official communications to the Association: Community Manager – Village Walk Association, c/o Seabreeze Management, 9350 Waxie Way, Suite #550, San Diego, CA 92123.

   The Association's mailing address for overnight payment of assessment is:

   Village Walk Association
   c/o Seabreeze Management
   26840 Aliso Viejo Parkway, Suite #100
   Aliso Viejo, CA 92656

2. Association members may submit a request to the Association to have the Association's annual budget report, review of the Association's financial statement, the Association's annual policy statement, requests for assessment payments made by the member, pre-lien notices (as described in Civil Code Section 5660), copy of a recorded notice of delinquent assessment, and notice of default, sent to up to two (2) different specified addresses. Such request must be delivered to the Association by e-mail at customercare@seabreezemgmt.com or fax at (949) 855-6678.

3. General notices from the Association to the members will be posted at the following location(s) in the community: https://commarea.cincwebaxis.com.

4. Association members can arrange to have all general notice items provided to them by individual delivery by submitting a written request to the association by e-mail at customercare@seabreezemgmt.com or fax at (949) 855-6678.

5. Association members may receive copies of minutes, proposed minutes, or summary minutes of meetings of the Association's board of directors (other than meetings held in executive session) by submitting a written request to the person identified in Item 1 above at the address specified in Item 1, or by e-mail at customercare@seabreezemgmt.com or fax at (949) 855-6678. Such minutes, proposed minutes, or summary minutes will be available no later than thirty (30) days after the meeting.

6. The Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of assessments are attached hereto.

7. The Association's discipline policy and schedule of penalties for violations of the Association's governing documents are attached hereto.

8. A summary of dispute resolution procedures is attached hereto.

9. A summary of the Association's requirements for approval of physical changes to property is attached hereto.

10. If the Board of Directors chooses to use electronic voting within the next twelve (12) months, information on the procedures to either opt out of or opt into voting by electronic secret ballot will be made available in the Documents Tab of the CommArea Portal at https://commarea.cincwebaxis.com. Electronic voting might not be used in the coming year by the Association depending on pricing, opportunity, and the potential to appoint by acclamation; however, the State of California requires the publication of this notice with these documents even if the Annual Meeting of the Membership is scheduled to be held far into the future.

Village Walk Association- 2026 Budget

	Account	Description	2026 Budget
Income Accounts			
INCOME			
	50-5010-00	Regular Assessments	$718,168.25
	50-5060-00	Gate/Pool Keys/Remotes	$500.00
	50-5065-00	Move In/Out Fees	$3,200.00
	50-5097-00	Water Reimbursement	$31,441.16
Income Accounts Total			**$753,309.41**
Expense Accounts			
ADMINISTRATION			
	60-6010-00	Audit/Tax Preparation	$1,160.00
	60-6015-00	Reserve Study	$1,210.00
	60-6035-00	Office & Postage	$500.00
	60-6040-00	Management Services	$36,812.52
	60-6041-00	Management-Additional	$1,350.00
	60-6050-00	Permits/Fees/Licenses	$1,108.00
	60-6053-00	Collection Fees/DQ Letters	$1,000.00
	60-6055-00	Attorney/Legal Fees	$7,000.00
	60-6074-00	Social Events	$600.00
	60-6090-00	Ombudsman	$600.00
LANDSCAPE			
	64-6405-00	Landscape Contract	$8,442.00
	64-6410-00	Landscape Extras	$800.00
	64-6425-00	Tree Maintenance	$2,000.00
COMMON AREA MAINTENANCE			
	65-6500-00	Maintenance Contract	$24,960.00
	65-6501-00	Maintenance Extras	$2,500.00
	65-6502-00	Maintenance Supplies	$6,250.00
	65-6508-00	Plumbing Extras	$12,500.00
	65-6509-00	Plumbing	$31,143.44
	65-6530-00	Elevator Service	$22,239.00

	65-6550-00	Janitorial Service	$41,736.00
	65-6551-00	Janitorial Supplies	$400.00
	65-6555-00	Pest Control	$2,400.00
	65-6560-00	Fountain Contract	$3,600.00
	65-6561-00	Fountain Repairs	$1,200.00
	65-6575-00	Window Washing	$7,050.00
	65-6578-00	Water Softener	$2,750.00
	65-6588-00	Fitness Equipment	$640.00
	65-6596-00	Miscellaneous Repairs	$7,500.00
PROPERTY PROTECTION			
	66-6605-00	Entry Gate Maintenance	$1,500.00
	66-6606-00	Entry Gate Extras	$1,800.00
	66-6608-00	Access Control System Repairs	$4,056.00
	66-6610-00	Fire System-Monitoring/Inspectio	$504.00
	66-6611-00	Fire Prevention	$3,000.00
	66-6612-00	Fire System-Annual Testing	$8,983.00
	66-6614-00	Fire Extinguisher Testing/Repairs	$520.00
	66-6621-00	Patrol Services	$4,200.00
UTILITIES			
	67-6700-00	Water & Sewer	$45,000.00
	67-6705-00	Gas & Electric	$80,188.20
	67-6720-00	Telephone	$5,283.00
	67-6725-00	Trash Removal	$18,711.00
	67-6730-00	Trash Extras	$500.00
INSURANCE			
	68-6800-00	Insurance Master Policy	$66,850.00
TAXES			
	69-6950-00	Federal Taxes/Fees	$150.00
	69-6960-00	State Taxes/Fees	$200.00
OPERATING CONTINGENCY			
	89-8900-00	Operating Contingency	$12,413.25
RESERVE ALLOCATION			
	90-9000-00	Reserves - General	$270,000.00
Expense Accounts Total			**$753,309.41**
Operating Accounts Net			**$0.00**

Village Walk Association
Assessment Card

No Increase

Unit #	2025 Assessment	2026 Assessment	Unit #	2025 Assessment	2026 Assessment
201	$992.92	$992.92	409	$829.34	$829.34
202	$949.65	$949.65	410	$831.45	$831.45
203	$945.22	$945.22	411	$865.85	$865.85
204	$945.22	$945.22	501	$764.75	$764.75
205	$949.65	$949.65	502	$775.72	$775.72
206	$950.92	$950.92	503	$769.39	$769.39
207	$846.86	$846.86	504	$774.46	$774.46
208	$844.96	$844.96	505	$773.61	$773.61
209	$818.78	$818.78	506	$846.86	$846.86
210	$809.07	$809.07	507	$844.96	$844.96
211	$809.07	$809.07	508	$824.90	$824.90
212	$817.31	$817.31	509	$824.27	$824.27
213	$822.16	$822.16	510	$856.78	$856.78
214	$881.89	$881.89	511	$834.82	$834.82
215	$794.72	$794.72	512	$832.08	$832.08
216	$795.35	$795.35	513	$832.08	$832.08
217	$795.35	$795.35	514	$830.39	$830.39
218	$795.35	$795.35	515	$736.25	$736.25
219	$798.73	$798.73	516	$829.55	$829.55
220	$1,030.28	$1,030.28	517	$831.45	$831.45
301	$856.78	$856.78	518	$740.05	$740.05
302	$819.42	$819.42	519	$768.13	$768.13
303	$823.85	$823.85	601	$786.70	$786.70
304	$821.11	$821.11	602	$784.80	$784.80
305	$818.99	$818.99	603	$789.02	$789.02
306	$822.79	$822.79	604	$956.40	$956.40
307	$815.41	$815.41	605	$781.21	$781.21
308	$821.11	$821.11	606	$779.73	$779.73
401	$858.89	$858.89	607	$779.73	$779.73
402	$829.97	$829.97	608	$779.73	$779.73
403	$832.93	$832.93	609	$733.30	$733.30
404	$856.78	$856.78	610	$828.70	$828.70
405	$824.90	$824.90	611	$889.70	$889.70
406	$824.27	$824.27	612	$790.92	$790.92
407	$856.78	$856.78	613	$789.02	$789.02
408	$893.29	$893.29	614	$789.44	$789.44

Reserve Study Executive Summary — With-Site-Visit

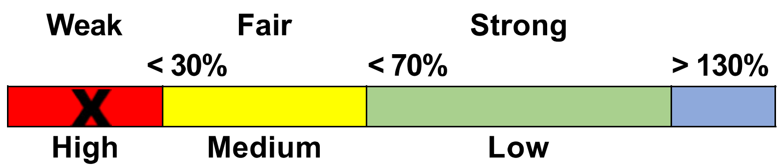
Village Walk
San Diego, CA
Level of Service: **Update "With-Site-Visit"**

Report #: **21453-15**
# of Units: 72
January 1, 2026 through **December 31, 2026**

Findings & Recommendations — as of January 1, 2026

Projected Starting Reserve Balance	**$373,308**
Currently Fully Funded Reserve Balance	**$2,432,276**
Average Reserve Deficit (Surplus) Per Unit	**$28,597**
Percent Funded	**15.3 %**
Recommended 2026 Monthly Full Funding Transfer	**$32,100**
Alternate minimum Monthly transfer to keep Reserve above $0	**$24,900**
Recommended 2026 Special Assessments for Reserves	**$575,000*** **
Most Recent Budgeted Monthly Reserve Transfer	**$22,500**

Reserve Fund Strength: 15.3%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	**1.00 %**
Annual Inflation Rate	**3.00 %**

This is an Update "With-Site-Visit", based on a prior Reserve Study prepared by Association Reserves for your 2025 Fiscal Year. We performed the site inspection on 9/24/2025.

This Reserve Study was prepared under the Responsible Charge of, a credentialed Reserve Specialist (RS). Your Reserve Fund is currently at 15.3 % Funded. Being below below 30% Funded represents a weak Reserve position. Associations in this range have a High risk of Reserve cash-flow problems (such as special assessments and/or deferred maintenance) in the near future.

Your ongoing Monthly rate of Reserve Component deterioration is $25,073 while your current budget allocation towards reserves is $22,500. Based on this starting point, your anticipated future expenses, and your historical Reserve funding rate, our recommendation is to increase your Reserve funding and to implement a special assessment of $575,000***. Your multi-year Funding Plan is designed to provide for timely execution of Reserve projects and gradually bring your association closer to the “Fully Funded” (100%) level.

***Special assessment amount is preliminary. We suggest the association review all end of life & near end of life components, verify condition & obtain bids for those projects needing to be completed. Once that information has been compiled, report to your RS for an adjusted funding model, if appropriate.

No assets appropriate for reserve designation were excluded.

We recommend that this Reserve Study be updated annually, with an on-site inspection (Update With-Site-Visit) every three years.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
	BUILDINGS AND GROUNDS			
107	Corridor/CY Decks - Seal/Repair	5	0	$64,100
115	Balcony Decks - Clean/Seal/Repr	5	0	$133,000
116	Balcony Decks - Resurface Allowance	20	14	$292,000
403	Mailboxes - Replace	20	2	$16,800
503	Metal Fence/Rail - Partial Replace	50	26	$165,375
504	Entry Gates - Replace (Pedestrian)	40	16	$25,200
701	Porte Cochere Fire Gate - Replace	40	16	$21,500
707	Trash Chute/Doors - Repair/Replace	30	7	$21,000
1107	Metal Fence/Rail - Repaint	5	3	$64,800
1110	Garage/Stair Surfaces - Repaint	20	2	$57,000
1116	Building Stucco - Paint/Caulk	10	4	$549,450
1122	Windows/Glass Drs: Common - Replace	40	16	$52,000
1199	Elevated Structures - Inspection	9	0	$17,800
1302	Low Slope Roof - Replace	25	22	$593,000
1310	Roof Gutters/Drains - Replace	25	22	$12,600
1705	Common Planters-Waterproof(Ph1)	25	18	$40,400
1705	Common Planters-Waterproof(Ph2)	25	19	$3,780
1705	Common Planters-Waterproof(Ph3)	25	22	$4,200
1705	Common Planters-Waterproof(Ph4)	25	0	$73,000
1901	Landscape - Refurbish	10	2	$65,100
2100	Exteriors - Construction Management	10	4	$98,700
	COMMON AMENITIES			
404	O/Dr Furniture Cushions - Replace	5	1	$2,310
404	Outdoor Furniture - Replace	20	1	$16,800
901	Appliances - Replace	20	2	$8,770
902	Cardio Equipment - Replace (A)	16	7	$6,880
902	Cardio Equipment - Replace (B)	20	2	$19,400
902	Strength Equipment - Replace	20	2	$28,900
910	Fitness Room - Renovate	15	3	$16,300
910	Office - Renovate	25	1	$7,450
911	Bathroom - Renovate	25	1	$5,930
911	Club Room - Renovate	25	1	$32,000
1703	Fountains - Renovate	25	1	$76,100
1802	Elevator Cabs - Remodel	15	10	$60,000
	SYSTEMS/EQUIPMENT			
303	HVAC Systems - Replace (Common)	15	0	$66,000
305	Security Camera System - Modernize	10	0	$45,100
306	Garage Exhaust Fan - Repair/Replace	25	1	$14,200

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
342	Hot/Cold Submeters - Replace	10	2	$59,300
701	Garage Gate: Barrel/Operator - Replace	15	6	$28,900
701	Garage Gate: Grill/Guides - Replace	15	14	$25,714
703	FobAccess/Telephone System- Replace	10	8	$29,500
801	Boilers w/Tanks - Replace	20	0	$150,000
807	Boiler Flues - Replace	20	11	$52,000
808	Boiler/Circulation Pumps - Replace	4	0	$5,780
812	Water Soft'g Syst w/Valves- Replace	15	12	$62,000
912	Computer - Replace	10	6	$1,680
1001	Backflow Devices - Replace (Fire)	30	25	$19,000
1001	Backflow Devices - Replace (Irrig)	15	7	$5,670
1702	Fountain Equipment: A - Replace	10	9	$3,704
1702	Fountain Equipment: B - Replace	10	4	$7,408
1715	Fire Extinguishers - Inspect/Replc	12	11	$5,810
1801	Elevator Controls - Modernize	20	10	$674,000
1801	Elevator Machines - Replace	20	0	$159,000
1803	Fire Alarm System - Modernize	20	14	$151,000
1815	Garage Exhaust Monitors - Replace	6	3	$9,290
1816	Smoke Guards - Replace (A)	20	11	$1,890
1816	Smoke Guards - Replace (B)	20	16	$1,890
1816	Smoke Guards - Replace (C)	20	18	$5,670
1816	Smoke Guards - Replace (D)	20	0	$7,560
1831	Plumbing - Inspection/Evaluation	50	0	$34,100
1832	Plumbing - Repair/Replace	5	0	$70,400
60	**Total Funded Components**			

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

Assessment and Reserve Funding Disclosure Summary

Village Walk, San Diego

For Fiscal Year Beginning: 1/1/2026 # of units: 72

1) Budgeted Amounts:

	Total	Average Per Unit*	
Reserve Transfers:	$22,500.00	$312.50	
Total Assessment Income:	$59,847.35	$831.21	per: Month

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:

Year	Total Amount	Total Amount Per Unit*	Purpose
	Total: $0.00	Total: $0.00	

3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will 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? **No**

4) If the answer to #3 is no, what additional assessments or other transfers/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Total Amount	Average Total Amount Per Unit*
2026	$283,200.00	$3,933.33
2040	$599,000.00	$8,319.44
2048	$820,800.00	$11,400.00
	Total: $1,703,000.00	Total: $23,652.78

5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6)

All computations/disclosures are based on the fiscal year start date of:	1/1/2026
Fully Funded Balance (based on formula defined in 5570(b)4):	$2,432,276
Projected Reserve Fund Balance:	$373,308
Percent Funded:	15.3 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	$28,597

From the 11/25/2025 Reserve Study by Association Reserves and any minor changes since that date.

* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Cymbeline Panlilio **Date: 11/26/2025**

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.

30-Year Reserve Plan Starting with Board of Directors 2026 Rate 21453-15

Fiscal Year Start: 1/1/2026	Net After Tax Interest: 1.00 %	Avg 30-Yr Inflation: 3.00 %
Reserve Fund Strength (as-of Fiscal Year Start)	**Projected Reserve Balance Changes**	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2026	$373,308	$2,432,276	15.3 %	High	0.00 %	$270,000	$283,200	$2,381	$825,840
2027	$103,048	$1,963,824	5.2 %	High	3.00 %	$278,100	$0	$1,631	$159,434
2028	$223,346	$2,176,992	10.3 %	High	3.00 %	$286,443	$0	$2,322	$270,816
2029	$241,295	$2,291,386	10.5 %	High	3.00 %	$295,036	$0	$3,410	$98,772
2030	$440,970	$2,596,259	17.0 %	High	3.00 %	$303,887	$0	$2,218	$744,342
2031	$2,733	$2,255,476	0.1 %	High	3.00 %	$313,004	$0	$42	$310,106
2032	$5,673	$2,362,173	0.2 %	High	3.00 %	$322,394	$0	$1,479	$39,272
2033	$290,274	$2,761,782	10.5 %	High	3.00 %	$332,066	$0	$4,377	$41,262
2034	$585,455	$3,182,406	18.4 %	High	3.00 %	$342,028	$0	$6,963	$126,778
2035	$807,667	$3,538,976	22.8 %	High	3.00 %	$352,289	$0	$9,682	$40,179
2036	$1,129,458	$4,007,189	28.2 %	High	3.00 %	$362,857	$0	$6,104	$1,406,543
2037	$91,876	$3,094,198	3.0 %	High	3.00 %	$373,743	$0	$2,369	$85,836
2038	$382,152	$3,526,610	10.8 %	High	3.00 %	$384,955	$0	$4,396	$274,003
2039	$497,502	$3,791,024	13.1 %	High	3.00 %	$396,504	$0	$6,512	$95,161
2040	$805,356	$4,260,802	18.9 %	High	3.00 %	$408,399	$599,000	$4,609	$1,700,562
2041	$116,802	$3,104,731	3.8 %	High	3.00 %	$420,651	$0	$604	$534,056
2042	$4,001	$3,129,512	0.1 %	High	3.00 %	$433,271	$0	$1,327	$177,095
2043	$261,504	$3,537,156	7.4 %	High	3.00 %	$446,269	$0	$4,869	$0
2044	$712,641	$4,154,322	17.2 %	High	3.00 %	$459,657	$0	$7,976	$297,023
2045	$883,251	$4,499,401	19.6 %	High	3.00 %	$473,447	$0	$11,185	$13,123
2046	$1,354,759	$5,163,041	26.2 %	High	3.00 %	$487,650	$0	$10,299	$1,146,772
2047	$705,936	$4,695,197	15.0 %	High	3.00 %	$502,280	$0	$9,079	$106,595
2048	$1,110,700	$5,301,454	21.0 %	High	3.00 %	$517,348	$820,800	$9,499	$1,668,428
2049	$789,919	$4,334,466	18.2 %	High	3.00 %	$532,868	$0	$9,844	$152,933
2050	$1,179,698	$4,917,201	24.0 %	High	3.00 %	$548,854	$0	$7,855	$1,344,364
2051	$392,044	$4,308,552	9.1 %	High	3.00 %	$565,320	$0	$2,366	$878,340
2052	$81,390	$4,180,504	1.9 %	High	3.00 %	$582,280	$0	$438	$657,857
2053	$6,251	$4,295,133	0.1 %	High	3.00 %	$599,748	$0	$2,081	$197,895
2054	$410,185	$4,906,966	8.4 %	High	3.00 %	$617,740	$0	$6,073	$228,976
2055	$805,024	$5,525,745	14.6 %	High	3.00 %	$636,273	$0	$10,935	$69,325

VILLAGE WALK ASSOCIATION
ASSESSMENT COLLECTION POLICY

Adopted by the Board of Directors on October 25, 2021

Prompt payment of assessments by all Owners is critical to the financial health of the Association. Accordingly, the Board of Directors takes its obligations under the Declaration of Covenants, Conditions and Restrictions ("CC&Rs") and the California Civil Code to enforce the members' obligation to pay assessments very seriously. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. All policies and practices outlined below shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&Rs and applicable sections of the California Civil Code, the following is the Association's Assessment Collection Policy:

1. Regular monthly assessments are due and payable on the ***first*** (1st) day of each month. It is the responsibility of the Owner of record to pay each assessment in full each month regardless of receipt of a statement.
2. All other assessments, including special assessments, are due and payable on the date specified by the Board in the notice of assessment.
3. Assessments, late charges, interest and fees, and collection costs, including attorney's fees, are both the personal obligation of the Owner of the property at the time the assessment or other sums are levied and a lien/debt on the property.
4. Payments are posted on the date received by the Association. Assessments are delinquent if not paid within **fifteen *(15) days*** after they become due. If the 15th day falls on a Saturday, Sunday, or bank holiday, the delinquency deadline will be extended until 3:00 p.m. on the next business day.
5. Delinquent assessments shall be subject to a late charge equal to ten percent (10%) of the unpaid assessment or ten dollars ($10.00), whichever is greater.
6. Interest on all sums imposed in accordance with this Assessment Collection Policy including the delinquent assessments, fees and costs of collection and attorney's fees shall be at a rate of 12% per year, commencing **thirty *(*30*)* days** after the assessment becomes due.
7. A Reminder Notice will be sent on or about the 5th of each month to all delinquent Owners if the amount owed is greater than or equal to the current monthly assessment. A fee will be charged for each Reminder Notice sent.
8. Residents who are delinquent may be subject to suspension of the use of Common Area amenities, restrictions on membership privileges, and revocation of voting privileges in upcoming votes of the membership.
9. If the assessment is not paid within ***sixty (60) days*** of the due date,

the Association will send a letter ("Notice of Intent to Lien") by certified mail to the delinquent Owner's addresses of record, including primary and secondary addresses provided to the Association by Owner, informing the Owner of the following;

The letter described in this Paragraph will be sent to the delinquent Owner at least ***thirty (30)*** days prior to recording a lien against the delinquent Owner's separate interest. The cost of the letter will be billed to the delinquent Owner's account.

10. An Owner may submit a written request to the Association to meet with the Board to discuss a payment plan for the amount set forth in the Notice of Intent to Lien. The Board shall meet with the delinquent Owner in executive session within ***forty-five (45) days*** of the date of the postmark of the request. If there is no regularly scheduled Board meeting during this period, then the Board may designate a committee of one or more Board members, but less than a quorum, to meet with the Owner.

11. If the delinquent Owner fails to pay the amount set forth in the Notice of Intent to Lien (a) within thirty (30) days of the date of receipt of the Notice of Intent to Lien, or (b) in the event the delinquent Owner fails to submit a request to meet, as set forth in the Paragraph above, within ***thirty (30) days*** of the date of the receipt of the Notice of Intent to Lien, then the Board may resolve to record a lien against the Owner's separate interest. The delinquent Owner will be charged for the lien costs associated with preparation and recordation of the lien. An itemized statement of the charges owed by the Owner will be recorded together with the lien.

12. A copy of the recorded lien shall be sent via certified mail to every person who is shown as an Owner of the separate interest in the Association's records no later than ***ten (10) days*** after recordation. Notices shall also be sent to any secondary address provided by Owner.

13. After recordation of a lien, all subsequent payments made by personal check will be held for posting pending verification of funds and clearance by the bank.

14. If an Owner is delinquent for ***thirty (30) additional days*** after the lien has been recorded, the 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. Costs associated with the preparation of documents required to open the case file with the attorney or collection agent will be the responsibility of the delinquent Owner.

15. No assessment lien may be foreclosed until (a) the amount of the delinquent assessments secured by the lien (exclusive of any accelerated assessments, late charges, fees and costs of collection, attorney's fees or interest) equals or exceeds $1,800.00, or (b) the assessments are more than twelve (12) months delinquent. If the Association chooses to foreclose a lien under these circumstances, it shall, prior to foreclosing, offer the Owner an opportunity to "meet and confer" regarding the delinquency, in accordance with Civil Code Section 5900 or participate in alternative

dispute resolution with a neutral third party pursuant to Civil Code Section 5925. The decision to pursue dispute resolution, or a particular type of alternative dispute resolution is the Owner's choice; however, binding arbitration shall not be available if the Association intends to initiate judicial foreclosure.

16. The decision to initiate foreclosure of a lien must be made by the Board and may not be delegated to an agent of the Association. The Board's decision to foreclose a lien must be by a majority vote of the Board members in executive session, and the Board's vote shall be recorded in the minutes of the next regular session meeting. The Board shall maintain the confidentiality of the Owners by identifying the matter in the minutes by the parcel number of the separate interest, rather than the name of the Owners. A Board vote to approve foreclosure of a lien shall take place at least ***thirty (30) days*** prior to any public sale.
17. The Board shall provide notice of its decision to foreclose on an assessment lien by (a) personal service to the Owner if the Owner occupies the separate interest, or to the Owner's legal representative, or (b) first class mail, postage prepaid, at the most current address for the Owner shown on the books of the Association, including primary and any secondary address provided by Owner, if the Owner does not occupy the separate interest.
18. A nonjudicial foreclosure is subject to a ***ninety (90) day*** right of redemption.
19. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association and the Association may turn the matter over to legal counsel at any time.
20. The mailing address for overnight payment of assessments is:
    Seabreeze Management Company, Inc.
    26840 Aliso Viejo Pkwy, Suite 100
    Aliso Viejo, CA 92656
21. The Association may alternatively file a civil action in Small Claims Court.
22. In the event that the Association files an action against an Owner for unpaid Assessments, and that separate interest is, or becomes rented or leased at any time during the pendency of the action, the Association shall have the right to request that the Court order Owner to assign all rents due from the renter/lessor of the separate interest to the Association until such time as all Assessment delinquencies are cured.

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). For 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).

An association distributing the notice required by this section to an Owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7 of the Business and Professions Code may delete from the notice described in subdivision (a) the portion regarding meetings and payment plans.

Standard Internal Dispute Resolution (IDR) Process
for California Nonprofit Mutual Benefit Corporations
As Identified in California Civil Code §5915

California Civil Code § 5915 (a) This section applies to 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 shall not refuse a request to meet and confer.

(3) The board shall designate a director 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 to its designee or the agreement is ratified by the board.

(d) A member shall not be charged a fee to participate in the process.

ALTERNATIVE DISPUTE RESOLUTION

Summary of Civil Code 5925-5965

Sections 5925 to 5965 of the Civil Code require that before owners and associations file lawsuits against each other for declaratory relief or injunctive relief in connection with a claim for money damages under $5,000 or for enforcing the Association's governing documents, the filing party shall endeavor to submit the dispute to alternative dispute resolution (ADR). Forms of ADR include mediation, negotiation, and binding or non-binding arbitration. This provision does not apply to the filing of cross-complaints.

The ADR process is initiated by one party serving a request for resolution upon the other parties to the dispute. The request must include (i) a brief description of the dispute, (ii) a request for ADR, (iii) a notice that a response must be received within thirty (30) days or it will be deemed rejected, and (iv) a copy of Civil Code Sections 5925 to 5965.

If the individual receiving the request agrees to ADR, the process must be completed within ninety (90) days unless otherwise extended by agreement. The cost of ADR is to be paid by the participating parties. If a civil suit is filed, the filing party must submit to the court a certificate of compliance indicating the party has complied with the requirements of Sections 5925 to 5965. Failing to do so would be grounds for challenging the lawsuit.

Although the prevailing party is entitled to reasonable attorney's fees and costs, the court may consider a party's refusal to participate in ADR when making the award.

A description of the Association's internal dispute resolution process, as required by Civil Code Section 5920, is attached.

NOTE: Failure by any member of the Association to comply with the alternative dispute resolution requirements of Civil Code 5930 may result in the loss of your rights to sue the Association or another member of the Association regarding enforcement of the governing documents or the applicable law.

Updated 8/30/2013

Right to Combine Units
One or more of the condominiums may be combined to comprise a single unit provided the owner wishing to do so gives written notice to the Association and the Association reasonably determines that the combination of the condominiums will not diminish the structural integrity of the project. The combination of condominiums will not result in any reduction of regular assessment or change voting rights.

ARCHITECTURAL REVIEW AND GUIDELINES

The Architectural Committee will strive to preserve the highest standard and quality of life for each Homeowner within the Village Walk Association.

All owner improvements or exterior changes to any portion of a condominium which would be within view outside of the condominium or which results in any structural change to any building or would be within the jurisdiction of the Architectural Committee according to the CC&R's, must be submitted to the Architectural Committee, in writing, on forms available from the Management Company. No improvement, modification or alteration may be made without the review and written recommendation of the Architectural Committee in accordance with provisions of the Association's CC&R's, Bylaws, Rules and Regulations, Architectural Guidelines, and without the final written approval of the Board of Directors. To expedite the processing of your request, please request an Architectural Application Form from the Management Company.

Please note that it could take as long as forty-five (45) days for the Architectural Committee to complete their review process after all required materials are submitted.

In the event that the Architectural Committee deems it necessary to consult with outside specialists necessary to review the plans or inspect the proposed improvements, the Homeowner requesting the alterations or improvements shall be responsible to pay whatever costs are incurred for the consultation.

All contractors, sub-contractors, or any other person or entity who perform work on or within the Association shall provide proof of insurance, a California State Contractors License (if applicable) and a City Business License (if applicable), and copies of any permits required by the City of San Diego, Centre City Development Corporation, County of San Diego or State of California, to the Management Company prior to construction.

It shall be the responsibility of the Applicant to ensure that modifications are consistent with the applicable building code requirements.

The Architectural Committee may, from time to time, adopt, amend and repeal, by majority vote, Rules and Regulations to be known as Architectural Review and Guidelines.

Homeowners are required to give notice to the Board of Directors upon completion of any construction or reconstruction. The Board or its representative may inspect any completed construction to determine whether it was constructed in compliance with the approved plans.

Village Walk Association
Application for Architectural Improvements

Submit this form to: Village Walk Association
C/O Seabreeze Management Company
9350 Waxie Way, Suite 550, San Diego, CA 92123
E-mail: alanna.rozycki@seabreezemgmt.com
Office (858) 737-7560 - Fax (858) 863-2199

OWNER'S NAME____PHONE____________________

OWNER'S ADDRESS____

PROJECT ADDRESS (If different from above)____

OWNER'S EMAIL ADDRESS____

SUBMITTAL CHECK LIST ☑ (Please include the following)

- ☐ Application for Architectural Improvements
- ☐ A Set of Plans / Drawings – Should include details of size, design, color and materials.

I request approval of the following proposed improvement(s):

____

____

____

____

____

____

____

Type of improvement per attached drawing

(If using an Architect please indicate their contact information)

____

____

CONDITIONS OF ARCHITECTURAL APPROVAL

1. All materials and workmanship must match existing construction.
2. Materials and colors must match Village Walk Association designated color and material schemes, if applicable, unless otherwise approved.
3. *Notice of Completion* must be sent to the Management Company upon project completion.

Impacted Neighbor Statement (if visible from adjacent property)

____

Signatures of Adjoining Neighbor / Address

____

Signatures of Adjoining Neighbor / Address

The neighbors have seen the plans I am submitting for Architectural approval.

Submitted by:

____

Owners signature Date

Architectural Committee Approval

☐ Approved per attached plans / drawings ☐ Not approved

☐ Approved with the following conditions:

____

____

____

____

____

____

Committee signature(s) Date

____

Committee signature(s) Date

Recorded in minutes of Board of Directors meeting held_______________

VILLAGE WALK ASSOCIATION

NOTICE OF COMPLETION

Notice is hereby given that: ____

the undersigned is the Owner(s) of the property located at:

____

(Address)

The work of Improvement on the described property was COMPLETED on the

_________________day of ___________________ 20______ in accordance with the Board of Directors written approval of the above Owner's plans and submitted package.

Signature of Owner: ____

Date: __________________________________

This Notice of Completion must be sent to the Management Company upon project completion.

Confirmation of Completion:

____

Committee Member Signature Date

VIOLATIONS OF THE RULES AND REGULATIONS

It is the right and duty of each Resident to report violations in writing to the Board of Directors or to its appropriate committee. Indications of or actual violations will be brought to the attention of the Homeowner and Resident in writing by the Management Company following the policies established by the Board of Directors. For failure to correct the violation, the Homeowner could be subject to a fine or special assessment. Further failure to correct the violation may cause legal action to be taken. All expenses incurred by the Association to correct the situation will be the responsibility of the Homeowner and they will be billed.

In general, the following are the Association's violation enforcement procedures:

(1) Written notice #1 is sent to the Homeowner by the Property Manager. The Homeowner has 30 days to comply with the Association's governing documents and Rules and Regulations, or;

(2) Written notice #2 is sent to the Homeowner, a copy of which is sent to the Association's legal counsel. The Homeowner has 10 days in which to comply with the Association's request, or;

(3) Written notice #3 is sent to the Homeowner, a copy of which is sent to the Association's legal counsel. The Homeowner will be requested to attend a hearing with the Board. After the hearing, a ruling will be made by the board and the Homeowner must comply within a specific time frame or;

(4) The matter will be referred to Association's attorney, which results in legal fees being charged to the Homeowner.

(5) Depending on the frequency and/or severity of the violation, the Board may skip any or all of the above steps.

Please read the Village Walk Association Rules and Regulations carefully. If you unknowingly break any rule, and the Management Company or Board brings it to your attention, please respect their wishes, as they are acting on behalf of the Association. Please contact the Management Company if you have any further questions.

The Village Walk Association is not responsible for any items lost, stolen or damaged in the Common Area.

For correction action, violations may be reported, in writing to the Board by any Homeowner or Resident through the Management Company.

EICHMAN
INSURANCE AGENCY, INC.

Insurance Disclosure for Village Walk

Property – Farmers Insurance		**Policy # 604863582**
Coverage:	$56,213,675	
Deductible:	$10,000/$20,000 Water	
Effective Date:	11/13/2025	Renewal Date: 11/13/2026

General Liability		
Coverage:	$2,000,000 per occurrence/$4,000,000 aggregate	
Deductible:	None	
Effective Date:	11/13/2025	Renewal Date: 11/13/2026

Directors and Officers (D&O)		
Coverage:	$2,000,000	
Deductible:	$1,000 per occurrence	
Effective Date:	11/13/2025	Renewal Date: 11/13/2026

Fidelity Bond		
Coverage:	$600,000	
Deductible:	$5,000	
Effective Date:	11/13/2025	Renewal Date: 11/13/2026

Umbrella - Greenwich Ins. Company		**Policy # PPP7470740L21A-04**
Coverage:	$15,000,000	
Deductible:	$0 per occurrence	
Effective Date:	11/13/2025	Renewal Date: 11/13/2026

Worker's Compensation – Farmers Insurance		**Policy # A09294828**
Effective Date:	11/13/2025	Expiration Date: 11/13/2026

In accordance with Section 1365 of the Civil Code:
"This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may 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. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage."

Suellen and Gary Eichman
760-230-6157, suellen@eichmaninsurance.com
PO Box 9101, Rancho Santa Fe, CA 92067

EICHMAN
INSURANCE AGENCY, INC.

Insurance Disclosure for Village Walk

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Deductible:	None	
Effective Date:	11/13/2025	Renewal Date: 11/13/2026

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Coverage:	$2,000,000	
Deductible:	$1,000 per occurrence	
Effective Date:	11/13/2025	Renewal Date: 11/13/2026

Fidelity Bond		
Coverage:	$600,000	
Deductible:	$5,000	
Effective Date:	11/13/2025	Renewal Date: 11/13/2026

Umbrella - Greenwich Ins. Company		**Policy # PPP7470740L21A-04**
Coverage:	$15,000,000	
Deductible:	$0 per occurrence	
Effective Date:	11/13/2025	Renewal Date: 11/13/2026

Worker's Compensation – Farmers Insurance		**Policy # A09294828**
Effective Date:	11/13/2025	Expiration Date: 11/13/2026

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Suellen and Gary Eichman
760-230-6157, suellen@eichmaninsurance.com
PO Box 9101, Rancho Santa Fe, CA 92067

VILLAGE WALK ASSOCIATION
Charges for Documents Provided

This disclosure is provided to you in accordance with the requirements of California Civil Code Section 4528.

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

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.

