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WHEN RECORDED RETURN TO:

Villa Marin Homeowners' Association
100 Thorndale Drive
San Rafael, CA 94903

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TITLE OF DOCUMENT

Declaration of Covenants, Conditions and Restrictions of VILLA MARIN HOMEOWNERS' ASSOCIATION (As Restated in 2022)

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.

dlr: 1/1/2022, AB 1466

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS VILLA MARIN
HOMEOWNERS' ASSOCIATION
(As Restated in 2022)©

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DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
VILLA MARIN HOMEOWNERS' ASSOCIATION
(As Restated in 2022)©

This Declaration of Covenants, Conditions and Restrictions of VILLA MARIN HOMEOWNERS' ASSOCIATION ("Declaration" or "CC&Rs") is a restated version of the now superseded Declaration entitled "2003 Amended and Restated Declaration of Covenants, Conditions and Restrictions for Villa Marin, Quail Hill, California" which was recorded in the office of the Marin County Recorder on May 2, 2003 as Document No. 2003-0050620, and as may have been subsequently amended (hereinafter "Former Declaration").

RECITALS

1. Legal Description. This Declaration governs all of the real property and improvements located in the City of San Rafael, described as:

All of the real property and improvements shown on the Map entitled "Map of Villa Marin Retirement Residences, a Condominium," filed for record July 19, 1983, in Volume 18 of Maps, at Page 91, Marin County Records.

2. The Property. There are 224 Condominiums in Villa Marin Homeowners' Association, which is a Condominium project within the meaning of the provisions of the California Davis-Stirling Act. It is also a Continuing Care Retirement Community (Health and Safety Code Sections 1700 and following). At least one Resident in each occupied Unit must be 60 years or older, except as may be required by law. The Association is empowered to and shall take all necessary steps to enforce this provision.

3. This Restated Declaration. The Association determined that its Former Declaration is outdated. Therefore the Owners have approved and recorded this Declaration which supersedes the Former Declaration. The provisions of this Declaration are intended to enhance and protect the value, enjoyment, safety, desirability and attractiveness of Villa Marin Homeowners' Association Condominiums.

4. Applicability of Restrictions. As revised, this Declaration of Covenants, Conditions and Restrictions shall run with the Property and shall be binding on all parties having or acquiring any right, title or interest in any portion of the Property in the same manner as the Former Declaration, and shall be for the benefit of all Owners.

ARTICLE I DEFINITIONS

The following terms, when shown in bold type throughout this Declaration, shall have the following meanings:

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Section 1.1. "Annual Assessment" shall mean that levy by the Association against each Unit for such Unit's equitable share of the cost to maintain, repair, improve, replace, insure, operate and manage the Common Area and Association Properties and to provide the Service Program. Periodic payments against an Assessment are sometimes referred to as fees, e.g., monthly fees.

Section 1.2. "Articles" means the Articles of Incorporation of Villa Marin Homeowners' Association, as amended from time to time.

Section 1.3. "Assessment" means an Annual (Regular) Assessment, Special Assessment, Emergency Assessment, Reimbursement Assessment made or assessed against an Owner and his or her Unit in accordance with the provisions of Article IV of this Declaration.

Section 1.4. "Association" means VILLA MARIN HOMEOWNERS' ASSOCIATION, a California nonprofit mutual benefit corporation, its successors and assigns.

Section 1.5. "Association Properties" shall mean those real properties now owned or subsequently acquired by the Association either in fee simple or a permanent easement. The Association is record owner of the following: Assessor Parcel Numbers 175-360-07, 175-360-10, and 175-360-12. These parcels are not depicted on the Plan. Further, the Unit designated on the Plan as number 11 (Assessor Parcel Number 175-431-12) is a non-residential space owned in fee simple by the Association.

Section 1.6. "Balcony" or "Balconies" means those portions of the Common Area that are depicted on the Plan for the exclusive use of the Unit to which they are linked. Historically the terms "deck", "patio" and "patio deck" have also been used to describe these areas. Regardless of the terminology, these terms refer to Balconies as designated on the Plan.

Section 1.7. "Board" or "Board of Directors" means the governing body of the Association.

Section 1.8. "Bylaws" means the Bylaws of the Association, as may be amended or restated from time to time.

Section 1.9. "Common Area" means the entire Property as depicted on the Plan, except Unit area.

Section 1.10. "Condominium" means the Unit, together with the undivided interest in the Common Area conveyed in fee to an Owner, and all related easements. See generally California Civil Code §4125.

Section 1.11. "Contract for Medical Care" shall mean a contractual agreement in which the Association is to provide and/or pay for specified medical care benefits to a Resident named therein and/or signatory thereto.

Section 1.12. "Davis-Stirling Common Interest Development Act" means that set of statutes governing Common Interest Developments which starts with California Civil Code §4000 and is also referred to as the Davis-Stirling Act or the Act.

Section 1.13. "Declaration" means this restated Declaration and any further revisions or amendments. The term Declaration is interchangeable with the term "Covenants, Conditions and Restrictions" or "CC&Rs".

Section 1.14. "Exclusive Use Common Area" means those portions of the Common Area which are for the exclusive use of one or more, but fewer than all, of the Owners of the Units. Exclusive Use Common

Area is a subpart of Common Area distinguished by different rights and responsibilities from general Common Area. Exclusive Use Common Area is typically an interface between Common Area and Unit area and includes a variety of components. Examples include Unit front entry doors, door frames, and

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hardware incident thereto, assigned parking spaces and assigned storage spaces. Exclusive Use Common Area also includes patios, decks and Balconies as designated on the Plan. (See also Section 5.1(b) - Maintenance, Repair and Replacement of Exclusive Use Common Area.)

Section 1.15. "General Notice" means delivery of documents and/or information to an Owner by Individual Notice, inclusion in a billing statement or newsletter, or posting the printed document on the Association's website and/or in a prominent place at the Property designated for such notices.

Section 1.16. "Governing Documents" means collectively this Declaration, the Bylaws, Articles, Contracts for Medical Care, Service Contracts, rules, policies and guidelines approved and adopted by the Board, and any amendments to such documents.

Section 1.17. "Individual Notice" means transmittal of notices, documents, or other communications to an Owner via first-class mail, or via email, facsimile, or other electronic means, provided that the Owner has agreed in writing or by email to that method of delivery. The Owner shall be responsible for maintaining his or her current addresses - mail and email (if applicable) - with the Association. The Association may, but shall not be required to, provide an undelivered communication by some other means. If a document is delivered by mail, delivery is deemed to be complete on deposit into the United States mail. If a document is delivered by electronic means, delivery is complete at the time of transmission. If a document or information is required to be "in writing", then the information provided must be in an electronic record capable of retention by the receiving Owner (i.e., able to be printed and/or stored).

Section 1.18. "Lease" means an agreement for occupancy of a Condominium by a Qualified Occupant/Resident for a minimum of one year. "Lessee" means a Qualified Occupant/Resident who Leases a Condominium owned by a non-qualified occupant, such as an heir, trust, or estate. (See also Section 1.25 - "Rental")

Section 1.19. "Member" means a person who holds membership in the Association and is synonymous with the term "Owner".

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Section 1.20. "Owner" means the owner of record in the chain of title, whether one or more persons, having a recorded fee simple title to or undivided fee interest in any Condominium. This includes contract purchasers, but excludes persons having any interest merely as security for the performance of an obligation. If title is in the name of a Trust, the Trustee named on title is an Owner of record. An Owner may not be an entity unless such title is approved by the Board.

Section 1.21. "Plan" means the Condominium Plan entitled "Map of Villa Marin Retirement Residences, a Condominium," filed on July 19, 1983 in the Marin County Records in Volume 18 of Maps at page 91, Serial Number 83-34318, and any amendments thereto.

Section 1.22. "Property" means all of the real property and improvements of the Villa Marin Homeowners' Association condominium complex and includes all Units, structures and Common Area.

Section 1.23. "1972 Quail Hill Conditions, Covenants and Restrictions" shall mean those Conditions, Covenants and Restrictions entitled, Declaration of Covenants, Conditions and Restrictions Affecting Real Property Known as "Quail Hill", Lots 1 to 5 inclusive, San Rafael, Marin County, California, recorded on June 9, 1972 as document number 21322, Official Records of Marin County, California, as amended by Supplementary Declaration of Covenants, Conditions and Restrictions dated July 19, 1983 and recorded in Official Records of Marin County, California on April 12, 1984, Serial Number 84017319 and a Second Supplementary Declaration of Covenants, Conditions and Restrictions dated April 4, 1984 and recorded in Official Records of Marin County, California on April 12, 1984, Serial Number 84017320.

Section 1.24. "Qualified Occupant" means any person who has qualified for full-service occupancy of a Unit and whose status as Qualified Occupant has not terminated. To qualify for full-service occupancy of a Unit, a person shall have been approved pursuant to Section 8.2 hereof for occupancy of such Unit and for full participation in the Service Program and shall have executed a Contract for Medical Care or a Health Center agreement with the Association, and shall have either:

Purchased said Unit and closed escrow therefor, or

Executed a long-term (at least 12 months) tenancy agreement with the Owner thereof which was approved by the Board or by an officer empowered by the Board to do so.

A person's status as Qualified Occupant shall terminate when:

He or she dies or becomes a Permanent Patient as defined in the applicable Contract for Medical Care or another Qualified Occupant takes his or her place in the Unit as a result of sale or Lease thereof; but such replacement shall not imply termination if said person is qualified for immediate occupancy of some other Unit and he transfers thereto.

When a Unit is occupied by two or more Qualified Occupants and one of them advises the Board of his/her intention to leave the Property permanently, the Board may terminate his/her status as Qualified Occupant.

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It should be noted that any occupants of the Property who, by definition, are not Qualified Occupants may be Owners, Renters, guests and employees not fully covered by the Service Program.

Section 1.25. "Rental" means any agreement for occupancy of a Condominium that does not exceed sixty-one (61) cumulative days in any calendar year by one or more non-qualified occupant(s). "Renter" is a short-term visitor who rents from an Owner, is not a Resident and does not participate in the Service Program. (See also Section 1.18 - "Lease")

Section 1.26. "Resident" shall mean Qualified Occupant, as defined in Section 1.24, or a Permanent Patient, as defined in the applicable Contract for Medical Care.

Section 1.27. "Service Program" means the Association's program, as it now exists and may later be revised, of services to Residents, including but not limited to dining, housekeeping and health care services.

Section 1.28. “Unit” means the separate interest as generally defined in Civil Code §4185. There are 224 such Units in Villa Marin. (The Unit designated on the Plan as number 11 is a nonresidential space owned in fee simple by the Association.)

1.28(a) Boundaries. The boundaries of each Unit shall be the interior unfinished surfaces of the perimeter walls, floors (surfaces and subbase), ceilings and doors bounding the Unit, and includes windows (including glass). Each Unit includes the airspace encompassed by its boundaries.

1.28(b) Inclusions. The Unit expressly includes, regardless of location, the following components: the finish materials of interior walls and ceilings (including gypsum board, tape, texturing, and joint compound), carpeting, floor coverings and related components, the fireplace system, if any (including box and mantle and other decorative features, but excluding the chimney flue), fixtures, cabinets, interior doors, exterior sliding glass doors, windows, weatherstripping, screens and associated hardware and locks, light fixtures, toilets, wax or plastic rings, showers, shower pans, shower valves, bathtubs, sinks, drains (including p-traps) and drain seals, as well as bathroom and kitchen plumbing fixtures (including the joints where the fixtures attach to pipes), faucets, fans, valves, valve cartridges, washers, gaskets, tile, grout, caulking and waterproof elements of any bathroom and kitchen surfaces, including any waterproof elements behind tiles or other finish material.

Electrical switches, receptacles, boxes and panels, fuses, circuit breakers, utility components, fixtures and extensions thereof and appliances which are located wholly within or around the boundaries of a Unit or are recessed in the wall of the Unit and accessible from or adjacent to the Unit, and which service only that Unit, are also part of the Unit.

Section 1.29. “Voting Power” means the ballots that can be cast by all 224 Condominiums.

ARTICLE II PROPERTY RIGHTS

Section 2.1. No Partition. Except as provided by California Civil Code §4610, there shall be no judicial partition of the Property or any part, nor shall any person acquiring an interest in the Property or any part seek any judicial partition, provided, however, that if any Condominium is owned by two or more co-tenants as tenants-in-common or as joint tenants, nothing in this Declaration shall be deemed to prevent a judicial partition as between co-tenants.

Section 2.2. Common Area Ownership. Each Owner has a 1/224 undivided interest in the Common Area for each Unit that he/she owns. The 1/224th undivided interest linked (appurtenant) to each Unit is permanent in character and shall not be altered without the consent of all Owners expressed in an amended Declaration and Plan duly recorded. The undivided interest in the Common Area shall not be separated from the Unit to which it appertains and shall be deemed to be conveyed or encumbered or released from liens with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

Section 2.3. Exclusive Use Balconies. Patios, decks and Balconies are Exclusive Use Common Areas linked (appurtenant) to each Unit and are restricted to the exclusive use by the Owners of the Units to which they are linked (appurtenant). These areas are referred to on the Plan as Balconies.

Section 2.4. Owners' Common Area Easement. Each Owner has a nonexclusive easement for use and enjoyment of the Common Area and for entering (ingress), exiting (egress), and support over and through the Common Area and all improvements thereto. These easements are linked (appurtenant) to, and shall pass with the title to, each Unit and shall be subordinate to the exclusive easements granted elsewhere in the Declaration, as well as to any rights reserved to the Association to regulate time and manner of use, to charge reasonable fees, to adopt and enforce rules and to perform its obligations under this Declaration. Each Owner shall have an easement of support as necessary over and through the Common Area.