Property Address:
Owner of Property:
Owner's Mailing Address (If known or different from property address.):

Provider of the Section 4525 Items:
Print Name __________ Position or Title __________ Association or Agent
Date Form Completed:

Check or Complete Applicable Column or Columns Below

Document	Civil Code Section	Fee	Not Available (N/A), Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	$30.00	
CC&Rs	Section 4525(a)(1)	$55.00	
Bylaws	Section 4525(a)(1)	$45.00	
Operating Rules	Section 4525(a)(1)	$40.00	
Age restrictions, if any	Section 4525(a)(2)	$10.00	
Rental restrictions, if any	Section 4525(a)(9)	$30.00	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	$55.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	$10.00	
Financial statement review	Sections 5305 and 4525(a)(3)	$50.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	$10.00	
Insurance summary	Sections 5300 and 4525(a)(3)	$45.00	
Regular assessment	Section 4525(a)(4)	No Cost	
Special assessment	Section 4525(a)(4)	No Cost	
Emergency assessment	Section 4525(a)(4)	No Cost	
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	No Cost	
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	$10.00	
Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100	$10.00	

Charges for Documents Provided

Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	$10.00	
Notice(s) of violation	Sections 5855 and 4525(a)(5)	$10.00	
Required statement of fees	Section 4525	$270.00	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	$80.00	
Total fees for these documents		$770.00	

* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 shall be charged separately.

*All fees are subject to change. Seabreeze Management Company offers “Bundle & Save” packages which could reduce the cost of the transaction.

*All escrow documents must be ordered and purchased through https://marketplace.communityarchives.com/

VILLAGE WALK ASSOCIATION
Federal Housing Administration (FHA) Disclosure

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development **is not** certified by the Federal Housing Administration.

Notice: The foregoing reflects the status of this association's certification as of the date of this disclosure. The status of that certification can change during a fiscal year. Members may wish to verify the association's status during the fiscal year at https://entp.hud.gov/idapp/html/condlook.cfm, or by consulting with a local Realtor.

The State of California requires that this notice be submitted to you annually on a separate sheet of paper.

VILLAGE WALK ASSOCIATION

Department of Veterans Affairs (VA) Disclosure

Certification by the Federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development is certified by the Federal Department of Veterans Affairs.

Notice: The foregoing reflects the status of this association's certification as of the date of this disclosure. The status of that certification can change during a fiscal year. Members may wish to verify the association's status during the fiscal year at https://lgy.va.gov/lgyhub/condo-report, or by consulting with a local Realtor.

The State of California requires that this notice be submitted to you annually on a separate sheet of paper.

Articles of Incorporation (Required Civil Code Sec. 4525)
Village Walk Association

State of California

2280515

OFFICE OF THE SECRETARY OF STATE

SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 3 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JAN 18 2001

Bill Jones

Secretary of State

THE GREAT SEAL OF THE STATE OF CALIFORNIA
EUREKA

Sec State Form CE-107 (rev. 9-98)

OSP 98 13524

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ENDORSED - FILED
in the Office of the Secretary of State
of the State of California

JAN 1 7 2001

BILL JONES, Secretary of State

ARTICLES OF INCORPORATION
FOR
VILLAGE WALK ASSOCIATION

ARTICLE I

The name of this corporation is VILLAGE WALK ASSOCIATION.

ARTICLE II

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. More specifically, this corporation is being formed to manage a common interest development under the Davis-Stirling Common Interest Development Act and this corporation will provide such management, administration and maintenance for Common Area and Association Property (if any) within a condominium project located in the City of San Diego, County of San Diego, California; and will fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the Declaration (hereafter defined), and will promote the health, safety and welfare of all of its members who shall be owners of Condominiums (as defined in the Declaration) within the above-described property and any additions thereto which may be brought within the jurisdiction of this corporation for these purposes.

The corporation may also exercise the powers granted to a nonprofit mutual benefit corporation enumerated in Section 7140 of the California CORPORATIONS CODE and to an association by Section 383 of the CODE OF CIVIL PROCEDURE and by the Davis-Stirling Common Interest Development Act (CIVIL CODE Section 1350 *et seq.*).

ARTICLE III

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 primary purposes of this corporation.

ARTICLE IV

The name and address in this state of the corporation's initial agent for service of process is Mr. Peter D. Schofield c/o The Olson Company, 9191 Towne Centre Dr. Suite L-101, San Diego, CA 92122. As of the date of filing of these Articles, the corporation does not have a business or corporate office. The common interest development for which the corporation is being formed fronts on Beech Street; the nearest cross street is India Street; and the zip code for the location of the common interest development is 92101-2405.

ARTICLE V

Every person or entity who is a record owner of a fee or undivided fee interest in any Condominium which is subject by covenants of record to assessment by this corporation ("Declaration") shall be a member of this corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Condominium which is subject to assessment by this corporation.

ARTICLE VI

This corporation shall have two classes of voting membership as set forth in the Declaration.

ARTICLE VII

Amendment to these Articles of Incorporation shall require (a) the assent (by vote or written consent) of members representing sixty-seven percent (67%) or more of the voting power of each class of members of this corporation, together with (b) a resolution to amend adopted by at least a bare majority of the Board of Directors; provided, however, that after conversion of the Class B membership to Class A membership, amendment to these Articles of Incorporation shall require (i) the assent (by vote or written consent) of (1) sixty-seven percent (67%) or more of the total voting power of members of this corporation, and (2) sixty-seven percent (67%) or more of the voting power of members of this corporation other than Declarant (as defined in the Declaration), and (ii) a resolution to amend adopted by at least a bare majority of the Board of Directors.

DATED: January 11, 2001

/s/ A. John Hecht

A. John Hecht, Incorporator

I declare that I am the person who executed the above Articles of Incorporation and that this instrument is my act and deed.

/s/ A. John Hecht

A. John Hecht

OFFICE OF THE SECRETARY OF STATE

Bylaws (Required Civil Code Sec. 4525)
Village Walk Association

AMENDMENT TO BYLAWS OF VILLAGE WALK ASSOCIATION

Pursuant to California Civil Code § 5100, et. seq., amended to take effect January 1, 2020, the Board of Directors hereby adopts the following amendments to the Bylaws.

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1. Section 5.2 currently reads as follows:

> **Section 5.2**. **Suspension; Penalties**. The membership rights and privileges, together with the voting rights of any Member of the Association, may be suspended by the Board for the periods set forth in the Declaration. The Board may adopt rules and regulations imposing reasonable monetary penalties for such breach or noncompliance. Should the Board believe grounds may exist for any such suspension or imposition of monetary penalties, the Board shall give to the Member believed to be in violation at least fifteen (15) days' prior written notice of the intended suspension or proposed monetary penalty and the reasons therefor. The Member shall be given an opportunity to be heard before the Board either orally or in writing not less than five (5) days before the effective date of suspension. The notice required hereby may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first class or registered mail sent to the last address of the Member shown on the Association's records. No suspension shall affect the rights of such Member to access to the Owner's Residential Unit nor the Owner's right to use of any Exclusive Use Area appurtenant to his Residential Unit.

2. Section 5.2 is amended to read:

> **Section 5.2**. **Suspension; Penalties**. The membership rights and privileges of any Member of the Association may be suspended by the Board for the periods set forth in the Declaration. The Board may adopt rules and regulations imposing reasonable monetary penalties for such breach or noncompliance. Should the Board believe grounds may exist for any such suspension or imposition of monetary penalties, the Board shall give to the Member believed to be in violation at least fifteen (15) days' prior written notice of the intended suspension or proposed monetary penalty and the reasons therefor. The Member shall be given an opportunity to be heard before the Board either orally or in writing not less than five (5) days before the effective date of suspension. The notice required hereby may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first class or registered mail sent to the last address of the Member shown on the Association's records. No suspension shall affect the rights of such

Member to access to the Owner's Residential Unit nor the Owner's right to use of any Exclusive Use Area appurtenant to his Residential Unit.

3. Section 7.1 currently reads as follows:

> **Section 7.1. Number and Qualifications of Directors**. The Board will consist of three (3) directors. However, the number of directors may be increased to five (5) by vote of a majority of the voting power of Members present (but not less than a majority of a quorum of Members) during any annual meeting of Members. Directors need not be Members of the Association.

4. Section 7.1 is amended to read:

> **Section 7.1. Number and Qualifications of Directors**. The Board will consist of three (3) directors. However, the number of directors may be increased to five (5) by vote of a majority of the voting power of Members present (but not less than a majority of a quorum of Members) during any annual meeting of Members. Directors must be Members of the Association.

5. Section 9.12 currently states:

> **Section 9.12. Right of Discipline**. To suspend the voting rights and right to use the recreational facilities located on the Common Area and Association Property of a Member who is in default in the payment of any assessment, as provided in Article V of these Bylaws

6. Section 9.12 is hereby amended as follows:

> **Section 9.12. Right of Discipline**. To suspend the right to use the recreational facilities located on the Common Area and Association Property of a Member who is in default in the payment of any assessment, as provided in Article V of these Bylaws.

No vote of the Members was sought or required for approval of these amendments as the amendments are required by law.

DATED:____________________ ____________________________________

By: ________________________________

BYLAWS

OF

VILLAGE WALK ASSOCIATION

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BYLAWS

OF

VILLAGE WALK ASSOCIATION

ARTICLE I

OFFICE

The office of this corporation shall be located in the County of San Diego, State of California.

ARTICLE II

DEFINITIONS

Section 2.1. **Declaration.** "Declaration" shall mean and refer to that certain Declaration of Restrictions for Village Walk Association ("Declaration") recorded with the Office of the County Recorder of San Diego County, California (including such amendments thereto as may from time to time be recorded), which requires Owners of Condominiums to be Members of this Association.

Section 2.2. **Other Definitions.** The definitions of terms set forth in the Declaration shall also apply to these Bylaws.

ARTICLE III

VOTING RIGHTS IN ASSOCIATION

The Association shall have two (2) classes of voting membership as set forth in the Declaration.

ARTICLE IV

MEMBERSHIP ASSESSMENTS AND LIEN RIGHTS

The Association shall have the right to impose assessments as set forth in the Declaration.

ARTICLE V

MEMBERSHIP RIGHTS, PRIVILEGES AND PENALTIES

Section 5.1. **Rights of Use.** Members shall have the rights to use the Association Property and the Common Area as set forth in the Declaration.

Section 5.2. **Suspension; Penalties.** The membership rights and privileges, together with the voting rights of any Member of the Association, may be suspended by the Board for the periods set forth in the Declaration. The Board may adopt rules and regulations imposing reasonable monetary penalties for such breach or noncompliance. Should the Board believe grounds may exist for any such suspension or imposition of monetary penalties, the Board shall give to the Member believed to be in violation at least fifteen (15) days' prior written notice of the intended suspension or proposed monetary penalty and the reasons therefor. The Member shall be given an opportunity to be heard before the Board either orally or in writing not less than five (5) days before the effective date of suspension. The notice required hereby may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first class or registered mail sent to the last address of the Member shown on the Association's records. No suspension shall affect the rights of such Member to access to the Owner's Residential Unit nor the Owner's right to use of any Exclusive Use Area appurtenant to his Residential Unit.

Section 5.3. **Adoption of Monetary Penalty; Distribution of Policy to Members.** If the Board adopts a policy imposing any monetary penalty, including any fee, on any Member for a violation of the Declaration or the Board's policies, including any monetary penalty relating to the activities of a guest or invitee of a Member, the Board shall adopt and distribute to each Member, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with these Bylaws and the Declaration. The Board shall not be required to distribute any additional schedules of monetary penalties unless there are changes from the schedule that was previously adopted and distributed to Members.

ARTICLE VI

MEETINGS OF MEMBERS

Section 6.1. **Place of Meeting.** All meetings of Members shall be held at the Project or at such other location in San Diego County, California, as close to the Project as reasonably possible as may be designated in the notice of meeting.

Section 6.2. **Annual Meetings of Members.** The first annual meeting of Members shall be held no later than six (6) months after the first close of escrow for the sale of a Condominium to a Retail Purchaser; provided, however, if the Phase in which the first closing occurs includes fifty (50) or more Condominiums, then the first meeting of Members shall be no later than forty-five (45) days after the close of escrow for sale of fifty-one percent (51%) of the Condominiums in that Phase to Retail Purchasers. Subsequent regular annual meetings of the Members shall be held on the date determined by the Board provided that such annual meeting is held during the period commencing on the annual anniversary of the first annual meeting and ending four (4) weeks thereafter. Such meeting shall be held at the time determined by the Board. An election of directors shall be held at the first annual meeting of Members and all positions of director shall be filled at that election.

Written notice of each such annual meeting shall be given to each Member and, to all first Mortgagees who request notice, either personally or by sending a copy of the notice through the mail, first class, registered or certified, or by telegraph, charges prepaid, to his address appearing on the books of the Association or supplied by him to the Association for the purpose of notice. If no address is supplied, notice shall be deemed to have been given to him if mailed to the address of the Condominium owned by such Member or encumbered by the first Mortgagee, or published at least once in some newspaper of general circulation in the county of said principal office. All such notices shall be sent not less than ten (10) days and not more than ninety (90) days before each annual meeting, and shall specify the place, day and hour of such meeting, and those matters which the Board at the time of mailing the notice intends to present for action by the Members; however, except as otherwise provided by law, any proper matter may be presented at the meeting for action. An Eligible Mortgage Holder shall be entitled to designate a representative who shall have the right to attend all meetings of Members.

Section 6.3. **Special Meeting.** Special meetings of Members, for any purpose or purposes whatsoever, may be called at any time by the president or by a majority of a quorum of the Board, and shall be called by the Board upon receipt of a written request for a special meeting signed by Members representing at least five percent (5%) or more of the total voting power of the Members. Except in special cases where other express provision is made by statute, notice of such special meetings shall be given in the same manner as for annual meetings of Members. Notices of any special meeting shall specify in addition to the place, day and hour of such meeting, the general nature of the business to be transacted.

Section 6.4. **Adjourned Meetings and Notice Thereof.** Any membership meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the voting power present in person or represented by proxy, but in the absence of a quorum no other business may be transacted at any such meeting.

When any membership meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting other than by an announcement at the meeting at which such adjournment is taken.

Section 6.5. **Mortgagee Representation.** First Mortgagees shall have the right to attend all membership meetings through a representative designated in writing and delivered to the Board but, except as otherwise provided in the Declaration or Bylaws, the first Mortgagee shall have no voting rights.

Section 6.6. **Voting.** Voting of the Members may be by voice or by ballot, except that all elections for directors shall be by secret written ballot.

Section 6.7. **Quorum.** Except as stated in the Articles of the Declaration entitled "COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION" and "DAMAGE, DESTRUCTION AND CONDEMNATION OF COMMON AREA OR ASSOCIATION PROPERTY", or as may otherwise be stated in the Declaration, the Articles or these Bylaws, the presence in person or by proxy of a majority of the voting power entitled to vote at any meeting shall constitute a quorum for the transaction of business. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough voting power to leave less than a quorum. In the event any meeting of Members cannot be held because a quorum is not present, the Members present, either in person or by proxy, may adjourn the meeting to a time not less than five (5) days nor more than thirty (30) days from the time of the original meeting date, at which meeting the quorum requirement shall be twenty-five percent (25%) of the voting power of the membership of the Association; provided, however, if after adjournment a new date is fixed for the adjourned meeting, notice of the time and place of the adjourned meeting shall be given to Members in the manner prescribed for regular meetings; provided further, that in the event the quorum requirement becomes twenty-five percent (25%) of the voting power of the membership, then the only matters that may be voted upon at any meeting actually attended in person or by proxy by one-third (1/3) or less of the voting power are matters the general nature of which was set forth in the notice of meeting.

Section 6.8. Consent of Absentees. The transactions of any meeting of Members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice if a quorum be present either in person or by proxy and if, either before or after the meeting, each of the Members entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 6.9. Action Without Meeting. Any action which may be taken at a meeting of the Members, except the election of directors by cumulative voting, may be taken without a meeting if done in compliance with the provisions of Section 7513 of the California CORPORATIONS CODE.

Section 6.10. Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by a written proxy executed by such person and filed with the secretary of the Association. All proxies shall be revocable and shall automatically terminate upon transfer of title of a Condominium by the Owner. Any such form of proxy or written ballot shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon, except that a candidate for election to the Board need not be named in a proxy or written ballot. The proxy or written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice. The proxy shall also identify the person or persons authorized to exercise the proxy and the length of time it will be valid.

Section 6.11. Parliamentary Procedures. Meetings of the Members shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt.

ARTICLE VII

DIRECTORS

Section 7.1. Number and Qualifications of Directors. The Board will consist of three (3) directors. However, the number of directors may be increased to five (5) by vote of a majority of the voting power of Members present (but not less than a majority of a quorum of Members) during any annual meeting of Members. Directors need not be Members of the Association.

Section 7.2. Election and Term of Office. Declarant shall appoint all three (3) directors to hold office until the first annual meeting of Members. Commencing with the first annual meeting of Members and at each annual meeting thereafter, the directors shall be elected by the Members to hold for a one (1) year term. However, should the size of the Board be increased to five (5) directors, five (5) directors shall be elected by the Members, with each of the three (3) directors who received the greatest number of votes to hold office for a two (2) year term and each of the remaining two (2) directors to hold office for a one (1) year term; thereafter, directors shall be elected at each annual meeting of Members to fill the vacancies of those directors whose term then expires, and each director so elected shall hold office for a two (2) year term. Each Member shall have the right to nominate from the floor candidates for the office of director. If any annual meeting is not held or the directors are not elected at an annual meeting, the directors may be elected at any special meeting of Members. All directors shall hold office until their successors are elected. Anything herein stated to the contrary notwithstanding, at the first election of directors by Members and thereafter for so long as a majority of the voting power of Members is held by Declarant, or so long as there are two (2) outstanding classes of membership, no fewer than twenty percent (20%) of the directors shall be elected solely by the voting power of Members other than Declarant.

The directors shall be elected by secret written ballot. No Member shall be entitled to cumulate votes (i.e., cast for any one or more candidates a number of votes greater than the number of votes to which such membership is entitled) unless the candidate's or candidates' names have been placed in nomination prior to the voting and the Member has given notice at the meeting prior to the voting of the Member's intention to cumulate votes. If any one Member has given such notice, then every Member shall have the right to cumulate votes and give one (1) candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the Member is entitled, or to distribute such Member's votes on the same principle among as many candidates as such Member shall think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

Any director elected to office solely by the votes of Members other than Declarant, as provided above, may be removed from office without cause prior to the expiration of his term only upon the vote of a simple majority of the voting power of Members other than Declarant. Any other director may be removed from office without cause prior to the expiration of his term upon the vote of a simple majority of the voting power of all Members. The foregoing notwithstanding, no individual director may be removed (unless the entire Board is removed) prior to the expiration of such director's term of office if the number of votes cast against removal or not consenting in writing to removal would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast (or, if action is taken by written consent, all voting power entitled to vote were voted) and the entire number of directors authorized at the time of the most recent election of directors were then being elected.

Section 7.3. **Vacancies.** Vacancies in the Board created by death or resignation may be filled by a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office until a successor is elected at an annual meeting of Members or at a special meeting called for that purpose. Vacancies created by the removal of any director may be filled only by the vote of the membership. The Members 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. Any election of directors by written consent shall require the consent of a majority of the outstanding voting power entitled to vote; provided, however that no director shall be elected by written consent to fill a vacancy created by removal except by the unanimous written consent of all Members entitled to vote for the election of directors. If any director tenders a resignation from the Board, the Board shall have the 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 such director's term of office.

Section 7.4. **Organization Meeting.** Immediately following each annual meeting of Members, 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.

Section 7.5. **Other Regular Meetings.** Regular meetings of the Board shall be held monthly unless the Board determines by its resolution to hold less or more frequent meetings. Regular Board meetings shall be held at least quarterly after the first annual meeting of Members. Board meetings shall be held at such place and hour within the Project as may be fixed from time to time by resolution of the Board. However, Board meetings may be held outside the Project if the Board determines that a larger meeting room is required, in which case the meeting room selected shall be as close as possible to the Project. Notice of all such regular meetings of the Board shall be posted at a prominent place within the Project and communicated to the directors not less than four (4) days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to the holding of the meeting.

Section 7.6. **Special Meetings.** Special meetings of the Board for any purpose or purposes shall be called at any time by the president, or by any two (2) directors other than the president.

Written notice of the time and place of special meetings and the nature of any special business to be considered shall be posted in the manner prescribed for notice of regular meetings and shall be sent to all directors by first class mail not less than four (4) days prior to the scheduled time of the meeting, or such notice shall be delivered personally or by telephone or telegraph not less than seventy-two (72) hours prior to the scheduled time of the meeting; provided, however, notice of the meeting need not be given to any director who has signed a waiver of notice or a written consent to the holding of the meeting.

Section 7.7. **Compensation and Fees.** Neither the directors nor the officers of the Association shall receive any monetary compensation for their services performed in the conduct of the business of the Association unless the monetary compensation is, by vote at a meeting or by written ballot without a meeting pursuant to California CORPORATIONS CODE Section 7513, approved by a majority of the voting power of Members of the Association, other than Declarant, constituting a quorum consisting of more than fifty percent (50%) of the voting power of Members of the Association other than Declarant. Nothing herein contained shall be construed or preclude any director or officer from serving the Association in any other capacity as an agent, employee or otherwise and receiving compensation therefor. Directors and officers of the Association may be reimbursed for expenses incurred in carrying on the business of the Association; provided, however, that no such expenses in excess of $50.00 during any fiscal year of the Association shall be reimbursed by the Association to any person without the approval of the Board.

Section 7.8. **Attendance at Meetings and Executive Sessions.** Regular and special meetings of the Board shall be open to all Members. The Board may, with the vote of a majority of its members present at a meeting in which a quorum has been established, adjourn to executive session in which Members of the Association may be excluded, to consider litigation, matters that relate to the formation of contracts with third parties, or personnel matters. The nature of any and all business to be considered in executive session shall first be announced in open session. Any matter discussed in executive session shall be generally noted in the minutes of the Board. In any matter relating to the discipline of a Member, the Board shall meet in executive session if requested by that Member, and the Member shall be entitled to attend the executive session.

The Board shall permit any Member to speak at any meeting of the Members or the Board, except meetings of the Board held in executive session. A reasonable time limit for all Members of the Association to speak to the Board or before a meeting of Members shall be established by the Board.

Section 7.9. **Quorum.** A majority of the directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as hereinafter provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board.

Section 7.10. **Adjournment.** A quorum of the directors may adjourn any directors' meeting to meet again at a stated time and hour; provided, however, that in the absence of a quorum, a majority of directors present at the directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 7.11. **Waiver of Notice.** The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting to be held after regular call and notice if a quorum be present, 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 and approvals shall be filed with the corporate records or made a part of the minutes of the meeting. Nothing contained herein shall remove the obligation to post the notice of all directors' meetings on the Common Area or Association Property.

Section 7.12. **Entry of Notice.** Whenever any director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall constitute a rebuttable presumption that due notice of such special meeting was given to such director as required by law and these Bylaws.

Section 7.13. **Notice of Adjournment.** Notice of any adjournment of any directors' meeting, either regular or special, to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 7.14. **Action Without Meeting.** Any action required or permitted to be taken by the Board may be taken without a meeting, if all members of the Board individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. An explanation of the action to be taken or actually taken by the Board shall be given to the Members of the Association within three (3) days after all written consents have been obtained. The explanation shall be given in the same manner as provided in the Section of this Article entitled "Other Regular Meetings" for the giving of notice of regular meetings of the Board. Failure to give such notice shall not render the action to be taken or actually taken invalid.

Section 7.15. Indemnity. The Association shall indemnify any present or former director or officer of the Association to the fullest extent authorized under California CORPORATIONS CODE Section 7237, or any successor statute, and may advance to any such person funds to pay expenses that may be incurred in defending any action or proceeding on receipt of an undertaking by or on behalf of such person to repay such amount unless it is ultimately determined that such person was entitled to be indemnified under this provision.

Section 7.16. Board Minutes to be Available to Members. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board, other than an executive session, shall be available to Members within thirty (30) days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any Member upon request and upon reimbursement of the Association's costs in making that distribution.

Members shall be notified in writing at the time that the Association's pro forma budget is distributed or at the time of any general mailing to the entire membership of the Association of their right to have copies of the minutes of meetings of the Board and how and where those minutes may be obtained.

ARTICLE VIII

OFFICERS

Section 8.1. Officers. The officers of the Association shall be a president, a vice president, a secretary and a chief financial officer and such other officers as the Board may from time to time by resolution create. Officers other than the president need not be directors. One (1) person may hold two (2) or more offices.

Section 8.2. Election. The president, vice president, secretary and chief financial officer shall be chosen annually by the Board, and each shall hold his or her office until such officer shall resign, or shall be removed or otherwise disqualified to serve, or a successor shall be elected and qualified.

Section 8.3. Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the directors in office at the time, at any regular or special meeting of the Board.

Any officer may resign at any time by giving written notice to the Board or the president, or to the secretary of the Association. Any such resignation shall take effect at 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 8.4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws for regular appointments to such office.

Section 8.5. President. The president shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Association. The president shall preside at all meetings of the Members and at all meetings of the Board. The president shall be ex-officio a member of all standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board or by the Bylaws.

Section 8.6. 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 powers of and be subject to all the restrictions upon the president. The vice president shall have such other powers and perform such other duties as from time to time may be prescribed for him by the Board or by the Bylaws.

Section 8.7. 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 of directors and Members, with the time and place of holding, whether regular or special and if special how authorized, the notice thereof given, the names of those present at the directors' meetings, the number of memberships present or represented at Members' meetings and the proceedings thereof.

The secretary shall give, or cause to be given, notice of all the meetings of the Members and of the Board required by the Bylaws or by law to be given, and he shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

Section 8.8. 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 the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. The books of account shall at all times be open to inspection by any director.

The chief financial officer shall deposit all moneys and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He or she shall disburse the funds of the Association as may be ordered by the Board, shall render to the president and directors, whenever they request it, an account of all of his or her transactions as chief financial officer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

Section 8.9. Deposits By Property Manager. The Board may designate a professional property management company to collect assessments and make deposits. A separate trust account shall be established for the Association so that the Association's deposits will not be commingled with non-Association funds. Another separate trust account, complying with the requirements of the Article below entitled "OPERATING AND RESERVE

ACCOUNTS", shall be established in the name of the Association for the deposit of reserves and the Association shall require its property manager, if one is designated, to deposit reserves in such separate account on at least a monthly basis. In the event the Association authorizes a property manager to collect assessments or make deposits, the Association shall maintain a fidelity bond in an appropriate amount naming the Association as obligee and insuring against loss by reason of the acts of the management agent and its employees. The fidelity bond shall be in an amount equal to not less than three (3) months' aggregate regular assessments (including reserves) by the Association against all Condominiums then subject to assessment.

Section 8.10. Signing Checks, Etc. All checks, notes, leases and deeds of trust of the Association shall be signed by at least two persons who hold offices of this Association, and one such person must be the president or the vice president.

The Board may designate a professional property management company to pay the Association's operating expenses from the non-reserve trust account established pursuant to the Section above entitled "Deposits By Property Manager".

ARTICLE IX

POWERS AND DUTIES OF ASSOCIATION

Subject to the Declaration, the Articles of Incorporation and the California Nonprofit Corporation Law applicable to mutual benefit corporations, the Board shall have the following powers and duties:

Section 9.1. Selection of Officers. To select and remove all officers, agents and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, the Declaration, the Articles of Incorporation or these Bylaws, and, subject to the provisions of the Section entitled "Compensation and Fees" of Article VII of these Bylaws, to fix their compensation.

Section 9.2. Management of Business. To conduct, manage and control the affairs and business of the Association, and to make such rules and regulations therefor not inconsistent with law, the Declaration, the Articles of Incorporation or these Bylaws as they deem best, including rules and regulations for the operation of the Common Area and Association Property and the facilities owned or controlled by the Association.

Section 9.3. Borrowing of Money. To borrow money and incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the corporate name, promissory notes or other evidences of debt and, with the vote or written assent of two-thirds (2/3) of the voting power of each class of Members of the Association, to (a) hypothecate, mortgage, pledge or deed in trust any or all of the real or personal property owned by the Association as real security for money borrowed or debts incurred, and (b) sell any real or personal property owned by the Association. After conversion of the Class B membership to Class A membership, the action herein requiring membership approval shall require the vote or written consent of (i) two-thirds (2/3) of the voting power of Members of the Association, and (ii) two-thirds (2/3) or more of the voting power of Members of the Association other than Declarant.

Section 9.4. **Insurance.** To contract and pay for fire, casualty, liability, fidelity bonds and other insurance as required by the Declaration and such other insurance as the Board deems to be appropriate.

Section 9.5. **Payment of Common Area and Association Property Utilities.** To pay all charges for water, electricity, gas, CATV and other utility services for the Common Area and Association Property and, to the extent not separately metered or charged, for each Residential Unit and Exclusive Use Area.

Section 9.6. **Management of Common Area and Association Property.** To manage, operate, maintain and repair the Common Area and Association Property and all improvements located thereon, including the parking and drainage facilities and the restoration and replacement of any or all of the buildings, structures and improvements which are part of the Common Area or Association Property at any time and from time to time as the Board may determine desirable or necessary; and to make capital expenditures for and on behalf of the Association; provided, however, unless the Declaration allows otherwise, the Board shall not incur aggregate expenditures for capital improvements in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year unless the capital expenditure is, by vote at a meeting or by written ballot without a meeting pursuant to California CORPORATIONS CODE Section 7513, approved by a majority of the voting power of Members of the Association, other than Declarant, constituting a quorum consisting of more than fifty percent (50%) of the voting power of the Members of the Association other than Declarant.

Section 9.7. **Right to Enter.** To enter onto any Residential Unit and Exclusive Use Area subject to the limitations set forth in the Declaration.

Section 9.8. **Right to Enforce.** To enforce the provisions of the Declaration, the Articles of Incorporation and Bylaws of the Association, the rules and regulations adopted by the Board and the provisions of any agreement to which the Association is a party.

Section 9.9. **Right to Contract.** To contract and pay for goods and services relating to the Common Area and Association Property, and to employ personnel necessary for the operation and maintenance of the same, including legal and accounting services. Anything herein to the contrary notwithstanding:

(a) The term of any contract with a third person for supplying goods or services to the Common Area or Association Property or for the Association shall not exceed a term of one (1) year unless a longer term is, by vote at a meeting or by written ballot without a meeting pursuant to California CORPORATIONS CODE Section 7513, approved by a majority of the voting power of Members of the Association, other than Declarant, constituting a quorum consisting of more than fifty percent (50%) of the voting power of Members of the Association other than Declarant, with the following exceptions:

(i) A contract with the public utility company for materials or services the rates for which are regulated by the Public Utilities Commission may exceed a term of one (1) year so long as it does not exceed the shortest term for which the public utility will contract at the regulated rate;

(ii) A contract for prepaid casualty and/or liability insurance policies may be for a term of not to exceed three (3) years, provided that the policy permits short rate cancellation by the Association;

(iii) Agreements for cable television services and equipment or satellite dish television services and equipment, where the supplier is not an entity in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more may exceed a term of one (1) year but may not exceed a term of five (5) years;

(iv) Agreements for sale or lease of burglar alarm and fire alarm equipment, installation and services, where the supplier or suppliers are not entities in which the Declarant has a direct or indirect ownership interest of ten percent (10%) or more may exceed a term of one (1) year but may not exceed a term of five (5) years; and

(v) Contracts with a term not to exceed three (3) years which are terminable by the Association without cause, penalty or other obligation after one (1) year upon ninety (90) days' written notice of termination given by the Association to the other party.

(b) Any agreement for management of the Project and any other contract providing for services by Declarant shall be terminable for cause upon thirty (30) days' written notice, and without cause or payment of a termination fee upon not more than ninety (90) days' written notice. Such agreements shall be renewable with the consent of the Board and the management agent.

(c) The Board shall not terminate professional management of the Project and assume self-management except in accordance with the Section of the Declaration entitled "Approval of First Mortgagees".

(d) No contract with the Association negotiated by Declarant shall exceed a term of one (1) year except as may otherwise be provided in this Section 9.9.

Section 9.10. Payment of Taxes on Common Area or Association Property. To pay any taxes and governmental special assessments which are or could become a lien on the Common Area or Association Property or any portion thereof.

Section 9.11. Adoption of Rules. To adopt reasonable rules not inconsistent with the provisions contained in the Declaration, and to amend the same from time to time relating to the use of the Common Area and Association Property and the facilities located thereon.

Section 9.12. Right of Discipline. To suspend the voting rights and right to use the recreational facilities located on the Common Area and Association Property of a Member who is in default in the payment of any assessment, as provided in Article V of these Bylaws.

Section 9.13. Preparation of Budgets and Financial Statements. To prepare budgets and financial statements for the Association as provided in these Bylaws.

Section 9.14. **Notification to Mortgagee.** Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Condominium number or address, any Eligible Mortgage Holder or Eligible Insurer or Guarantor will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Condominium on which there is a first Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor, as applicable.

(b) Any delinquency in the payment of assessments or other default by an Owner of a Condominium subject to a first Mortgage held, insured or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor, which remains uncured for a period of sixty (60) days.

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders as required in these Bylaws or in the Declaration.

Section 9.15. **Litigation.**

(a) CODE OF CIVIL PROCEDURE Section 383. Pursuant to Section 383 of the CODE OF CIVIL PROCEDURE, the Association shall have standing to institute, defend, settle or intervene in litigation, arbitration, mediation or administrative proceedings in its own name as the real party in interest and without joining with it the individual Owners, in matters pertaining to the following:

(i) Enforcement of the Declaration and related governing documents;

(ii) Damage to the Common Area or Association Property;

(iii) Damage to improvements to the Residential Units which the Association is obligated to maintain or repair, if any; and

(iv) Damage to improvements to Residential Units which arises out of, or is integrally related to, damage to the Common Area or Association Property.

(b) CIVIL CODE Section 1368.4. Pursuant to CIVIL CODE Section 1368.4:

(i) Not later than thirty (30) days prior to the filing of any civil action by the Association against Declarant or other developer of the Project for: alleged damage to the Common Area or Association Property which the Association is obligated to maintain or repair; or alleged damage to any residence within a Residential Unit which arises out of, or is integrally related to, damage to the Common Area or Association Property (which the

Association is obligated to maintain or repair), the Board of Directors shall provide written notice to each Member of the Association. This notice shall specify all of the following:

(A) That a meeting will take place to discuss problems that may lead to the filing of a civil action;

(B) The options, including civil actions, that are available to address the problems; and

(C) The time and place of this meeting.

(ii) Notwithstanding Subsection (i) above, if the Board has reason to believe that the applicable statute of limitations will expire before the Association files the civil action, the Association may give the notice, as described above, within thirty (30) days after the filing of the action.

(c) Civil Code Section 1354. The Association shall comply with Civil Code Section 1354, which, in brief summary and in part, provides as follows:

(i) Unless the applicable time limitation for commencing the action would expire within one hundred twenty (120) days prior to filing a civil action by the Association or Owner, the Association and Owners shall endeavor to submit their disputes to a form of alternative dispute resolution, such as mediation or arbitration, with respect to claims for injunction, declaratory relief or monetary damages of $5,000 or less.

(ii) Any party to such a dispute may initiate the process by serving on another party to the dispute a Request for Resolution, as described in Civil Code Section 1354.

(iii) The Association shall annually provide a summary of the provisions of Civil Code Section 1354, which specifically references that Section. The summary shall include the following language:

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

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

(d) Civil Code Section 1366.3. The Association shall comply with Civil Code Section 1366.3 which, in part, provides that assessment collection proceedings continue to be exempt from the alternative dispute resolution requirements of Civil Code Section 1354, unless the Member elects to follow the dispute resolution procedure established by CIVIL CODE Section 1366.3. CIVIL CODE Section 1366.3 requires the Association to notify a Member that an assessment collection dispute may be resolved through alternative dispute resolution as provided in CIVIL CODE Section 1354, by civil action, or by any other procedure available to the Association to resolve collection disputes if:

(i) The Member pays the Association the amount in dispute, late charges, interest and all fees and costs associated with the preparation and filing of the notice of delinquent assessment, including all mailing costs and attorney's fees not to exceed $425.00; and

(ii) The Member notifies the Association in writing by certified mail not more than thirty (30) days following recordation of a notice of delinquent assessment that the assessment payment is made under penalty of protest.

CIVIL CODE Section 1366.3 sets forth other limitations and requirements.

(e) CIVIL CODE Section 1375. The Association shall comply with CIVIL CODE Section 1375 which is a complex statute which sets forth various requirements pertaining to claims for defects in design or construction of the project, including requirements which must be met before such a claim is filed. Some of the matters covered by CIVIL CODE Section 1375 include the following:

(i) A requirement of written notice before an action is commenced.

(ii) Listing defects.

(iii) Surveying or questioning Owners regarding the nature and extent of defects.

(iv) Meetings, settlement attempts and alternative dispute resolution between the Declarant and the Board.

(v) Possible tolling of statutes of limitations and cancellation of such tolling.

(vi) Inspection and testing and making available the results of the inspections and tests.

(vii) Notice to insurers of meetings between the Declarant and the Board.

(viii) Procedures for a settlement offer.

(ix) Procedures for various notices to the Owners and for holding a meeting of the Owners if the Association rejects a settlement offer.

(x) Possible excuse from compliance with CIVIL CODE Section 1368.4.

(xi) Provisions which allow for a special meeting of the Members of the Association if requested by five percent (5%) of the Members.

(xii) Certain remedies for failure to comply with CIVIL CODE Section 1375.

Section 9.16. **Right to Delegate**. To delegate any of its powers hereunder to others, including committees, officers and employees.

Section 9.17. **Right to Sell**. As permitted in the Declaration, to sell the Project for the benefit of all of the Owners and their Mortgagees, as their interests may then appear, at such price and upon such terms as the Board may determine reasonable; provided, however, the Board shall not sell in any fiscal year Association property having an aggregate fair market value in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year unless the sale is, by vote at a meeting or by written ballot without a meeting pursuant to California CORPORATIONS CODE Section 7513, approved by a majority of the voting power of Members of the Association, other than Declarant, constituting a quorum consisting of more than fifty percent (50%) of the voting power of Members of the Association other than Declarant.

Section 9.18. **Availability of Documentation**. To make available to any prospective purchaser of a Condominium, any Owner of a Condominium, any first Mortgagee, and the holders, insurers and guarantors of a first Mortgage on any Condominium, or any of their duly appointed representatives, current copies of the Declaration, the Articles of Incorporation, the Bylaws, rules governing the Condominium and all other books, records and financial statements of the Association, including, but not limited to, the membership register, mailing addresses and telephone numbers of Members, books of account and minutes of meetings of the Members, the Board and committees. "Available" as used in this Section shall mean available for inspection upon request at least during normal business hours or under other reasonable circumstances.

Section 9.19. **Availability of Minutes**. In the case of minutes of the Board, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board, other than executive session, shall be available to Members upon request and payment of the fee incurred for reproducing copies.

Section 9.20. **Right to Permit Use of Common Area and Association Property**. To permit utility suppliers to use portions of the Common Area or Association Property reasonably necessary to the on-going development or operation of the Project. So long as Class B membership remains in existence, the Board shall at Declarant's request, grant to utility suppliers reasonable easements and licenses over, under, upon and across the Common Area and Association Property for the installation and maintenance of utility systems within the Project.

Section 9.21. **Authorization to Contract**. To authorize any officer or officers or agent or agents to enter into any contract or execute any instrument in the name and on behalf of the Association. 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 the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

<u>Section 9.22</u>. <u>Duty to Make Records Available for Inspection</u>. To keep in its principal office for the transaction of business or at such place within the Project as the Board shall prescribe, the original or a copy of the Bylaws as amended or otherwise altered to date, certified by the secretary, a membership register (including mailing addresses and telephone numbers), books of accounts and copies of minutes of all membership, board and committee meetings, all of which shall be made available for inspection and copying by any Member of the Association, or by any Member's duly appointed representative and by all first Mortgagees, at any reasonable time and for a purpose reasonably related to his interest as a Member or Mortgagee. The Board shall establish reasonable rules with respect to:

(a) Notice to be given to the custodian of the records by the Member or Mortgagee desiring to make the inspection;

(b) Hours and days of the week when such an inspection may be made; and

(c) Payment of the costs of reproducing copies of documents requested.

Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and all physical property owned or controlled by the Association. The right of inspection by a director shall include the right at his expense to make extracts and copies of documents.

<u>Section 9.23</u>. <u>Common Area Licenses</u>. To grant irrevocable licenses for Owners to exclusively use portions of the Common Area adjoining the Owners' Residential Units provided that the granting of such licenses would not materially and adversely affect any Owner's use of the Common Area.

<u>Section 9.24</u>. <u>Association Property</u>. To grant easements for Owners to exclusively use portions of the Association Property adjoining the Owners' Residential Units provided that the granting of such easements would not materially and adversely affect any Owner's use of the Association Property.

<u>Section 9.25</u>. <u>Financial Statements</u>. The Board shall do the following:

(a) <u>Annual Reports</u>. Annual reports consisting of the following shall be distributed within one hundred twenty (120) days after close of the Association's fiscal year:

(i) a balance sheet as of the end of the fiscal year;

(ii) an operating (income) statement for the fiscal year;

(iii) a statement of changes in financial position for the fiscal year;

(iv) a statement of the place where the names and addresses of the current Members are located;

(v) any information required to be reported under Section 8322 of the California CORPORATIONS CODE;

(vi) for any fiscal year in which the gross income to the Association exceeds $75,000.00, a copy of a review of the annual report prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy.

(b) Independent Accountant. The annual report referred to in Subsection (a) above shall be prepared by an independent accountant.

(c) Statement of Association's Policies. A statement of the Association's policies and practices in enforcing its remedies against Members for default in the payment of regular and special assessments, including the recording and foreclosing of liens against Members' interests in the Project, shall be distributed to Members within sixty (60) days prior to the beginning of each fiscal year.

(d) Annual Budgets. The Board shall cause a pro forma operating statement (budget) for the Association to be prepared for the second and each subsequent fiscal year of the Association, a copy of which shall be distributed personally or by mail to each of the Members not fewer than forty-five (45) days nor more than sixty (60) days prior to the beginning of the fiscal year to which the budget relates. The budget shall include the following information:

(i) The estimated revenue and expenses of the Association on an accrual basis for the next fiscal year.

(ii) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to the Section of these Bylaws entitled "Reserve Study", which shall be printed in bold type and include all of the following:

(A) The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component in the Common Area or the Association Property.

(B) As of the end of the fiscal year for which the study is prepared:

(1) The current estimate of the amount of cash reserves necessary to repair, replace, restore or maintain the major components of the Common Area and the Association Property;

(2) The current amount of the accumulated cash reserves actually set aside to repair, replace, restore or maintain the major components of the Common Area and the Association Property; and

(3) The percentage of the amount determined pursuant to (2) above of the amount determined pursuant to (1) above.

(iii) A statement as to whether the Board has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor.

(iv) A general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the future costs of repair, replacement or additions to major components of the Common Area and Association Property for which the Association is responsible.

(e) Budget Summary. In lieu of distributing the budget, the Board may at its election distribute a summary of the budget along with a written notice (in at least 10 point bold type on the front page of the summary) that the budget is available at the business office of the Association or at another suitable location within the boundaries of the Project, and that copies will be provided upon request and at the expense of the Association. If any Member requests a copy of the budget to be mailed to the Member, the Association shall provide the copy to the Member by first-class United States mail at the expense of the Association and delivered within five (5) days.

(f) Notice of Right to Have Copies of Minutes. At the time the budget is distributed or at the time of any general mailing, Members shall be notified in writing of their right to have copies of the minutes of meetings of the Board and as to how and where those minutes may be obtained and the cost of obtaining such copies.

Section 9.26. Fiscal Year. The fiscal year of the Association 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 of the Association. However, the fiscal year of the Association is subject to change from time to time as the Board shall determine.

Section 9.27. Checks. To cause to be issued checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, in the name of or payable to the Association, which shall be signed or endorsed by the president or vice president and another officer of the Association unless otherwise authorized by the Board or by these Bylaws.

Section 9.28. Audited Financial Statement. If the Project contains fifty (50) or more Condominiums, any holder, insurer or governmental guarantor of a first Mortgage shall be entitled, upon submission of a written request, to an audited financial statement for the immediately preceding fiscal year (if the Project has been established for a full fiscal year), free of charge to the party so requesting it. The audited financial statement shall be made available within one hundred twenty (120) days of the Association's fiscal year-end. If the Project contains less than fifty (50) Condominiums, the first Mortgagee shall be entitled to have such audited financial statement prepared at its expense if one is not otherwise available.

Section 9.29. Corporations Code. Except as specifically limited by this Article, the Association shall have all the powers granted to a nonprofit mutual benefit corporation as enumerated in Section 7140 of the CORPORATIONS CODE.

Section 9.30. Distribution to Members of Information About Insurance. The Board shall comply with CIVIL CODE Section 1365(e) and distribute to the Members information about the Association's insurance policies. CIVIL CODE Section 1365(e) requires, among other matters, that the Association give its Members a summary of insurance policies within sixty (60) days preceding the beginning of the Association's fiscal year and notice by first class mail, as soon as reasonably practical, if any of the policies have lapsed, been canceled and are not immediately renewed, restored or replaced or if there is a significant change, such as a reduction in coverage or limits or increase in the deductible for any policies. CIVIL CODE Section 1365(e) also requires immediate notice be given if the Association receives any notice of nonrenewal of a policy if replacement coverage will not be in effect by the date the existing coverage will lapse. CIVIL CODE Section 1365(e) sets forth various details as to the forms of notice, language which must be included in the notice, the size of type, etc.

ARTICLE X

OPERATING AND RESERVE ACCOUNTS

Section 10.1. Definitions. As used in this Article:

(a) "Reserve accounts" means moneys that the Board has identified for use to defray the future repair or replacement of, or additions to, those major components which the Association is obligated to maintain.

(b) "Reserve account requirements" means the estimated funds which the Board has determined are required to be available at a specified point in time to repair, replace, or restore those major components which the Association is obligated to maintain.

Section 10.2. Reviews. The Board shall do the following:

(a) Review a current reconciliation of the Association's operating accounts on at least a quarterly basis.

(b) Review a current reconciliation of the Association's reserve accounts on at least a quarterly basis.

(c) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget.

(d) Review the latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts.

(e) Review an income and expense statement for the Association's operating and reserve accounts on at least a quarterly basis.

Section 10.3. Signatures on Checks. The signatures of at least (i) two directors or (ii) one officer who is not a director and the signature of a director shall be required for the withdrawal of moneys from the Association's reserve accounts.

Section 10.4. **Limitation on Expenditure of Reserve Funds.**

(a) Except as provided in Subsection 10.4(b) below, the Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement or maintenance of, or litigation involving the repair, replacement or maintenance of, major components which the Association is obligated to repair, restore, replace or maintain and for which the reserve fund was established.

(b) The Board may authorize the temporary transfer of money from a reserve fund to the Association's general operating fund to meet short-term cash flow requirements or other expenses, provided the Board has made written findings, included in the Board's minutes, explaining the reasons the transfer is needed and describing when and how the money will be repaid to the reserve fund. The transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except the Board may, upon making a finding supported by documentation that a temporary delay would be in the best interests of the project, temporarily delay the restoration. The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account, and shall, if necessary, levy a special assessment to recover the full amount of the expended funds within the time limits required by this Subsection. A special assessment made by the Board pursuant to this Subsection is subject to the limitations imposed by Section 1366 of the California CIVIL CODE. The Board may extend the date the payment of the special assessment is due. Any extension shall not prevent the Board from pursuing any legal remedy to enforce the collection of an unpaid special assessment.

(c) In the event the Board decides to use reserve funds or to temporarily transfer money from the reserve funds to pay for litigation, the Board shall notify the Members of the decision in the next available mailing to Members pursuant to Section 5016 of the California CORPORATIONS CODE and of the availability of an accounting of those expenses. The Board shall provide an accounting of expenses related to the litigation at least quarterly and shall make the accounting available for inspection by Members at the office of the Association.

Section 10.5. **Reserve Study.** Pursuant to CIVIL CODE Section 1365.5(e), at least once every three (3) years the Board shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components which the Association is obligated to repair, replace or maintain as part of a study of the reserve account requirements of the project to be conducted if the current replacement value of the major components which the Association is obligated to repair, replace, restore, or maintain is equal to or greater than one-half of the gross budget of the Association for any fiscal year which excludes the Association's reserve account for that period. The Board shall review this study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review.

The study required by this Section shall at a minimum include:

(a) Identification of the major components which the Association is obligated to repair, replace, restore, or maintain which, as of the date of the study, have a remaining useful life of less than thirty (30) years.

(b) Identification of the probable remaining useful life of the components identified in paragraph (a) as of the date of the study.

(c) An estimate of the cost of repair, replacement, restoration, or maintenance of each major component identified in paragraph (a) during and at the end of its useful life.

(d) An estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain each major component during and at the end of its useful life, after subtracting total reserve funds as of the date of the study.

ARTICLE XI

AMENDMENT

Section 11.1. **Prior to Escrow Closings.** Prior to the date escrow closes for any sale of a Condominium to an Owner, these Bylaws may be unilaterally amended by Declarant.

Section 11.2. **After Escrow Closings.** The following provisions shall apply after the close of the first escrow for a sale of a Condominium to an Owner. During the period of time prior to conversion of the Class B membership in the Association to Class A membership, new Bylaws may be adopted or these Bylaws may be amended or repealed by the vote of the Members entitled to exercise a majority or more of the voting power of each class of Members of the Association or by the written assent of such Members. After conversion of the Class B membership to Class A membership, these Bylaws may be amended or repealed by the vote of (i) Members entitled to exercise a majority of the voting power of the Association, and (ii) at least a majority of the voting power of Members of the Association other than Declarant. Anything herein stated to the contrary notwithstanding, no material amendment to the Bylaws shall be made without the prior written approval of Eligible Mortgage Holders whose Mortgages encumber fifty-one percent (51%) or more of the Condominiums. "Material amendment" shall mean, for purposes of this Article XI, any amendments to provisions of these Bylaws governing any of the following subjects:

(a) Voting rights.

(b) Assessment liens and the priority of assessment liens and the right of Eligible Mortgage Holders to approve increases in regular assessments of in aggregate more than twenty-five percent (25%) during any fiscal year from the regular assessments assessed during the previous fiscal year.

(c) The right of Eligible Mortgage Holders to approve reductions in reserves for maintenance, repair and replacement of the Association Property and the Common Area.

(d) Responsibility for maintenance and repairs.

(e) Reallocation of interests in the Common Area (including Exclusive Use Area) or rights to its use.

(f) Redefinition of Residential Unit boundaries.

(g) Convertibility of Residential Units into Common Area and vice versa.

(h) Hazard or fidelity insurance requirements.

(i) Imposition of any restrictions on the leasing of Condominiums.

(j) Imposition of any right of first refusal or similar restriction on the right of a Condominium Owner to sell, transfer or otherwise convey the Owner's Condominium.

(k) The Section above entitled "Right to Contract".

(l) Restoration or repair of the Project (after damage or partial condemnation) in a manner other than specified in the Declaration.

(m) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs.

(n) Any provision which, by its terms, is specifically for the benefit of the first Mortgagees, or specifically confers rights on first Mortgagees.

An Eligible Mortgage Holder who receives a written request to approve amendments (including additions) who does not deliver or mail to the requesting party a negative response within thirty (30) days, shall be deemed to have approved such request provided that such written request was delivered by certified mail or registered mail, with "return receipt" requested.

The percentage of voting power necessary to amend a specific clause or provision of these Bylaws shall not be less than any percentage of affirmative votes prescribed for action to be taken under that clause.

ARTICLE XII

VOTING BY DECLARANT

Prior to conversion of the Class B membership in the Association to Class A membership, any procedure, action or matter for which the Bylaws require the approval of a prescribed majority of the voting power of Members of the Association other than Declarant shall require the vote or written assent of (i) a bare majority of the Class B voting power, and (ii) the prescribed majority of the Class A voting power. After conversion of the Class B membership in the Association to Class A membership, any procedure, action or matter for which the Bylaws require the approval of a prescribed majority of the voting power of Members of the Association other than Declarant shall require the vote or written assent of (A) a bare majority of the total voting power of Members of the Association, and (B) the prescribed majority of the total voting power of Members of the Association other than Declarant.

ARTICLE XIII

COPIES OF DOCUMENTS TO BE DELIVERED BY DECLARANT

Commencing not later than ninety (90) days after the close of escrow for the first Residential Unit to an Owner, copies of the documents listed below, as soon as readily obtainable, shall be delivered by Declarant to the Board at the office of the Association, or at such other place as the Board shall prescribe. The obligation to deliver the documents listed below shall apply to any documents obtained by the Declarant no matter when obtained, provided, however, such obligation shall terminate upon the earlier of (i) the conveyance of the last Residential Unit which is covered by a subdivision public report issued by the Real Estate Commissioner for the State of California or (ii) three (3) years after the expiration of the most recently issued public report issued for any portion of the Project:

(a) The recorded subdivision map or maps for the Project.

(b) The recorded condominium plan or plans for the Project and all amendments thereto.

(c) The deeds and easements executed by the Declarant conveying Association Property or other interests to the Association.

(d) The recorded Declaration, including all amendments and annexations thereto.

(e) The Association's filed Articles and any amendments thereto.

(f) The Association's Bylaws and any amendments thereto.

(g) All architectural guidelines, if any, and all other rules regulating the use of a Residential Unit or the use of the Association Property, which have been promulgated by the Association.

(h) The plans approved by the County for construction or improvement of facilities that the Association is obligated to maintain or repair, if any; provided, however, the plans need not be as-built plans and the plans may bear appropriate restrictions on their commercial exploitation or use and may contain appropriate disclaimers regarding their accuracy.

(i) All notices of completion certificates issued for Association Property improvements (other than residential structures).

(j) Any bond or other security device in which the Association is the beneficiary.

(k) Any written warranty being transferred to the Association for Association Property equipment, fixtures or improvements.

(l) Any insurance policy procured for the benefit of the Association, the Board or the Association Property.

(m) Any lease or contract to which the Association is a party.

(n) The membership register, including mailing addresses and telephone numbers, books of account and minutes of meetings of members, of the Board and of committees of the Board.

(o) Any instrument referred to in Section 11018.6(d) of the BUSINESS AND PROFESSIONS CODE but not described above which establishes or defines the common, mutual or reciprocal rights or responsibilities of the Members of the Association.

Commencing not later than ninety (90) days after the annexation of an additional Phase, copies of those documents listed above which are applicable to the Phase shall, as soon as readily obtainable, be delivered by the Declarant to the Board at the office of the Association or at such other place as the Board shall prescribe. The obligation to deliver documents listed above shall apply to any documents obtained by the Declarant no matter when obtained; provided, however, such obligation shall terminate upon the earlier of (i) the conveyance of the last Residential Unit covered by a subdivision public report or (ii) three (3) years after the expiration of the most recent public report covering the Project.

ARTICLE XIV

REFERENCES TO STATUTES

Several Sections of these Bylaws refer to or briefly summarize certain California statutes in order to provide information to the Members and Board about those statutes. However, (i) the references are only summary in nature and the full statutory provision should be reviewed, (ii) no attempt has been made to refer to all applicable statutes, and (iii) there is no intent to limit application of any future statutory amendments or any new statutory provisions.

I, the undersigned, do hereby certify:

1. That I am the incorporator of VILLAGE WALK ASSOCIATION, a California nonprofit mutual benefit corporation; and

2. That the foregoing Bylaws, comprising twenty-five (25) pages, constitute the Bylaws of said corporation duly adopted by Written Consent of Incorporator dated January 18, 2001.

IN WITNESS WHEREOF, I hereunto subscribe my name and affix the seal of said corporation this 18th day of January 2001.

A. John Hecht, Incorporator

---------- Forwarded message ---------
From: **HOA Accounting Services, Inc.** <service@hoa-accounting.com>
Date: Wed, Jul 22, 2026 at 12:30 PM
Subject: [#XN3412869] Message from Village Walk Association - Village Walk Association- Special Assessment Update

Please do not reply to this message.

*******THIS IS A BROADCAST MESSAGE FOR ANNOUNCEMENT PURPOSES ONLY. RESPONSES ARE NOT MONITORED. PLEASE DO NOT REPLY.*******

Dear Village Walk Owners,

The Board of Directors is preparing information regarding a proposed special assessment to fund several important community improvement projects. These projects include:

- **Restoration work from roof leaks** – Approximate cost: **$180,000**
- **Boiler replacement** – Approximate cost: **$250,000**
- **Deck vent installation (Phase 1)** – Approximate cost: **$100,000**

We are currently waiting for a few additional contractor quotes to ensure we have the most accurate pricing before presenting the complete assessment information to the membership.

We appreciate your patience as we complete this process. An additional update, including more detailed information about the proposed special assessment, will be provided within the next 30 days.

Thank you for your understanding and continued support as we work to maintain and improve your community.

Sincerely,

Corvus Management & Consulting, Inc.

Sincerely,

Corvus Management

On behalf of Village Walk Association

https://portal.hoa-accounting.com | raven@corvusmc.com

Village Walk Association

4528. The form for billing disclosures required by Section 4530 shall be in at least 10-point type and substantially the following form:

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

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.

Property Address: 1501 India St Unit: Unit 508, San Diego, CA 92101-2448
Owner of Property: John Havlik
Owner's Mailing Address: 275 Bayshore Blvd. #1402 Tampa, FL 33606
(if known or different from property address)

Provider of the **Section 4525** Items:

Sara Biller	Escrow Specialist II	HOA Accounting
Print Name	Position or Title	Association or Agent

07-20-2026
Date Form Completed

Check or Complete Applicable Column or Columns Below:

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App)
Articles of Incorporation or statement that not incorporated	Section **4525(a)(1)**	$31.00	
CC&Rs	Section **4525(a)(1)**	$51.00	
Bylaws	Section **4525(a)(1)**	$36.00	
Operating Rules	Section **4525(a)(1)**	$36.00	
Age Restrictions, if any	Section **4525(a)(2)**		Refer to CC&Rs
Rental Restrictions, if any	Section **4525(a)(9)**	$0.00	Refer to CC&Rs
Annual Budget Report or summary, including Reserve Study	Sections **5300 and 4525 (a)(3)**	$51.00	
Assessment and Reserve Funding Disclosure Summary	Sections **5300 and 4525 (a)(4)**		Included in Budget
Financial Statement Review	Sections **5305 and 4525(a)(3)**	$36.00	
Assessment Enforcement Policy	Sections **5310 and 4525(a)(4)**		Included in Budget
Insurance Summary	Sections **5300 and 4525 (a)(3)**		Included in Budget
Regular Assessment	Section **4525(a)(4)**		Refer to Demand
Special Assessment	Section **4525(a)(4)**	$26.00	
Emergency Assessment	Section **4525(a)(4)**		Refer to Demand
Other Unpaid Obligations of Seller	Sections **5675 and 4525(a)(4)**		Refer to Demand

Village Walk Association

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App)
Approved Changes to Assessments	Sections **5300 and 4525(a)(4), (8)**		Included in Budget
Settlement Notice Regarding Common Area Defects	Sections **4525(a)(6), (7) and 6100**		Refer to Demand
Preliminary List of Defects	Sections **4525(a)(6), 6000 and 6100**		Refer to Demand
Notice(s) of Violations	Sections **5855 and 4525(a)(5)**		Refer to Demand
Required Statement of Fees	Section **4525**	$236.00	aka Demand
Minutes of Regular Board Meetings conducted over the previous 12 months, if requested	Section **4525(a)(10)**	$67.00	
Copy of the report issued pursuant to the most recent Inspection of Exterior Elevated Elements	Sections **4525(a)(11) and 5551**	$62.00	
	Total fees for these documents:	**$632.00**	

*The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 shall be charged separately.

This is the minimum document offering required to meet CA statute 4528. You may opt to acquire additional documents including, but not limited to, Meeting Minutes, Reserve Studies, Insurance Declaration Pages, and/or property inspections not mandated by law but helpful to the prospective buyer(s) and/or their agent to make a more informed decision regarding the subject property.

Please note: Other fees including, but not limited to, Transfer Fees, Capital Contributions, Collection fees, etc. may be assessed to each property and will be disclosed on the Statement of Fees (Demand), and are not included within estimated charges outlined within this form.

CC&Rs (Required Civil Code Sec. 4525)
Village Walk Association

NOTICE:

If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

RECORDING REQUESTED BY:
COMMONWEALTH TITLE COMPANY
1029316-4
Recording Requested By
and
When Recorded Mail To:

HECHT, SOLBERG, ROBINSON & GOLDBERG LLP
Mr. John Hecht
600 West Broadway, Eighth Floor
San Diego, California 92101

This document is certified to be a true and correct copy of the original document recorded 5-4-01 as instrument No. 0283022 in the office of the Recorder of San Diego County
COMMONWEALTH LAND TITLE CO.
OF SAN DIEGO

By ______________________
Title Officer

AMENDED AND RESTATED DECLARATION OF RESTRICTIONS

FOR

VILLAGE WALK

(A CONDOMINIUM COMMON INTEREST DEVELOPMENT)

T:\AJH\Olson\Italy\CCRS-20March01.wpd

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AMENDED AND RESTATED

DECLARATION OF RESTRICTIONS

THIS DECLARATION OF RESTRICTIONS is made this 23rd day of April, 2000, by OLSON BEECH-STREET, LLC, a California limited liability company (hereinafter called "Declarant");

This Declaration is made with reference to the following

RECITALS:

A. **THE REAL PROPERTY.** Declarant is the owner of that certain real property located in the City of San Diego, County of San Diego, California, more particularly described as follows:

> LOT 1 of VILLAGE WALK CONDOMINIUMS, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 14075 filed with the County Recorder of San Diego County, California, on November 20, 2000

(the "Project").

B. **AMENDED AND RESTATED DECLARATION.** This Declaration amends, restates and replaces in its entirety that certain Declaration of Restrictions for Village Walk which was recorded March 1, 2001 with the Office of the County Recorder of San Diego County, California, as Document No. 2001-0117489.

C. **CONDOMINIUMS; MIXED USE PROJECT.** The Project will be a condominium Common Interest Development. Declarant intends to establish a condominium project under the provisions of the California CIVIL CODE. Each unit in the Project will be located within space shown as a Separate Interest on a Condominium Plan and each Separate Interest will consist of a separate interest in space within a building. There will be seventy-two (72) Condominiums in the Project. Generally, subject to the rights of Declarant set forth in this Declaration, the Project must be used for Residential Uses. However, as stated in **Article 6** below, some commercial uses are allowed in the first floor of five (5) of the Condominiums; and the first floor of two (2) of the Condominiums must be used for certain Street Level Uses.

D. **COMMON AREA AND ASSOCIATION PROPERTY.** The Common Area will consist of all portions of the Project other than the Separate Interests and the Association Property. No Association Property is presently planned for the Project and it is presently intended that structural portions of the project, any recreational facilities, common access areas and similar areas be within the Common Area. Any recreational facilities built in the Project may be used by all Members of the Association pursuant to this Declaration. Should there be any

Association Property, it shall be conveyed to the Association free of monetary liens, other than non-delinquent general and special taxes and assessments. The Common Area will be owned in undivided interests amongst the Owners.

E. **PHASED MARKETING.** Declarant presently intends that there be four (4) marketing phases for the sale of the Condominiums within the Project.

F. **COMMON PLAN OF RESTRICTIONS; BINDING ON FUTURE OWNERS.** Before selling or conveying any interests Declarant desires to subject the Project to certain covenants and restrictions for the benefit of Declarant and any and all present and future owners of the Project in accordance with a common plan as set forth in this Declaration.

NOW, THEREFORE, Declarant hereby declares that all of the Project shall be held, sold and conveyed subject to the following easements, restrictions and covenants, which are enforceable equitable servitudes as described in California CIVIL CODE Section 1354 and which are for the purpose of establishing a general plan for protecting the value and desirability of, and which shall run with, the Project and be binding on all parties having any right, title or interest in the Project, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I

DEFINITIONS

Section 1.1. **"Architectural Committee"** shall mean and refer to the person or persons which may be from time to time be appointed to such position pursuant to the Article below entitled "**ARCHITECTURAL CONTROL**".

Section 1.2. **"Articles"** shall mean and refer to the Articles of Incorporation of the Association as they may from time to time be amended.

Section 1.3. **"Association"** shall mean and refer to VILLAGE WALK ASSOCIATION, a California Nonprofit Mutual Benefit Corporation, its successors and assigns.

Section 1.4. **"Association Property"** shall mean all real property and easements owned by the Association from time to time for the common use and enjoyment of the Owners. It is not presently anticipated that there will by any Association Property.

Section 1.5. **"Board"** shall mean and refer to the Board of Directors of the Association.

Section 1.6. **"Bylaws"** shall mean and refer to the Bylaws of the Association as they may from time to time be amended.

Section 1.7. **"CCDC Permit"** shall mean the Centre City Development Permit No. 98-1113 as the same may become amended from time to time.

Section 1.8. **"Common Area"** will consist of the remainder of the Project after excluding the Separate Interests and the Association Property (if any) and will include (but not be limited to) structural portions of the building(s) in the Project, private drives, landscaped areas and recreational areas. Any pipes, wires or other utility installations which serve more than one Separate Interest but which are not owned and maintained by the City or a public utility will also be Common Area (e.g., there may be commonly used private water, storm drain and sewer systems within the Project). Telecommunications Facilities may be owned by a third party and not be part of the Common Area. "Telecommunications Facilities" refers to any and all systems, equipment, improvements, wiring and services for cable television, telecommunications, telephony, intranet, internet, information transfer, video and similar functions. It is intended that the Common Area include all portions of the building(s) in the Project, including, but not limited to, the roof, any chimneys, vents, decks, foundations, overhangs, columns and other appurtenances regardless of whether any such items lie outside the boundary lines shown on the Condominium Plan. In interpreting deeds and plans, the then existing physical boundaries of a building whether in its original state or reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or deed and those of the building.

Section 1.9. **"Common Expenses"** means and includes the actual and estimated expenses of operating the Project and any reasonable reserve for such purposes as found and determined by the Board and all sums designated common expenses by or pursuant to the condominium documents.

Section 1.10. **"Condominium"** shall mean and refer to a fee simple estate in the Project and shall consist of:

(a) A Separate Interest airspace;

(b) The exclusive right to use and occupy any Exclusive Use Area which is appurtenant to the Separate Interest;

(c) An undivided interest as tenant in common to the Common Area;

(d) An easement over the Common Area (and Association Property, if any), subject to the Association's rules, regulations and procedures.

Section 1.11. **"Condominium Plan"** shall mean and refer to the Condominium Plan or Condominium Plans recorded pursuant to California CIVIL CODE Section 1351(e) covering the Project, including such amendments thereto as may from time to time be recorded.

Section 1.12. **"Declarant"** shall mean and refer to OLSON BEECH STREET, LLC, a California limited liability company. Declarant shall also refer to (a) the assigns of Declarant who are expressly assigned the rights of Declarant and (b) successors of Declarant who become successors by operation of law or by exercise of the remedies under a mortgage, deed of trust or deed in lieu of foreclosure.

Section 1.13. **"Declaration"** shall mean and refer to this enabling Declaration of Restrictions, as it may from time to time be amended.

Section 1.14. **"Eligible Insurer or Guarantor"** shall mean and refer to an insurer or governmental guarantor who has requested notice from the Association of those matters which such insurer or guarantor is entitled to notice of by reason of this Declaration or the Bylaws of the Association and who has provided the Association with the address to which such notice is to be sent and the Condominium unit number which is encumbered by a Mortgage in which it has an interest.

<u>Section 1.15</u>. **"Eligible Mortgage Holder"** shall mean and refer to a holder of a first Mortgage on a Condominium who has requested notice from the Association of those matters which such holder is entitled to notice of by reason of this Declaration or the Bylaws of the Association and who has provided the Association with the address to which such notice is to be sent and the Condominium unit number which is encumbered by a Mortgage in which it has an interest.

<u>Section 1.16</u>. **"Exclusive Use Area"** shall mean and refer to those portions of the Common Area or Association Property to which an exclusive right to use is granted to an Owner as shown and described on the Condominium Plan. Balcony and Parking Space Exclusive Use Areas are currently planned for the Project.

<u>Section 1.17</u>. **"Member"** shall mean and refer to a person entitled to membership in the Association as provided herein.

<u>Section 1.18</u>. **"Mortgage"** shall mean and refer to a mortgage or deed of trust which encumbers a Condominium.

<u>Section 1.19</u>. **"Mortgagee"** shall mean and refer to a beneficiary under a deed of trust which encumbers a Condominium as well as a mortgagee under a Mortgage.

<u>Section 1.20</u>. **"Owner"** shall mean and refer to the record owner, whether one (1) or more persons or entities, of fee simple title to any Condominium, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

<u>Section 1.21</u>. **"Project"** shall mean and refer to:

> LOT 1 of VILLAGE WALK CONDOMINIUMS, in the City of San Diego, County of San Diego, State of California, according to Map thereof No. 14075 filed with the County Recorder of San Diego County, California, on November 20, 2000.

<u>Section 1.22</u>. **"Residential Uses"** shall mean use of a Condominium for private, single-family dwelling purposes only, and no commercial purposes other than home businesses which are allowed by City zoning ordinances.

<u>Section 1.23</u>. **"Retail Purchaser"** shall mean and refer to anyone other than a successive Declarant who purchases a Condominium from Declarant through authority of a Final Subdivision Public Report issued by the California Department of Real Estate.

<u>Section 1.24</u>. **"Separate Interest"** shall mean and refer to a separate interest in space as defined in California CIVIL CODE Section 1351(f) and as shown and described as such on the Condominium Plan. The following are Common Area and not a part of any Separate Interest: Bearing walls, columns, floors, roofs, foundations, central heating, central

refrigeration and central air conditioning equipment, reservoir tanks, pumps and other central services, pipes, ducts, flues, chutes, conduits, wires and other utility installations, wherever located, except the outlets thereof when located in the Separate Interest. Each Separate Interest shall include any door or window within a perimeter wall, the interior undecorated surfaces of bearing walls and perimeter walls, floors and ceilings, and the outlets of all utility installations in the Separate Interest, including the fire box of any fireplace located in the Separate Interest. In interpreting deeds and plans, the then existing physical boundaries of a Separate Interest, whether in its original state or reconstructed in substantial accordance with the original plans thereof, shall be conclusively presumed to be its boundaries rather than the boundaries expressed in the deed or plan, regardless of settling or lateral movement of the building and regardless of minor variance between boundaries shown on the plan or deed and those of the building.

Section 1.25. **"Shopkeeper uses"** shall have the meaning set forth in **Section 6.1** below.

Section 1.26. **"Street level uses"** shall have the same meaning as is defined in Section 103.1902 of the San Diego Municipal Code, as the same may be amended from time to time.

ARTICLE II

PROPERTY RIGHTS IN ASSOCIATION PROPERTY AND COMMON AREA

Section 2.1. **Title to the Association Property.** Should there by any Association Property within the Project, Declarant covenants for itself, its successors and assigns, that Declarant will convey to the Association the Association Property free and clear of all encumbrances and liens, except non-delinquent general and special taxes, easements, covenants, conditions and reservations then of record, including those set forth in this Declaration, prior to the conveyance of the first Condominium in the Project to a Retail Purchaser.

Section 2.2. **Owners' Easements of Enjoyment.** Every Owner of a Condominium shall have a right and easement of ingress and egress and of enjoyment in and to the Association Property and Common Area. These rights and an Owner's undivided interest in the Common Area shall be appurtenant to and shall pass with the title of each Condominium, subject to the following provisions:

(a) The right of the Board to make rules and regulations relating to the operation and use of the Association Property and Common Area including the right of the Board to restrict use of the recreational facilities to those in possession of Separate Interests and to control the hours of such use and to determine whether such facilities may be used by guests. The Association shall have no right to restrict reasonable access to a Condominium by the persons who have the right to possession of the Condominium.