Section 2.5. Conveyance of Common Area Interest. The Board may grant or convey Common Area easements or licenses to utility companies, communications companies or public or quasi-public entities, so long as the grant in whole or in part benefits the Owners and/or does not significantly interfere with the Owners' use of the Common Area. The Association may fully dedicate any of the Common Area or Association Properties to an appropriate public or quasipublic authority, provided that any such dedication shall have the assent of at least a majority of Owners.

Section 2.6. Encroachment. None of the rights and obligations of the Owners created herein, or by the deed creating the Condominiums, shall be altered in any way by minor encroachments due to settlement or shifting of structures or any other cause.

Section 2.7. Other Easements. The Property, each Owner, and the Association, as the case may be, are subject to the emergency vehicle access easement and public right-of-way easement shown on and described by the Subdivision Map.

Section 2.8. Unit 11 and Association Properties. Title to the Unit numbered 11 on the Plan (i.e., the swimming pool) is in the Association, which shall not be assessed any fees nor have any other rights or obligations inherent in ownership of a Unit by virtue thereof. The Board, in its sole discretion, may treat said Unit, together with Association Properties, as part of the Common Area for all purposes except as related to partition.

Section 2.9. Grant of Exclusive Use of Common Area. The Board and/or Owners may approve the grant of exclusive use of a portion of the Common Area to an Owner under the limited circumstances provided for in Civil Code §4600 and this section. The Owner must make application to the Board, which must include a drawing showing the proposed modification(s) and a full description of the proposed encroachment, including dimensions, materials and surrounding areas, etc. (as specified on the application).

2.9(a) If the Board determines that the subject Common Area is generally inaccessible and is not of general use to the membership at large, then the Board, in its sole discretion, may approve such exclusive use. Such areas may include, for example, confined areas within the building and adjacent to the applicant's Unit or area immediately adjacent to the applicant's Condominium. The Board may also have similar discretion where the request conforms to other provisions of the above-cited statute. Typically, if a grant is made, a license is granted to a person and may have conditions and/or be of limited duration.

2.9(b) If the Board finds that the proposed modification does not comply with the exceptions stated in the above-referenced statute and/or this section, then for the Board to grant an exclusive use license or easement, there must also be approval of the Board and an affirmative approval by at least twenty percent (20%) of the Owners, but not less than a majority of the votes cast.

2.9(c) The Board shall impose terms and conditions as are appropriate and beneficial to the Association. The terms may include recordation of documentation in the chain of title. Additionally, the Owner must accept the burden of management and maintenance of such Common Area and the Board may include the obligation to add the Association as an additional insured on Owner's liability insurance.

2.9(d) A written record must be kept by the Owner and any successor Owner of all such requests and approvals. The burden is on the Owner to produce written evidence of such approval. If the Owner is unable to produce such evidence, there shall be a presumption that no approval was given.

ARTICLE III AUTHORITY OF THE ASSOCIATION

The Board shall have the authority to conduct the business of the Association, except as may be limited by the Governing Documents or the law. Where appropriate or necessary, the Board, in its sound discretion, shall generally enforce the provisions of the Governing Documents in the manner it deems most appropriate. In addition to those powers and duties set forth in the Bylaws or elsewhere in these CC&Rs, the Board shall also have the following duties and powers:

Section 3.1. Utilities. The Association shall procure and pay for water, sewage, garbage, recycling, electrical, gas, and other necessary and/or appropriate utility service for the Common Area and (to the extent not separately metered or charged) for the Units. The Association may procure or otherwise facilitate communications improvements such as satellite, cable, internet, fiber-optic, common communication or media service and allocate charges equitably. The Association may grant licenses or easements across Common Area to permit installation and maintenance of cable, telephone, internet or other similar lines and/or equipment by private companies.

Section 3.2. Common Area Services. The Association shall procure and pay for landscaping services, as well as maintaining and cleaning the Common Area. If economically feasible, the Board may install and/or maintain alternative landscaping water sources, such as use of gray water or installation of a well.

Section 3.3. Service Program. The Association has responsibility for providing services contemplated in the Service Program as set forth in Article VII hereof and for regulating the availability thereof, subject to requirements set forth in Contracts for Medical Care, the form of which shall have been prescribed by the Association.

Section 3.4. Professional Services. As deemed prudent by the Board, the Association may procure and pay for professional services, including medical, legal, management, engineering, reserve and accounting services.

Section 3.5. Taxes. The Association shall pay all taxes and assessments, if any, levied or assessed separately against the Common Area.

Section 3.6. Discharge of Liens. The Association shall pay, bond around or otherwise cause the discharge of any lien or encumbrance, including taxes, levied against any Condominium (including mechanic's liens) which, in the opinion of the Board, may constitute a lien against the Common Area. Where one or more persons are responsible for the existence of such lien, they shall be jointly and severally liable for the cost of discharging it. Any costs incurred by the Association by reason of said lien or liens shall be specifically assessed to said Owners as a Reimbursement Assessment.

Section 3.7. Thorndale Drive. The Association shares equally with the owner of 1 Thorndale Drive, San Rafael (Assessor Parcel Number 175-360-04) in the cost of maintaining, repairing and/or replacing Thorndale Drive's surface, the lighting fixtures, sidewalks and easements adjacent thereto, and the taxes and assessments thereon, pursuant to the 1972 Quail Hill Conditions, Covenants and Restrictions.

Section 3.8. Other Obligations of the Board. The Association shall procure and pay for any other goods, materials, supplies, labor, services, painting, maintenance, repairs, structural alterations, improvements, insurance, taxes or assessments which the Board is authorized to secure or pay for pursuant to this Declaration or by law, or which is reasonably necessary in the discretion of the Board for the convenient and appropriate operation of the Common Area.

Section 3.9. Authority for Reasonable Entry for Inspection, Maintenance or Construction. The Association may enter any Unit, and any portion of the Common Area to which an Owner has been granted an exclusive easement or license, whenever such entry is reasonably necessary in connection with the performance of any routine or minor maintenance within the Service Program, as well as inspection, maintenance or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the occupant as is practical. Whenever possible, at least twenty-four (24) hours notice will be given to the occupant. Each Owner shall provide a working access key to his/her Unit for use in emergency circumstances or as otherwise agreed (see also Section 5.4(d)).

Section 3.10. Manager. The Association may delegate the daily management duties and overall administration of the Property to a manager or management company, subject to the direction and control of the Board.

Section 3.11. Water Management and Conservation.

3.11(a) Generally. To address water rationing or other prudent water use management, the Association may require installation of “low flow” devices and may offer reasonable incentives to Owners who install “low flow” toilets or other water saving devices. The Association may also install flow meters to more fairly prorate water costs. The Association may utilize the services of a flow meter company and cause the separate billing of water actually used by individual Units. Flow meter and water charges shall be collectible in the same manner as Regular Annual Assessments. In the event that less than all Units have flow meters, an equitable allocation shall be made so Units with flow meters are not charged for domestic water use of those Units without flow meters.

3.11(b) Drought Declaration Measures. In the event of a drought declaration by the State, Local or Regional Water Authority, the Association shall have the authority to implement additional water conservation measures, including the authority to access a Unit or Exclusive Use Common Area to (1) inspect fixtures and personal property that utilize water (for example, toilets and faucets that may leak) and (2) confirm operable water reduction devices are present in the Unit and Exclusive Use Common Area. The Association may utilize the enforcement provisions of these CC&Rs to cause installation and/or repairs to be performed as necessary. The Association may also impose additional limitations on exterior water usage.

3.11(c) Rules. The Board may adopt rules to conform to any State and/or local water district requirements.

Section 3.12. Rules.

3.12(a) Rule-Making and Policy-Making Power. Subject to the provisions set forth in the Davis-Stirling Act, including Owner review, the Board may propose, enact, adopt and/or amend rules and/or policies of general application to the Owners relating to the use of any part of the Property by the Owners and other persons, including Renters, Lessees, and guests. Such subjects may include exterior and interior parking, commercial vehicles, vehicle dimensions, recreational vehicle and trailer

parking, storage, trash (including trash chutes), compost, recycling and garbage disposal, use of recreational facilities, laundry, pets, Rental or Lease of Condominiums, signs, holiday decorations and displays, estate sales, open houses, and/or activities which might adversely affect the Property or its appearance or might offend, inconvenience, annoy or endanger the Owners or occupants. The Board may adopt policies to address any omission, ambiguity or conflict in the provisions of the CC&Rs. The discretionary rules shall not, however, be in conflict or materially inconsistent with any applicable provision of the Articles, Bylaws or Declaration. In the event of any such conflict in a discretionary rule, the provision contained in the Articles, Bylaws or Declaration shall be deemed to prevail.

3.12(b) Breach of Rules and/or Policies. Any breach of the rules and/or policies shall give rise to the rights and remedies set forth in Article XIII.

Section 3.13. Variances. The Board may, upon unanimous approval of all seven (7) Directors, allow reasonable variances and adjustments of the Governing Documents, including this Declaration, in order to overcome difficulties and prevent unnecessary hardships in the application of these provisions. However, such variances shall only be granted which conform to the intent and purposes of this Declaration. Further, in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements within the Property. The Board may, in its sole discretion, impose limitations on any variance granted, including terms, conditions and duration. Such variances shall be made on a case-by-case basis and shall not serve as precedent for the granting of any other variance.

Where notice of a request for a variance has been given to Owners potentially affected and an Owner fails to object (according to the terms of the notice), that Owner shall be barred from later contesting the decision of the Association. A written record must be kept by the Owner and any successor of all such requests, proceedings and approvals. The Owner shall also convey such documentation to successor Owner of the Condominium (unless recorded in the chain of title). If an Owner is unable to produce such evidence, there shall be a presumption that no variance was granted.

ARTICLE IV ASSESSMENTS

Section 4.1. Assessments Generally.

4.1(a) Each Owner, by acceptance of a deed or other ownership interest, covenants and agrees to pay to the Association the regular Annual Assessment, Special Assessments and any other fees, levied pursuant to the Governing Documents. If a Unit has more than one Owner, each Owner shall be jointly and severally liable for paying the Assessments.

4.1(b) No Owner may waive, be entitled to any reduction in, or otherwise escape liability for these fees by non-use of all or any portion of the Common Area and Association Properties or the abandonment of such Owner's Unit.

4.1(c) Pursuant to California Civil Code §5650(a), each monthly share of the regular Annual Assessment or Special Assessment and any late charges, reasonable costs of collection, including

reasonable attorney's fees and interest thereon as assessed in accordance with California Civil Code §5650(b) shall be a debt of the Owner of the separate interest at the time of Assessment or other sums are levied and shall become a lien on the Owner's interest in the Property from and after the recordation thereof. The Association has the right to enforce Assessment liens by a power of sale according to Civil Code §5700 et seq.

4.1(d) The Assessments levied by the Association shall be exclusively to promote the recreation, health, safety and welfare of the Residents, to improve, replace, repair, operate, and maintain the Common Area and Association Properties and the improvements and personal property in the Common Area and Association Properties that are owned or maintained by the Association, to operate the Service Program, to provide funds necessary to the performance of the other duties of the Association as set forth in this Declaration, and to further any other purpose that is for the common benefit of the Owners in their use and enjoyment of the Property.

Section 4.2. Budgeting. Regular Annual Assessments levied upon the Units shall be based on revenue needs determined by costs as budgeted for the forthcoming fiscal year. In this context, "costs" shall mean projected expenses (including budgeted capital outlays) plus amounts appropriated for scheduled growth of reserves and for other augmentations of reserves, minus projected operating revenues, from all sources except regular Annual Assessments payable by Owners.

A pro forma operating budget shall be distributed to each Owner thirty (30) to ninety (90) days prior to the beginning of the Association's fiscal year.

Annually, each Owner shall be notified of the newly established regular monthly fee for their Unit not less than 30 nor more than 60 days prior to the date when the first of the 12 such fees becomes due. With each such notification, the Owner shall receive a summary of the budgetary basis on which said fees were calculated and a statement of the factors used in calculating the components of the fee.

Section 4.3. Allocation.

4.3(a) The expenses of operating Villa Marin are prorated among all two hundred twentyfour (224) Units. An equitable distribution of expense is obtained by prorating costs on a per Unit basis, a per capita basis and square foot basis depending on the nature of the expenditures. Regular Annual Assessments are based on one Qualified Occupant in each Unit. The Annual Assessment for the Unit is a debt of its Owner.

Units having more than one Qualified Occupant are charged for "Additional Expense" for each such Qualified Occupant. The "Additional Expense" is the same per capita amount charged under the Annual Assessment formula.

4.3(b) Annual Assessments are payable in twelve installments due on the first day of each month of the year for which the Annual Assessment is levied. They are not subject to individual adjustment. No Owner shall be exempt from liability for payment of the Annual Assessments and Additional Expense

against their Unit by waiver of the use or enjoyment of any of the Common Areas or Common Area services.

4.3(c) "Additional Expense" chargeable to a Unit for each Qualified Occupant in excess of one may be added or deleted within the Assessment year on a whole month basis as each such occupant in excess of one permanently occupies or vacates the Unit.