(b) The right of the Board to suspend the voting rights of an Owner and right to suspend use of recreational facilities by the Owner and occupants of a Condominium:

(i) During the period of time any Association assessment against the Condominium remains delinquent; and/or

(ii) For a period of not more than thirty (30) days for any infraction of the Board's published rules and regulations after reasonable written notice and an opportunity for a hearing before the Board which satisfies the minimum requirements of California CORPORATIONS CODE Section 7341 as set forth in the Bylaws.

(c) The right of the Board, subject to the limitations stated in the Section below entitled "Approval of First Mortgagees" and subject to the restrictions stated in California CORPORATIONS CODE Section 8724, to transfer less than substantially all of the Association Property. It is specifically intended that the Board have the right to cooperate with Declarant and any Owner in adjusting the boundaries of Exclusive Use Areas or between the Association Property and other portions of the Project.

(d) The sole and exclusive right of the Association, acting through its Board, to operate, maintain and control the Association Property and Common Area except as otherwise stated in this Declaration.

(e) The right of the Board to grant or dedicate to third parties permits, licenses (which may be irrevocable), and easements over the Association Property for utilities, roads and other purposes necessary for the proper operation of the Project; and the right of the Board to convey portions of the Association Property to others in connection with a boundary adjustment requested by an adjacent property owner or public entity.

(f) The right of the Board to grant easements and licenses over the Association Property and the Common Area pursuant to this Declaration.

(g) The right of the Association, in accordance with the Articles and Bylaws, to borrow money for the purpose of improving the Association Property and to hypothecate any or all real or personal property owned by the Association.

(h) The right of access, ingress and egress over the Association Property and Common Area and the right of installation and use of utilities on the Association Property and Common Area for the benefit of the Condominiums.

(i) Declarant and its sales agents, employees and independent contractors shall have the right to the non-exclusive use of the Association Property and Common Area for the purpose of maintaining sales offices, parking, signs and flags reasonably necessary to market the Condominiums. Declarant shall have the right, during its marketing of the Project, to control those hours in which Declarant, its agents, contractors and potential buyers to have access to the Project. These rights of Declarant may be exercised only until close of escrow to Retail Purchasers of all 72 Condominiums planned for the Project.

(j) Declarant shall also have a non-exclusive easement over the Association Property and Common Area to provide access and utilities thereto for the purpose of constructing, marketing and utilizing portions of the Project owned by Declarant.

The use of the Common Area and the Association Property by Declarant and its agents shall not unreasonably interfere with the use thereof by the Class A Members of the

Association. Declarant shall repair any portion of the Association Property or Common Area which may be damaged by Declarant.

Section 2.3. **Delegation of Use.** Subject to the restrictions stated in this Declaration, any Owner may delegate, in accordance with the Bylaws and the rules and regulations of the Board, the Owner's right of enjoyment to the Association Property and Common Area and facilities to the members of the Owner's family, tenants, guests or contract purchasers who reside in the applicable Separate Interest. Each Owner shall be responsible to the Association for any damage to the Association Property and Common Area caused by such Owner or persons to whom Common Area or Association Property rights have been transferred.

Section 2.4. **Power of Attorney to Correct Errors.** The Association is hereby given a power of attorney to act on behalf of the Owners and their Mortgagees to correct errors in any Condominium Plan by executing on behalf of the affected Owners and Mortgagees an amendment to the Condominium Plan and an instrument to effect any conveyances or partial reconveyances necessary to correct such errors. The power hereby given to the Association is limited as follows:

(a) The power may be exercised only to correct errors in a Condominium Plan as evidenced by a written statement which describes the error(s) and which is signed by the engineer who prepared the Condominium Plan or by Declarant. The power hereby given may not be utilized for any other purpose.

(b) The power may not be exercised on behalf of an Owner or his or her Mortgagee if the size of the Owner's Separate Interest or Exclusive Use Area would be materially reduced by reason of the correction (a reduction in size which would reduce the value of the Separate Interest or Exclusive Use Area would be deemed a material reduction in size).

The power hereby given is coupled with an interest and may not be revoked by an Owner but may be revoked by a Mortgagee. Any such revocation by a Mortgagee shall be by means of its signed statement of revocation recorded with the County Recorder of San Diego County.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS IN ASSOCIATION

Section 3.1. **Each Owner Is A Member.** Each Owner of a Condominium shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Condominium. Each Owner is obligated promptly, fully and faithfully to comply with and conform to this Declaration and the Bylaws and the rules and regulations adopted from time to time by the Board and officers of the Association. Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of the Condominium to which it is appurtenant, and then only to the purchaser, in the case of a sale, or Mortgagee, in the case of an encumbrance of such Condominium. Any attempt to make a prohibited transfer is void. In the event the Owner of any Condominium should fail or refuse to transfer the membership registered in the Owner's name to the purchaser of his or her Condominium, the Association shall have the right to record the transfer upon its books and thereupon the old membership outstanding in the name of the seller shall be null and void.

Section 3.2. **Classes of Voting Membership.** The Association shall have two classes of voting membership:

(a) ***Class A.*** Class A Members shall be all Owners of the Condominiums with the exception of Declarant, and shall be entitled to one (1) vote for each Condominium owned. When more than one person holds an interest in any Condominium, all such persons shall be Members. The vote for such Condominium shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Condominium.

(b) ***Class B.*** The Class B Member(s) shall be the Declarant and shall be entitled to three (3) votes for each Condominium owned.

Section 3.3. **Termination of Class B Membership.** The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) The total outstanding votes held by Class A Members equal the total outstanding votes held by the Class B Member; or

(b) Two (2) years following the date of the first conveyance of record by Declarant of a Condominium to a Retail Purchaser.

Section 3.4. **Commencement of Voting Rights.** Voting rights shall be attributable to a Condominium commencing on the date the Association's regular assessments have commenced against the Condominium.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION

Section 4.1. **Covenant for Assessments.** The Declarant, for each Condominium owned, covenants, and each Owner of any Condominium by acceptance of a deed to the Condominium, whether or not so expressed in such deed, is deemed to covenant and agrees to pay to the Association: (a) regular assessments, which shall include an adequate reserve fund for periodic maintenance, repair and replacement of the Association Property and Common Area, (b) special assessments, and (c) those other assessments provided for in this Article. The regular and special assessments, together with interest, costs, late charges and reasonable attorney's fees, shall, except as stated in the **Sections 4.4 and 4.16**, be a charge and continuing lien upon the Condominium against which each such assessment is made, the lien to become effective upon recordation of a notice of assessment. Each such assessment, together with interest, costs, late charges and reasonable attorney's fees shall also be the personal obligation of the person who was the Owner of such Condominium at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them; however, the assessment shall remain a lien on the Condominium.

Section 4.2. **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of all the

Owners in the entire Project and for the improvement and maintenance of the Association Property and Common Area for the common good of the Project, to reimburse the Association for the costs incurred in bringing an Owner into compliance with the Bylaws, this Declaration and the rules and regulations adopted by the Board, and for those other purposes described in this Declaration. For example, and not by way of limitation, the assessments may include sums to pay for social events for the Owners (such as a Fourth of July party) which the Board deems appropriate to conduct or promote. The regular assessments shall be determined at least annually by the Board to meet the expenses of the Association, including the establishment of reserve accounts, based upon the annual budget adopted by the Board pursuant to the Bylaws. A special assessment is an assessment the Board, in its discretion, determines necessary if the Association's available funds are or will become inadequate to meet the estimated expenses of the Association for a fiscal year. The Board may levy the entire special assessment immediately or levy it in installments over a period the Board determines appropriate. In addition, a special assessment against a particular Owner only may be levied by the Board as set forth in **Section 4.4**.

<u>Section 4.3</u>. <u>Maximum Regular and Special Assessments</u>. The Board shall levy regular and special assessments sufficient to perform the obligations of the Association as provided in this Declaration and the Bylaws. However, the Board shall not increase the assessments during any fiscal year unless the Board has complied with the requirements of California Civil Code Section 1365(a) or unless the Board has obtained the approval of Owners casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with Section 7510) of Part 3 of Division 2 of Title 1 of the California CORPORATIONS CODE and Section 7613 of the California CORPORATIONS CODE at which a quorum was present or participated. For purposes of this Section, "quorum" means more than fifty percent (50%) of the Owners.

Except for assessment increases necessary for emergency situations, the Board may not impose annual increases in regular assessments that are in aggregate more than twenty percent (20%) greater than the regular assessments for the Association's preceding fiscal year nor special assessments which in the aggregate exceed five percent (5%) of the budgeted gross expense of the Association for the fiscal year, without the approval of Owners casting a majority of the votes at a meeting or election of the Association conducted in accordance with Chapter 5 (commencing with §7510) of Part 3 of Division 2 of Title 1 of the California CORPORATIONS CODE and §7613 of the California CORPORATIONS Code at which a quorum was present or participated. An emergency situation is any one of the following:

(a) An extraordinary expense required by an order of a court;

(b) An extraordinary expense necessary to repair or maintain the Project or any part of it for which the Association is responsible where a threat to personal safety in the Project is discovered;

(c) An extraordinary expense necessary to repair or maintain the Project or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the proforma operating budget under Section 1365 of the California CIVIL CODE. However, prior to the imposition or collection of an assessment under this Subsection (c), the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members of the Association with the notice of assessment.

Notwithstanding the above stated limitation against increases in regular assessments:

(i) The Board may increase regular assessments more than twenty percent (20%) if such increase was shown on an Association budget approved by the California Department of Real Estate and if such increase is allowed by California law;

(ii) The Board may levy special assessments pursuant to the Section in the Bylaws entitled "Limitation on Expenditure of Reserve Funds";

(iii) Sums assessed against Owners pursuant to the Section below entitled "Non-Lien Assessments (Compliance)" shall not be considered in calculating the increases in assessments; and

(iv) Sums assessed against Owners pursuant to the Section below entitled "Sub-metering of Water" shall not be considered in calculating the increases in assessments.

The due dates of assessments shall be as the Board establishes them. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Condominium have been paid. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

<u>Section 4.4</u>. **<u>Non-Lien Assessments (Compliance)</u>.** The Association may also impose a special assessment against any Owner to reimburse the Association for costs incurred in bringing an Owner and the Owner's Condominium into compliance with the provisions of the Declaration, the Bylaws and Association rules and regulations, or as a penalty imposed as a disciplinary measure for failure of an Owner or occupants of the Owner's Condominium to comply with such provisions. Such special assessment may be imposed upon the vote of the Board after notice and an opportunity for a hearing which satisfy the requirements of Section 7341 of the California CORPORATIONS CODE, as set forth in the Bylaws, and the Board shall meet in executive session if requested by the Owner being disciplined and the Owner shall be entitled to attend the executive session. Except to the extent such special assessment is to reimburse the Association for the cost of collecting assessments, the special assessment shall not constitute a lien on the Owner's Condominium and shall be assessed only against the Owner who is or was in non-compliance. The Association shall have lien rights with respect to charges imposed against an Owner which are reasonable late payment fees for delinquent assessments, interest and other charges to reimburse the Association for costs reasonably incurred (including attorney's fees) in its efforts to collect delinquent assessments.

<u>Section 4.5</u>. **<u>Schedule of Monetary Penalties</u>.** If the Association adopts a policy of imposing any monetary penalty, including any fee, on any Owner for violation of this Declaration or the rules of the Association, including any monetary penalty relating to the activities of a guest or invitee of an Owner, the Board shall adopt and distribute to each Owner, by personal delivery or first-class mail, a schedule of the monetary penalties that may

be assessed for those violations, which shall be in accordance with the authorization for Owner discipline set forth in this Declaration and the Bylaws. The Board shall not be required to distribute any additional schedules of monetary penalties unless there are changes from the schedule that was adopted and distributed to the Owners pursuant to this Section.

<u>Section 4.6</u>. <u>Rate of Regular and Special Assessments</u>. Regular and special assessments shall be levied upon each Condominium equally, except as stated below.

(a) Regular and special assessments against the Condominiums shall be weighted for the following specific items ("Weighted Budget Items"):

(i) Insurance premiums for insurance policies obtained by the Association;

(ii) Reserves for painting, roofing and resurfacing of flooring materials in the Common Area and Association Property; and

(iii) Expenses of utilities which are billed to the Association, are not separately metered or sub-metered but are supplied to all of the Separate Interests.

(b) The amount of the Weighted Budget Items to be assessed against a particular Separate Interest shall be equal to the total Weighted Budget Items to be assessed times the Square Footage Percentage applicable to the Separate Interest. The Square Footage Percentage of a Separate Interest was determined by the ratio of the approximate square footage of floor area of the Separate Interest to be assessed to the approximate square footage of floor area all the Separate Interests which are subject to assessment. **Attachment "A"** to this Declaration sets forth the Square Footage Percentage for each Separate Interest.

(c) In addition, should the Board determine that the use of any particular Separate Interest(s) or its (their) appurtenant Exclusive Use Area(s) will cause an increase in the premium(s) for any insurance policy which the Association is obligated to obtain pursuant to **Section 6.9** below, the Board shall assess the amount of the increased premium only to those particular Separate Interest(s). Any assessment pursuant to this **Section 4.6 (c)** must be based on a written statement from the insurer, or insurance agent, which provided the insurance, which details: (i) the amount of the premium increase, (ii) which particular uses of which particular Separate Interests (or their appurtenant Exclusive Use Areas) caused the increase and (iii) the allocation of the increase to each of those particular Separate Interests.

(d) This **Section 4.6** does not apply to the sums payable by reason of the Sections of this **Article** entitled "**Non-Lien Assessments (Compliance)**" ,"**Rate of Special Assessments for Repairs**", or "**Sub-metering of Water**".

<u>Section 4.7</u>. <u>Rate of Special Assessments for Repairs</u>. Any special assessment to raise funds for the rebuilding or major repair of a portion of the structural Common Area or Association Property shall be levied against each Condominium in the Project against which the Association's regular assessments have commenced. Such special assessments shall be levied upon the basis of the Square Footage Percentages.

Section 4.8. **Date of Commencement of Regular Assessments.** The regular assessments shall commence as to all Condominiums in the Project on the first day of the month following the conveyance of the first Condominium to a Retail Purchaser.

Section 4.9. **Adjustment of Assessments; Due Dates.** The Board shall fix the amount of the regular assessments against each Condominium at least thirty (30) days in advance of each fiscal year but may change the assessment amount on any subsequent occasion. The amount of regular assessments (other than special assessments) shall be determined at least annually. Unless otherwise determined by the Board, regular assessments shall be due and payable in monthly installments on the first day of each calendar month. No notice of regular assessments shall be required except for notices of changes in assessment amount or changes in due dates. Written notice of changes in the regular assessments or of any special assessment shall be sent by first class mail to every Owner subject thereto not less than thirty (30) nor more than sixty (60) days prior to the change in assessments or the special assessment becoming due.

Section 4.10. **Effect of Non-Payment of Assessments; Remedies of the Association.** Any assessment made in accordance with this Declaration (including lien and non-lien assessments) shall be a debt of the Owner of a Condominium from the time the assessment is due. Any assessment not paid within fifteen (15) days after the due date shall be delinquent. Any assessment not paid within thirty (30) days after the due date shall bear interest at the rate of twelve percent (12%) per annum from thirty (30) days after the due date until paid in full. The Association shall have the right to impose a late charge on unpaid assessments in an amount not exceeding the greater of Ten Dollars ($10.00) or ten percent (10%) of each assessment which is fifteen (15) days delinquent. At any time after any assessments levied by the Association affecting any Condominium have become delinquent, the Board may file for recording in the Office of the County Recorder of the County of San Diego a notice of delinquency as to such Condominium, which notice shall state all amounts which have become delinquent with respect to such Condominium and the costs (including attorney's fees), interest and late charges which have accrued thereon, the amount of any assessments relating to such Condominium which is due and payable although not delinquent, a description of the Condominium with respect to which the delinquent assessments are owed, the name of the record or reputed record Owner of such Condominium, and the name and address of the trustee authorized by the Association to enforce the lien by sale. Such notice shall be signed by an officer of the Association or its authorized agent.

Immediately upon recording of any notice of delinquency pursuant to the foregoing provisions of this Section, the amounts delinquent, as set forth in such notice, together with the costs (including attorney's fees), late charges and interest accruing thereon, shall (except as provided in **Sections 4.4 and 4.16**) be and become a lien upon the Condominium described therein, which lien shall also secure all other payments and/or assessments which shall become due and payable with respect to said Condominium following such recording, and all costs (including attorney's fees), late charges and interest accruing thereon. When a notice of assessment has been recorded, such assessment shall constitute a lien on each respective Condominium 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.

In the event the delinquent assessments and all other assessments which have become due and payable with respect to the same Condominium, together with all costs (including attorney's fees), late charges and interest which have accrued on such amounts, are fully paid or otherwise satisfied prior to the completion of any sale held to foreclose the lien provided for in this Article, the Board shall record a further notice, similarly signed, stating the satisfaction and releasing of such lien.

Each assessment lien may be foreclosed in the same manner as the foreclosure of a mortgage upon real property under the laws of the State of California, or may be enforced by sale pursuant to Sections 2924, 2924(b), 2924(c) and 1367 the California CIVIL CODE, and all other applicable statutes, and to that end a power of sale is hereby conferred upon the Association. The Association, acting on behalf of the Condominium Owners, shall have the power to bid for the Condominium at a foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid assessments, rent and attorney's fees shall be maintainable without foreclosing or waiving the lien.

Section 4.11. Subordination of the Lien to First Deeds of Trust and First Mortgages. The lien of the assessments, interest, costs, attorney's fees and late charges shall be subordinate to the lien of any first Mortgage upon any Condominium. Sale or transfer of any Condominium shall not affect the assessment lien. However, the sale or transfer of any Condominium pursuant to judicial or non-judicial foreclosure of a first Mortgage shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. However, the Association may treat as Common Expenses, assessable against all the Condominiums, any unpaid assessments for which lien rights have terminated. No sale or transfer shall relieve such Condominium from lien rights for any assessments thereafter becoming due.

Section 4.12. Estoppel Certificate. The Association shall furnish, upon demand by any person, a certificate signed by an officer of the Association setting forth whether the assessments on a specified Condominium have been paid. A properly executed certificate of the Association as to the status of assessments on a Condominium is binding upon the Association as of the date of its issuance.

Section 4.13. Non-Use of Association Property or Common Area. No Owner shall be exempt from personal liability for assessments levied by the Association, nor shall any Condominium be released from the liens and charges of assessments because of the non-use of the Association Property or Common Area nor because of abandonment of the Condominium.

Section 4.14. Taxation of Association. In the event that any taxes are assessed against the Common Area, Association Property or the personal property of the Association, rather than against the individual Condominiums, the taxes shall be added to the regular assessments and, if necessary, a special assessment may be levied against the Condominiums in an amount equal to the taxes, to be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

Section 4.15. Payment of Assessments By Declarant. Except as specifically stated otherwise in this Article, Declarant shall pay all assessments levied by the Association against any Condominium owned by Declarant at the same time, in the same manner and in the same amount as any other Owner.

Section 4.16. Sub-metering of Water. It is currently intended the domestic water will be supplied to the Separate Interests through master water meter(s) installed within the Project and that water and sewer services will be billed to the Association based on readings from the master meter(s). However, each Owner will be obligated to reimburse the Association in the amounts reasonably billed by the Association, or its contracting company, for the cost of the water and sewer services supplied to the Owner's Separate Interest or Exclusive Use Area based on the reading from the sub-meter(s) which monitors water consumption from the Owner's Separate Interest and Exclusive Use Area(s). In billing each Owner, the Association or its contractor shall utilize water consumption information from the sub-meters and the billing information which is provided by the supplier of water and sewer services. Should the supplier of such services charge penalties for excessive water consumption or should the supplier otherwise charge different rates for different levels of consumption, the Association may in any reasonable manner utilize such information in its allocation and determination of reimbursement amounts pursuant to this Section.

The Association shall have the right to enter into an agreement with a private water metering service to (a) read the sub-meters, (b) prepare and send the bills and (c) collect sums billed to each Owner on behalf of the Association. Alternatively, the Association may itself do any such billing activities for its reimbursement of amounts applicable to each Condominium. In no event shall the charge for reimbursement for water or sewer services be considered to be a part of the regular assessments. The reimbursement amounts so billed (whether billed by the Association or a private water metering service) shall be the personal obligation of the persons who owned the Condominium during the period of time the water being billed for was supplied to the Condominium. The charges for water or sewer services shall not constitute a lien on the Owner's Condominium. No Owner shall interfere with the reading of such sub-meters nor in any manner change or disconnect such sub-meters. The Association is hereby granted an easement for it or its agents and contractors to read, repair, realign or replace such sub-meters, wherever located.

Section 4.17. Uncompleted Facilities. The Board may (but shall have no obligation to) exclude from Association regular assessments those portions of budgeted assessments which are for the purpose of defraying expenses and reserves directly attributable to the existence of improvements to be maintained by the Association but which are not complete at the time of the assessment. Any such exemption from assessments shall be in effect only until completion of the improvements, which may be evidenced by recordation of a notice of completion for the same.

Section 4.18. Capital Contributions. Upon acquisition of record title to a Separate Interest from Declarant, the Retail Buyer of each Separate Interest within Project shall contribute One Hundred Dollars ($100.00) to the capital of the Association. This capital contribution requirement shall apply only to the Separate interests conveyed by Declarant to Retail Buyers and not to any resale of a Separate Interest. It is intended that the capital contributions made pursuant to this Section shall be deposited by the Retail Buyer into the purchase and sale escrow and disbursed from the escrow to the Association upon close of the escrow. The payments required under this Section are in addition to and not in lieu of regular and special assessments of the Association.

ARTICLE V

POWERS AND DUTIES OF ASSOCIATION

The Association shall have those powers and duties set forth in its Bylaws.

ARTICLE VI

USE OF CONDOMINIUMS

Section 6.1. **Uses.** The Condominiums shall be improved, used and occupied for the following uses only:

(a) Street Level Uses Only. The first floor of Separate Interests 201and 220 must be used only for one or more Street Level Uses:

(i) Any of the following retail shops: A grocery store, flower shop, stationary store, an art store, gift shop or hobby shop.

(ii) A restaurant or other food service shop provided that no food is prepared on site which would require external venting.

(iii) A theater.

(iv) Performing arts.

(v) Personal and convenience services such as a concierge.

(vi) Bank services.

(vii) Travel agency services.

(viii) Airline ticket services.

(ix) Child care services.

(x) A library.

(xi) A museum.

(xii) An art gallery.

(xiii) Declarant shall be allowed the uses described in **Section 6.25** below.

(xiv) Any other use which is approved by the Architectural Committee and which is allowed by the CCDC Permit and City zoning ordinances.

(b) Shopkeeper Units. The first floor of Separate Interests 202 through 206 (the "Shopkeeper Units") may be used for any of the following purposes:

(i) Residential Use.

(ii) Any use allowed by **Section 6.1 (a)** above.

(iii) Those additional uses which may be approved by the Architectural Committee.

(c) Residential Use. Except for those Declarant uses allowed by this Declaration, all other Separate Interests, and the upper floor(s) of the Shopkeeper Units and Separate Interests 201 and 220 must be used for Residential Use only.

(d) Disallowed Uses. Notwithstanding the provisions of **Sections 6.1 (a), 6.1 (b)** or **6.1 (c)** above, the following uses shall be disallowed:

(i) A use which regularly or periodically generates vibrations which are felt in any other Separate Interest. Construction or repair of improvements at Declarant's or the Association's request shall not require such approval;

(ii) A massage parlor;

(iii) A tattoo parlor;

(iv) An establishment which sells alcohol or illicit drug paraphernalia (a "head shop");

(v) An adult bookstore;

(vi) A dry cleaning establishment or other use which utilizes caustic chemicals on site (other than chemicals used in copy machines);

(vii) Any use which is not allowed by applicable laws or ordinances (such as the City zoning ordinance) or which would be contrary to the CCDC Permit or any other applicable governmental permit; or

(viii) A pet shop.

(e) Declarant Uses. Declarant may use any of the Condominiums owned by Declarant as model homes, design centers, construction offices and sales offices until (a) all the Condominiums in the Project are sold and conveyed by Declarant to Retail Purchasers, or (b) ten (10) years after the first close of escrow of a Condominium in the Project to a Retail Purchaser, whichever shall first occur.

Section 6.2. Lease of Condominium. Each Owner shall have the right to lease the Owner's Condominium provided that such lease is in writing. Each tenant shall be bound by and obligated to the provisions of this Declaration, the Bylaws and the rules and regulations of the Board, and a tenant's failure to do so shall be deemed a default under the lease. No Owner shall lease a Condominium for transient or hotel purposes and no Condominium shall be leased for a term less than twenty-six (26) days. Should the Board so request an Owner to do so, the Owner shall forward an executed copy of a lease to the Owner's Condominium to the Board together with the telephone number and street address of the residence of the Owner. Other than as provided in this Section, there shall be no restriction on the right of any Owner to lease a Condominium. Nothing herein stated shall prevent an Owner from deleting confidential information from the copy of a lease which the Owner provides to the Association.

Section 6.3. **Use Not to Impair Insurance.** No Condominium shall be occupied, improved or used for any purpose or in any manner which shall cause such Condominium or any Condominium to be uninsurable against loss by fire or the perils of the extended coverage endorsement to the California Standard Fire Policy form, or cause any such policy or policies representing such insurance to be cancelled or suspended, or the company issuing the same to refuse renewal thereof.

Section 6.4. **Animals.** No animals of any kind shall be raised, bred or kept on the Project except that a reasonable number of dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose, nor in violation of any other provision of this Declaration. A "reasonable number" as used in this Section shall ordinarily include no more than an aggregate of two (2) dogs and cats per household; provided, however, a reasonable number in any instance may be more or less depending on whether the pets constitute a nuisance to other Owners. Animals belonging to Owners, occupants or their licensees, tenants or invitees within the Project must be kept within a Separate Interest or Balcony or on a leash being held by an individual capable of controlling the animal. Each Owner shall be liable to each and all remaining Owners, their families, guests, tenants and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Project by the Owner or by members of his or her family, his or her tenants or his or her guests; and it shall be the duty and responsibility of each Owner to immediately clean up any waste from his or her animals.

Section 6.5. **Nuisance.** No Condominium shall be used in such manner as to obstruct or interfere with the enjoyment of occupants of other such areas or annoy them by unreasonable noise or otherwise, nor shall any nuisance be committed or permitted to occur in any portion of the Project. Ordinary and usual techniques of construction of Improvements permitted hereunder shall not be deemed a nuisance. Any violation of the Section above entitled "Animals" or ordinances or regulations of the City of San Diego is hereby declared to be a nuisance.

Section 6.6. **Sign Control - Residential.** This Section applies to Condominiums for which only residential uses are allowed. An Owner of a Condominium for which only residential use is allowed by this Declaration, may place one (1) sign of reasonable and customary dimensions in the window of the Owner's Separate Interest to advertise the Condominium for sale or rent. No other signs may be placed anywhere in the Project without the prior written permission of the Architectural Committee.

Section 6.7. **Sign Control - Commercial.** This Section applies to Condominiums for which commercial use is allowed. An Owner of a Condominium for which commercial use is allowed by this Declaration, may place reasonable signs on or in the window of the portion of Owner's Separate Interest which is being used commercially and to the exterior of the building adjoining that portion of the Separate Interest. **Attachment "B"** to this Declaration describes the type, size, appearance and location of signs which are deemed reasonable. Any other exterior sign must be approved by Declarant or the Architectural Committee. The sign may be used to advertise the business conducted in the Separate

Interest, the name of the business, the street address and for similar purposes. The Architectural Committee shall have the right to approve any replacement sign unless the same is substantially of the same type, size and design of the sign described on **Attachment "B "** or previously approved by Declarant or the Architectural Committee.

Section 6.8. **Sign Control - In General.** Except as provided above and except for Declarant's rights set forth in this Declaration, no other signs may be placed anywhere in the Project without the prior written permission of the Architectural Committee. All signs must conform with applicable City of San Diego ordinances. Anything contained in this Declaration to the contrary notwithstanding, Declarant shall have the right to install and maintain in any Condominium owned or leased by it, on the Association Property and Common Area prior to the sale by Declarant of all the Condominiums, such signs, poles, flags, banners and advertisements as it deems appropriate in connection with its sales program for the sale to the public of Condominiums.

Section 6.9. **Outside Antennae.** There shall be no outside television or radio antennae, masts, satellite dishes, transmitter tower or facility, poles or flag poles (other than poles or flag poles installed and maintained by Declarant in connection with its sales program for the period
set forth in **Section 6.1** above) constructed, installed or maintained in the Project for any purpose whatsoever without approval of the Architectural Committee. However, in considering whether to approve an antenna or to impose requirements on such approval, the Architectural Committee shall not violate any applicable law or regulation, including, but not limited to any applicable regulations of the Federal Communications Commission.

Section 6.10. **No Owner Modification to Association Property or Common Area.** Except as otherwise specifically provided in this Declaration, no Owner shall have the right to alter, paint, decorate, remodel, landscape or adorn any part of the Association Property or Common Area without the written consent of the Board.

Section 6.11. **No Offensive Activity.** No noxious or offensive activity shall be carried on in the Project, nor shall anything be done in the Project which may be or become an annoyance or nuisance to the others within the Project. However, the following activities shall be permitted (i) commercial uses which are consistent with the restrictions set forth in this Declaration and (ii) construction or repair of improvements made at the Board's instruction or at Declarant's instruction. Nothing shall be done in any Condominium or elsewhere in the Project which will impair the structural integrity of any building. Except as otherwise provided in this Declaration, nothing shall be altered or constructed in or removed from the Association Property or Common Area, except upon the written consent of the Board. No Owner shall allow any trash container to be within view of neighboring Condominiums, streets, Association Property and Common Area. All rubbish, trash or garbage shall be regularly removed from each Condominium and shall not be allowed to accumulate in the Project. No fences, hedges or walls shall be erected or maintained in the Project except such as are installed in accordance with the initial construction by Declarant or as provided by the Architectural Committee. No exterior clothes lines shall be erected or maintained, and there shall be no outside drying or laundering of clothes in an Exclusive Use Area or other portion of the Association Property or on the Common Area except in areas (if any) which may be approved by the Board.

Section 6.12. **Car Maintenance.** No car maintenance (other than emergency work) shall be permitted in the Project except with prior written approval of the Board.

Section 6.13. **Use of Association Property and Common Area.** Except as otherwise provided in this Declaration, the Association Property and Common Area shall be improved and used only for the following purposes:

(a) Affording vehicular passage and pedestrian movement within the Project, including access to the Condominiums;

(b) Recreational use by the Owners and occupants of Condominiums and their guests, subject to rules established by the Board;

(c) Beautification of the Project and providing privacy to the occupants of the Separate Interests through landscaping and such other means as the Board shall deem appropriate;

(d) Parking of automotive passenger vehicles in areas provided therefor as may be designated and approved by the Board by such persons, upon such terms and conditions as may from time to time be determined by the Board; the rules and regulations of the Board may be enforced by the Board, which shall have the right and power to remove vehicles from the Project at the cost of the vehicle owner and to levy monetary penalties as provided in this Declaration;

(e) As Exclusive Use Areas to be used in the manner described in this Declaration.

(f) By Declarant for marketing and construction activities; and

(g) Those additional purposes which may be allowed by the Board.

No Owner shall use or interfere with use of the Common Area or Association Property in any manner which shall result in cancellation of insurance or making insurance unavailable.

Section 6.14. **Owners Liable for Damage.** Each Owner shall be legally liable to the Association for all damages to the Project, including but not limited to, the buildings, recreational facilities and landscaping caused by such Owner, such Owner's guests (or other licensees) or any occupant of such Owner's Separate Interest as such liability may be determined under California law. Each Owner shall be responsible for compliance with the provisions of this Declaration, the Bylaws and rules and regulations of the Board by such Owner's licensees and occupants of such Owner's Condominium.

Section 6.15. **Decorating by Owner.** Except as otherwise provided in this Declaration, each Owner shall have the right, at the Owner's sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim and perimeter walls of the Owner's Separate Interest, and the surfaces of the bearing walls and partitions located within the Separate Interest. Such Owner shall have the right to substitute new finished surfaces in place of those existing on the ceiling, floors, walls and doors of his or her Separate Interest; however, without Architectural Committee approval, hard floor surfaces shall not be installed in areas in which the installation of the hard surface floor covering would increase the level of noise heard in any other Separate Interest, unless such hard surfaces replace hard surfaces previously installed by or approved by Declarant. Windows shall be covered only by drapes, curtains, shutters and shades, and shall not be painted or covered by aluminum foil, paper or similar materials. Each Owner shall have the obligation to keep in good repair all items mentioned in this Section.

Section 6.16. **Window Coverings.** Unless Declarant has done so, each Owner shall, within one hundred twenty (120) days after close of escrow for his or her Condominium, install window coverings on all windows of his or her Separate Interest which are visible from any public or private street. The exterior appearance of such window coverings must be consistent with the requirements set forth in this Article.

Section 6.17. **No Impairment of Structures.** No Owner shall make any change to his or her Condominium which would adversely affect the structural integrity of the building.

Section 6.18. **Exclusive Use Areas.** Each Exclusive Use Area shall be appurtenant to the Separate Interest it serves. Conveyance of a Separate Interest will automatically convey all appurtenant Exclusive Use Areas. No Owner shall make any improvements to an Exclusive Use Area unless such improvements have been approved or pre-approved by the Architectural Committee.

Section 6.19. **Use of Exclusive Use Areas.** Each Owner shall be entitled to use any Exclusive Use Area appurtenant to the Owner's Separate Interest for usual and ordinary purposes for which such area was designed.

(a) Each Owner shall be entitled to use the Balcony Exclusive Use Area, if any, which is appurtenant to the Owner's Separate Interest for balcony purposes.

(b) Should landscaping be placed on a Balcony, the Owner must take adequate steps to capture water from such plants and to prevent any damage to the Project or unsightly conditions. The Board shall have the right to restrict pots or other items from being placed on top of any fence or railing, or to allow the potted plants to grow on the exterior of a Balcony railing, fence or wall or portions of the building. Each Owner shall be responsible to pay for the repairs of any damage which may be caused by the placing of landscaping (including potted plants) in his or her Exclusive Use Area. No Owner shall make any improvements to his or her Balcony or other Exclusive Use Area unless and until the Architectural Committee has approved plans of such improvements showing such detail as the Architectural Committee or its consultant deems appropriate. The Architectural Committee shall have the right to restrict or prohibit any items from being placed on a Balcony which are within view of other Owner(s) and which the Architectural Committee deems to be unattractive.

(c) Each Owner assumes all risks which may result from improvements he or she makes to his or her Exclusive Use Area or Separate Interest and each Owner indemnifies and holds harmless the Association, the Architectural Committee, Declarant and each other Owner from any claim, demands, liabilities, judgments, attorney's fees and other obligations which arise out of or are incurred in connection with the installation, existence or removal of such improvements.

(d) No Owner shall interfere with the surface or any subsurface drainage of his or her Exclusive Use Area as established by Declarant nor shall any Owner install any improvements which would make it impractical to repair or replace any drainage facilities installed by Declarant. All improvements installed by an Owner in his or her Balcony shall provide for proper and adequate drainage.

(e) Each Owner shall have the right to use his or her Parking Space Exclusive Use Area for parking of automotive vehicle(s) (including cars, passenger vans and trucks). No Owner shall convert a Parking Space to any use which prevents its use for vehicular parking.

(f) The Board or Architectural Committee shall have the right to restrict those activities and improvements which it believes would have adverse structural, drainage or maintenance impacts or adverse visual or noise impacts on other Owners.

(g) The Board and the Architectural Committee shall have the right to allow Owners to exclusively use portions of the Association Property or Common Area above or below the vertical limits of any Exclusive Use Area.

Section 6.20. Handicap Parking Spaces. The Project will contain handicap parking spaces (which may be designated on the **Condominium Plan**), easements for the exclusive use of which shall be granted by Declarant to the Owners of particular Separate Interests. It is the intention of Declarant to grant Parking Space Exclusive Use Areas, including all of the handicap and regular Parking Spaces, at the time title to the Separate Interests is conveyed to the original purchasers.

The Owner of a Parking Space Exclusive Use Area which was designed as a handicap parking space and who is not, himself or herself, handicapped shall assign to the Owner or occupant of another Separate Interest in the Project who is or becomes handicapped for an extended and continuous period (regardless whether the handicapped Owner is a new Owner) the exclusive right to use such handicap Parking Space; provided such handicapped person makes available to such Owner the exclusive use of the Parking Space Exclusive Use Area the handicapped person would otherwise be entitled to use, as set forth in the deed for such other Separate Interest. Such rights to use the handicap Parking Space shall terminate when such person ceases to be handicapped. Evidence of handicap status shall be by distinguishing license plate or placard issued by the California Department of Motor Vehicles.

The Association shall have the authority and be responsible for coordinating the exchange of Parking Spaces pursuant to this Section and shall adopt rules and regulations with respect thereto, including the procedure to be followed should an Owner or occupant be handicapped and wish to use a handicap Parking Space, notice to be given to the Association and Owner, and review of the required evidence of handicap. The Association shall maintain appropriate records of such exchanges, including a copy of the evidence provided.

Section 6.21. Right of Access. Each Owner shall have the right of reasonable access for egress and ingress to and from such Owner's Separate Interest (including, but not limited to the garage portion) and Exclusive Use Areas.

Section 6.22. **Outdoor Lighting**. All private outdoor lights shall be designed and adjusted to reflect downward and avoid any impacts on adjacent homes or property.

Section 6.23. **City and CCDC Requirements**. The Association and each Owner shall at all times comply with the City of San Diego and CCDC Permit requirements.

Section 6.24. **Trash Drop Off Locations**. Certain portions of the Common Area or Association Property may be designated as trash drop off locations by the Board. The Board may adopt rules and regulations regarding the trash drop off and pick-up policies and each Owner shall comply with such regulations and policies.

Section 6.25. **Right To Combine Units**. One or more Separate Interests may be combined to comprise a single unit provided the Owner wishing to do so gives written notice to the Association and the Association reasonably determines that the combination of Separate Interests will not diminish the structural integrity of the Project. The combination of Separate Interests shall not result in any reduction of regular assessments or voting rights which would have otherwise applied to the units so combined. The area from which a Common Area wall or portion of a Common Area wall is removed by reason of the combining of Separate Interests shall be deemed a part of the combined Separate Interest after such removal.

Section 6.26. **Construction and Sales Activities**. The development, construction, marketing and sales activities of Declarant are exempt from the covenants, restrictions and limitations set forth in this Declaration. None of the covenants, restrictions and limitations set forth in this Article or elsewhere in this Declaration shall be applied to the development, construction, marketing or sales activities of Declarant or construed in such a manner as to prevent or limit development, construction, marketing or sales activities by such Declarant.

ARTICLE VII

RESPONSIBILITIES OF MAINTENANCE

Section 7.1. **Maintenance by Owners**. Each Owner of a Condominium shall be responsible for the maintenance and repair of:

(a) The Owner shall be responsible to maintain and repair the windows and the interior surfaces of doors enclosing the Separate Interest, including the metal frames, tracks and exterior screens of glass doors and windows; provided, however:

(i) The Association may require that it contract for the replacement of windows, in which event the Owner will reimburse the Association for its costs so incurred;

(ii) The Association may require that it contract for the cleaning of the exterior of some or all windows. Should the Association provide for the cleaning of the exterior of all windows, the costs thereof shall be deemed a Common Expense. Should the Association provide for the cleaning of the exterior only certain windows, the costs thereof shall be assessed only against the Owners of Separate Interests whose windows were or are to be cleaned by the Association.

(b) The Owner shall be responsible to maintain and repair the interior of the Separate Interest and all appliances whether "built-in" or freestanding within the Separate Interest.

(c) The Owner shall be responsible to maintain and repair the plumbing, electrical, cable television, water heating systems, heating systems and air conditioning systems (if any), any porch entry lighting fixtures, and other systems servicing the Owner's Condominium and located either within or without the outside perimeter of the exterior walls, floors and ceilings thereof, so long as those systems are used exclusively by such Owner and not in common. Declarant hereby reserves an easement to allow such systems to be located within the Association Property and Common Area in those locations where installed by Declarant. No Owner may permanently remove any porch entry lighting fixtures servicing his or her Separate Interest.

(d) Notwithstanding the immediately preceding **Subsection (c)**, the Board shall have the right to require that only a contractor or other person approved by the Board enter the roof or other portions of the Common Area.

(e) The Owner shall be responsible to maintain and repair the interior surfaces of any Balcony which the Owner has the exclusive right to use.

(f) The Owner of a Balcony shall be responsible to maintain the interior surface of any solid Balcony railing.

(g) The Owner of a Balcony shall be responsible to keep any drainage systems for the Balcony in good working condition at all times.

(h) The Owner shall be responsible to maintain and repair any improvements the Owner makes to his or her Exclusive Use Area.

(i) The Owner shall be responsible to do all routine maintenance (for example, sweeping and cleaning) of any Exclusive Use Area appurtenant to the Condominium, other than the Parking Spaces (however, the Owner shall be responsible to reimburse the Association for the costs of extraordinary maintenance to a Parking Space; *i.e.*, the costs to remove oil stains).

(j) This Section (j) pertains to the following Separate Interests which have entryways within non-exclusive portions of the Common Area and with direct access to streets: 201 through 206 and 213 through 220 ("Street Access Units"). Each Owner of a Street Access Unit will be responsible to do all routine maintenance (for example, sweeping and cleaning) of the walkway from the sidewalk to the Owner's Separate Interest.

Section 7.2. **Failure to Maintain**. In the event an Owner defaults in his or her maintenance or repair obligations, the Board may give written notice of such default, stating with particularity the work of maintenance or repair the Board finds to be required and requesting the same be completed in a reasonable period of time as specified in the notice. In the event the Owner fails to complete such maintenance or repair within the period specified in the notice, the Board may cause such work to be completed and assess the Owner the cost thereof.

Section 7.3. Maintenance by Association. The Association shall maintain the Association Property and Common Area, except for those items of maintenance which the Owner is required to perform pursuant to this Declaration. For example, the Association shall be responsible for eventual re-surfacing of a Balcony unless an Owner has changed the surface of his or her Balcony (any such change shall require Architectural Committee approval) and the Association shall be responsible to paint and maintain both the exterior and interior surfaces of any open railings such as iron or tubular steel railings and the exterior surfaces and structures of solid walls or fences adjoining a Balcony.

Section 7.4. Reimbursement For Excessive Costs. Each Owner shall reimburse the Association for those costs incurred which result from the Condominium occupants' excessive or neglectful use of the Exclusive Use Area or other portions of the Project.

Section 7.5. Wood-Destroying Pests. The Association shall be responsible for the repair and maintenance of the Association Property and Common Area occasioned by the presence of wood-destroying pests or organisms; provided, however, it shall be the responsibility of each Owner to maintain and repair any improvements which may have been added by such Owner to the Owner's and/or Exclusive Use Area. The Association may cause the temporary, summary removal of any occupant of the Project for such periods and at such times as may be necessary for prompt, effective treatment of wood-destroying pests or organisms. The costs of temporary relocation during the repair and maintenance by the Association shall be borne by the affected Owners and not the Association.

The Association shall give notice of the need to temporarily vacate a residence to the occupants and to the Owner, not less than fifteen (15) days nor more than thirty (30) days prior to the date of the temporary relocation. The notice shall state the reason for the temporary relocation, the date and time of the beginning of treatment, the anticipated date and time of termination of treatment, and that the occupants will be responsible for their own accommodations during the temporary relocation. Notice by the Association shall be deemed complete upon either:

(a) Personal delivery of a copy of the notice to the occupants, and sending a copy of the notice to the Owner, if different than the occupants, by first-class mail, postage prepaid at the most current address shown on the books of the Association; or

(b) By sending a copy of the notice to the occupants at the residence address and a copy of the notice to the Owner, if different than the occupants, by first-class mail, postage prepaid at the most current address shown on the books of the Association.

ARTICLE VIII

SEPARATION OF INTERESTS AND PARTITION PROHIBITED

Section 8.1. No Separation of Interests. No Owner may sell, assign, lease or convey any portion of his or her Condominium separate or apart from the entire Condominium. Any conveyance, encumbrance, judicial sale or other transfer (voluntary or involuntary) of any portion of his or her Condominium separate or apart from the entire Condominium shall be void.

Section 8.2. **No Partition.** There shall be no termination of the Project and the Common Area of the Project shall remain undivided with no judicial partition thereof except:

(a) With the approval, after substantial destruction or condemnation of the Project occurs, of at least sixty-seven percent (67%) of the total voting power of the Association and approval by Eligible Mortgage Holders who represent at least fifty-one percent (51%) of the Condominiums that are subject to Mortgages held by Eligible Mortgage Holders; or

(b) With the approval, for reasons other than substantial destruction or condemnation of the Project, of at least sixty-seven percent (67%) of the total voting power of the Association and approval by Eligible Mortgage Holders who represent at least sixty-seven percent (67%) of the Condominiums that are subject to Mortgages held by Eligible Mortgage Holders; or

(c) As allowed by California law, including California CIVIL CODE Section 1359, as the same may be amended from time to time.

An Eligible Mortgage Holder who receives a written request to give such approvals who does not deliver or mail the requesting party a negative response within thirty (30) days shall be deemed to have given such approval provided such written request was delivered by certified mail or registered mail with "return receipt" requested.

Nothing in this Section shall be deemed to prohibit partition of a cotenancy in a Condominium.

Section 8.3. **Power of Attorney.** The Association is hereby granted an irrevocable power of attorney to sell the Project for the benefit of all the Owners thereof when partition of the Owners' interests in the Project may be had pursuant to this Article. The power of attorney herein granted may be exercised upon the vote or written consent of Owners who own at least fifty percent (50%) of the Condominiums in the Project. Such power of attorney may be exercised by any two (2) Members of the Board who are hereby authorized to record a certificate of exercise in the Office of the County Recorder of the County of San Diego, which certificate shall be conclusive evidence thereof in favor of any person relying thereon in good faith.

ARTICLE IX

DAMAGE, DESTRUCTION AND CONDEMNATION OF COMMON AREA OR ASSOCIATION PROPERTY

Section 9.1. **Damage or Destruction.**

(a) If any portion of the Common Area or Association Property is damaged or destroyed by fire or other casualty, then the improvements shall be rebuilt or repaired substantially the same as the improvements existed prior to the fire or other casualty, subject to local building codes and other applicable governmental regulations, unless either of the following occurs:

(i) The cost of repair or reconstruction is more than fifty percent (50%) of the current replacement costs of all the improvements, the available insurance proceeds are not sufficient to pay for at least eighty-five percent (85%) of the cost of such repairs or reconstructions, and three-fourths (3/4ths) of the total voting power of the Association residing in Members and their Eligible Mortgagees (based upon one vote for each first Mortgage held by an Eligible Mortgagee) vote against such repair and reconstruction; or

(ii) Available insurance proceeds are not sufficient to substantially repair or reconstruct the improvements within a reasonable time as determined by the Board, a special assessment fails to receive the requisite approval (if such approval is required) as provided herein, and the Board is unable to supplement the insurance by borrowing on behalf of the Association sufficient monies to enable the improvements to be substantially repaired or reconstructed within a reasonable time.

(b) The following procedures shall be employed for disposition of insurance proceeds and guidance in reconstruction:

(i) Minor Casualty. If the cost to repair or reconstruct does not exceed the sum of Thirty Thousand Dollars ($30,000), the Board shall thereupon contract to repair and rebuild the damaged portions of the Project, in accordance with the conditions existing immediately prior to damage (modified at the discretion of the Board to comply with building codes and construction standards in effect at the time of the rebuilding) and the funds held in the insurance trust fund shall be used for that purpose. If the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, the Owners of the Separate Interests affected shall pay for the portion of the insufficiency attributed to their Separate Interest by the Board and the Board shall levy a special assessment on all Condominiums to make up any deficiency attributed to the Common Area and Association Property. The special assessment shall be subject to the provisions of this Declaration governing membership approval of special assessments and shall be levied pursuant to the Section entitled **"Rate of Special Assessments For Repairs"** of the Article above entitled **"COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION"** for purposes of raising funds for the rebuilding or repair and to make up any deficiency between the total insurance proceeds and the contract price for such repair and rebuilding, and such assessment and all insurance proceeds, whether or not subject to liens of Mortgagees, shall be paid to the account of the Association to be used for such rebuilding.

(ii) Major Casualty. If the cost to repair or reconstruct does exceed the sum of Thirty Thousand Dollars ($30,000), then:

(A) All insurance proceeds and funds borrowed by the Association, if any, shall be paid to a bank, trust company or other entity designated by the Board (the "insurance trustee") to be held for the benefit of the Owners and their Mortgagees, as their respective interests may appear. The funds shall be disbursed according to standard construction loan procedures. The Board, on behalf of the Association and of the Owners, hereby is authorized to enter into an insurance trust agreement with such insurance trustee, consistent with this Declaration, relating to its powers, duties and compensation.

(B) The Board shall obtain firm bids from two (2) or more responsible contractors to rebuild the Project in accordance with the conditions existing immediately prior to damage and destruction (modified at the direction of the Board to comply with building codes and construction standards in effect at the time of the rebuilding). The Board may also obtain an estimate from the insurance carrier of the scope of work included within the amount of the insurance coverage. To be considered, any contractor's bid shall include the premium payable for performance, labor and material payment bonds from a reputable bonding company.

(C) The Board shall, as soon as reasonably possible after receipt of such contractors' bids or insurance estimate, call a special meeting of the Owners to consider such bids or insurance estimate. Failure to call such a meeting, or to repair such casualty damage within twelve (12) months from the date such damage occurred shall be deemed, for all purposes, a decision not to rebuild the damaged or destroyed improvements.

(D) At such meeting, the Owners may elect to reject all such bids or estimates and thus not to rebuild. A vote in excess of seventy-five percent (75%) of each class of Association Members shall be required to reject all bids or estimates; provided, however, that a vote in excess, of fifty percent (50%) shall be sufficient to reject any bid or estimate requiring more than Fifteen Thousand Dollars ($15,000) over and above insurance proceeds for such reconstruction, repair or rebuilding. Failure of the Owners to reject all bids and estimates shall authorize the Board to accept the unrejected bid it considers most favorable; provided, however, that if acceptance of any such bid would require the levy of a special assessment, such acceptance shall only be granted following membership approval of such special assessment, as required by this Declaration. If such membership approval is not obtained, the bid shall be deemed to have been rejected.

(E) If the Owners vote to not repair or rebuild the Project, then each Owner (and the Owner's Mortgagee(s) as their respective interests shall then appear) shall be entitled to receive that portion of insurance proceeds equal to the proportion of the decrease in fair market value of the Owner's Condominium as compared to the aggregate decrease in fair market values of all the Condominiums in the Project caused by such damage or destruction. The decreases in fair market value shall be determined by two MAI (Member Appraisal Institute of the American Institute of Real Estate Appraisers) appraisers selected by the Board and hired by and at the expense of the Association. If the two appraisers are unable to agree on a third, then the third shall be appointed by the presiding Judge of the Superior Court of the State of California for the County. The decreases in the market value of the respective Condominiums shall then be the average of the three values submitted by each of the appraisers.

(F) If a bid or estimate is accepted, the Board shall levy a special assessment to make up any deficiency between the total insurance proceeds or insurance work and the cost for such repairs or rebuilding, and such assessment and all insurance proceeds, whether or not subject to liens of Mortgages, shall be paid to the insurance trustee to be used for such rebuilding. The special assessment shall be levied pursuant to the Section above entitled **"Rate of Special Assessments For Repairs"** of the Article above entitled **"COVENANT FOR MAINTENANCE ASSESSMENTS TO ASSOCIATION"** for purposes of raising funds for the rebuilding or repair and to make up any deficiency between the total insurance proceeds and the contract price for such repair and rebuilding.

(c) Notwithstanding any provision in this Section to the contrary, if the insurance carrier offers the full amount required to repair and restore all of the damage, then the Board shall contract to repair and rebuild the damaged portions of the Project in the manner provided above for a minor casualty.

(d) Without waiting to obtain insurance settlements or bids, the Board may undertake such emergency repair work after a casualty as it may deem necessary or desirable under the circumstances.

Section 9.2. Condemnation. If any portion of the Common Area is taken by condemnation, eminent domain or any proceeding in lieu thereof, then all the Owners of the Project, and their Mortgagees as their respective interests then appear, shall be entitled to receive a distribution from the award for such taking in the same proportion as insurance proceeds would be distributed pursuant to **Subsection 9 (b) (ii) (E)** above; provided, however, that should it be determined to repair or rebuild any portion of the Common Area, such proceeds shall be paid to the Association for that purpose in the same manner and subject to the same terms, conditions and limitations as are set forth above in this Article for repairing damaged or destroyed portions of the Common Area. A decision to repair or rebuild shall be made in the same manner and subject to the same conditions and limitations as provided above in this Article for determining whether to rebuild or repair following damage or destruction.

Section 9.3. Insurance.

(a) The Association shall obtain and continue in effect at least the following insurance:

(i) A master fire insurance policy with glass coverage and extended coverage endorsement for one hundred percent (100%) of the current replacement cost of all of the Common Area and Association Property improvements within the Project, excluding land, foundations, excavations and other items that are usually excluded from insurance coverage. The master fire policy shall also cover standard improvements installed in the Separate Interests used for residential purposes *i.e.*, those appliances, cabinets, mirrors, utility fixtures and other improvements located within the Separate Interests provided by Declarant to the initial Owners of Condominiums, but excluding upgrades to any of the foregoing and further excluding items not supplied by Declarant to initial purchasers; ***neither appliances nor improvements in portions of Separate Interests used for any commercial use (other than home business allowed as a permitted residential use) shall be covered by the master policy, other than doors and interior walls.*** The maximum deductible amount shall be the lesser of $10,000 or one percent (1%) of the policy face amount. The form and content of such policy must satisfy the requirements of the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") and shall contain the following endorsements:

(A) An Inflation Guard Endorsement, when it can be obtained.

(B) A construction code endorsement, if there is a construction code provision that would require changes to undamaged portions of the building(s) even when only part of a building is destroyed by an insured hazard (typical endorsements include Demolition Cost Endorsements, Contingent Liability From Operation of Building Laws Endorsement and Increased Cost of Construction Endorsement).

(C) A Special Condominium Endorsement which states the policy shall provide that any insurance trust agreement will be recognized; the right of subrogation against Owners will be waived; the insurance will not be prejudiced by any acts or omissions of Owners that are not under the control of the Association; and the policy will be primary, even if an Owner has other insurance that covers the same loss.

(ii) A comprehensive general liability and property damage insurance policy with cross liability endorsement, if available, insuring the Association, any manager, the Declarant, and the Owners against liability incident to ownership or use of the Association Property and Common Area. The limits of such insurance shall not be less-than $3 Million covering all claims for death, personal injury and property damage arising out of a single occurrence or such other minimum amount which meets the requirements of CIVIL CODE § 1365.9. The form and content of the comprehensive general liability policy must satisfy the requirements of FNMA and FHLMC.

(iii) A policy insuring the Association's officers and directors against liability for their negligent acts or omissions while acting in their capacity as officers and directors. The limits of such insurance shall be not less than $1 Million for all claims arising out of a single occurrence or such other minimum amount which meets the requirements of Civil Code § 1365.7.

(iv) Section 1365.7 of the California CIVIL CODE provides for a partial limitation on the liability of volunteer officers and directors of the Association who reside in a Separate Interest, provided that certain requirements, as set forth in the Code section, are satisfied. The requirements include that general liability insurance and insurance covering individual liability of officers and directors for negligent acts or omissions be carried by the Association in specified amounts. The Association shall maintain general liability insurance and insurance covering individual liability of officers and directors for negligent acts or omissions in amounts which satisfy the requirements of the Code to limit the liability of volunteer officers and directors of the Association.

(v) A fidelity bond covering members of the Board, officers and employees of the Association and employees of any manager or managing agent, whether or not such persons are compensated for their services, naming the Association as obligee and written in an amount equal to at least three (3) months' aggregate regular assessments (including reserves) by the Association against all Condominiums then subject to assessment.

(vi) Workers' compensation insurance covering any employees of the Association.

(vii) A policy covering all loss to personal property owned by the Association insured with coverage in the maximum insurable fair market value of such personalty as determined annually by an insurance carrier selected by the Association. Insurance proceeds for improvements in the Association Property and personal property owned by the Association shall be payable to the Association.

(b) Insurance premiums for the master policy and other insurance obtained by the Association (other than the cost of indorsements which cover only particular Owners) shall be a Common Expense to be included in the regular assessments levied by the Association. Each Owner shall be responsible to pay any deductible amount for any loss to his Condominium. Each Owner may separately insure the improvements not covered by the master fire insurance policy and personal property within the Owner's Condominium. However, no Owner shall insure a Condominium in any manner which would cause any diminution in insurance proceeds from the master policy. Should any Owner violate this provision the Owner shall be responsible to the Association for any such diminution.

(c) All insurance policies shall provide that they shall not be cancelable by the insurer without first giving at least ten (10) days' prior notice in writing to the Association and the servicer of each first Mortgage which requests such notice, and shall contain a waiver of subrogation by the insurers against the Association, Board and Owners.

(d) The Association shall maintain such insurance coverage as may be required by FNMA or FHLMC so long as either FNMA or FHLMC, respectively, holds a Mortgage on or owns any Condominium.

(e) Nothing herein stated shall prevent the Association from obtaining additional amounts of insurance or from adding to the items covered by a master policy.

Section 9.4. Mortgagee Approval. Any restoration or repair of the Project after a partial condemnation or damage due to an insurable hazard shall be performed substantially in accordance with original plans and specifications, unless other action is approved by Eligible Mortgage Holders of first Mortgages on Condominiums which have at least fifty-one percent (51%) of the votes of Condominiums subject to Eligible Mortgage Holders' Mortgages.

ARTICLE X

DAMAGE, DESTRUCTION AND CONDEMNATION OF SEPARATE INTERESTS

Section 10.1. Damage or Destruction. In the event of damage or destruction to any Separate Interest or Exclusive Use Area improvements which the Owner is obligated to maintain, the Owner shall reconstruct the same as soon as reasonably practicable (unless the Association is not required to repair surrounding damaged Association Property or Common Area pursuant to the other provisions of this Declaration). The Owner shall be entitled to the benefit from an equitable distribution of the master policy of casualty insurance referred to in **Article IX** above to the extent the distribution covers the damage or destruction of elements of the Condominium which are the obligation of the Owner to repair as provided in this Section.

Section 10.2. Condemnation. In the event of any taking of a Separate Interest or Exclusive Use Area, the Owner of the Condominium (and such Owner's Mortgagees as their interests may appear) shall be entitled to receive the award for such taking and after acceptance thereof the Owner and the Owner's Mortgagee shall be divested of all further interest in the Project and membership in the Association if such Owner shall vacate the Condominium as a result of such taking of the Separate Interest. In such event the Owner shall grant the Owner's remaining interest in the Common Area appurtenant to the Separate Interest so taken, if any, to the other Owners owning a fractional interest in the same Common Area, such grant to be in proportion to the fractional interest in the Common Area then owned by each.

Section 10.3. Mortgagee Approval. Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, shall be performed substantially in accordance with original plans and specifications, unless other action is approved by Eligible Mortgage Holders of first Mortgages on Condominiums which have at least fifty-one percent (51%) of the votes of Condominiums subject to Eligible Mortgage Holders' Mortgages.

ARTICLE XI

CONDEMNATION OF ASSOCIATION PROPERTY

In the event the Association Property or any portion thereof shall be taken for public purposes of condemnation as a result of any action or proceeding in eminent domain, or shall be transferred in lieu of condemnation to any authority entitled to exercise the power of eminent domain, then the award or consideration for such taking or transfer shall be paid to and belong to the Association.

ARTICLE XII

ASSOCIATION'S RIGHT OF ENTRY

For the purpose of performing the maintenance of the Association Property and Common Area or for any other purpose reasonably related to the performance by the Board of its responsibilities under this Declaration, the Association's agents or employees shall have the right to enter any Separate Interest, Exclusive Use Area or upon any portion of the Association Property and Common Area to effect repairs, improvements, replacements or maintenance as necessary; provided, however, except in case of an emergency, there shall be no entry into a Separate Interest or Exclusive Use Area without (a) a court order allowing such entry or (b) the Owner's consent, which consent shall not unreasonably be withheld and shall be presumed if the Owner makes no objection to such entry within three (3) days after the Board delivers notice of its intent to enter. When there is an entrance into any Separate Interest or Exclusive Use Area such entrance shall be made with as little inconvenience to the Owner as possible and any damage caused shall be repaired by the Association.

ARTICLE XIII

ADDITIONAL EXCLUSIVE EASEMENTS AND LICENSES

The Board shall have the right to grant the following additional easements and licenses:

Section 13.1. **Common Area Licenses.** The Board shall have the right to grant irrevocable licenses for Owners to exclusively use portions of the Common Area adjoining the Owners' Exclusive Use Area, provided that the granting of such licenses would not materially and adversely affect any Owner's use of the Common Area.

Section 13.2. **Association Property.** The Board shall have the right to grant easements for Owners to exclusively use portions of the Association Property adjoining the Owners' Exclusive Use Area, provided that the granting of such easements would not materially and adversely affect any Owner's use of the Association Property.

ARTICLE XIV

ARCHITECTURAL CONTROL

Section 14.1. **Architectural Committee.** Except as specifically stated in the Declaration to the contrary, no Owner shall make any improvements or exterior changes to any improvements to any portion of a Condominium which would be within view outside of the Separate Interest (*e.g.*, in an Exclusive Use Area) or which result in any structural change to any building or would otherwise be within the jurisdiction of the Architectural Committee pursuant to this Declaration until the plans and specifications therefor showing the nature, design, kind, shape, height, width, color, materials and location have been submitted to and approved in writing by the Architectural Committee. The Architectural Committee shall consist of less than one (1) person nor more than five (5) persons. All members of the Architectural Committee may be appointed and replaced by Declarant until one (1) year following issuance by the California Department of Real Estate of the original Final Subdivision Public Report for the Project. Thereafter, a majority of the members of the Architectural Committee may be appointed and replaced by Declarant and a minority of the members of the Architectural Committee may be appointed or replaced by the Board until ninety percent (90%) of the Condominiums planned for the Project have been conveyed of record to Retail Purchasers or until five (5) years following issuance by the California Department of Real Estate of the original Final Subdivision Public Report for the Project, whichever shall first occur. Thereafter, all members of the Architectural Committee may be appointed or replaced by the Board. Architectural Committee members need not be Members of the Association. Persons submitting proposals or plans and specifications to the Architectural Committee (each person is referred to as the "Applicant") must obtain a dated, written receipt for such plans and specifications and furnish the Architectural Committee with the address to which communications from the Architectural Committee to the Applicant are to be directed.

Section 14.2. Architectural Committee Approval. The Architectural Committee shall approve proposals or plans and specifications submitted for its approval only if it deems that the construction, alteration, addition or other construction activity contemplated thereby in the locations indicated will not be detrimental to the Project or the appearance of the Project and surrounding real property as a whole, and that the appearance of any structure or other improvement will be in harmony with the surrounding structures and improvements. However, the Architectural Committee shall have the right from time to time to categorically exempt certain types of improvements from review by the Architectural Committee. The Architectural Committee will not have jurisdiction to require removal of any improvements which were exempt from Architectural Committee approval when installed. However, the Architectural Committee does have jurisdiction to approve or disapprove any changes to such improvements.

Section 14.3. Other Approvals. In addition to Architectural Committee approval, improvements to a Condominium may require a building permit or other approval from the City of San Diego or Centre City Development Corporation.

Section 14.4. Approved Conditions. The Architectural Committee may condition its approval of proposals or plans and specifications on such changes thereto as it deems appropriate, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Architectural Committee may adopt, amend or supplement the architectural guidelines (i) concerning design and materials standards, rules and guidelines for construction activities; (ii) setting forth procedures for the submission of plans for approval; (iii) requiring a reasonable fee ("Review Fee") payable to the Association for any costs involved to accompany each application for approval; and (iv) specifying additional factors which it will take into consideration in reviewing submissions. The Architectural Committee may require such detail in plans and specifications submitted for its review as it deems proper. Until receipt by the Architectural Committee of all plans, specifications or other materials deemed necessary by the Architectural Committee, the Architectural Committee may postpone review of any plans submitted for approval.

Section 14.5. Notification. Decisions of the Architectural Committee and the reasons for decisions shall be transmitted by the Architectural Committee to the Applicant at the address set forth in the application for approval within forty-five (45) days after receipt by the Architectural Committee of all materials required by the Architectural Committee. Any application submitted pursuant to this Article shall be deemed approved, unless the Architectural Committee's written disapproval or a request for additional information or materials is transmitted to the Applicant within forty-five (45) days after the date of receipt by the Architectural Committee of all required materials.

Section 14.6. Waiver. The approval of the Architectural Committee of any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Architectural Committee shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters whatever subsequently or additionally submitted for approval or consent.

Section 14.7. No Liability. Neither the Architectural Committee, nor any members of the Architectural Committee, nor their duly authorized representatives, shall be liable to any Applicant or Condominium Owner for any loss, damage or injury arising out of or in any way connected with the performance of the Architectural Committee's duties, unless due to the willful misconduct of the Architectural Committee.

Section 14.8. Variances. The Architectural Committee may authorize variances from compliance with any of the architectural provisions of this Article. Such variances must be in writing, and must be signed and acknowledged by at least a majority of the members of the Architectural Committee. The granting of a variance shall not operate to waive any of the terms and provisions of this Article for any purpose except as to the particular property and particular provision covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all laws and regulations of any governmental authority affecting the use of his Condominium, including, but not limited to, zoning and building requirements of any governmental agency or entity having jurisdiction over the Condominium.

Section 14.9. Architectural Committee Guidelines. The Architectural Committee may adopt rules for the conduct of its affairs and design guidelines. The architectural guidelines of the Architectural Committee may provide for the pre-approval of certain specified types or categories of improvements. The Architectural Committee may from time to time adopt, supplement or amend architectural guidelines to establish, expand, limit or otherwise modify the categories and criteria for any pre-approved improvements.

Section 14.10. Declarant Exemption; Declarant Rights. This Article shall not apply to, and the Architectural Committee shall have no authority or responsibility to review or approve any, improvements made by Declarant on any Condominium, the Association Property or to the Common Area. Furthermore, nothing in this Declaration shall be understood or construed to apply to Declarant's construction or marketing activities, nor to require Declarant to seek or obtain Architectural Committee approval of any improvement constructed or placed by Declarant on any portion of the Project, provided Declarant does not unreasonably interfere with the use of the Association Property or the Common Area by any Owner, and Declarant does not unreasonably interfere with the use by an Owner of his Condominium.

ARTICLE XV

ENFORCEMENT

Section 15.1. **Enforcement.** The Association, Declarant, and/or any Owner shall have the right to enforce against one another, by any proceeding at law or in equity, all restrictions, covenants, reservations, liens and charges now or hereafter imposed by this Declaration. The CCDC and City shall have the right, but not the obligation, to enforce the provisions of this Declaration in the same manner as any Owner.

Section 15.2. **No Waiver.** Failure by the Association, Declarant, the City or any Owner to enforce any provision of this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE XVI

MEDIATION AND JUDICIAL REFERENCE

Section 16.1. **Definitions.** The following words will have the following meanings for purposes of this Article:

(a) "**Construction Defect Dispute**" shall mean and refer to any dispute between an Owner or the Association and Declarant which dispute relates to the use or condition of the Project or any improvements to the Project. Construction Defect Disputes include, but are not limited to, disputes regarding boundaries, surveys, soils conditions, grading, design, specifications, construction, installation of improvements or disputes which allege breach of implied or express warranties as to the condition of the Project.

(b) "**Claimant**" refers the Association or any past of present Owner who intends to make a claim for Construction Defect against Declarant.

Section 16.2. **Dispute Notification and Resolution Procedure.** Any Construction Defect Dispute shall be subject to the following provisions:

(a) ***Notice***. Any Claimant with a claim against Declarant shall notify Declarant in writing of the claim, which writing shall describe the nature of the claim and the proposed remedy (the "**Claim Notice**").

(b) ***Right to Inspect and Right to Corrective Action.*** Within a reasonable period after receipt of the Claim Notice, which period shall not exceed sixty (60) days, Declarant and the Claimant shall meet at a mutually-acceptable place within the Project to discuss the claim. At such meeting or at such other mutually-agreeable time, Declarant and its representatives shall have full access to the property that is subject to the claim for the purposes of inspecting the same. The parties shall negotiate in good faith in an attempt to resolve the claim. If Declarant elects to take any corrective action, Declarant and its representatives and agents shall be provided full access to the property subject to the claim to take and complete corrective action.

(c) ***Civil Code Sections 1368.4 and 1375.*** Nothing contained herein shall be deemed a waiver or limitation of the provisions of California CIVIL CODE Section 1368.4. If the claim is subject to the provisions of CIVIL CODE Section 1375 as it may be amended from time to time, compliance with the procedures of CIVIL CODE Sections 1375 (b), (d) and (e) shall satisfy the requirements of **Sections 16.2 (a) and 16.2 (b)** above.

(d) ***Mediation.*** If the parties cannot resolve the claim pursuant to the procedures described in subsection (b) above, (including, if applicable, CIVIL CODE Section 1375 procedures) the matter shall be submitted to mediation pursuant to the mediation procedures adopted by the American Arbitration Association or any successor thereto or to any other entity offering mediation services that is acceptable to the parties. No person shall serve as a mediator in any dispute in which the person has any financial or personal interest in the result of the mediation, except by the written consent of all parties. Prior to accepting any appointment, the prospective mediator shall disclose any circumstances likely to create a presumption of bias or to prevent a prompt commencement of the mediation process.

(i) Within ten (10) days of the selection of the mediator, each party shall submit a brief memorandum setting forth its position with regard to the issues that need to be resolved. The mediator shall have the right to schedule a pre-mediation conference and all parties shall attend unless otherwise agreed. The mediation shall be commenced within ten (10) days following the submittal of the memoranda and shall be concluded within fifteen (15) days from the commencement of the mediation unless the parties mutually agree to extend the mediation period. The mediation shall be held in the county in which the Project are located or such other place as is mutually acceptable to the parties.

(ii) The mediator has discretion to conduct the mediation in the manner in which the mediator believes is most appropriate for reaching a settlement of the dispute. The mediator is authorized to conduct joint and separate meetings with the parties and to make oral and written recommendations for settlement. Whenever necessary, the mediator may also obtain expert advice concerning technical aspects of the dispute, provided the parties agree and assume the expenses of obtaining such advice. The mediator does not have the authority to impose a settlement on the parties.

(iii) Prior to the commencement of the mediation session, the mediator and all parties to the mediation shall execute an agreement pursuant to California EVIDENCE CODE Section1152.5(e) or successor statute in order to exclude the use of any testimony or evidence produced at the mediation in any subsequent dispute resolution forum, including, but not limited to, court proceedings, reference proceedings or arbitration hearings. Pursuant to California EVIDENCE CODE Section1152.5(a), the agreement shall specifically state that evidence of anything said or of any admission made in the course of the mediation is not admissible evidence, and disclosure of any such evidence shall not be compelled in any civil action in which, pursuant to law, testimony can be compelled to be given. Unless the document provides otherwise, no document prepared for the purpose of, or in the course of, or pursuant to, the mediation, or copy thereof, is admissible in evidence; and disclosure of any such document shall not be compelled in any civil action in which, pursuant to law, testimony can be compelled to be given.