Section 4.4. Regular Annual Assessment. The regular Annual Assessment to be levied on each Unit shall consist of three components, as follows:

The first component, for every Unit, shall equal a ratio to be known as the Administrative factor as follows:

$$\frac{\text{Half of the total costs of administration (other than health care administration)}}{\text{Total number of Units in the Project}}$$

The second component shall equal a ratio known as the "per capita-factor" as follows:

$$\frac{\text{The total cost of food and health care services}}{\text{Total number of Qualified Occupants in all Units (with a minimum of one occupant per Unit)}}$$

The third component shall equal a ratio to be known as the "square footage factor" multiplied by a number, as follows. The "square footage" is based on Unit type, not the actual measurement of the Unit.

$$\frac{\text{The total of all other costs}}{\text{Total approximate square feet in all Units}} \times \text{TIMES number of approximate square feet in the Unit}$$

Section 4.5. Special Assessments. Special Assessments shall be computed and apportioned on the same basis as regular Annual Assessments; accordingly, Special Assessments for the rebuilding or major repair of the Property's structure shall be levied on the basis of the ratio of the approximate square footage of floor area of the Unit to be assessed to the total approximate square footage of the floor area of all Units to be assessed. Special Assessments shall be payable, the due date designated by the Board, by the Owners of record on that date. In lieu of a lump sum settlement by an Owner on the designated due date, the Board may accept payment in monthly installments which shall include interest on the unpaid balance.

Section 4.6. Emergency Assessments. Where the Board determines an emergency or other appropriate situation exists as defined by statute, the Board may levy an Emergency Assessment, but only in accordance with Civil Code §5610 or any superseding provision of the California Civil Code which addresses Assessments necessary for extraordinary expenses.

Section 4.7. Reimbursement Assessments.

4.7(a) Definition. A Reimbursement Assessment is a charge against any Owner (and/or Lessee/Renter) and the Owner's Condominium. It may be levied by the Board under the following circumstances:

4.7(a)(1) by mutual agreement between an Owner and the Association;

4.7(a)(2) where an Owner, guest, Lessee or Renter has caused damage to Common Area;

4.7(a)(3) where there is a violation of the Governing Documents or other misconduct by any Owner, occupant, or the Lessees, Renters, guests, agents, employees, licensees, or invitees of an Owner or occupant;

4.7(a)(4) when a condition created or caused by an Owner or Owner's predecessor in interest has required or will require the Association to spend money (which may include incurring attorneys fees or other costs).

4.7(b) Implementation. Unless otherwise agreed between the Owner and Association, prior to levying a Reimbursement Assessment, the Association must provide the individual with due process pursuant to Article XIII, Section 13.5.

4.7(c) Collection. A Reimbursement Assessment shall be due and payable to the Association when levied or such later time as may be set. If a Reimbursement Assessment is levied and paid before all or any portion of the costs have been incurred by the Association and the amount paid exceeds the costs actually incurred, the Association shall promptly refund the excess to the Owner. If actual costs exceed the amount levied but not yet paid, the Association shall notify the Owner of the additional amount due and the Owner shall reimburse the Association within 30 days. When a Reimbursement Assessment is levied, it may be asserted and/or collected in the same manner as a Regular Annual Assessment, including a lien. Note, however, that non-judicial foreclosure only applies if it is to repair damage to Common Area or other areas for which the Association is responsible, as well as other "out of pocket" costs. Non-judicial foreclosure cannot be used to collect a penalty/fine.

Section 4.8. Assessment Level Increases.

4.8(a) Approval of Board of Directors. The Board may impose a regular Annual Assessment up to and including a twenty percent (20%) increase over the aggregate regular Annual Assessment levied in the Association's preceding fiscal year. In order to exercise this discretionary power to increase Regular Annual Assessments, the Association must have complied with Civil Code §5300. The Board may impose Special Assessments which in the aggregate do not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year. The Board also has the power to levy an Emergency Assessment pursuant to Article IV, Section 4.6.

4.8(b) Approval of the Owners. Assessments may be increased above the amounts set forth in Section 4.8(a) above, only with the approval of a majority of a quorum of Owners. For purposes of this section, quorum means more than fifty percent (50+%) of the Voting Power of the Association. (Based on 224 Units, this would require participation by the Voting Power of at least 113 Units and the approval by a majority of those participating in the vote.)

4.8(c) Notice. The Association shall provide notice to Owners of any special Assessments or increase in the regular Annual Assessment, not less than thirty (30) days nor more than sixty (60) days prior to the Assessment becoming due. Such written notice shall be delivered to Owners by Individual Notice.

Section 4.9. Board Duties, Authority and Responsibilities. In performing its powers, duties and responsibilities, the Board shall:

4.9(a) Subject to Civil Code §5600, have the final authority to determine uniform schedules of fees, Assessments, penalties, late charges, collection costs and interest to be charged and to make such calculations, adjustments and apportionments as are necessary to arrive at a fair and equitable schedule therefor in accordance with guidelines contained in this Article IV.

4.9(b) In levying any Regular or Special Assessment and in determining the delinquency thereof and the imposition of late charges, reasonable costs of collection including reasonable attorneys' fees and interest, be governed by the limitations set forth in Civil Code §5600 and §5650, as well as any others set forth in the Governing Documents.

4.9(c) Be governed by Civil Code §5650 et seq. in connection with collection of the Owner's delinquent debt to the Association.

Section 4.10. Enforcement of Assessments.

4.10(a) Delinquency. The Association shall adopt and distribute a collection policy which shall provide for the collection of Assessments, including the provisions set forth below. If an Assessment is delinquent, the Association may require payment of all of the following:

4.10(a)(1) reasonable costs incurred in collecting the delinquent Assessment, including reasonable attorney's fees;

4.10(a)(2) a late charge not exceeding ten percent (10%) of the delinquent Assessment;

4.10(a)(3) interest on all sums imposed (including the delinquent Assessment, reasonable fees and costs of collection, and reasonable attorney's fees) at an annual interest rate not to exceed the legal rate commencing thirty (30) days after the Assessment becomes due.

4.10(b) Lien. The amount of a delinquent Assessment, plus any costs of collection, late charges, and interest, shall be a lien on the Owner's Condominium from and after the time the Association causes to be recorded with the County Recorder of Marin County a Notice of Delinquent Assessment. This lien includes all additional charges and sums which become due and payable after the date of recordation of the Notice of Delinquent Assessment. Nevertheless, the Association may record an amended lien to state the amounts due at that time. An Association lien shall survive the sale or transfer of a Condominium, except in the event of a foreclosure by a senior interest.

4.10(c) Non-judicial Foreclosure. The Association has the power to conduct nonjudicial foreclosure in order to collect delinquent Assessments. Each Owner hereby appoints as trustee the person designated by the Association as "trustee" in the Notice of Delinquent Assessment, or such substitute trustee as is designated pursuant to Civil Code §2924(a). Additionally, such Owner empowers such trustee to enforce the lien and to foreclose the lien by the private power of sale provided in Civil Code §5675, or by judicial foreclosure. Each Owner further grants to the trustee the power and authority to sell the Condominium of any defaulting Owner to the highest bidder to satisfy such lien. Note that a fine (a penalty unrelated to reimbursement of costs) may be the subject of a lien and/or judicial foreclosure, but cannot be the basis for a non-judicial foreclosure.

4.10(d) Other Recourse.

4.10(d)(1) The Association may bring an action at law against the Owner personally obligated to pay the delinquent Assessments, and/or foreclose its lien against the Owner's Condominium (whether by judicial or non-judicial foreclosure).

4.10(d)(2) Further, the Association may exercise any and all legal rights it may also have to cause the collection of delinquent Assessments. The Association, acting on behalf of the Owners, shall have the power to bid for the Condominium at the foreclosure sale and to acquire and hold, lease, mortgage and convey the Condominium.

ARTICLE V RESPONSIBILITIES FOR MAINTENANCE, REPAIR AND REPLACEMENT

The following sets forth Association and Owner responsibilities for certain components and systems. Any component or condition not addressed herein may be the subject of a policy adopted by the Board. The Association is responsible for the maintenance, repair and replacement of Common Area, Owners are responsible for their Unit areas, and there is shared responsibility for Exclusive Use Common Area. Notwithstanding Owners' primary responsibility, the Association will cooperate with some maintenance services and otherwise assist Owners in other necessary maintenance, repair or replacement services.

Section 5.1. Association and Owner Responsibilities for Maintenance, Repair and Replacement.

5.1(a) Common Area. The Association shall be responsible for the maintenance, repair, replacement, management, operation, and upkeep of the Common Area (Exclusive Use Common Area is addressed below).

5.1(b) Exclusive Use Common Area. The responsibility for the maintenance, repair and replacement of Exclusive Use Common Area shall be as follows:

5.1(b)(1) Decks, Balconies and Patios.

5.1(b)(1)(i) Generally. With the exception of Owner alterations, the Association is responsible for the repair and replacement of the deck, Balcony and patio components caused by normal wear and tear. Owners shall cooperate with the Association in providing access to decks, Balconies and patios for such repair and replacement. This may include removal by the Owner of all personal property.

5.1(b)(1)(ii) Owner Maintenance. The Owner shall keep each deck, Balcony and patio in good condition and generally clear of trapped water (such as under planters and pots) and leaf debris. The Owner shall be responsible for all repairs resulting from negligence, neglect or misuse. The Board may adopt guidelines which reasonably require Owners to perform certain other aspects of maintenance of decks, Balconies and patios.

5.1(b)(1)(iii) Railings. The Association will perform routine and cyclical railing work. Owners are responsible for periodically checking railings and shall notify the Association of any condition that may require other work.

5.1(b)(1)(iv) Owner Alterations. Maintenance, repair and/or replacement of Owner alterations are the sole responsibility of the Owner. The Association may, in its discretion, remove Owner surface modifications and restore the original Balcony system.

5.1(b)(2) Unit Entry Front Doors. The Association shall be responsible for the maintenance, repair and replacement of front doors, handles, locks and hinges. All other related hardware shall be maintained, repaired and replaced by the Owner.

5.1(b)(3) Exterior Lights. The Association is responsible for the repair and replacement of exterior light fixtures as necessary due to normal wear and tear.

5.1(b)(4) Fireplace and Chimney Flue. Those aspects of the fireplace that can be maintained from the Unit are the responsibility of the Owner. The Owner shall be responsible for periodic cleaning of the fireplace flue. The Association may, at its discretion, periodically coordinate or otherwise implement chimney flue cleaning. Firebox liners or stone panels are an Owner responsibility. The Association shall repair and replace the box, flues and caps where necessary due to normal wear and tear. The Association may periodically require Owners to provide it with either (i) a signed declaration of non-use, (ii) evidence of inspection and good condition, or (iii) evidence of timely cleaning. Failure or refusal to timely cooperate with such life safety measures may result in per diem fines and/or court action.

5.1(b)(5) Electrical and Gas Systems. The Owner shall maintain, repair and replace (as necessary) the circuit breaker box and all circuit breakers, wiring, switches, receptacles, fixtures or outlets and other related components that are on the Unit side of the circuit breakers. Notwithstanding Owner responsibility, the Association may install GFI outlets within the Unit. The Association is responsible for maintenance, repair and replacement of any gas lines from the meter to the point where the line enters Unit area. Thereafter, the Owner is responsible for the gas lines, valves, and other components.

5.1(b)(6) Spigots. The Association shall maintain, repair and or replace exterior spigots serving Condominiums as necessary and may levy a Reimbursement Assessment against the Owner benefitted for the cost of such work.

5.1(b)(7) Protection from Freeze Damage. Owners shall take reasonable precautions to protect water pipes (including hose bibs) in Exclusive Use Common Area from freeze damage.

5.1(b)(8) Plumbing Systems.

5.1(b)(8)(i) Except as noted below, the Association is responsible for the maintenance, repair and replacement of plumbing lines located in the Common Area. If the Association performs maintenance, repair, or replacement to pipes inside the framing cavity of a Unit, the Association shall only be responsible for restoring the surface to a condition ready for texturing and paint. If the Unit Area involves tile, cabinets or fixtures, the Association will pay to replace, as necessary, the directly affected area with "builder grade" materials. Reasonable efforts will be made to match to adjacent materials. The Association may delegate the restoration to the Owner and reimburse the Owner for the cost of the restoration up to the estimated cost of labor and "builder grade" material. The labor and builder grade costs shall be determined by the Board after consultation with a contractor, insurance adjuster or other knowledgeable person.

5.1(b)(8)(ii) The Owner is responsible for the maintenance, repair, and replacement of plumbing components located within or which are a part of the Unit. This includes, for example shut off valves under sinks and at toilets. It includes the drain connections at or near toilets, sinks, showers and tubs. Each Owner is responsible for valves that exclusively serve that Owner's Condominium wherever located (such as shower valves).

5.1(b)(9) Sanitary Sewer/Waste Lines. The Association is responsible for the maintenance, repair and replacement of sanitary sewer/waste lines located outside the Unit. The Owner is responsible for the maintenance, repair, and replacement of sanitary sewer/waste lines located in the Unit. Once a line is in the Common Area framing cavity, the Association is responsible for it. Each Owner is responsible to keep the portion of line clear that exclusively serves the Owner's Condominium. The Association is responsible for clearing sewer/waste line back-ups in shared lines, but is not responsible for related consequential damage unless it can be shown that the Association acted with gross negligence. If it is determined that an Owner or other Resident is responsible for the

sewer/waste back-up, related costs may be the subject of a Reimbursement Assessment against the Owner (see also Section 5.2 - Water Damage).

5.1(b)(10) Exhaust Systems. Owner is responsible for kitchen cooking fans and bathroom fans accessible from the Unit. (See Section 5.1(b)(11) for HVAC system.)