(iv) Persons other than the parties, the representatives and the mediator may attend mediation sessions only with the permission of the parties and the consent of the mediator. Confidential information disclosed to a mediator by the parties or by witnesses in the course of the mediation shall not be divulged by the mediator. All records, reports, or other documents received by the mediator while serving in such capacity shall be confidential. There shall be no stenographic record of the mediation process.

(v) The expenses of witnesses for either side shall be paid by the party producing such witnesses. All other expenses of the mediation, including required traveling and other expenses of the mediator, and the expenses of any witnesses, or the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the parties unless they agree otherwise. Each Owner and the Association covenants that each shall forbear from commencing any litigation against Declarant without first complying with the procedures described in this Section.

Section 16.3. Judicial Reference of Certain Disputes. Any Construction Defect Dispute against Declarant shall be submitted to general judicial reference pursuant to California CODE OF CIVIL PROCEDURE Sections 638(l) and 641-645 or any successor statutes thereto, and all parties shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the judicial reference proceeding.

Section 16.4. Provisions Applicable To Judicial Reference. The following provisions apply to any such judicial reference:

(a) The parties waive their right to a jury trial.

(b) The fee, if any, required to initiate the judicial reference proceedings shall be funded by Declarant; however, the costs and fees of such proceeding shall ultimately be borne as determined by the referee. Each party shall bear his or her own attorney's fees as his or her sole costs and expense.

(c) The general referee shall have the authority to try all issues, whether of fact or law, and to report a statement of decision to the court. Within ten (10) days of receipt by any party of a written request to resolve any dispute between them pursuant to this Section, the parties shall agree upon a single referee who shall try all issues, whether of fact or law, and report a finding and judgment on such issues. If the parties are unable to agree upon a referee within such ten (10) day period, then any party may thereafter seek to have a referee appointed under the California Code of Civil Procedure Section 638 and 640. If the referee is appointed by the Court the referee shall be a retired judge from JAMS/ENDISPUTE, INC., the American Arbitration Association or similar mediation/arbitration entity. In appointing the referee, the referee may be challenged for any of the grounds listed in Section 641 of the California Code of Civil Procedure. The following rules and procedures shall apply in all cases unless the parties agree otherwise:

(i) The proceedings shall be heard in San Diego County;

(ii) The referee may require one or more pre-hearing conferences;

(iii) The parties shall be entitled to conduct all discovery as otherwise provided in the California CODE OF CIVIL PROCEDURE, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge;

(iv) A stenographic record of each hearing and the trial shall be made;

(v) The referee's statement of decision shall contain findings of fact and conclusions of law to the extent applicable; and

(vi) The referee shall have the authority to rule on all post-hearing motions in the same manner as a trial judge.

(d) The statement of decision of the referee upon all of the issues considered by the referee is binding upon the parties, and upon filing of the statement of decision with the clerk of the Court, or with the judge where there is no clerk, judgment may be entered thereon. The decision of the referee will stand as the decision of the Court and any decision of the referee may be excepted to and reviewed in like manner as if made by the Court. This provision shall in no way be construed to limit any valid cause of action which may be brought by any of the parties.

Section 16.5. **Judicial Reference In Purchase Agreements.** The limitation of this Article to the mediation or judicial reference of only certain controversies, claims or disputes shall not be deemed to supersede any written agreement (*e.g.,* purchase agreement) between Declarant and an Owner which may provide for the mediation or judicial reference of additional controversies, claims or disputes.

ARTICLE XVII

ADDITIONAL PROVISIONS

Section 17.1. **Severability.** Should any provision in this Declaration be void or become invalid or unenforceable in law or equity by judgment or court order, the remaining provisions hereof shall be and remain in full force and effect.

Section 17.2. **Amendments Prior to Escrow Closings.** Prior to the date escrow closes for any sale of a Condominium to a Retail Purchaser, this Declaration may be unilaterally amended by Declarant.

Section 17.3. **Amendments After Escrow Closings.** The following provisions shall apply after the close of the first escrow for a sale of a Condominium to a Retail Purchaser. During the period of time prior to conversion of the Class B membership to Class A membership, this Declaration may be amended by an instrument in writing signed by the President or Secretary of the Association certifying that at least sixty-seven percent (67%) of the voting power of each class of Members of the Association have approved the amendment. After conversion of the Class B membership in the Association to Class A membership, the Declaration may be amended by an instrument in writing signed by the President or Secretary of the Association certifying that the following have approved the amendment: (a) at least sixty-seven percent (67%) of the total voting power of the Association, and (b) at least sixty-seven percent (67%) of the voting power of Members of the Association other than Declarant. The percentage of voting power necessary to amend a specific clause or provision of this Declaration shall not be less than any percentage of affirmative votes prescribed for action to be taken under that clause. An amendment shall become effective upon the recording thereof by the Office of the County Recorder of the County of San Diego, California.

Section 17.4. Mortgagee Approval of Amendment. Anything contained herein to the contrary notwithstanding, no amendment material to a Mortgagee may be made to this Declaration without the prior written consent of Eligible Mortgage Holders whose Mortgages encumber fifty-one percent (51%) or more of the Condominiums within the Project which are subject to Eligible Mortgage Holder Mortgages. For purposes hereof, any amendments to provisions of this Declaration governing any of the following subjects, shall normally be deemed "material to a Mortgagee":

(a) Voting rights.

(b) Assessment liens and the priority of assessment liens and the right of Eligible Mortgage Holders to approve increases in regular assessments of in aggregate more than twenty-five percent (25%) during any fiscal year from the regular assessments assessed during the previous fiscal year.

(c) The right of Eligible Mortgage Holders to approve reductions in reserves for maintenance, repair and replacement of the Association Property and the Common Area.

(d) Responsibility for maintenance and repairs.

(e) Reallocation of interests in the Common Area or Association Property (including Exclusive Use Area) or rights to its use.

(f) Redefinition of boundaries.

(g) Convertibility of Separate Interests into Common Area or Association Property and vice versa.

(h) Hazard or fidelity insurance requirements.

(i) Imposition of any restrictions on the leasing of Condominiums.

(j) Imposition of any right of first refusal or similar restriction on the right of a Condominium Owner to sell, transfer or otherwise convey the Owner's Condominium.

(k) Restoration or repair of the Project (after a hazard or partial condemnation) in a manner other than specified herein.

(l) Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs.

(m) Any provision which, by its terms, is specifically for the benefit of the first Mortgagees, or specifically confers rights on first Mortgagees.

An Eligible Mortgage Holder who receives a written request to approve amendments (including additions) who does not deliver or mail to the requesting party a negative response within thirty (30) days, shall be deemed to have approved such request provided that such written request was delivered by certified mail or registered mail, with "return receipt" requested.

Section 17.5. Extension of Declaration. Each and all of these covenants, conditions and restrictions shall terminate sixty (60) years following the recordation of this Declaration of Restrictions with the Office of the County Recorder of the County of San Diego, after which date they shall automatically be extended for successive periods of ten (10) years unless all the Owners have executed and recorded at any time within six (6) months prior to said sixty (60) year period, or within six (6) months prior to the end of any such ten (10) year period, in the manner required for a conveyance of real property, a writing in which it is agreed that said restrictions shall terminate at the end of said sixty (60) year period or at the end of any such ten (10) year period.

Section 17.6. Enforcement Litigation. Except as provided in **Article XVI** above, in the event the Association, Declarant or any Owner shall commence litigation to enforce any of the covenants or restrictions contained in this Declaration, the prevailing party in such litigation shall be entitled to costs of suit and such attorney's fees as the Court may adjudge reasonable and proper. The "**prevailing party**" shall be the party in whose favor a final judgment is entered.

Section 17.7. Encroachment Easements. Easements are hereby reserved in favor of the Owner of each Condominium and the Association over all adjoining Condominiums, the Association Property and Common Area for the purpose of accommodating any minor encroachments due to engineering errors, errors in original construction, repair, settlement or shifting of any building, or any other cause. There shall be easements for the maintenance of said encroachments as long as they shall exist, and 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 the encroachment occurred due to the willful misconduct of any Owner. In the event any portion of a structure in the Project is partially or totally destroyed and then repaired or rebuilt, each Owner agrees that minor encroachments over adjoining Condominiums, Association Property or Common Area shall be easements for the maintenance of said encroachments so long as they shall exist.

Section 17.8. Special Responsibilities of Association. In the event that the improvements to be installed by Declarant to the Association Property or Common Area have not been completed prior to the issuance by the California Department of Real Estate of a Final Subdivision Public Report covering the Project and in the further event that the Association is the obligee under a bond to secure performance by the Declarant to complete such improvements, then if such improvements have not been completed and a Notice of Completion filed within sixty (60) days after the completion date specified in the Planned Construction

Statement appended to the bond, the Board shall consider and vote upon the question of whether or not to bring action to enforce the obligations under the bond. If the Association has given an extension in writing for the completion of any such improvement then the Board shall consider and vote on said question if such improvements have not been completed and a Notice of Completion filed within thirty (30) days after the expiration of the extension period. In the event that the Board determines not to take action to enforce the obligations secured by the bond, or does not vote on the question as above provided, then, in either such event, upon petition signed by Members representing not less than five percent (5%) of the total voting power of the Association, the Board shall call a special meeting of the Members of the Association to consider the question of overriding the decision of the Board or of requiring the Board to take action on the question of enforcing the obligations secured by the bond. Said meeting of Members shall be held not less than thirty-five (35) days nor more than forty-five (45) days following receipt of the petition. At said meeting a vote of a majority of the voting power of the Members of the Association, excluding the vote of Declarant, to take action to enforce the obligations under the bond shall be deemed to be the decision of the Association, and the Board shall thereafter implement the decision by initiating and pursuing appropriate action in the name of the Association.

Section 17.9. Limitation of Restrictions on Declarant. Declarant is undertaking the work of construction of residential Condominium dwellings and incidental improvements within the Project. The completion of that work, and the sale, rental and other disposal of said Condominium dwellings is essential to the establishment and welfare of the Project as a residential community. In order that Declarant's work may be completed and the Project may be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to:

(a) Prevent Declarant, its contractors or subcontractors from doing in the Project whatever is reasonably necessary or advisable in connection with the completion of such work; or

(b) Prevent Declarant or its representatives from erecting, constructing and maintaining on any part of the Project such structures as may be reasonable and necessary for the conduct of its business of completing such work and establishing the Project as a residential community and disposing of the same in parcels by sale, lease or otherwise; or

(c) Prevent Declarant from conducting on any part of the Project its business of completing such work, and of establishing a plan of Condominium ownership and of disposing of Condominiums in the Project by sale, lease or otherwise; or

(d) Prevent Declarant from maintaining such signs within the Project as may be necessary for the sale, lease or disposition of Condominiums; provided, however, that the maintenance of any such sign shall not unreasonably interfere with the use by any Owner of such Owner's Condominium.

The rights of Declarant provided in Subparagraphs (a) through (d) above may be exercised during the period of time commencing when the Condominiums are first sold or offered for sale to the public and ending (a) when all Separate Interest Condominiums have closed escrow, or (b) ten (10) years following the date of conveyance of the first Condominium in the Project to a Retail Purchaser, whichever shall first occur.

Section 17.10. **Owners' Compliance**. Each Owner, tenant or occupant of a Condominium shall comply with the provisions of this Declaration, the Bylaws, decisions and resolutions of the Association or its duly authorized representative, as lawfully amended from time to time, and failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action to recover sums due, for damages, or for injunctive relief.

All agreements and determinations lawfully made by the Association in accordance with the voting percentages established in this Declaration or in the Bylaws, shall be deemed to be binding on all Owners of Condominiums, their successors and assigns.

Section 17.11. **Payments of Taxes or Premiums by First Mortgagees**. First Mortgagees may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against the Association Property, unless such taxes or charges are separately assessed against the Owners, in which case, the rights of first Mortgagees shall be governed by the provisions of their deeds of trust. First Mortgagees may, jointly or severally, also pay overdue premiums on casualty insurance policies, or secure a new casualty insurance coverage on the lapse of a policy for the Association Property, and first Mortgagees making such payments shall be owed immediate reimbursement thereof from the Association. Entitlement to such reimbursement shall be reflected in an agreement in favor of any first Mortgagee who requests the same to be executed by the Association.

Section 17.12. **Mortgagee Curing Defaults**. A 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 non-curable 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 non-curable or not feasible to cure shall be final and binding on all Mortgagees.

Section 17.13. **Approval of First Mortgagees**. Unless at least sixty-seven percent (67%) of the first Mortgagees (based on one vote for each first Mortgage owned) have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission seek to abandon or terminate the Project.

(b) Change the pro rata interest or obligations of any Condominium in order to levy assessments or charges, allocate distribution of hazard insurance proceeds or condemnation awards, or determine the pro rata share of ownership of each Condominium in the Common Area.

(c) Partition or subdivide any Condominium.

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell or transfer the Association Property. The granting of easements for public utilities or for other public purposes and other easements allowed by this Declaration shall not be deemed a transfer within the meaning of this Subsection nor shall non-material boundary adjustments be deemed a transfer within the meaning of this Subsection.

(e) Restoration of the project (after hazard damage or partial condemnation) in such a manner other than specified in this Declaration. Any restoration or repair of the Association Property or Common Area after partial condemnation or damage due to an insurable event, shall be performed substantially in accordance with this Declaration and original plans and specifications unless other action is approved by Eligible Mortgage Holders, Insurers or Guarantors which have at least sixty-seven percent (67%) of the votes of Condominiums subject to Eligible Mortgage Holders, Insurers or Guarantors. When Owners are considering termination of the legal status of the project for reasons other than substantial destruction or condemnation of the project, Eligible Mortgage Holders, Insurers or Guarantors which have at least sixty-seven percent (67%) of the votes of Condominiums subject to Eligible Mortgage Holders, Insurers or Guarantors must agree.

(f) Use hazard insurance proceeds or proceeds from other third parties for losses to or claimed defects in any portion of the Association Property or Common Area for other than the repair, replacement or reconstruction of such Association Property or Common Area.

(g) When professional management has been previously required by any Eligible Mortgage Holder, Insurer or Guarantor, whether such entity became an Eligible Mortgage Holder, Insurer or Guarantor at that time or later, any decision to establish self-management by the Association shall require the prior consent of at least sixty-seven percent (67%) of the voting power of the Association and the approval of Eligible Holders, Insurers or Guarantors of Mortgages on Condominiums which have at least fifty-one percent (51%) of the votes of Condominiums subject to Eligible Mortgage Holders, Insurers or Guarantors. This paragraph (g) applies only if the Project contains 50 or more Separate Interests.

Section 17.14. **Notice to Eligible Mortgagees**. Upon written request to the Association identifying the name and address of the Eligible Mortgage Holder, Insurer or Guarantor and the Condominium number or address, any Eligible Mortgage Holder, Insurer or Guarantor will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Project or any Condominium on which there is a Mortgage held, insured or guaranteed by such Eligible Mortgage Holder, Insurer or Guarantor.

(b) Any delinquency in the payment of assessments or other default by an Owner subject to a Mortgage held, insured or guaranteed by such Eligible Mortgage Holder, Insurer or Guarantor which remains uncured for a period of sixty (60) days.

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

(d) Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders, Insurers or Guarantors as specified above.

Section 17.15. **Documents to be Available to Mortgagees**. The Association shall make available to Owners and Mortgagees, and holders, insurers or guarantors of any Mortgage, current copies of this Declaration, the Bylaws, other rules concerning the Project and the books, records and financial statements of the Association. "**Available**" means available for inspection, upon request, during normal business hours or under other reasonable circumstances. If the Project consists of fifty (50) or more Condominiums, the Association must provide an audited statement for the preceding fiscal year if an Eligible Mortgage Holder or Eligible Mortgage Insurer or Guarantor of a first Mortgage submits a written request for it. If the Project consists of less than fifty (50) Condominiums and no audited statement is available, the Eligible Mortgage Holder or Eligible Mortgage Insurer or Guarantor may have an audited statement prepared at its expense. Any such financial statement so requested shall be furnished within a reasonable time following such request.

Section 17.16. **Mortgagee Protection**. A breach by an Owner of any of the covenants, conditions and restrictions contained herein shall not affect, impair, defeat or render invalid the lien, charges or encumbrance of any first Mortgage made for value which may then exist on any Condominium; provided, however, that in the event of a foreclosure of any such first Mortgage, or if the holder of the note secured by such first Mortgage acquires title to a Condominium in any manner whatsoever in satisfaction of the indebtedness, then the purchaser at the foreclosure sale shall, upon acquiring title, become subject to each and all of the covenants, conditions and restrictions contained herein, but free from the effects of any breach occurring prior thereto.

Section 17.17. **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 17.18. **Provisions of Civil Code Section 1360**. Section 1360 of the California CIVIL CODE provides as follows:

"(a) Subject to the provisions of the governing documents and other applicable provisions of law, if the boundaries of a Separate Interest are contained within a building, the owner of a Separate Interest may do the following:

(1) Make any improvements or alterations within the boundaries of his or her Separate Interest that do not impair the structural integrity or mechanical systems or lessen the support of any portions of the common interest development.

(2) Modify a unit in a condominium project, at the owner's expense, to facilitate access for persons who are blind, visually handicapped, deaf or physically disabled, or to alter conditions which could be hazardous to these persons. These modifications may also include modifications of the route from the public way to the door of the unit for the purposes of this paragraph if the unit is on the ground floor or already accessible by an existing ramp or elevator. The right granted by this paragraph is subject to the following conditions:

(A) The modifications shall be consistent with applicable building code requirements.

(B) The modifications shall be consistent with the intent of otherwise applicable provisions of the governing documents pertaining to safety or aesthetics.

(C) Modifications external to the dwelling shall not prevent reasonable passage by other occupants of Separate Interests and shall be removed by the owner when the unit is no longer occupied by persons requiring those modifications who are blind, visually handicapped, deaf or physically disabled.

(D) Any owner who intends to modify a unit pursuant to this paragraph shall submit his or her plans and specifications to the association of the condominium project for review to determine whether the modifications will comply with the provisions of this paragraph. The association shall not deny approval of the proposed modifications under this paragraph without good cause.

(b) Any change in the exterior appearance of a Separate Interest shall be in accordance with the governing documents and applicable provisions of law."

<u>Section 17.19</u>. <u>Documents to be Provided to Prospective Purchasers</u>.

(a) ***By Owners.*** Each Owner shall, as soon as practicable before transfer of title to his or her Condominium or execution of a real property sales contract therefor (as defined in CIVIL CODE Section 2985), provide the following to the prospective purchaser those items which Civil Code Section 1368 requires be provided to the prospective purchaser. As of the date of this Declaration, Civil Code Section 1368 requires the following items be provided:

(i) A copy of this Declaration, the Association's Articles and Bylaws, and the Condominium Plan;

(ii) The statement required by CIVIL CODE Section 1368(2), if applicable (*i.e.*, if an age restriction becomes applicable);

(iii) A copy of the Association's most recent financial statement distributed pursuant to CIVIL CODE Section 1365;

(iv) A true statement, in writing, from an authorized representative of the Association, as to the respective amounts levied upon the Owner's Condominium which are unpaid on the date of the statement. The statement shall also include true information on late charges, interest and costs of collection which, as of the date of the statement, are or may be made a lien upon the Owner's Condominium pursuant to CIVIL CODE Section 1367.

(v) A copy of the preliminary list of defects provided to each Owner pursuant to Civil Code Section 1375 if such that Section requires the list to be provided.

(vi) Any change in the Association's current regular and special assessments and fees which have been approved by the Board but have not become due and payable as of the date of the disclosure required by this Section.

(b) ***By the Association.*** Upon written request to the Association it shall, within ten (10) days of mailing or delivery of the request, provide an Owner with a copy of the requested Association items specified in (i), (ii), (iii) and (iv) above. The Association may charge a fee for this service which may not exceed the cost to prepare and reproduce the requested items.

Section 17.20. Easement to Inspect and Test. Declarant reserves easements to enter any portion of the Project, including the interior of any residence and Exclusive Use Area to inspect those areas and to conduct destructive testing referred to in California CIVIL CODE Section1375(d). However, Declarant shall notify the Association, with respect to Association Property which is to be inspected and the Owner of the Exclusive Use Area or Separate Interest to be inspected of at least three (3) alternative dates and times when such inspection can take place (the earliest of which shall not be less than ten (10) days after the notification is given) and Declarant shall give the Association and Owner, respectively, the opportunity to specify which date and time is acceptable to the Association and Owner. Should the Association or Owner not respond affirmatively with respect to one of the dates and times within five (5) days, then Declarant may decide which of the dates and times the inspection and testing shall take place and so notify the Association or Owner, respectively. Alternatively, Declarant may seek a judicial order allowing such inspection and testing to take place. Declarant shall be entitled to its reasonably incurred attorney's fees and be deemed the "**Prevailing Party**" should such a court order be sought and obtained. Declarant shall be obligated to fully repair any damage caused by any such destructive testing.

Section 17.21. No Amendment Without Declarant's Consent. No amendment may be made to **Sections 2.2 (c), 2.2 (i), 2.2 (j), 6.1 (e), 6.26, 11.4, 14.10, 16.1 through 16.8, 17.9, 17.20 and this Section 17.21** which amendment would diminish the rights of Declarant without the written consent of Declarant.

Section 17.22. No Amendment Without Commercial Owners' Consent. No amendment may be made which would increase the rate of assessments against or impose greater use restrictions against Condominiums which may be used for Shopkeeper or Street Level Uses are allowed without the prior written consent of the Owners of at least two-thirds of the Condominiums which may be used for Shopkeeper or Street Level Uses. "Rate of Assessments" does not refer to amounts of assessments.

Section 17.23. Encroachments Into Public Rights of Way. The following areas of the Project encroach within the public rights of way which adjoin the Project: Planters, Balconies, entryway fences adjoining public streets and access ways adjoining public streets. These areas are shown on the Condominium Plan as Encroachment Areas "A" and "B", with Encroachment Areas "A" being encroaching improvements which are part of the non-exclusive areas of the Common Area and Encroachment Areas "B" being encroaching Exclusive Use Area improvements. The Association shall be responsible to maintain these improvements. The City of San Diego has approved plans which show these encroachment improvements, but the City has also reserved the right to require the encroaching improvements to be removed at a later date. Declarant believes it is not likely the City would require the encroaching improvements to be removed. However, Owners should consider obtaining endorsements to the title insurance policies they receive which provide title insurance to cover costs (or portions of the costs) should the City request the encroaching improvements to be removed.

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has executed this instrument the day and year first hereinabove written.

OLSON BEECH-STREET, LLC, a California limited liability company

By: OLSON URBAN HOUSING, LLC, a Delaware limited liability company, Its: Managing Member

By: THE OLSON COMPANY, a California corporation

By Jeffrey C. Forbes

Title Vice President

By John W. [illegible]

Title V. P

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

On April 23, 2001, before me, Joan Brent, Notary Public, personally appeared John W. Norman, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person~~(s)~~ whose name~~(s)~~ is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument, the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

WITNESS my hand and official seal.

Signature Joan Brent (Seal)

JOAN BRENT
Commission # 1[illegible]
Notary Public - California
San Diego County
My Comm. Expires Feb 3, 20[illegible]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
County of San Diego } ss.

On April 23, 2001 (Date), before me, Joan Brent, Notary Public (Name and Title of Officer (e.g., "Jane Doe, Notary Public")) personally appeared Jeffrey C. Fosburg (Name(s) of Signer(s)),

☑ personally known to me
☐ ~~proved to me on the basis of satisfactory evidence~~

to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity~~(ies)~~, and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

JOAN BRENT
Commission # 1252317
Notary Public - California
San Diego County
My Comm. Expires Feb 3, 2004

Place Notary Seal Above

WITNESS my hand and official seal.

Joan Brent
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: __________

Document Date: __________ Number of Pages: __________

Signer(s) Other Than Named Above: __________

Capacity(ies) Claimed by Signer

Signer's Name: __________

- ☐ Individual
- ☐ Corporate Officer — Title(s): __________
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney in Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: __________

Signer Is Representing: __________

RIGHT THUMBPRINT OF SIGNER
Top of thumb here

SUBORDINATION AGREEMENT

BANKERS TRUST COMPANY, a New York banking corporation, being the beneficiary under certain deeds of trust recorded August 25, 1999 as Instrument Nos. 1999-0588023 and 1999-0588024 in the Official Records of San Diego County, California, as amended by instruments recorded January 22, 2001 as Document Nos. 2001-0036869 and 2001-0036870, respectively, with the Office of the County Recorder of San Diego, California (as such deeds of trust may be amended from time to time, the "Deeds of Trust") hereby declares that the liens and charges of the Deeds of Trust are and shall be subject to the attached Amended and Restated Declaration of Restrictions for Village Walk (the "Declaration") and the easements conveyed thereby; provided however, that nothing contained herein will be deemed to subordinate the liens and charges of the Deeds of Trust to any liens assessed pursuant to the Declaration.

BANKERS TRUST COMPANY,
a New York banking corporation

By:
Its: Director

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

On April 26, 2001, before me, Lisa Michelle Decter, a Notary Public in and for said State, personally appeared Connie Emmitt-Stern, personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/her/~~their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

WITNESS my hand and official seal.

Signature ______________________
Notary

LISA MICHELLE DECTER
Commission # 1229311
Notary Public - California
Los Angeles County
My Comm. Expires Jul 18, 2003

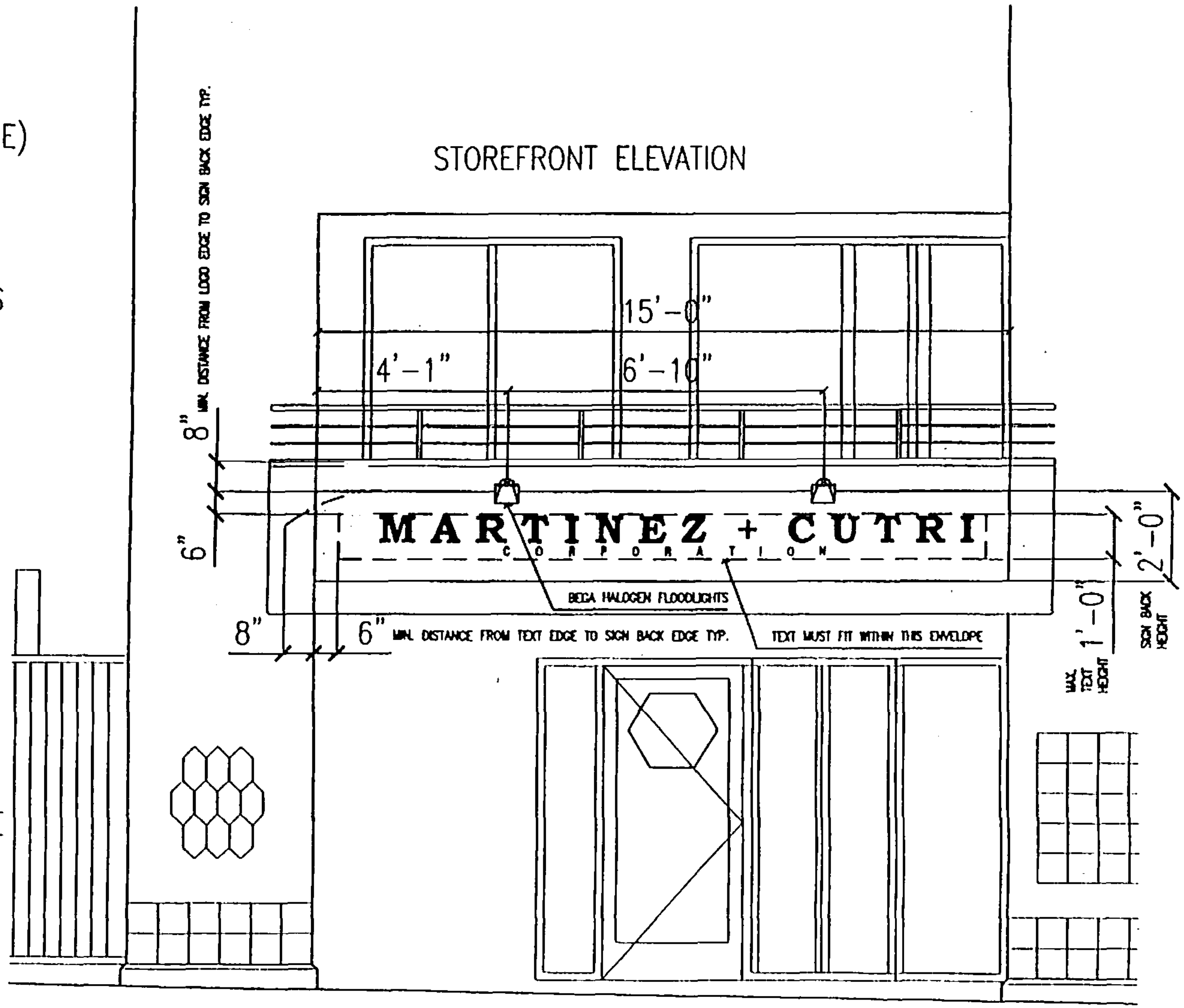
My Commission expires 7/18/2003

(Seal)

Attachment "B"

Sign Specifications

- TO BE PROVIDED BY BUILDING:
  - A. DETACHABLE SIGN BACK (16 GA GALVANIZED PERFORATED SHEET METAL TO STEEL FRAME)
  - B. TWO SIGN LIGHTS (HOMERUN TO RETAIL SPACE)
  - C. J–BOX (HOMERUN TO RETAIL SPACE) FOR OPTIONAL INTERNALLY ILLUMINATED LETTERS
- 1 OPTIONAL LOGO ALLOWED – OVERHANG TO BACKING AS SHOWN
- INTERNALLY ILLUMINATED SIGNS ALLOWED
- MATERIALS MUST BE DURABLE, PERMANENT, AND AND MUST BE COMPATIBLE WITH GALVANIZED BACKING (i.e., CORROSIVITY)
- SHOPKEEPER OWNER TO OBTAIN REQUIRED SIGN PERMITS
- DESIGN FOR SIGN MUST BE SUBMITTED TO VILLAGE WALK ARCHITECTURAL DESIGN REVIEW COMMITTEE FOR APPROVAL PRIOR TO SUBMITTAL FOR PERMITTING



VILLAGE WALK
PERCENTAGE SQUARE FOOTAGE OF EACH SEPARATE INTEREST

UNIT NUMBERS	PERCENTAGE
201	2.155%
202	1.950%
203	1.929%
204	1.929%
205	1.950%
206	1.956%
207	1.463%
208	1.454%
209	1.330%
210	1.284%
211	1.284%
212	1.323%
213	1.346%
214	1.629%
215	1.216%
216	1.219%
217	1.219%
218	1.219%
219	1.235%
220	2.332%
301	1.510%
302	1.333%
303	1.354%
304	1.341%
305	1.331%
306	1.349%
307	1.314%
308	1.341%
401	1.520%
402	1.383%
403	1.397%
404	1.510%
405	1.359%
406	1.356%
407	1.510%
408	1.683%
409	1.380%

VILLAGE WALK
PERCENTAGE SQUARE FOOTAGE OF EACH SEPARATE INTEREST

UNIT NUMBERS	PERCENTAGE
410	1.390%
411	1.553%
501	1.074%
502	1.126%
503	1.096%
504	1.120%
505	1.116%
506	1.463%
507	1.454%
508	1.359%
509	1.356%
510	1.510%
511	1.406%
512	1.393%
513	1.393%
514	1.385%
515	0.939%
516	1.381%
517	1.390%
518	0.957%
519	1.090%
601	1.178%
602	1.169%
603	1.189%
604	1.982%
605	1.152%
606	1.145%
607	1.145%
608	1.145%
609	0.925%
610	1.377%
611	1.666%
612	1.198%
613	1.189%
614	1.191%

DOC # 2012-0345320

JUN 13, 2012 2:06 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
Ernest J. Dronenburg, Jr., COUNTY RECORDER
FEES: 25.00

PAGES: 4

10417

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

RECORDING REQUESTED BY: F8 4P 1con

Wasserman • Kornheiser LLP

WHEN RECORDED RETURN TO

Wasserman • Kornheiser LLP
7955 Raytheon Road
San Diego, California 92111

FIRST AMENDMENT TO AMENDED AND RESTATED DECLARATION OF RESTRICTIONS FOR VILLAGE WALK

10418

FIRST AMENDMENT TO
AMENDED AND RESTATED DECLARATION OF RESTRICTIONS
FOR
VILLAGE WALK

The original Declarant for this project is OLSON BEECH-STREET, LLC. VILLAGE WALK ASSOCIATION, a California nonprofit mutual benefit corporation is the successor in interest to Declarant. VILLAGE WALK ASSOCIATION is established as a mixed use complex pursuant to CA Civil Code 1351(f) to maintain and manage the Association. VILLAGE WALK ASSOCIATION is managed, operated, and controlled by the Association Board. The members of VILLAGE WALK ASSOCIATION are the owners of the condominiums. The Common Area is owned in undivided interests amongst the Owners.

This instrument constitutes the first amendment to the Amended and Restated Declaration of Restrictions for Village Walk recorded May 4, 2001, as Document No. 0283022, in the Official Records of the County Recorder for the County of San Diego County, State of CA, for the above-entitled association, with respect to the following:

Section 6.2. Lease of Condominium. Each Owner shall have the right to lease the Owner's Condominium provided that such lease is in writing. Each tenant shall be bound by and obligated to the provision of this Declaration, the Bylaws and the rules and regulations of the Board, and a tenant's failure to do so shall be deemed a default under the lease. No Owner shall lease a Condominium for transient or hotel purposes and no Condominium shall be leased for a term less than **thirty (30) days.** Should the Board so request an Owner to do so, the Owner shall forward an executed copy of a lease to the Owner's Condominium to the Board together with the telephone number and street address of the residence of the Owner. Other than as provided in this Section, there shall be no restriction on the right of any Owner to lease a Condominium. Nothing herein stated shall prevent an Owner from deleting confidential information from the copy of a lease which the Owner provides to the Association.

[Bold and Enlargement to emphasize change]

10419

I, Ann Mears, am the Secretary of VILLAGE WALK ASSOCIATION.

As the Secretary of VILLAGE WALK ASSOCIATION, I certify that the requisite vote necessary to approve the amendment as stated herein above has been obtained.

Executed on this 8th day of June, 2012, the undersigned has executed this amendment at San Diego, California

VILLAGE WALK ASSOCIATION
A California nonprofit mutual benefit corporation

By: Ann Mears
Secretary

Ann Mears
(Print Name)

10420

STATE OF CALIFORNIA)

) ss.

COUNTY OF SAN DIEGO)

On June 8, 2012 before me, Michelle R. Generazzo a Notary Public, *Ann Mears personally appeared * who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name ~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/she/~~they~~ executed the same in ~~his~~/her/~~their~~ authorized capacity~~(ies)~~ and that by ~~his~~/her/~~their~~ signature~~(s)~~ on the instrument the person~~(s)~~ or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

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

WITNESS my hand and official seal.

MICHELLE R. GENERAZZO
Commission # 1808962
Notary Public - California
San Diego County
My Comm. Expires Aug 9, 2012

Notary Public

Financial Statement Review (Required Civil Code Sec. 4525)
Village Walk Association

SEABREEZE
MANAGEMENT COMPANY
seabreezemgmt.com

July 24, 2024

RE: Village Walk Association
Audit for Fiscal Year Ending 2023
Owner Notice Disclosure Form

Dear Village Walk Association Owner:

California Civil Code § 5305 and your CC&Rs require that an independent review of the financial operations of your association be conducted at the end of each fiscal year.

Your Board of Directors has engaged the services of Greg Villard, Certified Public Accountant, to conduct an annual audit of the Association's financial statements. Their report is enclosed for your files.

It is suggested that you read this information carefully and keep these reports with all other documents concerning your property, as it may be necessary to show this information to any prospective buyers of your property.

Also included with this packet is an Owner Notice Disclosure form. Each year, all owners are required to provide specific information as required by California Civil Code § 4041 to ensure that the membership is kept informed. **Please complete the form and return it within 10 days to ensure you have met your obligations as required by the State of California.** If at any time you wish to change your method of delivery, simply contact the Seabreeze Customer Care Team in writing at 26840 Aliso Viejo Pkwy., Suite 100; Aliso Viejo, CA 92656 or by email at customercare@seabreezemgmt.com.

Lastly, if you wish to receive your billing statements electronically, please visit https://estatements.welcomelink.com to get signed up. This will have only the Association statements sent electronically so that people who prefer their official documentation via regular mail can do so, but receive their bills online instead.

Please note that the names and addresses of the current members are located at the offices of Seabreeze Management Company, Inc. Should you have any questions regarding the enclosed information, please contact our Community Manager Angelic Luna, at 858-215-3068 or Angelic.Luna@seabreezemgmt.com.

Sincerely,

The Board of Directors
Village Walk Association

Enclosures

BAY AREA
COACHELLA VALLEY
INLAND EMPIRE
LAS VEGAS
LOS ANGELES
ORANGE COUNTY
RENO
SAN DIEGO
SEATTLE

SEABREEZE
MANAGEMENT COMPANY

Village Walk Association
Owner Notice Disclosure
Date: July 24, 2024

California law requires all Owners in a community association to provide the following information to the association <u>on an annual basis</u>. Please complete and return this form within ten (10) days. If this form is not returned, then by law Association notices will only be sent to the last property address provided by you, or if none was received, the property address within this association**.**

1.	Owner Name(s):		
2.	Owner Phones:	H:	C:
3.	Owner Email(s):		
4.	Address in the Association:		
5.	Mailing Address (can be same):		
6.	Valid Email Address(es):*		
	Optional alternate or secondary delivery method for receiving notices from the Association, including:		
7.	Secondary Mailing Address:		
8.	Secondary Email Address(es):*		
9.	Member's preferred delivery method for receiving notices:		
	Mailing address ☐	Email address ☐	Both ☐
10.	Owner's legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of the Member's extended absence from the separate interest:		
10a.	Name:		
10b.	Mailing Address:		
10c.	Valid Email Address(es):		
11a.	This property is (check one):	Owner-occupied ☐	Rented out ☐
11b.	If rented out, your tenant's:	C:	Email:
12.	This property is developed, but vacant:		Yes ☐ No ☐
13.	This property is on undeveloped land:		Yes ☐ No ☐
14.	Civil Code provides homeowners with an opportunity to "OPT OUT" of sharing their names, property address, and mailing address on the association's membership list. *This opt out shall remain in effect until changed by the homeowners*.		
15.	Do you wish to "OPT OUT" of neighbors receiving info?		Yes ☐ No ☐

*Please note: Civil Code does not require members to provide an email address to the Association but does require the Association to ask for it. Additionally, if you would like Opt In for electronic receipt of documents, please also complete and submit the attached form. This form is required to be sent to you. *Please return all applicable forms within 10 days to:*

Village Walk Association
c/o Seabreeze Management Company, Customer Care
26840 Aliso Viejo Pkwy, Suite 100, Aliso Viejo, CA 92656
customercare@seabreezemgmt.com

SEABREEZE
MANAGEMENT COMPANY

Electronic Consent Agreement

By signing below, you are providing consent for Seabreeze Management Company, Inc. to provide required disclosures to you electronically. This consent for electronic delivery applies to all required disclosures regarding accounts you have with us and is effective until withdrawn by you. Agreeing to accept disclosures electronically means that once we present them to you, and, if required, you accept them, they will apply to you and your accounts with us. It also means that we may not mail you copies of disclosures that are provided electronically. Accordingly, you should print or otherwise retain a copy for your records of this disclosure and all other disclosures you receive electronically.

We may, at our discretion, make electronic disclosures available to you via our website or by e-mail, and may choose to send paper copies of disclosures to you even though we made or could have made them available to you electronically. You can withdraw your consent to electronic delivery, but doing so will not affect the legal effectiveness, validity, or enforceability of the electronic documents that were provided to you before your withdrawal became effective. If you withdraw consent for electronic delivery, your withdrawal may take up to ten (10) days for us to process. You can request that we send you a paper copy of any disclosure that was originally provided electronically (we may charge you a fee for providing some documents and we will send these to documents to you using the United States Postal Service), withdraw your consent to receive future documents electronically, or provide us with updated information about how we can contact you electronically by writing to us. If your e-mail address changes, you must provide us with the new address You may address any inquiries or questions to Seabreeze Management Company, Inc., by visiting www.seabreezemgmt.com and sending us an e-mail to customercare@seabreezemgmt.com, calling us at 1-800-232-7517, or writing us at:

Seabreeze Management Company, Inc.
26840 Aliso Viejo Pkwy., Suite 100
Aliso Viejo, CA 92656

In order to receive electronic disclosures, you will need a working connection to the Internet. Your browser must support the Secure Sockets Layer (SSL) protocol. SSL provides a secure channel to send and receive data over the Internet through HS encryption capabilities. Microsoft Internet Explorer® version 7 or higher and Mozilla Firefox® version 3 or higher support this feature. You will also need either a printer connected to your computer to print documents or sufficient hard drive space available to save the information. We may change this disclosure by posting the revised version on our website. By signing below, you are confirming that you consent to electronic delivery of disclosures, that your system meets the requirements described above, that you are able to access disclosures presented on our website or via e-mail, and that you can either print or electronically store these disclosures.

I consent to receiving documents electronically (*required items):

*Print Name: ________________________________ *Unit Address: ________________________

*HOA Name: ______________________ *Email Address: ________________________

*Date: ______________________ *Signature: ____________________________________

Preferred Phone: _____________________ ☐ Mobile ☐ Home ☐ Work

VILLAGE WALK ASSOCIATION

REVIEWED FINANCIAL STATEMENTS

AND SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

Gregory V. Villard
CERTIFIED PUBLIC ACCOUNTANT

7844 LA MESA BOULEVARD
LA MESA, CA 91942
619-589-5472
619-589-5245 – FAX
info@gregvillardcpa.com

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors and Members
Village Walk Association

I have reviewed the accompanying financial statements of Village Walk Association, which comprise the balance sheet as of December 31, 2023, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Village Walk Association and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion on the Financial Statements

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis, and, although not a 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. I have not audited, reviewed, or compiled the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on it.

Gregory V. Villard
La Mesa, California
July 17, 2024

VILLAGE WALK ASSOCIATION
BALANCE SHEET
DECEMBER 31, 2023

ASSETS	Operating Fund	Replacement Fund	Total
Cash & Cash Equivalents	$ 235,979	$ 341,156	$ 577,135
Assessments Receivable	17,058	-	17,058
Allowance for Doubtful Accounts	(7,449)	-	(7,449)
Prepaid Insurance	6,132	-	6,132
Interfund Receivable/Payable	(219,069)	219,069	-
Total Assets	$ 32,651	$ 560,225	$ 592,876
LIABILITIES			
Accounts Payable	$ 20,157	$ 187,669	$ 207,826
Prepaid Assessments	47,288	-	47,288
Total Liabilities	67,445	187,669	255,114
FUND BALANCES	(34,794)	372,556	337,762
Total Liabilities and Fund Balances	$ 32,651	$ 560,225	$ 592,876

See accompanying notes and independent accountant's review report.

VILLAGE WALK ASSOCIATION
STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023

REVENUES	Operating Fund	Replacement Fund	Total
Regular Assessments	$ 351,704	$ 229,324	$ 581,028
Special Assessments	-	650,000	650,000
Interest	-	29	29
Water Reimbursement	25,313	-	25,313
Other Member Charges	8,270	-	8,270
Total Revenues	385,287	879,353	1,264,640
EXPENSES			
Maintenance			
Pest Control	2,334	-	2,334
Janitorial Services	43,118		43,118
Fountain Maintenance	4,060	-	4,060
Property Protection	18,119	-	18,119
Landscaping Maintenance	17,064	-	17,064
Tree Maintenance	1,698	-	1,698
Plumbing	24,627	-	24,627
Area Repairs & Repairs	45,565	-	45,565
Elevators	34,559	-	34,559
Contingency	87,420	-	87,420
Total Maintenance	278,564	-	278,564
Utilities			
Gas & Electricity	83,568	-	83,568
Water & Sewer	28,525	-	28,525
Trash Removal	18,363	-	18,363
Telephone	5,194	-	5,194
Total Utilities	135,650	-	135,650
General and Administrative			
Legal, Review, & Tax Preparation	16,701	-	16,701
Management & Accounting	33,807	-	33,807
Insurance	32,571	-	32,571
Office & Administrative	2,531	-	2,531
License & Permits	1,471	-	1,471
Total Administrative	87,081	-	87,081
Major Repairs and Replacements	-	775,278	775,278
Total Expenses	501,295	775,278	1,276,573
Excess (Deficiency) of Revenues over Expenses	(116,008)	104,075	(11,933)
Prior Period Adjustment	-	428,811	428,811
Beginning Fund Balances	53,320	(132,436)	(79,116)
Interfund Transfer (Net)	27,894	(27,894)	-
Ending Fund Balances	$ (34,794)	$ 372,556	$ 337,762

See accompanying notes and independent accountant's review report.

VILLAGE WALK ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Operating Fund	Replacement Fund	Total
Cash Flows from Operating Activities			
Excess (Deficiency) of Revenues over Expenses	$ (116,008)	$ 104,075	$ (11,933)
Adjustments to Reconcile Excess (Deficiency) of Revenues over Expenses to Net Cash Provided (Used) by Operating Activities:			
(Increase) Decrease in:			
Assessments Receivable	(5,929)	-	(5,929)
Allowance for Doubtful Account	(1,827)	-	(1,827)
Prepaid Insurance	(2,077)	-	(2,077)
Interfund Receivable/Payable	218,069	(218,069)	-
Increase (Decrease) in:			
Accounts Payable	(11,544)	95,406	83,862
Prepaid Assessments	14,913	-	14,913
Net Cash Provided (Used) by Operating Activities	95,597	(18,588)	77,009
Net Increase(Decrease) in Cash	95,597	(18,588)	77,009
Cash at Beginning of Year	112,488	387,638	500,126
Transfers (Net)	27,894	(27,894)	-
Cash at End of Year	$ 235,979	$ 341,156	$ 577,135

See accompanying notes and independent accountant's review report.

NOTE 1. ORGANIZATION

Village Walk Association is a common interest realty association that was incorporated on January 17, 2001, under the general nonprofit laws of the State of California. The Association was organized to provide for the management and maintenance of the commonly owned areas of the housing development, which includes 72 residential units located in San Diego, California.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting
The Association's accounting records are maintained on the modified accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when paid. The accompanying financial statements and the Association's corporate income tax returns have also been prepared on the accrual method of accounting in accordance with generally accepted accounting principles whereby revenues are recognized when earned and expenses are recognized when incurred.

Fund Accounting
The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Property and Equipment
Real property and common areas 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 unit owners in common and not by the Association.

Personal property and equipment acquired by the Association, if material, are recorded at cost. These assets, if significant in amount, are capitalized and depreciated over their estimated useful lives using the straight-line method of depreciation.

Statement of Cash Flows
According to FASB ASC 230-10 regarding the Statement of Cash Flows, certificates of deposits and securities with original maturities of three months or less are classified as cash equivalents. Certificates of deposit and securities with original maturities over three months are considered short-term investments. The Association's policy is to treat all cash, cash equivalents, and short-term investments together as cash funds.

Interest Income

Interest income is allocated to the operating and replacement funds in proportion to the interest-bearing deposits of each fund.

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.

NOTE 3. INCOME TAXES

For the year ended December 31, 2023, the Association filed its tax returns as a homeowners association under IRC Section 528 and State Revenue & Tax Code 23701T, whereby the Association is generally taxed on non-membership income, such as interest earnings. There were no Federal or California income tax expenses for the year. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates, if any, are appropriate based on the current facts and circumstances. Further, the Association has concluded that as of December 31, 2023, there are no uncertain tax positions taken that would require recognition of a liability or disclosure in the financial statements. The Association's income tax returns are subject to examination by the Internal Revenue Service generally for three years and the California Franchise Tax Board generally for four years after the returns were filed.

NOTE 4. MEMBER ASSESSMENTS & REVENUE RECOGNITION

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. The annual budget and assessments of members are determined by the Board of Directors, who are elected by owners. Any excess assessments at the year-end are retained by the Association for use in the succeeding year. The association records both the Operating and Replacement Funds assessments as revenue when due, which is in compliance with FASB ASC 606.

NOTE 5. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's policy is to accumulate funds for future major repairs and replacements. Accumulated funds are held in separate interest-bearing accounts and are generally not available for operating purposes.

The Association engaged an independent consultant who conducted a study in November 2023 to estimate the remaining useful lives and the replacement costs of the common property components. The table included in the compiled Supplementary Information on Future Major Repairs and Replacements is based on this study.

The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs. If additional funds are needed, however, the Association has the right, subject to its governing documents, to levy special assessments, or delay major repairs and replacements until funds are available.

NOTE 6. ASSESSMENTS RECEIVABLE

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments and charges from unit owners. The Association's governing documents provide for various collection methods for delinquent assessments and other charges, including filing of liens on an owner's unit, foreclosing on the unit owner, and obtaining a legal judgement on an owner's other assets. As of December 31, 2023, there are $17,058in assessments and charges due from homeowners and $47,288 of assessments have been paid in advance.

NOTE 7. FAIR VALUE MEASUREMENTS

Fair values are measured along the following criteria:

Level 1 input: Quoted prices in active markets for identical assets
Level 2 input: Significant observable inputs
Level 3 input: Significant unobservable inputs

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- Cash and cash equivalents: The carrying amount approximates fair value because of the short maturities.
- Certificates of deposit: The fair value of certificates of deposit is determined based on quoted market prices.

Fair values of the Association's financial instruments at December 31, 2023 are as follows, and all values are classified as Level 1 inputs:

	Carrying Amount	Fair Value
Financial Assets:		
Cash and Cash Equivalents	$577,135	$577,135

NOTE 8. SPECIAL ASSESSMENT

In May 2023, the Association levied a special assessment of $650,000 to fund the replacements of the roofs.

NOTE 9. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through July 17, 2024, the date that the financial statements were available to be issued.

VILLAGE WALK ASSOCIATION
SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
DECEMBER 31, 2023
(unaudited)

The Association engaged an independent consultant to estimate the remaining useful lives and the replacement costs of the components of common property as of December 31, 2023. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the componets will require repair or replacement.

The following information is based on the study and presents significant information about the components of common property:

Components	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs	Designated Components of Fund Balance at December 31, 2023
Buildings & Grounds	0 to 28	2,007,500	200,229
Common Amenities	0 to 9	259,600	25,893
Systems/Equipment	0 to 18	1,468,150	146,434
Total		$ 3,735,250	$ 372,556

According to the study, the annual replacement funding requirement and accumulated replacement funding requirement are $334,800 and $177,7643, respectively. The study determined the funding program to be 19.20% funded as of December 31, 2023.

Inspection of Exterior Elevated Elements (Required Civil Code Sec. 4525)

Village Walk Association

This document is currently either not available or not applicable for this association.

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Minutes of Regular Board Meetings (Required Civil Code Sec. 4525)
Village Walk Association

VILLAGE WALK ASSOCIATION
Meeting of the Board of Directors
Wednesday, October 22, 2025
6:00 PM

Village Walk Association Community Room
1501 India Street, San Diego, CA. 92101

REMOTE MEETING
CLICK TO JOIN ZOOM MEETING
Meeting ID: 861 3186 6388
Passcode: 687910
Telephone +16694449171
Official Zoom Support | Help Center

General Session Minutes

Directors Present — **Board President:** Cameron Larsuel
Vice President/Secretary: Paulina Valverde
Treasurer: Jessica Demirdjian

Directors Absent

Others Present — Nadine Bell, Seabreeze Management Company
Angelic Luna, Seabreeze Management Company
Luis Ventura,

1. **Call to Order** — Board President, Cameron Larsuel, called the General Session Meeting of the Board of Directors to order at 6:15 PM, and briefly addressed the Members in attendance.

2. **Executive Disclosure** — Management announced to the Membership hat the Board of Directors met in Executive Session immediately prior to the General Session on October 22, 2025, to discuss Member Discipline, Member Delinquency, Third-Party Contract Matters, and Legal Matters.

   Additionally, Luis E. Ventura of the Law Office of Luis E. Ventura confirmed that the Board held an Orientation Meeting on October 15, 2025, which was disclosed to the Membership at that time.

3. **Community Reports**

A. Management Reports — The Management Summary, Annual Calendar, and Work Order Report were provided for Board review.

B. Maintenance Report — Maintenance reports submitted by CenterPoint, dated September 24, October 1, and October 8, 2025, were presented to the Board for review.

Additionally, an inspection report from Mitsubishi Elevator detailing preventative maintenance performed on September 24, 2025, was also presented for Board review.

C. Architectural Review & Report — There were no Architectural applications submitted for Board review at that time.

D. Social/ Recreation Committee Report — **Social/Recreation Committee Report:** The Social Committee provided updates on upcoming community events.

Halloween Candy Budget: The Committee requested approval of a $75.00 budget to purchase Halloween candy for distribution to Trick-or-Treaters at the fountain during Halloween.

Resolution: Upon a motion made by Cameron Larsuel, seconded by Jessica Demirdjian, and unanimously carried, the Board approved reimbursement of $75.00 to Artemisa H. McKinley for the purchase of Halloween candy, contingent upon submission of receipts to Management.

E. Communication Committee/ Neighborhood Watch Committee Report — This time was set aside for the Communications Committee and Neighborhood Watch Committee to administer a report if any.

4. **Consent Calendar**

A. General Session Minutes — The General Session Minutes from September 24, 2025, were presented for Board review.

Resolution: Upon a motion made by Cameron Larsuel, seconded by Paulina Valverde, and unanimously carried, the Board approved September 24, 2025, General Session Minutes as presented.

B. Accept Financial Statements — The Financial Statements for the month ending September 30, 2025, were presented for Board review.

	September 2025
Total Operating Assets	$53,568.97
Due to Reserves	(148,849.15)
Total Reserve Assets	$455.237.74
Total Accounts Receivables	$7.504.24
Total Assets:	**$367.461.80**

Resolution: Upon a motion made by Cameron Larsuel, seconded by Jessica Demirdjian, and unanimously carried, the Board accepted the Financial Statements, subject to audit/review by a CPA at fiscal year-end.

C. Prelien/Lien

There were no General Session Delinquency matters for Board consideration at that time.

D. Proposals Under $1,500.00

This item was included for the Board to ratify services previously completed via work order, in the amount of $1,222.65.

Resolution: Upon a motion made by Cameron Larsuel, seconded by Jessica Demirdjian, and unanimously carried, the Board ratified approval of the following invoices:

• **Flying Locksmiths** – Installation of a heavy-duty surface bolt to secure the entry door: $494.68.
• **Flying Locksmiths** – Installation of an Astrogal Seal to enhance building security by preventing intrusion: $727.97.

A. Soffit/Boiler Updates

Soffit Proposals: Management reported that the Diehl Group had not yet provided comments on additional soffit proposals submitted for their review. The Diehl Group will contact vendors who previously submitted proposals to discuss the scope of work. Management also requested additional proposals from Pacific Coast Construction and Tagg Construction Company, per Diehl Group's recommendation.

Resolution: It was the consensus of the Board to table this item until further updates are received.

Boiler Proposals: Management reported that Dave Fremo returned a revised scope of work for boiler replacement, which was sent to all bidders for review and proposal revisions. Updated proposals will be presented to the Board once received.

Resolution: It was the consensus of the Board to table the item until revised proposals are available.

b. Garage Sweeping

JCI submitted a proposal to perform full garage sweeping, including setup and safety precautions. Work areas include the entrance ramp, driveways, parking spaces, storage area corners, tops of storage boxes, and bike areas (if bikes are moved). Cleaning will utilize HEPA-filtered backpack vacuums for corners and edges and self-contained sweepers for open sections to minimize airborne dust. All debris and brake dust will be collected, bagged, and disposed of in dumpsters. Vehicles must be removed from spaces to allow cleaning, in the amount of $1,245.00.

Resolution: It was the consensus of the Board to table the item at that time.

c. Unit 609 Balcony Leak

The Board reviewed proposals submitted by Palomar Restoration to mitigate, seal and restore unit 609 due to a leak reported by the homeowner on September 18, 2025. Estimates for repairs were submitted to the Board for review on September 24, 2025, Board meeting. At that time the Board had directed Management to acquire more cost-effective alternatives from Palomar Restoration. The new proposals were submitted at this time for Board consideration.

Resolution: Upon a motion made by Cameron Larsuel, seconded by Jessica Demirdjian, and unanimously carried, the Board approved the proposals submitted by Palomar Restoration to mitigate, seal and restore Unit 609, as follows:

- Mitigate Leak Damage - $3,240.00
- Waterproof Exterior Balcony - $2,700.00
- Interior Drywall Replacement, Texture, and Paint - $3.200.00

a. Reserve Study

The Draft Level II Reserve Study, prepared by Association Reserves, was presented for Board review. It was noted that the Reserve Study showed the Association's current percentage funded at 15.4%, which the Reserve Analyst classified as weak. The Reserve Analyst advised that a Special Assessment is imminent and recommended increasing monthly Reserve contributions to $32,100.00 and levying a Special Assessment of $575,000.00 in 2026, subject to membership approval.

Management recommended that the Board approve the draft Level II Reserve Study with the proposed monthly Reserve contribution of $32,100.00, authorize reallocation of reserves per Association Reserves' recommendations, and direct General Counsel to review the Reserve Study and prepare documentation outlining the Special Assessment process.

Resolution: It was the consensus of the Board table this item.

The Board directed Management to schedule a budget meeting after Veterans Day, as Board President Cameron Larsuel would not be available until after that date.

B. 2026 Budget

The draft budget for 2026, which noted a 20% increase in assessments, was presented to the Board for review. The draft budget included a reserve funding contribution of $32,100.00 per month, based on the Reserve Analyst's recommended contribution amount.

Resolution: It was the consensus of the Board to table review of the draft 2026 budget. The draft included an increase in reserve funding to $32,100.00 per month, as recommended by the Reserve Analyst, service contract increases as noted.

C. Janitorial Increase

A notice of janitorial service increases, due to the 2026 minimum wage adjustment effective January 1, 2026, was submitted by Just Clean It for Board review.

Resolution: It was the consensus of the Board to table review of the proposed janitorial increase of $126.95 per month, which would raise the total monthly cost from $4,095.00 to $4,221.95.

D. Annual Roof Maintenance

Preman Roofing, the Association's roofing vendor, submitted an estimate for roof and gutter maintenance to be completed in November 2025 prior to the rainy season, in the amount of $6,115.00.

Resolution: Upon a motion made by Jessica Demirdjian, seconded by Paulina Valverde, and unanimously carried, the Board approved the proposal in the amount of **$6,115.00** for annual roof and gutter maintenance.

E. SDFD Compliance Engine Items

San Diego Fire Department Compliance Engine items required for the Association to meet compliance standards, as noted during the Fire Marshal's inspection, were presented for Board review. These items include:

- **Knox Boxes:** Purchase and installation of two large commercial Knox Boxes to house keys and fobs required by the fire department, in the amount of $1,962.32.
- **Elevator Keys:** Purchase of four (4) sets of elevator keys to be stored in the Knox Boxes, in the amount of $960.00.
- **Trash Chute Fusible Link Door Repair:**
  - ***Chute Doctor:*** Install new 24" AC door with 6" extension collar, in the amount of $1,232.37 (hidden fees accrued during last visit).

- ***FireWatch – The Fire Equipment Service Company:*** Replacement of the discharge door located above the dumpster, in the amount of $1,495.00.

Resolution: Upon a motion made by Jessica Demirdjian, seconded by Paulina Valverde, and unanimously carried, the Board approved the purchase of Knox Boxes from the County of San Diego in the amount of $1,962.32, the purchase of four sets of elevator keys from Mitsubishi Electric in the amount of $960.00, and the installation of the fusible link door for the trash chute by FireWatch in an amount not to exceed $1,495.00**.**

F. Precision Garage Door Service

On October 2, 2025, at approximately 9:30 a.m., a resident struck the garage entry gate, causing significant damage. Precision Garage Door Service was called to inspect and completed a temporary repair to restore functionality. The vendor recommended a full replacement of the gate, noting that continued operation in its current condition would accelerate wear. The following estimates were presented for Board review:

- **Estimate #206410460:** Install a new roll-up curtain and guides, in the amount of $16,524.44.
- **Estimate #206543032:** Install new rods and end link (guides for curtain), in the amount of $9,254.09.

Resolution: It was the consensus of the Board to table review of the proposals that were submitted by Precision Garage Door Service.

G. AC Energy Systems

The Board reviewed a proposal submitted by AC Energy Systems, Inc. to complete preventative maintenance on the Carbon Monoxide System to ensure compliance with Fire Code 916.11. The scope of work included:

- **Calibration Service:** Inspection of all sensors, relays, transformers, and other electronic components in the CO System, in the amount of **$1,096.00**.
- **CO Readings:** Reporting CO levels in the ambient air at each sensor location during service, with written verification of garage CO levels, in the amount of $250.00.
- **Fan Service:** Greasing motor bearings and blower shafts, inspecting and adjusting fan belts and tension, checking motor amps and RPM, cleaning blower debris, and visually inspecting for defects, in the amount of $430.00.

Resolution: Upon a motion made by Jessica Demirdjian, seconded by Cameron Larsuel, and unanimously carried, the Board approved the annual preventative maintenance of the Carbon Monoxide System, including

Calibration Service -$1,096.00, CO Readings - $250.00, and Fan Service - $430.00, for a total cost of $1,776.00.

H. 2025 CPA Financial Review/Taxes

A 2025 Tax Engagement Letter submitted by Gregory V. Villard was presented to the Board for consideration. The proposal included performing a review of the Association's 2025 Financial Statements for year-end December 31, 2025, at a cost of $1,225.00, and e-filing the 2025 taxes for $40.00, for a total cost of $1,265.00.

Resolution: It was the consensus of the Board to table the selection of a CPA to complete the review of the Association's 2025 Financial Statements at this time.

I. Western Towing

The Board reviewed an Agreement submitted by Western Towing and noted that the Board would need to authorize signers for towing of unauthorized vehicles from the community.

Resolution: Upon a motion made by Cameron Larsuel, seconded by Paulina Valverde, and unanimously carried, the Board approved the agreement with Western Towing and appointed Jessica Demirdjian as the authorized signer.

J. Bi-Annual Trash Chute Restoration

Trash Chute Restoration: A proposal for bi-annual trash chute restoration submitted by Just Clean It, was presented for Board review. Scope of work included manually scrubbing the grim from the inside of the trash chutes on levels G-6, trash chute slider doors in trash rooms, and nearby walls, in the amount of $1,385.00, per service, an annual cost of $2,770.00. The proposal stated that an initial restoration cleaning is necessary before cleaning maintenance could begin, total for initial cleaning, $1,895.00.

Resolution: It was the consensus of the Board to table the item at that time.

K. Window Cleaning

A proposal for window cleaning using water-fed poles to clean exterior windows that are not reachable on the street sides of the building, including courtyard and hallway areas, in the amount of $2,960.00, was presented for Board review. It was noted that the cleaning does not include windows on balconies or certain top-story windows. Homeowners and residents will be required to remove screens and close windows on the date of service; if a window is not closed, that window and any window above it will not be cleaned.

Resolution: It was the consensus of the Boar to table the item until Spring 2026.

L. **Homeowner Correspondence**

Unit 408: The homeowner submitted a receipt confirming installation of a new bath exhaust fan, wiring, and replacement of the light fixture that caused the smoke event in September 2025.

7. **Homeowner Forum**

Pursuant to Civil Code §4935: A reasonable time limit for all Members of the Association to speak to the Board of Directors before a meeting of the Association was established by the Board of Directors. A director or manager briefly responded to statements made or questions posed. It was noted that speakers must observe rules of decorum and not engage in obscene gestures, shouting, profanity or other disruptive behavior and all persons were to follow Meeting Rules.

8. **Next Meeting/Next Walk-through**

The November walkthrough and meeting date and time be determined as the regularly scheduled November 2025 meeting would fall on the night prior to Thanksgiving.

9. **Adjournment**

With no further General Session business for Board review, upon a motion made by Cameron Larsuel, seconded by Jessica Demirdjian, and unanimously carried, the Board adjourned the meeting at 7:42 pm.

Certificate of Authenticity

I hereby certify that the foregoing is a true and correct copy of the Executive Session minutes of the Board of Directors held on the above date.

Printed Name	Title	Signature	Date

Operating Rules (Required Civil Code Sec. 4525)
Village Walk Association

TABLE OF CONTENTS

PREFACE

This handbook has been compiled by your Association to outline the operational procedures of the Association and to provide other information about your Association's Common Areas. Living in a Common Interest Development can be a happy and rewarding experience.

The purpose of your Association is to protect, maintain and enhance the Association's property of the VILLAGE WALK ASSOCIATION, while making community living a pleasant experience for everyone. The Association concept is a method for engaging able people to manage the Community's assets. The advantage of a Common Interest Development is that the authority, as well as the responsibility, for maintaining the property is retained by those with a vested interest in the Community's welfare--<u>the Property Owners</u>. A Common Interest Development helps ensure that the original planning concepts and design that went into creating the Community is preserved, protected, maintained and enhanced.

Each Homeowner should have received a copy of the Declaration of Covenants, Conditions and Restrictions (CC&R's), Bylaws, and Articles of Incorporation for the Village Walk Association. These are the governing documents along with the Rules and Regulations and Architectural Review Guidelines, which are periodically updated and distributed by your Board of Directors. Please become completely familiar with these publications, since they set forth in detail, the rights, duties and obligations of each Homeowner. These Rules and Regulations <u>supplement</u> the CC&R's.

PLEASE READ THIS INFORMATION CAREFULLY AND BE CERTAIN THAT YOUR FAMILY, GUESTS AND TENANTS UNDERSTAND THE RULES AND REGULATIONS ENTIRELY. If there are any questions or if you do not have copies of the Association's documents, please contact the Management Company in writing at:

VILLAGE WALK

C/O Corvus Management & Consulting
P.O. Box 881096
San Diego, CA 92168

In order to maintain a responsible and successful Community, the governing documents must be observed. They insure the enjoyment of our Community and the continuing appreciation of our individual investments.

EMERGENCY PHONE NUMBERS

Animal Control Department..............(619) 236-4250

Concierge (front desk).....................(619) 233-2715

Community Alert (Crime Prevention) (619) 531-2290

Fire Department ....(858) 974-9706

Noise Abatement & Control ....(619) 533-4550

Paramedics ....(858) 974-9792

Poison Information Center ....(800) 876-4766

Police Department ....(619) 531-2000

Police/Fire/Paramedics (Emergency Use Only) 911

VILLAGE WALK
C/O Corvus Management & Consulting
P.O. Box 881096
San Diego, CA 92168

COMMUNITY SUMMARY

NAME: Village Walk Association

LOCATION: 1501 India Street, within the city limits of San Diego

LAND AREA: 72 condominiums and 108 subterranean parking spaces

ELEMENTS:
Landscaping, drives, subterranean parking
Video entry system, fitness equipment
Plants, courtyard fountains, entry fountain
Appliances, lighting, fences & walls
Entry directory, access gate, elevators

DEVELOPER:
The Olson Company
9191 Towne Centre Dr. L-101
San Diego, CA 92122
(619) 702-6060

MANAGEMENT COMPANY:
Village Walk
C/O Corvus Management & Consulting
P.O. Box 881096
San Diego, CA 92168

GENERAL INFORMATION

The purpose of your Association is to maintain, protect and enhance the property and assets of the VILLAGE WALK ASSOCIATION for the mutual benefit of all Homeowners. Your cooperation is essential in order to accomplish these purposes. Common sense and consideration for your neighbors are the keys to this success.

Each condominium owner is a member of the VILLAGE WALK ASSOCIATION, and Homeowner participation is both necessary and encouraged. Residential responsibility, cooperation and action have many rewards. One is that the Community continues to be a showcase long after all the condominiums have sold and the quality of the Community is preserved, maintained and enhanced.

The Association is governed by a Board of Directors, which meets regularly to make decisions pertaining to Common Area matters.

Common Areas within the Village Walk Association incorporate all space not designated as individual condominiums, and include such areas as structural portions of the buildings in the project, private drives, landscaped areas and recreational areas. Any pipes, wires or other utility installations which serve more than one condominium, but are not owned and maintained by the City or a public utility will also be Common Area. Telecommunications Facilities may be owned by a third party and not be part of the Common Area. It is intended that the Common Area include all portions of the buildings in the projects, including, but not limited to, the roof, any chimneys, vents, decks, foundations, overhangs, columns and other appurtenances. The responsibility of the Board of Directors is to protect, maintain and enhance all Common Area property.

COMMON AREA PROBLEMS

To report problems related to the Association's Common Area contact:

Non-emergency items or questions - Write us at:

VILLAGE WALK

C/O Corvus Management & Consulting
P.O. Box 881096
San Diego, CA 92168

Emergency repairs and questions - Call our Management Company:

VILLAGE WALK

C/O Corvus Management & Consulting
P.O. Box 881096
San Diego, CA 92168

3. In the event of an actual emergency, dial 911 for immediate assistance.

ASSOCIATION MEETINGS

ANNUAL MEETINGS

The voting proxy and notice of date, time and location of the Annual Meeting of Homeowners will be mailed to all Homeowners of record prior to the meeting. In order to establish a quorum, so that business can be conducted, it is imperative that the Homeowners either attend in person or submit their proxy.

REGULAR BOARD MEETINGS

Meetings of the Board of Directors are held monthly. However, such meetings may be conducted as infrequently as quarterly (after the first annual meeting) if the business to be transacted does not justify more frequent meetings. Homeowners will be given a specific open time to speak during the Board meeting.

Consultants may be employed to guide and assist the Board of Directors in fulfilling their responsibilities. Consultants are generally used in the following areas:

Landscape, Finance, Insurance, Buildings and Legal

Notice of the date, time and location of all meetings of the Board of Directors will be posted on the Association property or mailed and both Homeowners and Residents are encouraged to attend. With the exception of Executive Sessions, Regular and Special Meetings of the Board are open for observation to all Homeowners. Homeowners who are not on the Board, however, may not participate in any discussion (except during open time) unless so authorized by a majority of a quorum of the Board. Homeowners may request the Board address a specific topic at their next meeting by submitting a letter to the Board requesting their item of discussion to be placed on the Agenda. The general nature of all business to be considered in Executive Session shall first be announced in an open session.

FINANCIAL

AUDITS

Financial audits are prepared at the end of each fiscal year by an independent Certified Public Accountant and are mailed to the Homeowners of record upon completion.

MONTHLY ASSESSMENTS

The Management Company sends the monthly assessment bills on or around the 23rd of every month for the following month. Monthly assessments are due on the first of every month and become delinquent after the 15th of the month. If your monthly assessment payment is received after the 15th, you may be assessed a late charge and interest, as set by the Board.

Upon a Homeowner becoming delinquent, a lien may be recorded against the condominium. Prior to an Assessment Lien being recorded, an intent to lien letter will be sent to the Homeowner. If the delinquency is not corrected, "foreclosure" proceedings may be started. All legal fees and costs incurred in the collection and foreclosure process are the Homeowner's responsibility.

INSURANCE INFORMATION

The Village Walk Association carries both Common Area Liability Insurance and Directors and Officers Errors & Omissions Insurance in the minimum amounts required to afford protection to the individual Owners in accordance with California Civil Code, Section 1365.9. The Association has purchased a comprehensive Master Policy of Property and Casualty Insurance covering the Common Area contents and equipment and Common Area public liability. This coverage will be reviewed and renewed annually.

For purposes of understanding what coverages are provided by the Master Policy versus what coverages should be provided by the individual Homeowner or occupant, please be aware of the provisions in the CC&R's regarding insurance to be purchased by the Association and by individual Homeowners. A summary disclosure of property and general liability insurance (and earthquake and flood insurance, if carried) is provided each year by the Association to each owner, pursuant to California Civil Code, Section 1365(e). Look for this disclosure at the time the budget and other information is mailed.