5.1(b)(11) Unit HVAC Equipment. The Association is responsible for the maintenance and replacement of the HVAC equipment in the Unit area, including the heat pump on the roof and the periodic replacement of the air filters.

5.1(b)(12) Parking and Storage Spaces. Owners shall be responsible for keeping their assigned parking and storage spaces in a neat and clean condition. The Association shall be responsible for the maintenance, repair and replacement of the storage boxes, including hinges. The Owner is responsible for any locks. The Association shall not have responsibility for the security of personal property stored in the storage spaces and shall not be responsible for any Owner or Owner predecessor modifications.

5.1(b)(13) Owner Improvements. Owners shall be responsible for the maintenance, repair, replacement and/or removal of improvements and/or architectural alterations made by or on behalf of Owner or an Owner's predecessor. This responsibility includes damage to Common Area.

5.1(b)(14) Other Components. Unless otherwise determined by the Board, all other Exclusive Use Common Areas shall be maintained by the Owner benefitted. They shall be repaired and replaced by the Association to the extent that such work is appropriate due to normal usage. These components shall include main entry doorsteps, main entry stoops, front porches, door frames, doorbells, and address numbers.

5.1(c) Unit Area. Each Owner shall keep the interior of the Owner's Unit, including fixtures and appliances, in good repair and condition. The Association may include tasks as part of services to Owners, but such service does not alter primary responsibility. Each Owner shall have the responsibility and the exclusive right, at the Owner's expense, to do the following:

5.1(c)(1) Decorations and Alterations. The Owner may paint, tile, wax, paper, or otherwise refinish and decorate the inner surfaces of walls, ceilings and floors bounding the Owner's Unit. Notwithstanding the right to alter interior finishes, unless there is prior Association approval, no alteration may be made which may increase sound transmission from one Unit to another. Further, window and sliding glass door coverings visible from the exterior may be regulated by the Association; 5.1(c)(2) Windows and Sliding Glass Doors.

5.1(c)(2)(i) Owner Responsibility.

5.1(c)(2)(i)(A) General Maintenance. The Owner shall maintain and keep in good repair the windows and sliding glass doors. This may include periodic cleaning of window weep

holes, as well as sealing the bottom tracks, including corners, to keep moisture in the tracks from damaging the Unit and the Common Area walls adjacent to the window and/or sliding glass door. This may also include periodic checking and replacing of inadequate gaskets, putty, caulk or other material which holds the glass to the sash and lubrication of the tracks, wheels and operating hardware of windows and sliding glass doors. The Owner is also responsible for maintenance, repair and/or replacement of window locks, cranks and related hardware.

5.1(c)(2)(i)(B) Glass. Except as provided below, as a general rule, the Owner is responsible for maintenance, repair and/or replacement of glass, including double pane glass inserts (if any).

5.1(c)(2)(i)(C) Alterations. There shall be no alteration or replacement of windows, skylights and/or sliding glass doors unless approved in writing in advance by the Association (see generally Article XI - Architectural Control). As a condition of approval, the Association may require that an Association approved contractor perform the work at Owner's expense. Where an Owner or prior Owner has had new window units or sliding glass doors installed, the present Owner is responsible to maintain, repair and replace the entire assembly, including the glass, frame and associated flashing which is affixed to the building and surrounds the opening, as necessary due to normal wear. Replacement windows and sliding glass doors are subject to prior Association approval in writing in advance.

5.1(c)(2)(ii) Association Responsibility.

5.1(c)(2)(ii)(A) Replacement of Window Assembly. The Association is cyclically responsible for replacement of the window and sliding glass door assembly as may be reserved for. Replacement of the entire assembly (due to normal aging) shall include glass. As double pane glass ages, the seal between the panes will eventually fail. Moist air may enter between the panes and at times may fog or condense on the inside. The Association shall have discretion as to the method, means and timing of any repair or replacement of the glass. If the need for replacement is caused by Occupants or conditions in the Unit, the cost for the work may be the subject of a Reimbursement Assessment against the Owner of that Unit. The Association is responsible for replacing the frame assembly (including pan), as well as any exterior trim around windows and sliding glass doors if or when determined by the Board to be necessary and appropriate.

5.1(c)(2)(ii)(B) Maintenance. The Association shall seal/caulk around the windows and sliding glass doors as part of the Association's routine cyclical exterior work.

5.1(c)(3) Screens. The Association shall maintain, repair and replace window screens and screen doors;

5.1(c)(4) Fixtures and Appliances. The Owner shall maintain, repair and replace fixtures and appliances, including toilets, dishwashers, refrigerators, washers, dryers, ovens, ranges, microwave ovens. Owners shall keep sinks, bathtubs, showers, laundry machines, ice makers/water dispensers, and toilets from leaking or overflowing. Owners are responsible for the cost to repair damage wherever suffered, caused by washing machine and hoses, refrigerator water lines and/or any other fixture or appliance in Owner's Condominium;

5.1(c)(5) Waterproofing Integrity of Surfaces. The Owner shall maintain, repair and replace the waterproofing elements of Unit surfaces and systems in kitchens and bathrooms, including tiled areas, showers, shower pans, and tubs;

5.1(c)(6) Smoke and Other Detectors/Alarms. The Association shall maintain and replace independent battery-operated smoke alarms and carbon monoxide detectors/alarms inside the Unit. The Association shall repair and replace hardwired smoke/heat detectors;

5.1(c)(7) Fire Sprinklers. The Association shall maintain, repair and replace the components of the fire sprinkler system. Owners must cooperate by providing access for inspection, testing and repairs. An Owner of a Unit with sprinkler heads that have been painted shall reimburse the Association for the cost of replacement. No partition wall, furniture or alteration shall be installed in such a way as to block the intended spray pattern of sprinkler heads;

5.1(c)(8) Unit Finishes. Unit finishes, including wood or composite flooring, linoleum, wallboard tape and textured ceiling material, are part of Unit area. As deemed appropriate by the Owner, the Owner shall preserve, remove, encapsulate or otherwise address the tape and texture on gypsum board or other material, linoleum or other surfaces in those Units that may contain asbestos material;

5.1(c)(9) Telephone. The Association provides a land line to and telephone for the Unit. Owner must keep the phone plugged into the phone outlet. The Association allocates basic costs. Owner is responsible for any additional equipment and usage charges.

5.1(c)(10) Other. The Owner shall maintain, repair and/or replace the components identified in the definition of Unit herein.

5.1(d) Landscaping. All landscaping on the Property shall be kept neat and orderly.

5.1(d)(1) Common Area. The Association shall be responsible for all landscaping located on the Common Area, excluding Exclusive Use Common Area.

5.1(d)(2) Exclusive Use Common Area. Each Owner shall be responsible for all vegetation within his or her deck/Balcony and/or patio. Each Owner shall contain such vegetation within the confines of the patio or deck/Balcony area and shall be responsible for any damage to areas which the Association maintains, repairs and/or replaces. This includes damage caused by branches, roots and inadequate drainage of planters. The Association may regulate landscaping that exceeds fence

or railing height or that has roots or branches that protrude beyond the Owner's Exclusive Use Common Area. Pots and planters on decks/Balconies must have spacers beneath them to permit deck/Balcony components to dry. The Association is not responsible for damage to landscaping during painting or other exterior maintenance. The Association may prohibit or impose conditions upon plantings of particularly invasive vegetation, such as vines and ivy and any other items attached to Balcony railings.

5.1(e) Pests, Insects and Wood-Destroying Organisms.

5.1(e)(1) Common Area Generally. The Association is responsible for the treatment and repair of the Common Area occasioned by the presence of wood-destroying pests or organisms. The Association may cause the temporary removal of any occupant of a residence for such periods and at such times as may be necessary for prompt, effective treatment of pests or wood-destroying organisms. The costs of temporary relocation during the treatment, repair and maintenance shall be borne by the Owner or other occupant(s) of the Unit affected.

5.1(e)(2) Exclusive Use Common Area and Unit Area.

5.1(e)(2)(i) The Owner is responsible for taking reasonable measures to keep Exclusive Use Common Area free of (i) wood-destroying organisms (including wood decay, also known as dry rot) and (ii) pests and the damage they cause. Reasonable measures shall include use of spacers under all pots, planters and other objects which would tend to trap moisture on decks or Balconies, and prompt removal of leaves, dirt and other debris. Use of outdoor carpet, artificial turf, or similar covering over decks, Balconies and patios is prohibited. The Association may remove any current or prior Owner deck overlay. Reasonable measures by Owner shall also include prompt notification to the Association of any conditions which promote and/or cause the presence of pests or wood-destroying organisms, or damage on which the Association should investigate and/or act.

5.1(e)(2)(ii) The Owner is primarily responsible to abate any nuisance caused by the presence of pests such as vermin, rodents, mice, ants, cockroaches, silverfish, mosquitos, insects, bed bugs, or similar infestations in or immediately adjacent to the Owner's Unit or Exclusive Use Common Area. The Association may, in its discretion, opt to treat the problem with Owner's cooperation and at Owner's expense if Owner is found to be at fault.

5.1(e)(2)(iii) At the discretion of the Board, the Association may assume responsibility to coordinate and cause repair and maintenance where such work must be performed at more than one Unit. If the Association exercises the right to such control, it may include reasonable notice of the need to vacate the residence temporarily and/or as otherwise provided in Civil Code §4785.

5.1(e)(3) Costs and Enforcement. If there is a determination of violation of Section 5.1(e)(2), the Association may impose a Reimbursement Assessment on the responsible Owner(s) pursuant to Article IV, Section 4.7. Further, in the event the Association advances costs for which an Owner is

responsible or costs of enforcement of this section, it may seek reimbursement in the same manner as collection of delinquent Assessments.

5.1(e)(4) Pest Control/Contractor Reports. No pest control or other contractor shall be permitted to conduct destructive testing of any kind or nature on the Common Area without the prior written approval of the Board. Owners in possession of pest control or contractor reports who desire maintenance or repairs to be performed to any Common Area shall submit to the Association copies of any such report, bid and/or estimate. The Board shall have discretion to respond in an appropriate fashion. The Association shall have no responsibility to pay for or reimburse any Owner for related work which the Owner requests or undertakes at a time different from the Association's overall maintenance plan or schedule. This provision applies even if such work has received Association approval.

Section 5.2. Water Damage. Waterproofing or plumbing components in Unit areas such as kitchens and bathrooms (particularly tubs and showers) require routine Owner maintenance or periodic repair or replacement in order to preserve the function and waterproofing integrity of the Unit areas. Sewer/waste lines are also vulnerable to misuse. In some instances, water damage or plumbing problems may involve Common Area and/or adjacent Units. Where the cause of the damage cannot be determined by observation and unless the parties otherwise agree, in order to (a) diagnose the condition(s), (b) determine reasonable methods and costs of repair, and (c) allocate responsibility, the process set forth below shall apply. The Association may also use this process to troubleshoot other types of leaks when the source and/or responsibility are unclear.

- (1) The Association may retain a third-party architect, engineer, contractor or other representative to observe, test, and/or report on (a) the condition of the subject area, (b) the cause(s) of the damage and (c) a fair allocation of liability and/or repair costs consistent with the lines of responsibility set forth in this Declaration.
- (2) If the Association advances funds for the testing, demolition, repairs and/or other related costs, it may impose a Reimbursement Assessment on the responsible Owner(s) pursuant to Article IV, Section 4.7.
- (3) All parties shall be permitted to observe any destructive testing and/or demolition exposing the damaged area.
- (4) Upon determination of responsibility, the Association may cause the repairs to be performed and impose a Reimbursement Assessment on the responsible Owner(s) pursuant to Article IV, Section 4.7.

Section 5.3. Inspection, Repair and Replacement of Risk Components.

5.3(a) Notwithstanding the provisions of this Article V, the Board may determine that certain portions of the Units required to be maintained by the Owners, or certain objects or appliances within

the Units, pose a particular risk of damage to other Units and/or to the Common Area, or of life safety, if they are not properly inspected, maintained, repaired or replaced. They may pose a risk to adjacent neighbors. Failure and damage may cause insurance claims which in number, type or severity may cause an insurer to non-renew the policy or increase premiums, thereby affecting all Owners, not just those with direct damage. Examples of these types of components include chimney flues, carbon monoxide detectors, washing machine hoses, dryer vents, circuit breaker panels and switches, shut-off valves at sinks and toilets, and ice maker supply lines.

5.3(b) If the Board determines it warrants Association action, has provided notice to the Owners of the proposed policy to be adopted and has adopted such policy, then the Board may require one or more of the following with regard to an identified Risk Component:

5.3(b)(1) That it be inspected at specified intervals by the Association or an inspector designated by the Association.

5.3(b)(2) That it be replaced or repaired at specified intervals, or with reference to manufacturers' warranties, recalls or other advisories.

5.3(b)(3) That it be replaced or repaired with items or components meeting particular standards or specifications established by the Board.

5.3(b)(4) That when it is repaired or replaced, the installation include additional components or installations specified by the Board.

5.3(b)(5) That it be replaced or repaired by contractors having particular licenses, training or professional certification or by contractors approved by the Association.

5.3(b)(6) If the replacement or repair is completed by an Owner, that it be inspected by a person designated by the Association.

5.3(c) The imposition of requirements by the Board shall not relieve an Owner of his or her obligations to perform and pay for repairs, maintenance, and replacement.

5.3(d) The Association shall not incur any liability due to the failure to adopt or enforce any such policy.

5.3(e) If any Owner fails to repair, maintain or replace a Risk Component in accordance with the requirements established by the Board, the Association may, after proper notice and hearing, take appropriate action under Article XIII.

Section 5.4. Enforcement.

5.4(a) Common Area. If the Board reasonably determines that the need for maintenance, repair or replacement of any Common Area is caused by an Owner, Owner's predecessor, or the Owner's family, guests, Lessees, Renters, invitees, or pets, or emanates from within the Owner's Unit, then the Association may cause the work to be performed and levy a Reimbursement Assessment against the Owner and/or the Owner's Condominium. If damage to the Common Area emanates from adjacent Unit area, the current Owner of the Unit from which the damage emanated is responsible for the cost to repair and restore the Common Area, regardless of when the damage occurred. Any such cost may be levied as a Reimbursement Assessment.

5.4(b) Unit and Exclusive Use Common Area. If the Board reasonably determines that a Unit or Exclusive Use Common Area requires maintenance, repair or replacement of any component or condition for which the Owner is responsible, the Board may direct the Owner to perform the work. If the Owner fails or refuses to do so within a reasonable period of time, the Association may utilize the provisions of Article XIII entitled Enforcement of Governing Documents, and cause the work to be performed and levy a Reimbursement Assessment. The Association may also utilize the provisions of Article XI, Section 11.8(c) entitled Association Options for Abating Continuing Nuisances.

5.4(c) Entry for Maintenance and Repairs. Association representatives, contractors or agents may enter any Unit or Exclusive Use Common Area when necessary in connection with any routine or minor maintenance within the Service Program, as well as any inspection, repair, or construction for which the Association is responsible. Such entry shall be made with as little inconvenience to the occupants as is practical. Whenever possible, at least twenty-four (24) hours notice will be given to the occupant. If the Owner or occupant is responsible for the area in which the problem originates or is responsible for creating emergency circumstances, and access is not provided by an occupant, the Owner shall reimburse the Association for locksmith fees or other costs to access and/or secure the premises. Owner(s) shall be responsible for all Association costs incurred due to failure to cooperate and/or provide reasonable access to Owner's Unit. The costs of temporary relocation during the repair and maintenance shall be borne by the Owner of the Unit affected.

5.4(d) Emergency or Consent Key Access. The Association maintains a key to access the Unit to provide services or use in the event of an emergency.

5.4(e) Continuing Nuisance. Failure of an Owner to perform any maintenance, repair or replacement determined by the Board to be the Owner's responsibility and necessary shall be deemed a continuing nuisance.

5.4(f) Other Options. These enforcement options shall be in addition to those provided for in Article XIII.

Section 5.5. Miscellaneous.

5.5(a) Where repair or replacement of components crosses lines of responsibility, the Association may undertake the work and charge the Owner an appropriate amount and/or impose a Reimbursement Assessment. For example, where the cause of damage originates in or at one Unit and necessitates Association repair of Common Area, the Association may, but shall not be required to, repair damage to neighboring Unit area as part of the overall repair process.

5.5(b) The Owner of the Unit where the point of origin of physical damage occurs shall be liable to the Association for any damages caused to the Common Area and shall be liable to Owner(s) of any adjacent damaged Unit(s). If in the Board's discretion, the Association opts not to address damage to adjacent Unit area, the Owner of such Unit shall still have recourse to unilaterally assert a claim for reimbursement or other damages directly from the responsible Owner.

5.5(c) The Association shall not be liable for any interior water-related, sewage, or other damage to the Units (including personal property) unless the damage is caused by water or other substances coming from the Common Area or the exterior of the building. Further, the Association shall not be liable for any loss of use.

5.5(d) The Association is not responsible for any costs or expenses relating to temporary relocation or loss of use of Units during any Association maintenance, repair and/or replacement of any facet of the Condominiums, regardless of the reason for such work.

5.5(e) In the event the Association must disturb interior finished surfaces when performing maintenance, repair, replacement or upgrade of any component, the Association shall be responsible only for restoring the surface to a condition ready for texturing and paint. If the Unit Area involves tile, cabinets or fixtures, the Association will pay to replace the directly affected area with "builder grade" materials. Reasonable efforts will be made to match to adjacent materials. The Association may delegate the restoration to the Owner and reimburse the Owner for the cost of the restoration up to the estimated cost of labor and "builder grade" material. The labor and builder grade costs shall be determined by the Board after consultation with a contractor, insurance adjuster or other knowledgeable person. Owners are responsible to cooperate as necessary to move personal property.

5.5(f) In order to properly maintain and repair the Common Area and other components which are the Association's responsibility, it is important that the Board have notice of any problems. Owners are encouraged to report to the Association any problem observed in the condition of the Common Area or other area of Association responsibility, particularly adjacent to their respective Units. Failure to do so may reduce the Association's financial responsibility for making later repairs.

5.5(g) Code-Required Upgrades. During the course of Association work, if the building department or applicable code requires upgrade of an area or component for which the Owner is otherwise responsible (for example, replacement of a window, GFI outlet or low flow fixture), then the Association may levy a Reimbursement Assessment on the benefitted Owner(s) for up to one-half of the cost of the code upgrade/betterment.

5.5(h) Earthquake Damage. The Association shall have no liability for uninsured or underinsured damage to Unit areas or personal property caused by an earthquake or other catastrophic event. In the event of earthquake damage to the drywall inside a Unit:

5.5(h)(i) Replacement. The Association shall only be liable for the replacement of drywall on the perimeter walls which, in the estimation of the Board, suffered sufficient damage to require replacement. The restoration and repairing of all other interior walls shall be at the sole expense of the Owner.

5. 5(h)(ii) Re-taping. Damage to perimeter walls that does not require replacement of the drywall (e.g., buckled joint tape, hairline fractures of the drywall, etc.) shall be the responsibility of the Owner. The Owner shall also be responsible for restoration and repair of all finished surfaces, including, but not limited to, re-taping, painting, plastering, wallpapering, and tiling.

ARTICLE VI USE RESTRICTIONS

The Property shall be occupied and used as follows:

Section 6.1. Use of Units.

6. 1(a) No Owner shall occupy, use or permit his or her Unit to be used for any purpose other than for residential purposes and incidental home based activities as permitted by Section 6.10, below. No Unit shall be occupied by more than two Qualified Occupants, unless otherwise approved by the Board.

6.1(b) No Owner shall take any action or permit anything to be done or kept in his or her Unit or Common Area which will result in the increase of premiums, decrease in coverage, non-renewal or cancellation of insurance on any Unit or any Common Area, or which would be in violation of any law. To the fullest extent permitted by law, if the nature of use of any Unit causes an increase in the rate of insurance procured by the Association, the Board may levy a Reimbursement Assessment for the additional amount. The Board may make such a determination based on facts reviewed in a duly noticed hearing.

6.1(c) If any use of any part of the Property by an Owner or occupant is determined to be a public use, thereby requiring building code and/or access upgrades, the Association may levy a Reimbursement Assessment for related costs as provided for in Article IV, Section 4.7.

6.1(d) Nothing shall be done in any Unit which will impair the structural integrity of any building in the Property or which would structurally alter any such building or decrease the effectiveness of fire safety systems. Requests for architectural changes are addressed in Article XI.

6.1(e) No person shall cause or permit any objects or articles of any kind, except for outdoor patio or lounge furniture and planters, to be placed on or hung on the deck/Balcony, patio without obtaining

the prior consent of the Association. The consent may take the form of pre-approved written guidelines. Such guidelines may include specifics as to size, placement and number of plants and other personal property. No outdoor carpeting, artificial grass or similar covering shall be placed on any deck/Balcony or patio.

6.1(f) Each person shall comply with all of the requirements of all governmental authorities, federal, state and local, and all laws, ordinances, rules and regulations applicable to his or her Condominium. Violation of any such law is also a violation of these CC&Rs.

Section 6.2. Use of Common Area. Use of the Common Area is subject to Association rules adopted by the Board. A non-resident Owner's use of the Dining Room, the Swimming Pool, and the Health Care facilities shall be subject to the rules that are currently applicable to guests of Residents. Use of the Common Area is further subject to the following:

6.2(a) There shall be no obstruction of the Common Area. Nothing shall be stored in the Common Area without the prior consent of the Board, and/or in accordance with written guidelines adopted by the Board, or in designated storage areas. Except for reasonable amounts kept for normal household use, no gasoline, kerosene, cleaning solvents or other flammable liquids shall be stored anywhere on the Property.

6.2(b) Nothing shall be done to or in the Common Area which has an adverse effect on its enjoyment, use, value, insurability, condition or appearance. Owners shall be liable for their own acts, as well as jointly and severally liable for the acts of family members, Lessees, Renters, pets, guests, invitees and private employees. Any damage or destruction to the Common Area or areas the Association maintains may result in a Reimbursement Assessment being levied against the Owner and/or Lessee/Renter responsible for such damage or destruction and the Owner's Condominium.

6.2(c) Nothing shall be altered or constructed or removed from the Common Area, except with the written consent of the Board.

6.2(d) There shall be no violation of the rules and regulations relating to the use of the Common Area.

Section 6.3. Signs and Flags. No signs, posters, flags or banners are permitted on Common Area except as provided for by Civil Code §4710, other law or as approved by the Board.

Section 6.4. Animals. Residents may keep no more than one (1) dog or one (1) cat per Unit. There is no restriction on ownership of small pets kept in cages, tanks or bowls. All other animals are forbidden. The keeping of all pets is subject to the rules and regulations adopted by the Board. Such rules may include breed and other restrictions or prohibitions. After notice and hearing, the Board may order the removal of any pet which, in the Board's sole discretion, causes excessive noise or otherwise creates a nuisance. Any animal which displays threatening behavior or attacks a person or other pet may be immediately barred from the Common Area until a hearing can be conducted. The owner of any pet shall promptly remove and

properly dispose of such pet's defecation occurring anywhere in the Property. If the Board finds a pattern of pet-related violations, it may, in conjunction with the due process provisions of Article XIII, Section 13.5, prohibit the maintenance of any pets by a particular Resident.

Section 6.5. Nuisance. No noxious or offensive activity shall be carried on in any Unit or in the Common Area, nor shall anything be done which may be or become an annoyance or nuisance to the other occupants. Without limiting the foregoing, no Owner shall permit noise, including, but not limited to barking dogs, the operation of excessive noisy air conditioners, or power tools, to emanate from an Owner's Unit or from activities within the Common Area, which would unreasonably disturb any other occupant's enjoyment of his or her Unit or the Common Area. Nuisance may include, for example, a visual blight, loud, noxious, odorous, destructive or offensive activity or anything which causes significant embarrassment, disturbance or annoyance to others. Some activity at inappropriate times may constitute a nuisance. Because a nuisance may be largely subjective, the Association is not obligated to become involved in such disputes except as follows: If the nuisance is such that it disturbs more than one household, the Association shall take appropriate action to abate the nuisance if the affected occupants request in writing that action be taken by the Board. The Board has discretion as to what action is appropriate to the nuisance. If the nuisance is such that it only disturbs a single household, then the disturbance may not be sufficient to require intervention by the Association, and the two parties may be directed to resolve their dispute by meeting together or Alternative Dispute Resolution as provided for in Section 13.4(c)(2). The Association has the authority to elaborate with examples and pass rules addressing such activity. In the event of any dispute related to odor migration from one Unit to another Unit, the Owners shall reasonably cooperate to mitigate such infiltration.

Section 6.6. Vehicles.

6.6(a) Rules. In order to promote vehicle safety and enhance the appearance and atmosphere of Villa Marin Homeowners' Association, Owners shall park, store or keep vehicles in accordance with rules adopted by the Association, which may be amended from time to time in accordance with the provisions of the Davis-Stirling Act. These rules may include provisions such as parking, vehicle types, auto alarms, etc. Vehicle restrictions shall apply to all parking areas within the Property.

6.6(b) Other Limitations.

6.6(b)(1) Parking is permitted in designated areas only. One such designation shall be available without charge to the Resident(s) of each Unit who has (have) a motor vehicle operated for his/her (their) use and convenience.

6.6(b)(2) There shall be no repairs or restorations of any vehicle upon any portion of the Property. Emergency repairs may be performed, but only to the extent necessary to enable prompt movement to a proper repair facility.

6.6(b)(3) No vehicle which emits extraordinary levels of exhaust pollution or noise, as determined by the Board, shall be operated within the Property.

6.6(b)(4) In order to avoid unsightly appearances within the Property vehicles parked where they are visible to other occupants must present a well-maintained appearance. For example: all vehicles must be in operating condition and have no flat tires, broken windows, oil leaks, significant body damage and/or primer paint.

6.6(b)(5) Recharging of electric vehicles in the garage is permitted only in designated locations and as authorized by the Board or manager.

6.6(c) Towing. The Association may cause any vehicle parked on Common Area in violation of the Governing Documents to be towed, subject to the provisions of California Vehicle Code §22658.

6.6(d) Upon Association request, the Owner shall provide information on vehicles associated with the Owner's Condominium. This may include number of vehicles, make/model and license plate number(s), registered owner(s) and evidence of insurance.

Section 6.7. Restricted Access. Access to the roof is by Association permission only. If any such access is required by any Owner, occupant or trades person, such requests shall be directed to the manager.

Section 6.8. Trash Disposal.

6.8(a) Household rubbish, recyclables, trash and garbage shall be regularly removed from each Condominium and shall not be allowed to accumulate. Trash should be securely bagged when deposited in the chute and shall be dropped down the chute only if it passes easily through the door to the chute. Trash, garbage and other waste shall be placed in common sanitary containers.