Please be aware that the Master Policy contains a substantial deductible. To the extent a covered loss pertains to an individual Homeowner, all or a portion of the deductible may be the responsibility of the individual owner.

Each Homeowner or occupant should consult with their individual insurance agent as to the insurance that they should purchase. For further information regarding the Association's insurance, contact the Management Company, who will refer you to the insurance agent for the Association.

GENERAL RULES AND REGULATIONS

INTRODUCTION

The information contained herein is issued by the Board of Directors as authorized by the governing documents of the Community Association. This is a supplement to the Village Walk Association CC&R's and Bylaws. In the event of any conflict between these Rules and Regulations and the aforementioned documents, the provisions of the CC&R's shall prevail.

The Rules and Regulations are intended as a guide to the conduct and activities of all Homeowners, Tenants, Residents and their guests. Each Homeowner or Resident living within the Community is entitled to maximum pleasure without annoyance or interference from others.

The Association falls under the jurisdiction of Centre City Development Corporation, the City of San Diego, County of San Diego and the State of California and all ordinances and codes apply. Except for uses allowed for Street Level and Shopkeeper units (per the CC&R's, Article VI, Section 6.1), each condominium shall be for residential use.

CHANGES IN RULES AND REGULATIONS

The Board of Directors may, in accordance with the Bylaws, alter, amend, revoke or add to these Rules and Regulations for the preservation of safety and order within the Community, for its care and cleanliness, and for the protection of the Community's reputation. When notice of any such alteration, amendment, revocation or addition is given to any Homeowner or Resident, it shall have the same force and effect as if originally made a part of the Rules and Regulations.

Homeowners, including absentee Homeowners, are responsible for ensuring that Tenants and Guests abide by these Rules and Regulations. HOMEOWNERS MUST PROVIDE A COPY OF THESE RULES AND REGULATIONS TO THEIR TENANTS. Additional copies are available from the Management Company.

ENFORCEMENT

The Association has the responsibility to enforce the Association's Rules and Regulations. Once a resident gives the Board of Directors a written complaint that a rule has been violated, the Board will investigate the allegations and may take action against the offending resident, included, but not limited to, specially assessing, if appropriate, or instituting legal action. However, nothing in this section obligates or requires the Board of Direction, or authorized committee to take action against an individual resident. The Board of Directors, in making this decision, will determine the costs and benefits of taking such action.

All Homeowners, Residents and Guests are required to abide by the established Rules and Regulations. Homeowners are held responsible for the actions of their Tenants, Guests and other Residents of their home. Anyone refusing to abide by these Rules may face corrective action decided by the Board of Directors.

The Management Company, acting on behalf of the Association, has been instructed by the Board of Directors to require the compliance of persons on the Village Walk Association properties with the provisions of the Rules and Regulations, CC&R's and Bylaws. If there is a violation, the Management Company has been instructed to do the following:

(1) Obtain names and addresses of violators and report to the Board of Directors.

(2) Call upon a various governmental agencies (noise abatement, animal control, environmental protection agency, police, etc.) for assistance (when necessary).

(3) In the case of children, make every reasonable effort to contact their parents or host immediately, prior to taking action called for in (2) above.

Prior to the imposition of any monetary penalties or suspension of rights, the Homeowner shall be given notice and an opportunity to appear in person or communicate with the Board of Directors or appropriate committee.

Depending on the severity and frequency of the violation and violator, the choice of the enforcement procedure(s) and/or the enforcement remedy utilized may vary.

THE BOARD OF DIRECTORS SHALL HAVE THE SOLE AUTHORITY TO ENFORCE THE RULES AND REGULATIONS, INCLUDING THE COLLECTION OF LEGAL FEES FOR ENFORCEMENT OF VIOLATION OF THESE RULES AND REGULATIONS. ONLY THE BOARD OF DIRECTORS CAN RESCIND LEGAL FEES OR DIRECT THAT LEGAL FEES NOT BE IMPOSED.

VIOLATIONS OF THE RULES AND REGULATIONS

It is the right and duty of each Resident to report violations in writing to the Board of Directors or to its appropriate committee. Indications of or actual violations will be brought to the attention of the Homeowner and Resident in writing by the Management Company following the policies established by the Board of Directors. For failure to correct the violation, the Homeowner could be subject to a fine or special assessment. Further failure to correct the violation may cause legal action to be taken. All expenses incurred by the Association to correct the situation will be the responsibility of the Homeowner and they will be billed.

In general, the following are the Association's violation enforcement procedures:

(1) Written notice #1 is sent to the Homeowner by the Property Manager. The Homeowner has 30 days to comply with the Association's governing documents and Rules and Regulations, or;

(2) Written notice #2 is sent to the Homeowner, a copy of which is sent to the Association's legal counsel. The Homeowner has 10 days in which to comply with the Association's request, or;

(3) Written notice #3 is sent to the Homeowner, a copy of which is sent to the Association's legal counsel. The Homeowner will be requested to attend a hearing with the Board. After the hearing, a ruling will be made by the board and the Homeowner must comply within a specific time frame or;

(4) The matter will be referred to Association's attorney, which results in legal fees being charged to the Homeowner.

(5) Depending on the frequency and/or severity of the violation, the Board may skip any or all of the above steps.

Please read the Village Walk Association Rules and Regulations carefully. If you unknowingly break any rule, and the Management Company or Board brings it to your attention, please respect their wishes, as they are acting on behalf of the Association. Please contact the Management Company if you have any further questions.

The Village Walk Association is not responsible for any items lost, stolen or damaged in the Common Area.

For correction action, violations may be reported, in writing to the Board by any Homeowner or Resident through the Management Company.

HOMEOWNER RESPONSIBILITIES

Each Homeowner, as their sole obligation, is responsible for the maintenance and repair of the interior of their Condominium including, but not limited to, the windows and interior surfaces of doors (including the metal frames, tracks and exterior screens of glass doors and windows), all appliances, plumbing, electrical, cable television, water heating systems, heating systems and air conditioning systems (if any), porch entry lighting fixtures, other systems servicing the condominium and located either within or without the outside perimeter of the exterior walls, floors and ceiling, so long as those systems are used exclusively by the owner and not in common. (Please refer to the CC&R's Article VII, Section 7.1 – 7.5 for further definition of responsibility.) The owner shall be responsible to maintain and repair the interior surfaces of any balcony, which the owner has the exclusive right to use, along with responsibility to maintain the interior surface of any solid balcony railing.

No patio or balcony shall be used for storage purposes and each shall be kept in a neat and clean appearance and in good repair. No articles of any kind shall be draped over the patio or balcony railings including, but not limited to, clothing, laundry, bathing suits, wet suits, towels or beach blankets. Bicycles, strollers, etc. may not be locked to or stored on stairwells or landings.

Black or stainless barbecues are permitted on balconies only if they operate on propane or electricity. All other type barbecues, hibachis and the like are expressly prohibited. Placing of barbecues must be in such manner as to minimize any smoke and/or odors from interfering with any of the neighboring Homeowners. It is recommended that Homeowners have a fire extinguisher in case of emergencies.

The owner should keep drainage systems for the balcony in good working condition. The Association shall be responsible for eventual re-surfacing of a balcony, unless an owner has changed the surface. The Association will also be responsible to paint and maintain both the exterior and interior surfaces of any open railings such as iron or tubular steel railings and the exterior surfaces and structures of solid walls or fences adjoining a balcony. Balconies, though for the exclusive use of the Homeowner, are Common Areas and are not to be altered or painted without the prior written approval of the Architectural Committee. Owners shall do all the routine maintenance (sweeping and cleaning) of any Exclusive Use Areas appurtenant to the condominium, other than the parking spaces. The owner would be responsible to reimburse the Association for the costs of extraordinary maintenance to a parking space.

The Association shall be responsible for the repair and maintenance of the Association property and Common Area in relationship to wood-destroying pests, animals or plants, however, it is the responsibility of each owner to repair and maintain Exclusive Use Areas and any improvements, which may have been added by the owner.

In the event a Homeowner fails to maintain his/her condominium or exclusive use Common Area or make necessary repairs, in such manner as shall be deemed necessary in the judgment of the Board of Directors to preserve the attractive appearance of the Village Walk and protect the value of other properties, the Board shall give written notice to the Homeowner, stating the particular maintenance or repair work required to be done, and requesting that the work be carried out within a period of time from the giving of such notice (time period depends on the nature of work required). In the event the Homeowner fails to respond and carry out the requested maintenance or repair work within the period of time specified by the notice, the Board shall cause such work to be done, and the cost thereof will be added to the Homeowner's account. The Association may also be reimbursed for costs incurred which result from excessive or neglectful use of the Exclusive Use Areas or other portions of the project.

No owner shall make any improvement to an Exclusive Use Area unless such improvements have been approved or pre-approved by the Architectural Committee. Each owner shall be entitled to use any Exclusive Use Area for usual and ordinary purposes for which such area was designed. Each owner is entitled to use the Balcony Exclusive Area, if any, for balcony purposes.

Should landscaping be placed on a balcony, the owner must take adequate steps *to capture* water from such plants and to prevent any damage to the project or unsightly condition. No plants or other items should be placed on top of any fence or railing. No potted plants should be allowed to grow on the exterior of a balcony railing, fence, wall or portions of the building. The owner will be responsible to pay for the repairs for any damage caused by the placing of landscaping in his or her Exclusive Use Area. Objects and plants placed in the balcony area are subject to review and recommendation of the Architectural Committee. The Architectural Committee has the right to restrict or prohibit any item from being placed on a balcony which are within view of other owner(s).

Each owner assumes all risks which may result from improvements made to the Exclusive Use Area or condominium and each owner indemnifies and holds harmless the Association, the Architectural committee, The Olson Company and each other owner from any claim, demands, liabilities, judgements, attorney's fees and other obligations which arise out of or are incurred in connection with the installation, existence or removal of such improvements.

No owner shall interfere with the surface or any subsurface drainage of the Exclusive Use Area nor install any improvements that would make it impractical to repair or replace any drainage facilities installed by The Olson Company. All improvements installed by an owner on the balcony should provide proper and adequate drainage.

Each owner has a parking space Exclusive Use Area for parking of automotive vehicle(s) (including cars, passenger vans and trucks). No owner can convert a parking space to any use, which prevents its use for vehicular parking.

The Board or Architectural Committee shall have the right to restrict those activities and improvements which it believes would have adverse structural, drainage or maintenance impacts or adverse visual or noise impacts on other owners.

The Board or Architectural Committee has the right to allow owners to exclusively use portions of the Association Property or Common Area above or below the vertical limits of any Exclusive Use Area.

DESTRUCTION OF PROPERTY

No activity is permitted which would damage, alter, or deface the grounds, walkways, and improvements in the Common Area. This includes the destruction of grass, shrubs, trees, sprinklers, light fixtures, walls, etc. Individuals, who are responsible for such damage to the Association's property, will be expected to fully reimburse the Association for all expenses incurred in the replacement or restoration of damaged items or property. Homeowners are held responsible for the actions of their Tenants and Guests.

No bicycles, motorbikes, scooters, skateboards, rollerblades or other wheeled toys are allowed on Common Areas or sidewalks at any time.

In case of damage or destruction to any condominium or exclusive use are improvements for which the owner is obligated to maintain, the owner shall reconstruct the same as soon as reasonably practicable (unless the Association is not required to repair surrounding damaged Association property or Common Area pursuant to provision in the CC&R's).

Each owner shall be legally liable to the Association for damage to the project, including but not limited to, the buildings, recreational facilities and landscaping caused by the Owner, Owner's Guests (or other licensees) or any occupant of the condominium. Homeowners are responsible for payment of the costs of repairs for all damages to the Village Walk Association property caused by themselves, members of their families, tenants, guests, pets, contractors, sub-contractors, etc. Common Area equipment (including timeclocks, watering systems, etc.) is to be adjusted and set by authorized personnel only to avoid breakage.

ENVIRONMENTAL CONTROL

Please be considerate of those living close to you and keep noise levels as low as possible. Excessive noise making, running, etc. are prohibited in the Common Areas. Nothing shall be done that disrupts the Community's tranquillity or interferes with the quiet enjoyment of other occupants.

It is the responsibility of parents to see that their children do not unnecessarily disturb other Residents. Homeowners are responsible for any damage caused or incurred by their children and/or Guests to the Common Areas.

No noxious or offensive activity shall be permitted in any condominium or in the Common Areas. Any violation of ordinances or regulations of the City of San Diego is declared to be a nuisance.

No exterior clotheslines shall be erected or maintained, and no outside drying or laundering of clothes is allowed on the property.

ELEVATORS

1. There is NO SMOKING IN THE ELEVATORS. This is a City Ordinance as well as an Association rule.

2. If a spill occurs, i.e., plant soil, food, etc., it is each person's responsibility to clean the spill immediately.

3. In case of emergency, there is a telephone in the elevator, which will ring directly to the Service Company.

4. Children may not play in the elevator.

FITNESS ROOM

When using these facilities, please keep the following regulations in mind:

1. The Fitness Room is for residents and their guests only.

2. Hours of use will be 6:00 a.m. to 10:00 p.m. daily.

3. In order to conserve heating and cooling, please keep doors and windows closed at all times. If it is necessary to open doors and windows, please make certain that they are closed prior to leaving the room.

4. No radios or cassette players are permitted in the fitness room unless headphones are used.

5. Do not place your feet on the walls or utilize walls or columns for stretching supports.

6. Any moving of the equipment is prohibited. Please wipe equipment off after use.

7. Association members must accompany their guest(s) at all times while using this facility.

8. Children under 16 must be supervised by an adult while in this facility.
9. Do not misuse or damage equipment or allow weights to bang.
10. Please leave the Fitness Room clean and tidy when you are finished.
11. Be courteous and considerate of others.
12. Smoking is not permitted in the fitness room.

GENERAL MEETING ROOM RULES

1. The Meeting Room is for use of the Village Walk Association residents only. Be courteous and respectful of the condition when you leave it. You are responsible for your guests and their actions. All applicable State, County and Local Laws and Ordinances must be obeyed.
2. The contents and furnishings of the Meeting Room are Common Area property, so please take care of all the equipment and report any damage or breakage to the Management Company. Be courteous and respectful of the condition of the room when you leave it.
3. Any person under the age of 18 must be accompanied by an adult.
4. No pets are allowed.
5. Smoking is not permitted in the Meeting Room.
6. Please keep the facilities clean.
7. Posting of signs or notices is not permitted.
8. No general invitation parties may be given. The party giver must know guests.
9. If music is included in the party's plan, it must not create a nuisance to any residents.
10. The Meeting Room may not be used for any commercial, religious or partisan political activities. Gambling or other illegal activities are not permitted.
11. The host or hostess is held responsible for the proper conduct of his/her guests.

12. The unit owner is liable for any damage caused and is bound by the Rules and Regulations.

13. In case of continued or flagrant violations, the Board of Directors may impose monetary penalties, suspend use of the facilities and/or seek legal remedies in the courts at the owner's expense.

14. The Association has the right to refuse the use of the Meeting Room for any party or gathering.

MEETING ROOM RESERVATION RULES

1. The Meeting Room may be reserved by residents only for group activities or parties.

2. Reservation dates must be scheduled with the Management Company prior to submitting an application form and deposit.

3. The application form must be submitted to the Management Company with a deposit prior to the desired reservation date. Room is available on a first-come, first-served basis.

4. The fees are as follows:
   Issue two checks - $200 refundable security deposit plus a $40 nonrefundable cleaning fee.
   The Management Company will issue the refund after the post-event walk through, provided there is no damage. If extra cleaning is required above the deposit, the cost will be billed at $15 per hour and taken from the deposit. If property is damaged beyond the deposit, the host will be responsible for all costs.

6. A pre-party inspection is required to ensure that existing damage is not assessed to the person making the reservation.

7. Attendance of guests and parties is limited to six (6) hours. Occupancy is limited to 42 people per party. Party preparation time may be arranged. Reservations are restricted to the following hours for private parties:
   Sunday through Thursday, 9:00 a.m. to 10:00 p.m.
   Friday and Saturday, 9:00 a.m. to 12:00 Midnight

8. When leaving the Meeting Room, be certain:
   a) All equipment is returned to its proper place.
   b) Lights are turned off.
   c) All windows and doors are locked.
   d) All appliances are turned off.
   e) All food has been removed.

9. To receive the refund, the following conditions must be met:
    a) No stains or damage to flooring, upholstery or walls.
    b) No damage to equipment, appliances, windows, furniture, fixtures, etc.
    c) Lavatory must be left in working order. All drains must be free of any blockage.
    d) The Meeting Room and the surrounding areas have been properly cleaned and left in the condition as received.

TRASH

1. Trash shall be placed in trash chutes located on each floor of the complex. All refuse is to be contained in sturdy, 20-gallon plastic garbage bags for one-way disposal. Open containers such as paper sacks, boxes, unsecured plastic bags and/or reusable garbage cans shall not be used. Sturdy, securely fastened 20-gallon trash bags are the ONLY permissible trash containers. When depositing trash in the chute, please make certain that all hands and fingers are away from the door before closing. Do not put your head, arms, hands, etc. in the chutes. Other residents above your floor may be depositing trash and an injury could result.

2. In the event of damage to bags in the disposal process, Residents are responsible for cleaning up their own trash spilled on Common Areas and disposing of it in the proper receptacles. OWNERS WILL BE ASSESSED FOR ANY CLEAN-UP SERVICES PROVIDED BY THE ASSOCIATION.

3. Oversized items should not be left inside or outside the trash areas. These items are the Resident's sole responsibility to remove from the premises and dispose of at their discretion.

4. Construction debris must be removed from the premises and not placed in the Association dumpsters.

5. No owner shall allow any trash container to be within view of neighboring condominiums, streets, Association property or Common Area.

6. All rubbish, trash or garbage shall be regularly removed from each condominium and shall not be allowed to accumulate in the project.

RESPONSIBILITY FOR PETS

A reasonable number of dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purpose, nor in violation of the CC&R's.

A "reasonable number" shall ordinarily include no more than an aggregate of two (2) dogs and cats per household; provided, however, a reasonable number in any instance may be more or less depending on whether the pets constitute a nuisance to other owners.

Animals must be kept in individual condominiums, balcony or on a leash being held by an individual capable of controlling the animal. Under no circumstances may pets be allowed to run free. No dogs are to be tied up to any tree, stakes, or any exterior building structures. All pets kept within the Association should have a current license and name tag. Loose, unattended dogs, cats, or other animals without a name tags will be reported to the Animal Control Division for pickup.

Residents who are disturbed by any loose, unattended animals, dogs which bark excessively, any animal which threatens others, or otherwise cause a disturbance, are urged to first contact the Owner and, if unsuccessful, to report it to the Management Company, in writing, or to the Animal Control Department, providing breed, color, time and location of occurrence and the Owner's name and address, if known. The Board of Directors reserves the right to prohibit and to have removed any pet, which in their sole discretion constitutes a nuisance.

The Common Areas, including patios, balconies, sidewalks and landscaping, shall not be used for relieving of pets bodily excrements. Any waste must immediately be removed and disposed of by the Pet's Owner.

Pet Owners are responsible for any personal injury or property damage incurred by their pets. This includes, but is not limited to, grass and plant damage, stucco staining, claw mark damages, etc. Please do not allow pets to urinate on Common Area grass, plants and shrubs. Damages to the Common Area by pets shall be billed to the Homeowner at the current replacement cost.

Pet Owners are responsible for controlling their pets.

No pets or other animals, except seeing eye dogs, personal service dogs, or other such trained animals, are permitted in the Meeting/Media Room or Fitness Center at any time.

Human assistance dogs are considered exempt, i.e. seeing-eye dogs, canine companions, etc.

VEHICLE AND PARKING REGULATIONS

Each parking space is intended for the parking of Homeowners, Residents or Tenants motorized vehicles. Each authorized vehicle, which is owned and operated within the Property, shall be parked in the space, which is deeded in ownership.

Homeowners, Residents and Tenants may park in deeded spaces only. If there are more vehicles than deeded spaces, any remaining vehicles must be parked on the street. Any vehicle wrongfully parked in a reserved parking space or parked in an unauthorized or undesignated location will be towed at the violator's expense. No vehicle shall be parked in a manner which block driveways, other Homeowners parking spaces, fire lanes or other access by emergency vehicles. No vehicle shall occupy more than one parking space. No parking is allowed in the "red" or "yellow" zones at any time. Owners of vehicles parked in these zones are subject to being towed away without notice at the expense of the Owner or person(s) having custody. Towing will be used as an enforcement remedy against vehicles parked in the Common Area in violation of the Association's Rules and Regulations, pursuant to Vehicle Code Section 22658.2.

No designated parking space shall be used, changed or altered in any manner, which prevents the storage of the Resident's vehicle.

No car maintenance (other than emergency work) is permitted in the project, except with prior written approval of the Board. No automobile or associated equipment may be dismantled, repaired or serviced on the Property.

No motorhomes, travel trailers, camper vans, boats, buses, vans designed to transport 8 or more people, commercial-type vehicles, aircraft or any vehicle or vehicular equipment deemed a nuisance by the Board of Directors, shall be parked, stored or kept within the Association.

The careless or reckless operation of any vehicle at the Village Walk is strictly forbidden. Individuals who are responsible for damage resulting from the operation of any vehicle are expected to fully reimburse the party suffering the damages or the Association for the repair of those damages.

Broken down, inoperative, unregistered, and "junk" vehicles are not to be stored or allowed in the Association or in the Common Area, including parking facilities at any time. If such equipment remains in a prohibited area, a notice will be sent to the person(s) in custody of it, requiring removal within 48 hours from receipt of such notice, after which time the Board of Directors may have the item towed at the expense of the Owner or person(s) having custody.

No Owner shall use or permit the use of the Porte Cochere or parking ramps in a manner, which is unsafe, destroys or unreasonably damages the streets, sidewalks or streetlights.

The Board of Directors reserves the right to establish additional regulations as it deems appropriate regarding the designation of "parking" and "no parking" areas, and shall have the power to enforce all parking and vehicular regulations, including the power to remove - at the sole expense of the Owner, vehicles that are in violation of parking and vehicle regulations.

Please be considerate of all homeowners when setting your car alarm. Excessive, unnecessary ringing of any Resident's car alarm is prohibited.

Homeowners, Tenants and Residents are responsible for informing their guests of the parking regulations.

LANDSCAPING

Your Association employs a Management Company whose duties are to operate, control and maintain the Association's Common Area, landscaping, sprinklers and outdoor lighting. No Homeowner, Resident, Tenant or any other occupant may make any alterations or improvements to the Common Areas or remove any planting, structure or other object at any time.

Should landscaping be placed on a balcony, the owner must take adequate steps to capture water from such plants and to prevent any damage to the project or unsightly condition. No plants or other items should be placed on top of any fence or railing. No potted plants should be allowed to grow on the exterior of a balcony railing, fence, wall or portions of the building. The owner will be responsible to pay for the repairs for any damage caused by the placing of landscaping in his or her Exclusive Use Areas. Objects and plants placed in the balcony area are subject to review and recommendation of the Architectural Committee. The Architectural Committee has the right to restrict or prohibit any item from being placed on a balcony which are within view of other owner(s).

DOORS, GATES AND SECURITY

1. All Common Area building doors (where applicable), garage gates, fitness room and meeting room doors must be locked at all times. This precaution must be taken in order to safeguard your private property and the facilities and equipment of the Village Walk Association.

2. Damage to the garage gates/doors is the financial responsibility of the person(s) causing the damage.

3. Propping entrance doors, gates and elevator doors open or in any way interfering with the automatic locking mechanism of any outer door or gate when unattended, i.e., in the process of moving, are prohibited.

RENTAL REQUIREMENTS

Each owner shall have the right to lease the condominium provided that the lease is in writing. Each tenant shall be bound by and obligated to the provisions of the CC&R's, Bylaws, Rules and Regulations, and a tenant's failure to do so shall be deemed a default under the lease.

Owner shall not lease a condominium for transient or hotel purposes and no condominium shall be leased for a term less than twenty-six (26) days.

ALL HOMEOWNERS MUST PROVIDE THEIR TENANTS WITH A COPY OF THE RULES AND REGULATIONS AND ALL TENANTS MUST COMPLY WITH THESE REGULATIONS, THE CC&R's AND BYLAWS.

Homeowners are held responsible for the actions and behavior of their Tenants and Guests and are financially liable for damage to the Common Area and for violations of the Rules and Regulations.

At the request of the Board of Directors, the owner shall forward an executed copy of a lease to the Board together with the telephone number and street address of the residence of the owner.

MOVING

1. Moving is permitted between the hours of 8:00 a.m. and 6:00 p.m. Monday through Friday. Special arrangements will be considered for move-ins/outs on Saturday or Sunday or holidays.

2. Move-ins/outs must be scheduled through the Management Company not less than seven (7) days in advance. Move-ins/outs are scheduled on a first come/first served basis.

3. Completion of the Move Application Form is required prior to the move.

4. Moving of items through the main lobby, on the corner of Beech and India, is prohibited. Moves will be made through the entry at Columbia and the pedestrian ramps at the corner of Beech and Columbia. Appropriate precautions must be taken when moving any goods on elevators, walkways, stairs or hallway to avoid damage, dirt and unnecessary noise. Parking permits must be obtained from the Management Company.

5. Unit Owners are responsible for their guests, tenants and movers for all damage to facilities including, but not limited to doors, walls, elevators, plants, furniture, floors, etc.

6. Doors/gates left unattended during the moving process is a breach of security of the property and is subject to disciplinary action by the Board of Directors. Please be considerate of your neighbors.

7. Individual Unit Owners will be responsible for transporting their own carpeting, wall coverings, tile, draperies, construction debris, etc. and arrangements for the use of the freight elevator to transport these materials must be coordinated with the Management Company. Construction debris must be removed from the premises and not placed in Association dumpsters.

GUEST REQUIREMENTS

Guests must comply with these Rules and Regulations.

Homeowners, Residents and Tenants are responsible and liable for the action of their Guests in accordance with the Village Walk Association CC&R's, Bylaws and Rules and Regulations.

ARCHITECTURE

Nothing shall be done in a Condominium or in the Common Area that would or could impair the structural integrity of any building without the review and recommendation of the Architectural Committee and final decision in writing from the Board of Directors. No owner shall have the right to alter, paint, decorate, remodel, landscape or adorn any part of the Association property or Common Area without the written consent of the Architectural Committee.

Sign Control – Residential

An owner of a condominium for which only residential use is allowed, may place one (1) sign no larger than 18" x 24" in the window of the owner's condominium to advertise the condominium for sale or rent. No other signs may be placed anywhere in the project without the prior written permission of the Architectural Committee.

Sign Control - Commercial

An owner of a condominium for which commercial use is allowed, may place reasonable signs on or in the window of the portion of the condominium which is being used commercially and to the exterior of the building adjoining that portion of the condominium. The CC&R's describes the type, size, appearance and location of signs deemed reasonable. Any other exterior sign must be approved by the Architectural Committee. The sign may be used to advertise the business conducted in the condominium, the name of the business, the street address and for similar purposes.

Sign Control – In General
Except as provided above and set forth in the CC&R's, no other signs may be placed anywhere in the project without the prior written permission of the Architectural Committee. All signs must conform to applicable City of San Diego ordinances.

Outside Antennae
There shall be no outside television or radio antennae, masts, satellite dishes, transmitter tower or facility, poles or flag poles constructed, installed or maintained in the project for any purpose without approval of the Architectural Committee. However, in considering whether to approve an antenna or to impose requirements on such approval, the Architectural Committee shall not violate any applicable law or regulation, including, but not limited to any applicable regulations of the Federal Communications Commission.

Decorating by Owner
Except as noted in the CC&R's, each owner shall have the right, at the owner's sole cost and expense, to maintain, repair, paint, paper, panel, plaster, tile and finish the interior surfaces of the ceilings, floors, window frames, door frames, trim and perimeter walls of the owner's condominium, and the surfaces of the bearing walls and partitions located within the condominium. Such owner has the right to substitute new finished surfaces in place of those existing on the ceiling, floors, walls and doors of his or her condominium. Architectural Committee approval is required for hard floor surfaces installed in areas in which the installation of the hard surface floor covering would increase the level of noise heard in any other condominium, unless the hard surfaces replace hard surfaces previously installed by The Olson Company. Each owner has the obligation to keep all of these items in good repair.

Windows
Windows shall be covered only by draperies, curtains, shutters and shades, and shall not be painted or covered by aluminum foil, paper or similar materials. Each owner shall, within one hundred twenty (120) days after close of escrow, install window covering on all windows of his or her condominium which are visible from any public or private street. Window backing must be a neutral solid color of white or beige.

Outdoor Lighting
All private outdoor lights shall be designed and adjusted to reflect downward and avoid any impacts on adjacent homes or property.
City and CCDC Requirements
The Association and each owner shall at all times comply with the City of San Diego and CCDC Permit requirements.

Right to Combine Units

One or more of the condominiums may be combined to comprise a single unit provided the owner wishing to do so gives written notice to the Association and the Association reasonably determines that the combination of the condominiums will not diminish the structural integrity of the project. The combination of condominiums will not result in any reduction of regular assessment or change voting rights.

ARCHITECTURAL REVIEW AND GUIDELINES

The Architectural Committee will strive to preserve the highest standard and quality of life for each Homeowner within the Village Walk Association.

All owner improvements or exterior changes to any portion of a condominium which would be within view outside of the condominium or which results in any structural change to any building or would be within the jurisdiction of the Architectural Committee according to the CC&R's, must be submitted to the Architectural Committee, in writing, on forms available from the Management Company. No improvement, modification or alteration may be made without the review and written recommendation of the Architectural Committee in accordance with provisions of the Association's CC&R's, Bylaws, Rules and Regulations, Architectural Guidelines, and without the final written approval of the Board of Directors. To expedite the processing of your request, please request an Architectural Application Form from the Management Company.

Please note that it could take as long as forty-five (45) days for the Architectural Committee to complete their review process after all required materials are submitted.

In the event that the Architectural Committee deems it necessary to consult with outside specialists necessary to review the plans or inspect the proposed improvements, the Homeowner requesting the alterations or improvements shall be responsible to pay whatever costs are incurred for the consultation.

All contractors, sub-contractors, or any other person or entity who perform work on or within the Association shall provide proof of insurance, a California State Contractors License (if applicable) and a City Business License (if applicable), and copies of any permits required by the City of San Diego, Centre City Development Corporation, County of San Diego or State of California, to the Management Company prior to construction.

It shall be the responsibility of the Applicant to ensure that modifications are consistent with the applicable building code requirements.

The Architectural Committee may, from time to time, adopt, amend and repeal, by majority vote, Rules and Regulations to be known as Architectural Review and Guidelines.

Homeowners are required to give notice to the Board of Directors upon completion of any construction or reconstruction. The Board or its representative may inspect any completed construction to determine whether it was constructed in compliance with the approved plans.

FIRE EMERGENCY PROCEDURES

Upon taking occupancy, every Homeowner and Resident should set aside time to walk around and familiarize themselves with your condominium, the building and the Association's grounds as you would a house. This will enable you to become a more informed Homeowner or Resident with the emergency exits and fire-fighting devices. **Be certain to test your smoke detector at least monthly to make certain it is in proper working order.**

EVERY CORRIDOR (HALLWAY) WILL HAVE FIVE, EXTINGUISHERS, FIRE ALARMS, AND PULL STATIONS LOCATED ON THE WALL OF EACH FLOOR. IN ADDITION, THERE ARE VOICE ACTIVATED EMERGENCY SPEAKERS FOR TWO-WAY COMMUNICATION IN THE STAIRWELLS AND ONE-WAY COMMUNICATION IN EACH CONDOMINIUM. THE EMERGENCY NUMBER FOR FIRE, POLICE AND PARAMEDICS IS 911.

FIRE EVACUATION

1. Upon hearing the fire alarm signal (intermittent horn), DO NOT PANIC! KEEP CALM! Go immediately to your condominium entrance and feel the door with your hands to see if it is hot before you open it.

2. If the door is not hot, brace your body against the door and open it a crack. Be prepared to slam it shut if heat or smoke rushes in. If it is clear, open the door slowly all the way and leave the fire area quickly, close all doors that you pass through on your escape route and proceed directly to the nearest fire exit. If you must use an escape route where there is smoke, stay as low as possible. Crawling lets you breathe the cleaner air near the floor as you move toward an exit.

3. DO NOT USE THE ELEVATOR when the alarm is on. All elevators will automatically descend to the lobby for the Fire Department use.

4. Go to the fire exit stairway nearest you and proceed down to ground level. The doors will lock behind you and the exit is at the first floor level only. Do not waste your time on the telephone to find out what's happening. Younger people should assist the elderly as they may not be able to see too well or be strong enough to proceed down as rapidly as they would like and may fall.

5. Persons in wheel chairs and other occupants unable to descend the stairs should remain in the stairwell on the landing on their floor. An able-bodied adult should remain, if possible, with the individual to insure his/her safety and to assist in keeping this person out of the flow of traffic.

6. If any of your doors are hot or you see smoke seeping into your condominium, DO NOT OPEN THE DOOR. Seal off the cracks around the door to keep the smoke out.

7. If necessary, dampen a cloth to breathe through to filter out smoke and gases.

8. If possible, immediately call **911** and tell them exactly where you are - even if you can see fire trucks on the street below.

9. Go to your balcony, closing the sliding door behind you. Then go to the railing and yell **"FIRE"** to alert other Residents and incoming firefighters. Wave something light colored to attract their attention.

10. THINK BEFORE YOU ACT! Don't jump. Don't panic. Keep calm. Rescue will arrive shortly. Rescuers will try to begin with those in the most immediate danger.

EARTHQUAKE PREPAREDNESS GUIDE

BE INFORMED

1. Everyone should be familiar with the location and operation of the electrical panel in your unit.
2. Your phone book has information on earthquake preparedness, basic first aid and CPR.
3. Develop a family emergency plan, which includes a place to reunite.
4. Designate a contact person 300 miles away or more and provide that person with a list of people to call and notify for you outside of the disaster area.
5. Learn first aid and CPR.
6. Move heavy items to lower shelves.
7. Remove or isolate flammable materials.
8. Install latch-locking devices on cabinet doors.

BE PREPARED

1. Earthquake kit – purchased at most home improvement and surplus stores.
2. Flash light – have spare bulb and extra batteries.
3. Portable radio – have extra batteries.
4. First aid kit – purchased at drug stores and surplus stores.
5. Fire extinguisher – rating type ABC.
6. Candles and matches – be sure there are no gas leaks prior to using.
7. Basic tool kit.
8. Non perishable food items – suggested 2 weeks supply per person.
9. Can opener (non-electric).

10. Water – 1 to 2 gallons per person per day. Water filter kits that connect to your water heater can be purchased at home improvement stores and are a great idea. The average water heater holds 30 gallons of water.
11. Crowbar – keep a crowbar under the bed for use in forcing open jammed doors.
12. Essential medication.
13. Keep shoes and eyeglasses handy.
14. Eyeglasses (spare).
15. Whistle.
16. Watch/Clock – battery operated.
17. Cash – ATM machines and banks may be out of service.
18. Your vehicle – It may be a good idea to store some of these items in your vehicle including a first aid kit and sturdy shoes, etc.

AFTER EARTHQUAKE CHECKLIST

1. Yourself.
2. Family & neighbors – trapped or injured.
3. Gas leaks – do not shut off your gas unless you smell gas!
4. Fireplace.
5. Stove area.
6. Electrical – visually check for sparks or broken wires which pose a hazard.
7. Water – check for broken water and sewer lines. Don't drink water unless you know it's safe.
8. Phone – check for dial tone. Do not use unless it is an emergency. Flooding the phones systems only delays help for people who really need it.
9. Look for broken glass or other hazards.

For further information, refer to the Pacific Bell customer guide - First Aid and Survival Guide in your phone book.

Rental Restrictions (Required Civil Code Sec. 4525)
Village Walk Association

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Special Assessment (Required Civil Code Sec. 4525)
Village Walk Association

This document is currently either not available or not applicable for this association.

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