6.8(b) The Association, as part of the Service Program, will remove routine trash and garbage. Beyond that, any extraordinary accumulation of rubbish, trash, garbage, accumulated plant waste, or debris (including, for example, debris generated during moving or construction) shall be removed from the Property to a public dump or trash collection area by the occupant at his or her expense. The Association has authority to impose a Reimbursement Assessment and fines for the collection of garbage and refuse disposed in a manner inconsistent with this section. The Board may adopt additional rules related to recycling and trash disposal.

Section 6.9. Antennas, Satellite Dishes, External Cables or Fixtures, etc. No radio and television antennas, television or telephone cable or other exterior wiring, satellite dishes or other exterior fixtures may be erected or kept in place on Common Area without the prior written consent of the Association. Enforcement shall be consistent with any Federal or State law or regulation governing the installation of satellite dishes and antennas. The Association may adopt a policy and/or guidelines on the subject consistent with applicable law. It is the goal of the Association to allow Owners to enjoy the benefit of communications technology while continuing to enhance and maintain the aesthetic beauty and value of the Property, as well as preserve the integrity of exterior waterproofing.

Section 6.10. Restriction on Businesses. No trade or business shall be conducted in or from any Unit, except for professional, administrative type work, provided there is no external evidence thereof and, if the Board adopts a related policy, it is conducted in accordance with that policy. In no event shall a business be conducted which will (a) have a measurable negative impact on neighbors, (b) increase vehicle or foot traffic within the Property or to the Unit, (c) cause any damage to the Common Area, (d) adversely affect or increase the cost of Association insurance, (e) increase by any significant amount, electrical or water consumption, (f) cause Common Area to be classified (for Disability Act purposes) as subject to public access, (g) associate the address with a business, or (h) interfere with the primary use of the Condominium as a residence.

Section 6.11. Clotheslines. Clothing shall not be hung to dry or air on a deck/Balcony, railing or other part of a building. A clothesline or drying rack shall not be placed on a deck/Balcony visible to Common Areas.

Section 6.12. Acoustical.

6.12(a) Hard Surface Flooring. Owners above the first floor shall not replace carpet with hardwood floors, tile, linoleum or other hard surfaces unless prior written approval of the Association is received or meets written standards adopted by the Association. Standards include, for example, that all wood floor surfaces must include a soundproofing underlayment with an ILC (Impact Insulation Class) rating of not less than 56 or such other standard as may be adopted by the Board.

6.12(b) Noise Transmission. No Unit shall be altered in any manner that would increase sound transmissions, resonances, or reverberations to any other Unit, including but not limited to the modification or penetration of any common wall, floor or ceiling. In the event that there are acoustical problems between neighbors, the Association may refer the individuals to outside mediation services. Failure or refusal of involved individuals to participate may cause the Association to incur legal or other costs which may become the subject of a Reimbursement Assessment.

Section 6.13. Smoking Prohibition. Cigarette, cigar, pipe and/or other smoking, including vapor from electronic cigarettes, is prohibited everywhere in and/or on the Property except in areas designated by the Association. This prohibition includes all Common Area and Exclusive Use Common Areas within the Property. See also City of San Rafael Ordinance 1908 which includes prohibition in Unit area. In the event of overlap or conflict between this Section 6.13 and any City Ordinance, the more restrictive shall apply.

Section 6.14. Outdoor Grills/Barbecues, etc. The use of outdoor grills, barbecues, outdoor gas heaters, fire pits or similar equipment that uses gas, wood or charcoal burning devices is prohibited on decks/Balconies or adjacent to the building.

Section 6.15. Mortgages. The Association does not allow mortgages unless unanimously approved in writing by all seven (7) Directors.

Section 6.16. Illegal Acts. Any illegal act or condition shall also constitute a breach of the Governing Documents and may, at the option of the Association, be enforced as such.

Section 6.17. City Ordinances. For any use restrictions which may apply to the Property as set forth in the Governing Documents, there may also be City ordinances which apply. In the event of overlap or conflict between the two, the more restrictive shall be applied. Regardless, the Association may defer to the City to enforce ordinances or other laws.

Section 6.18. Employee Communications by Owners or Other Occupants May Not Direct Association Employees, Agents or Vendors. No person shall confront, criticize, or intimidate any employee, agent or vendor of the Association. Communications related to problems shall be in writing to the Board or manager. If there is a pattern of inappropriate communications to the Board, employees, agents or vendors, the Board may limit the type and timing of communications and/or take other appropriate measures.

ARTICLE VII MEDICAL, DINING AND OTHER SERVICES TO RESIDENTS

Section 7.1. The Association shall provide and maintain services appropriate to a residential community for senior citizens, including, but not limited to, medical care, community dining, recreation, transportation, parking and housekeeping services.

Section 7.2. Medical care shall be provided as set forth in the Association's Contracts (with the Residents) for Medical Care. All other services shall be made available pursuant to rules and budgets adopted by the Board. Such other services may include non-contractual health-related services.

Section 7.3. Because of the personal nature of the services (including medical care) provided as part of this Property, no person shall be entitled to purchase, Lease, or occupy (except as a temporary guest of an Owner or family member acting as a caregiver to a Qualified Occupant) a Condominium unless that person has been approved, in advance, by the Association's Admissions Committee, and be designated as a Qualified Occupant. For purposes of this Section "temporary" shall mean less than 61 days per calendar year, unless the Board prescribes a different number of days.

ARTICLE VIII SALE, LEASE, RENTAL AND ADMISSIONS

Section 8.1. Ownership. Ownership at Villa Marin includes Condominium home ownership as well as extensive amenities and services which the Association provides. Ownership includes the benefits and responsibilities of also being a Continuing Care Retirement Community. Residents must be qualified including being sixty (60) years of age or older.

Section 8.2. Admissions. The Admissions Committee shall be established by the Board and shall be composed of seven (7) persons, all of whom shall be Residents. The members of the Admissions Committee shall serve at the pleasure of the Board and may be removed or replaced by the Board at any time, with or without cause.

8.2(a) Duties. For the Admissions Committee and/or Board to make an independent judgment whether any prospective Owner, Lessee, or occupant is able to qualify for and benefit from occupancy and/or participation in the Service Program, the Admissions Committee shall:

8.2(a)(1) Require such person to present himself for a medical and financial examination;

8.2(a)(2) Require such person to furnish it a report of an examination of his/her physical condition performed by a physician as defined in the Association's Contract for Medical Care within three (3) months of the time of the Committee's review and a current report of his/her financial condition with such information as the Committee may require. Such reports shall not be binding on the Committee or the Association;

8.2(a)(3) Be entitled to have such person furnish it additional financial and medical information and records and/or undergo any medical and/or psychiatric examinations and tests which it deems necessary;

8.2(a)(4) Impose such conditions or limitations on participation in the Service Program as the Committee deems necessary and appropriate. Each person accepted as a Resident shall, prior to occupancy, enter into a Contract for Medical Care, the form of which is prescribed by the Association. Such contract shall exclude care or treatment for pre-existing conditions that could result in medical and/or surgical care, nursing care, personal care or any other therapeutic treatments, and the Resident shall be responsible for all costs in connection with any such care or therapy.

8.2(a)(5) Not unlawfully discriminate in any manner based upon race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, source of income, disability, veteran or military status, genetic information, national origin, or ancestry.

8.2(a)(6) Establish, subject to the foregoing and approval of the Board, rules, procedures and standards regarding eligibility of persons to purchase or occupy a Condominium and/or participate in the Service Program.

8.2(b) Appeal. All decisions of the Admissions Committee may be reviewed by the Board or may be appealed to the Board, provided the Board by majority vote of all of the Directors votes for such review or to accept such appeal.

Section 8.3. Rental or Lease of Condominiums.

8.3(a) Lease. Condominiums must be Owner occupied, except as noted. Exceptions include Renters and Lessees. For Lessees, they are limited to those Qualified Occupants/Residents who Lease the Condominium (in conjunction with Service Contract(s)) from a successor Owner who takes an ownership interest (such as an heir, trustee or estate) and does not qualify as a Qualified Occupant. Note that the minimum initial Lease term shall be twelve (12) months and the Lease must provide for

participation in the Service Program. This restriction comes in the context of the Service Program and budgets. Subleasing is prohibited. The Lessee shall maintain insurance (often referred to as HO-4 insurance). Upon request by the Owner or Association, the Lessee shall show evidence of such insurance. All Lessee insurance shall include a waiver of subrogation as to the Association. For Rentals, see Section 8.3(b).

8.3(b) Rental. Owners may rent their Condominiums to short term visitors so long as the cumulative total of Rental days does not exceed sixty-one (61) in a calendar year.

8.3(c) Rental and Lease Provisions. The following provisions apply to all Rentals and Leases.

8.3(c)(1) Written Agreement. There must be a written Rental, Lease or occupancy agreement specifying that (1) there shall be no more than two (2) occupants, (2) the occupant(s) shall be subject to all provisions of the Governing Documents, (3) a failure to comply with any provision of the Governing Documents shall constitute a breach of the agreement, and (4) all tenants are subject to disciplinary action or other actions by the Association to enforce the Governing Documents. The Owner shall provide the Association with a copy of the agreement upon request.

8.3(c)(2) Governing Documents to Renter or Lessee. The Association will provide any Renter or Lessee with current copies of all the Governing Documents, as well as any subsequent changes or additions. If the Association delegates such task to the Owner, the Association may require evidence that the Renter or Lessee has received copies of all Governing Documents. If such evidence is requested and is not timely provided, the Association may unilaterally provide such copies and charge the Owner a Reimbursement Assessment.

8.3(c)(3) Owner Liability for Renters or Lessees. The Owner and the Renter or Lessee shall be jointly and severally liable at all times for compliance with the Governing Documents by the Renter, Lessee, guests and/or other occupants or visitor to the Property during the Renter's or Lessee's occupancy and use of the Condominium. This includes all costs related to any violation, as well as the cost to repair damage caused to Association property.

8.3(c)(4) Renter or Lessee Identification. The Owner shall notify the Association of the name, day and evening telephone numbers and email address for each Renter, Lessee, and any other occupants within ten (10) days of the change in occupancy. The Owner shall also provide to the Association the Owner's offsite address for notices. Upon written request, the Owner shall provide the Association with a copy of the lease or occupancy agreement. Dollar amounts and extraneous information may be redacted. Renter/Lessee identification/registration is required to be reported annually, as well as within 10 days of change in occupancy.

8.3(c)(5) Vehicles. No more than one vehicle per Unit may be parked on the Property. Upon Association request, the Owner shall provide information on Renter/Lessee vehicle, including make/model and license plate number, registered owner(s) and evidence of insurance.

Section 8.4. Sale of Condominiums - Obligations of Owners. Owners shall be subject to the following:

8.4(a) Documents and Information Relating to Sale. Prior to the transfer of title to a Condominium, the Owner shall provide the prospective new Owner with a copy of the Governing Documents and such other documents and information as are required by California Civil Code §4525. Upon written request, the Association shall, within 10 days of the mailing or delivery of the request, provide the Owner or Owner's representative, with a copy of all of the requested documents specified in Civil Code §4525.

8.4(b) Contractor Reports. If contractor or pest reports are written related to an Owner's purchase, upon request of the Association, the Owner shall provide copies of the report(s).

Section 8.5. Move-In/Move-Out Policy. Whenever the occupancy of a Unit is transferred, the record Owner at the time of the transfer shall be subject to a reasonable fee to cover the cost of mailing a welcome letter and copies of the Governing Documents to the new Residents, and to offset other incidental administrative and site costs associated with move-ins and move-outs. This section does not affect the Association's right to levy a Reimbursement Assessment in the event damage, removal of moving debris, or costs are incurred because of the actions of an Owner, Lessee, Renter, or other occupant. This may include any cost for refuse removal as a result of the move-in or out, and damage caused by the move.

Section 8.6. Notice of Acquisition. A purchaser or other person acquiring an ownership interest to a Condominium shall notify the Association not more than ten (10) days after the date of acquisition and provide (a) the name(s) of all persons with an ownership interest as listed on the recorded title transfer documents, (b) a mailing address for the Owner(s), (c) day and evening telephone numbers, (d) an email address, and (e) the effective date of acquisition of each ownership interest.

Section 8.7. Acceptance of Condominium Conditions. When acquiring a Condominium, the new Owner(s) accept responsibility for alterations and conditions created by a predecessor, which may include unresolved architectural violations, creation of defective conditions or failure to perform proper maintenance, repair and replacement of components in and around the Condominium and adjoining or adjacent Exclusive Use Common Area. If a new Owner acquires a Condominium with knowledge of an actual or possible architectural violation and/or circumstances supporting a Reimbursement Assessment against the selling Owner and Condominium, then the new Owner's Condominium is still subject to a Reimbursement Assessment properly levied. It is important that prospective purchasers examine all improvements and conditions of Exclusive Use Common Area and Common Area in and around the Unit.

ARTICLE IX INSURANCE

Section 9.1. Types of Insurance. The Association shall procure and maintain the following types of insurance:

9.1(a) Fire and Hazard Insurance. Fire and hazard insurance with coverage for (1) Common Area and (2) Unit Area to original configuration and equivalent finishes (no remodel). Coverage shall include fixtures. The Association may also insure any property, whether real or personal, owned by the Association, against loss or damage, with the Association as owner and beneficiary for such insurance. Such insurance shall contain a waiver of subrogation claims against the Owners.

9.1(b) Additional Endorsements. To the extent not included in the basic policy coverage, the following endorsements should be included, as deemed appropriate by the Board: building ordinance, demolition, increased cost of construction and contingent liability from the operation of building laws, inflation guard coverage, "agreed amount" endorsement, replacement cost endorsement, and primary coverage endorsement.

9.1(c) Liability Insurance. A commercial general liability policy insuring the Association, its agents, and the Owners collectively against liability, including medical malpractice, incident to the ownership or use of the Common Area or any other Association-owned or maintained real or personal property. The amount of general liability insurance that the Association shall carry at all times shall not be less than the minimum amounts required by California Civil Code §5800 and California Civil Code §5805.

9.1(d) Directors and Officers Liability Insurance. Directors and Officers Liability Insurance shall be maintained in an amount which is no less than the minimum amounts required by California Civil Code §5800.

9.1(e) Fidelity Bond. Fidelity bonds or insurance covering Officers, Directors, agents and employees who have access to Association funds in an amount which is no less than the minimum amounts specified by California Civil Code §5806

9.1(f) Other Insurance. Worker's Compensation insurance to the extent necessary to comply with applicable laws, and any additional or other insurance deemed necessary or appropriate by the Board.

Section 9.2. Coverage Not Available. If any insurance policy or endorsement required by this Article is not available, or is economically unfeasible, then the Association shall obtain alternate insurance which provides, as nearly as reasonably possible, such coverage.

Section 9.3. Owner Required Insurance.

9.3(a) Every Owner shall procure and continuously maintain adequate insurance coverage (firstparty insurance) to insure his or her personal property and/or any improvement not covered by the Association's master policy. Additionally, every resident Owner shall carry Comprehensive Personal Liability insurance. (This type of insurance is often referred to as an HO-6 policy for resident Owners and HO-4 for non-Owner Residents). Each non-resident Owner shall carry insurance generally equivalent to that required of a resident Owner. Each Owner should consult with his or her insurance agent as to the most appropriate insurance. All Owners hereby waive all rights

of subrogation against the Association and any insurance maintained by an Owner or other Resident must allow a waiver of subrogation rights by the insurer as to the Association.

9.3(b) Owners who Lease their Units shall require the Lessees to carry insurance (often referred to as an HO-4 policy) and such policy must contain a waiver of subrogation with respect to the Association.

9.3(c) Insurance procured by the Association does not cover many perils and liabilities individual Owners and occupants may incur. For example, if an Owner caused a fire which also damaged an adjacent Unit, the Association's master policy will not restore Unit upgrades, will not pay for living expenses during repairs and will not pay for or defend the Owner against the neighbor's claim for damage to the neighbor's Unit, personal property and living expenses during repair. Any improvements made by an Owner within his or her Unit may be separately insured by the Owner, but the insurance is to be limited to the type and nature of coverage commonly known as "improvements insurance." The Association shall make available to all Owners a copy of the Association's policy to enable Owners to insure their Units without duplicating insurance carried by the Association and inadvertently triggering a co-insurance clause in the Association's policy. It is very important that each Owner consult with his or her insurance professional in procuring or maintaining the insurance required above. The subject of loss assessment coverage generally and loss assessment coverage for earthquake damage should also be addressed.

9.3(d) In the event the Association fire and hazard insurance does not cover the loss or the loss is under the Association deductible, the Association may require the Owner and/or occupants to claim any loss under such Owner's/occupant's policy of insurance.

9.3(e) The Board may adopt policies further addressing Owner required insurance. The Association may, but shall not be required to, have Owners or occupants provide evidence of compliance with this section. The Association shall have no liability for failure to procure evidence of compliance, nor to cause Owners or occupants to procure such insurance.

Section 9.4. Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried pursuant to this Article, Section 9.1. The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

Section 9.5. Association Insurance Deductible. The Board has discretion to determine both the size of the deductible, as well as allocation of responsibility to pay the deductible for any insurance claim. In the event a deductible policy has not been adopted by the Board, or the Board does not, in its discretion, allocate the deductible in a different manner, the deductible shall be paid by the Owner of the Condominium where the point of origin of the physical damage originates. Responsibility for earthquake deductibles is addressed in Section 9.6(d) below. In the event the Association advances the cost of a deductible for which the Owner is responsible, such amount may be levied against the Owner as a Reimbursement Assessment. Section 9.6. Earthquake Insurance.

9.6(a) The Association may, but shall not be required to, obtain earthquake insurance. The Association, Directors and/or manager shall not incur any liability for the failure to obtain or maintain earthquake insurance or a seismic reserve account. The Board may periodically submit to the Owners the question of whether or not to obtain earthquake insurance, which may be submitted in the form of a vote to increase Assessments to cover such cost.

9.6(b) Whether or not a master policy is in place, Owners are urged to consult with their insurance professionals on the subject of individual earthquake insurance, including related loss Assessment coverage.

9.6(c) After consultation with the Association's certified public accountant and/or counsel, at its discretion, the Board may establish and maintain a seismic reserve fund which shall be accounted for in the same manner as other reserve accounts. Such fund may be in conjunction with or in lieu of earthquake insurance. The fund may be used for upgrading structural components.

9.6(d) The cost of the deductible(s), exclusions or shortfalls shall be borne equally by all Owners and/or paid from any seismic reserve fund.

ARTICLE X SUBSTANTIAL DAMAGE AND DESTRUCTION

Section 10.1. Generally. In the event of a substantial casualty or catastrophic event with sudden and unexpected damage to the Property, this Article shall apply. The Board shall have discretion in determining what constitutes a substantial casualty or catastrophic event.

Section 10.2. Restoration Defined. As used in this Article, the term "restore" shall mean repairing, rebuilding or reconstruction of damage to substantially the same habitability and configuration as prior to fire or other casualty damage, but consistent with Section 9.1(a).

Section 10.3. Insured Casualty. If any Common Area and/or Unit is damaged or destroyed by a risk covered by insurance, then the Association shall, to the extent permitted under existing laws, restore the improvement. The Association shall proceed with the filing and adjustment of all claims arising under the existing insurance policies. The insurance proceeds shall be paid to and held by the Association. The Association may delegate such responsibility to the Owner as to Unit area repairs which may be covered by the Association's master insurance policy.

Section 10.4. Inadequate Insurance Proceeds.

10.4(a) If the Association's insurance proceeds are insufficient to restore the damaged improvement, the Board shall then add to the insurance proceeds any applicable Owner insurance.

10.4(b) If still insufficient, reserve account funds designated for the repair or replacement of the damaged improvement can be used. If the total funds then available are sufficient to restore the damaged improvement, the improvement shall be restored.

10.4(c) If the aggregate amount of insurance proceeds and such reserve account funds are insufficient to pay the costs of restoration, a special Assessment shall be levied by the Board up to the maximum amount permitted without the approval of the Owners. If the total funds then available are sufficient to restore the damaged improvement, the improvement shall be restored.

10.4(d) The Board also has authority to seek and apply funding for reconstruction from any commercial lender or governmental entity.

10.4(e) If the total funds available to the Association are still insufficient to restore the damaged improvement, then the Board shall attempt to (1) impose an additional special Assessment pursuant to Section 4.5; and, if necessary, (2) use a plan of alternative reconstruction pursuant to Section 10.5 below. If the Owners do not approve such actions, and the shortfall is significant, then the entire building of which the damaged improvement is a part shall be addressed as set forth below in Section 10.7.

10.4(f) Raising and spending money on such repairs is without prejudice to the levy of a Reimbursement Assessment, Emergency Assessment (Section 4.6), borrowing and/or assertion of any other legal right with respect to a party that caused or is otherwise responsible for the damage.

Section 10.5. Alternative Reconstruction (see also Section 10.4(e)). If the Board must consider plans to reconstruct the damaged improvement, making use of whatever funds are available to it pursuant to Section 10.4 above, the Board shall present any proposed plan for Alternative Reconstruction to the Owners for approval. A plan for Alternative Reconstruction must be approved by an affirmative vote of two-thirds of the Voting Power of the Owners whose residences were materially damaged, as determined by the Board ("Affected Owners"), and a majority of the Voting Power of all Owners. If no plan for Alternative Reconstruction is agreed to within twelve (12) months of the onset of the damage, then the provisions of Section 10.7 shall apply.

Section 10.6. Rebuilding Contract. If any improvement is significantly damaged or destroyed, the Board shall retain one or more professionals (including design professional(s) as necessary) for the purpose of evaluating the scope of the necessary restoration, preparation of plans and specifications, solicitation of bids, and coordination of any repair and reconstruction of the Property. The Board may instead utilize a negotiated contract with a licensed and reputable contractor if appropriate checks and balances are in place. The Board shall take all steps necessary to assure the commencement and completion of repair and reconstruction at the earliest possible date. To the fullest extent possible, if insurance proceeds are available, the Board shall maximize the availability and use of those funds. It is acknowledged that the scope of work and funding may evolve if there is an open claims file.

Section 10.7. Liquidation. If a decision to abandon becomes effective, the Board shall then obtain a judicial decree of partition, sell the Property, liquidate the assets of the Association, equitably settle the contractual rights of Permanent Patients, and distribute the total net proceeds of sale and liquidation (including insurance proceeds) among the Owners in whatever manner is prescribed by law. Any settlement

with Permanent Patients shall be considered equitable only when approved by the California Department of Social Services or by a successor agency.

Section 10.8. Restoration of Partition Rights. As necessary due to extreme circumstances, the Board has authority to use partition and/or re-subdivision of the existing or remaining interests. See also Civil Code §4610.

Section 10.9. Association as Attorney-in-Fact. Each Owner irrevocably appoints the Association as that Owner's attorney-in-fact and irrevocably grants to the Association the full power in the name of the Owner to effect any alteration to any Unit or Common Area as authorized above, including, but not limited to, the execution, delivery, and/or recordation of any Condominium Plans, amendments, deeds or other instruments.

Section 10.10. Board Discretion.

10.10(a) If insurance funding is available, the Board shall have discretion and flexibility to utilize an "open claims process" to accomplish an evolving scope of work.

10. 10(b) There is no practical way to anticipate the particular circumstances of every substantial or catastrophic event and the best course of action to make appropriate repairs. In dealing with such an event, failure to technically comply with the requirements of this Article shall not be a violation of these CC&Rs, shall not invalidate the decisions and actions of the Board and shall not subject Directors to individual liability so long as the Directors have made their decisions in a manner consistent with the following: (1) The Board decisions have been made in good faith and in the best interest of all of the Owners and the Property, (2) The Board has worked with and relied on the opinions and recommendations of professionals or others with expertise in the subject matter, and (3) The overall objectives of the Board's efforts have been to minimize further damage to the Property, to restore habitability to the Units and to protect the value of the Property.

ARTICLE XI ARCHITECTURAL CONTROL (Individual Condominium)

Section 11.1. Architectural Approval.

11. 1(a) Owners may cosmetically alter or remodel the interiors of their Units. However, no alterations shall be made which modify or impair the integrity of fire, structural or acoustical components of the building. Association approval is necessary before any gypsum board, plaster, or framing is cut, removed, or replaced. No alteration of the Unit may be made which may result in an increase in sound transmission into any other Unit. As a condition of approval of an alteration involving plumbing, the Association may require separate new or replacement shut-off valve(s) be added to the Unit.

11.1(b) There shall be no alteration of the Common Area (including Exclusive Use Common Area) or significant and/or structural modifications of individual Units without the prior written approval of

the Association. Unless prior approval of the Association is obtained, no alteration of the Unit may be made which will be visible from the outside of the Unit.

11.1(c) The Owner must comply with all laws and ordinances regarding alterations and remodeling. If a building permit is required by the City for any interior work, the Owner is required to provide a copy to the Association. A copy of professionally drawn plans may be required to be submitted to the Association before approval of changes is given.

11.1(d) An Owner altering Common Area that uncovers conditions that must be repaired as part of Owner's work may be required to pay for such work related to Owner's alteration.

11.1(e) As a condition of approval, the Board may require the Owner to submit a plan that includes contractor parking, materials, storage, ingress/egress, noise mitigation, dust control and other building and Resident procedures.

11.1(f) The Board may exercise control directly or utilize the Facilities and Engineering Committee.

Section 11.2. Electric Vehicle Charging Stations.

11.2(a) Association Installation. The Board may maintain and facilitate the recharging of electric vehicles with the installation of additional electrical outlets and/or related equipment. The Board, using its discretion, may allocate the cost of installation and electricity among those who use those facilities (see generally Civil Code §4745).

11.2(b) Owner Installation. The Board may permit Owner installation of electric vehicle charging stations on Common Area, subject to reasonable restrictions and guidelines. The Owner must obtain prior written Association approval for any such installation and comply with Civil Code §4745.

Section 11.3. Quail Hill/Thorndale Architectural Review. Pursuant to the 1972 Conditions, Covenants and Restrictions, there is an Architectural Review Committee which reviews proposed development on Quail Hill, determines landscaping of open space and maintenance of Thorndale Drive and participates in other matters of Quail Hill Community interest. Pursuant to the Agreement for Division of Land, Open Space Restrictions and Maintenance of Roadway, and Other Matters Regarding Quail Hill, Lots 1-5 inclusive, San Rafael, Marin County, California, dated May 10, 1983, the Association has the right to participate in this Architectural Review Committee. The Board shall designate its representatives to said Committee, and the Association shall be responsible for paying its designated share of the necessary expenses incurred in connection with said Committee, including, but not limited to, one-half (1/2) the professional fees of any architect, landscape architect or engineer retained by said Committee.

Section 11.4. Facilities and Engineering Committee. The Facilities and Engineering Committee, if any, shall be composed of up to seven (7) Owners appointed by the Board. If there is no committee, the Board shall function in this role. Any decision on an application shall be subject to the ultimate control of

the Board. If a decision on an application has been rendered by the Facilities and Engineering Committee, there is a right of appeal to the Board. The determination of the Board is final. The Board shall always maintain the ultimate authority to overrule the Facilities and Engineering Committee. Members of the Facilities and Engineering Committee shall not receive any compensation for services rendered. The Board may approve reimbursement to Facilities and Engineering Committee members for reasonable out-of-pocket expenses incurred by them in connection with the performance of any Facilities and Engineering Committee functions.

Section 11.5. Architectural Procedures, Contractor Standards and Conditions, and Guidelines. Subject to the notice provisions of the Davis-Stirling Act, the Board shall adopt architectural procedures for review and approval of architectural applications or other similar work. In addition, the Board has authority to draft, revise and enforce Standards and Conditions applicable to construction related contractors doing work for Owners. These may include contact information, license and insurance verification, hours of work, noise mitigation, and parking plans. The Board may also adopt and/or amend guidelines and regulations to be used to address architectural alterations. The Board or Facilities and Engineering Committee may require submission of additional plans and specifications or other information prior to approving or disapproving the application or alteration.

Section 11.6. Non-Waiver. It is acknowledged that over time, Directors change, aesthetic standards change, and community preferences change. Given that aesthetic standards may evolve over time, it is acknowledged that past approvals are no assurance of current or future approvals for similar alterations. This evolution of standards does not make the exercise of discretion arbitrary or selective. It is the goal of the Association to maintain consistency in aesthetic decisions within a reasonable time period. However, approval of any application or alteration shall not be deemed a waiver of any right to deny or approve any similar application or alteration.

Section 11.7. Liability. The Board, Directors and/or the Facilities and Engineering Committee shall not be liable to the Association or any Owner for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective, or (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications.

Section 11.8. Architectural Enforcement. For any architectural alteration or other condition or requirement where Association approval is necessary, the burden is on the Owner to produce written evidence of such approval. Otherwise the Board may deem that no approval was given.

11.8(a) Notice of Noncompliance. If the Board has determined that an Owner is not in compliance with the architectural regulations, standards or conditions of approval, then the Board may send notice of such noncompliance to the Owner. The notice of noncompliance shall include a specific description of the architectural violation, as well as a proposed remedy and/or course of action. For purposes of this section, noncompliance includes, but is not limited to, failure to obtain Association approval, failure to follow the approved plan (including any conditions), failure to comply with architectural guidelines, and/or failure to properly maintain improvements.

11.8(b) Hearing and Determination. Prior to taking disciplinary action against an Owner for an apparent architectural violation, the Association shall provide the Owner with due process pursuant to Article XIII, Section 13.5. If the Board finds that there is no valid reason for the continuing noncompliance, the violation shall be deemed a continuing nuisance, and the Board may require the Owner to remedy or remove the unapproved architectural alteration.

11.8(c) Association Options for Abating Continuing Nuisances. If the Owner does not comply with the Board's ruling within any period specified or within any extension of such period as the Board, in its discretion, may grant, the Board may utilize the general enforcement provisions of this Declaration, including removal of the noncomplying improvement or remedying the noncompliance. The costs of any such action(s) shall be levied against the Owner as a Reimbursement Assessment.

Section 11.9. Architectural Agreement. The Association shall have the right to condition its approval of an alteration on the execution and recordation of an Architectural Agreement entered into between the Association and an Owner. Such an Agreement may memorialize the conditions under which an architectural alteration was approved, and the rights and responsibilities of the Association, the Owner, and future Owners of the Unit. The Association shall provide the Owner with a copy of any such recorded Notice. Unless otherwise provided in such an Agreement, the following shall apply to all alterations, regardless of whether expressly included in a separate written agreement: (a) Owner will indemnify, hold harmless and defend the Association, Directors, and manager from any claim arising from or related to the approval of the work and the work itself; (b) Owner will be responsible to maintain, repair and replace all aspects of the alteration and/or reimburse the Association for such costs; (c) Owner shall be responsible for any increased maintenance costs and/or damage which occurs as a result of the alteration; (d) Owner is responsible for costs and fees incurred by the Association and related to the alteration (which may include cost of code upgrades triggered by the work), (e) consent to occupy any Common Area is granted as a "license" which may be revoked by the Association for failure to maintain, repair and/or replace any facet of the alteration or failure to comply with the conditions of approval; (f) Owner agrees to maintain homeowner property damage and liability insurance and such other insurance as is required by the Association; and (g) all of Owner's successors will also be bound to the Owner's obligations.

ARTICLE XII FIRE SAFETY

Section 12.1. Fire Department Inspections. The Association shall admit the San Rafael, California Fire Chief or authorized representative(s) to every Unit within Villa Marin for the purpose of fire safety inspections. Said inspections shall be made only during normal working hours.

Section 12.2. Outdoor Grills/Barbecues, etc. No heating or cooking devices of any kind can be used on the decks/Balconies. This condition includes items such as kerosene heaters, barbecues, or similar devices.

Section 12.3. Storage. There may be no storage of hazardous or flammable liquids or gases in the dwelling Units at any time.

Section 12.4. Decks/Balconies.

12.4(a) Enclosures. No enclosure of any deck/Balcony can be made without the written permission of the Association.

12.4(b) Storage. Combustible storage on the decks/Balconies is prohibited.

ARTICLE XIII ENFORCEMENT OF GOVERNING DOCUMENTS

Section 13.1. Violation. A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day, over an uninterrupted period of time or a pattern over time. Any activity or condition which constitutes a public or private nuisance shall also be deemed a violation. Further, any violation of the Governing Documents shall be deemed a nuisance. If the detrimental effect of a violation continues for additional days, discipline imposed by the Association may include one component for the violation and, according to the Association's discretion, a per diem (per day) component for so long as the detrimental effect continues. Similar violations over an extended length of time may justify cumulative imposition of disciplinary measures. The Association shall take reasonable and prompt action to mitigate, repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Common Area at the cost of the responsible party.

Section 13.2. Jurisdiction. The Association shall have jurisdiction over any person on the Property or with rights in the Property and any real and/or personal property on the Property. This jurisdictional authority shall be subject to the terms, conditions and safeguards provided in the Governing Documents. The Owner shall be liable for Governing Document violations by Lessees, Renters, other occupants, guests, private employees, or invitees (including the guests or invitees of Lessees and/or Renters).

Section 13.3. Unauthorized Use of Health Care Facilities. Any person occupying the Association's health care facilities after the Association, in consultation with the Medical Director, determines that such occupancy is medically unnecessary shall be subject to such penalties as the Board may prescribe in a general rule applicable to this type of unauthorized use of the Common Area. The minimum initial penalty imposed by said rule shall be payment of a per-diem charge at the same rate that is applicable to patients who are not covered by Villa Marin's Service Program.

Section 13.4. Enforcement Options. In the event of a breach or violation of any of the Governing Documents by any person (including becoming more than thirty (30) days delinquent in payment of any Assessment), the Board, for and on behalf of all other Owners, may enforce compliance with the Governing Documents through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including, but not limited to, the following:

13.4(a) Suspension of Rights. The Board may suspend the right to use Common Area facilities and services.

13.4(b) Fines. A fine is a penalty and unrelated to any reimbursement or other cost incurred. The Association may implement a schedule of reasonable fines for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as illegally parked vehicles). If such a fine policy and schedule is adopted by the Association, the Association shall distribute it to each Owner, as part of the Annual Policy Statement. The Board may levy a reasonable fine in accordance with the

Association's fine policy and schedule and/or in the range specified in any Notice of Hearing.

A fine, while enforceable by lien and/or judicial foreclosure, shall not be the subject of nonjudicial foreclosure. The Association may file a lien to preserve its rights to later file a judicial foreclosure action.

In imposing any fine, the Association, in its sole discretion, may choose to suspend some or all of the fine for a period of time pending compliance with a directive of the Association.

13.4(c) Alternative Dispute Resolution (ADR). In the event of a dispute arising out of the Governing Documents, there are several dispute resolution tools available to Owners and the Association. With the exception of a Small Claims suit, some form of Alternative Dispute Resolution (ADR), pursuant to the Davis-Stirling Act or such other form of ADR as may be agreed upon, must be attempted before filing a legal action.

13.4(c)(1) Owner and Association Disputes.

13.4(c)(1)(i) Internal Dispute Resolution Procedure (IDR). In the event of a dispute between an Owner and the Association, prior to filing legal action, the parties shall “meet and confer” in an effort to resolve the dispute pursuant to the provisions of Civil Code §§5900-5920 or an Internal Dispute Resolution procedure otherwise adopted by the Board. Participants may be the manager, one or more Directors, and/or other designated representative(s). Participants must be physically present. Electronic participation, such as via speaker phone, is not permitted unless all parties agree. IDR is optional to the Owner, but required for the Association if the Owner requests it.

13.4(c)(1)(ii) Mediation. In the event of a dispute between an Owner and the Association, the parties shall attempt to resolve such dispute by mediation before any formal action is filed or initiated. The cost shall be borne equally.

13.4(c)(2) Owner-to-Owner Disputes: Mediation. In the event of a dispute between Owners, affected Owners shall attempt to resolve any dispute by mediation. The cost of the mediator shall be borne equally. If the parties cannot agree on a mediator to provide this service, the Association can recommend and/or facilitate the use of an Alternative Dispute Resolution provider. In the alternative, any party can request the president of the Marin County Bar Association to identify a local low cost mediation service provider and such designation shall be binding. A good faith effort to complete the mediation shall be a prerequisite to any further action.

13.4(d) Legal Action. Preserving status quo in the Villa Marin neighborhood is an important goal of this Declaration. This includes the preservation of aesthetics and the quiet enjoyment of each residence. With the exception of nonpayment of any Assessment, the recovery of dollar damages for any violation of the Governing Documents is an insufficient remedy. Enforcement of the Governing Documents against any Owner or occupant may be undertaken by appropriate legal proceedings instituted by any Owner, the Association, or both. No action shall be filed by an Owner or the Association unless or until there is compliance with the Alternative Dispute Resolution provisions of the Davis-Stirling Act. Legal proceedings may include the following:

13.4(d)(1) an action for mandatory injunction (a court order or judgment which requires someone to do something);

13.4(d)(2) an action for prohibitory injunction (in which the court prohibits specified behavior);

13.4(d)(3) an action for declaratory relief (such as interpretation of any provision of the Governing Documents); and/or

13.4(d)(4) A claim for damages, including prospective costs and costs actually incurred in obtaining compliance.

13.4(e) Direct Help. The Association shall have the right to enter any Condominium to gain compliance with the Governing Documents, including but not limited to the following:

13.4(e)(1) Maintenance, Repair and Replacement. If the Association reasonably finds a Unit requires maintenance, repair, replacement or restoration of any component or condition for which the Owner is responsible, the Board may direct the Owner to perform the work and if the Owner fails or refuses to do so, the Association may, after notice to the Owner and a hearing, utilize these provisions, and cause the work to be performed. The Association shall have the authority to enter a Condominium or Exclusive Use Common Area for such purpose. The Association may collect the cost by adding it to the Assessment for that Unit and collecting it in the same manner as a Reimbursement Assessment.

13.4(e)(2) Removal of Nuisance. The Association shall have authority to enter a Condominium to cause the removal of a nuisance from the Property. This power does not relieve the Association of its duty to comply with the due process and notice requirements of the Governing Documents, unless there is immediate peril to persons or property.

13.4(f) Imposition of Reimbursement Assessment. The Association may levy a Reimbursement Assessment as provided for in Article IV, Section 4.7 hereof.

13.4(g) Referral to Governmental Agency. The Association, in its sole discretion, may refer any enforcement action to the appropriate governmental agency with jurisdiction, such as the police department, fire department, health department or other proper agency.

Section 13.5. Implementation. Prior to taking disciplinary action against an Owner, the Association must provide the Owner with due process as set forth in this Section 13.5. In the event of a risk to persons or property, the Board may take or require action to mitigate the risk until a hearing can be conducted.

13.5(a) Notices. Notices and requests must be in writing and may be delivered to Owners by personal delivery or Individual Notice. Notices from the Association must be sent at least ten (10) days prior to any hearing and shall include, at a minimum, the date and time for the meeting at which the Board will consider disciplinary action, a brief description of the action or inaction constituting the alleged violation, and a statement that the Owner has a right to attend the meeting and may address the Board.

13.5(b) Hearing. With a quorum of the Board present, the Board will review the facts and determine whether or not a violation has occurred and, if so, what action shall be taken. Action may include a directive to the Owner and/or occupant, levy of a Reimbursement Assessment and/or imposition of a fine. The Owner or the Association may require that the hearing be conducted in Executive Session.

13.5(c) Statement of Decision. If the Board determines that the Owner is in violation of the Governing Documents, the Association will provide written notice of the outcome of the hearing to the Owner within fifteen (15) days following the hearing.

Section 13.6. Miscellaneous.

13.6(a) Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative. The exercise of any right(s) or remedy(ies) shall not affect the exercise, at the same or at different times, of any other rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

13.6(b) Non-Waiver. The failure of any Owner, the Board, any Committee, or the Association or its officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

13.6(c) Rules re: Disciplinary Proceedings. The Association shall be entitled to adopt rules and/or policies that further the efficient conducting of disciplinary proceedings. Such rules and/or policies shall form a part of the Governing Documents.

13.6(d) Noncompliance with Procedure. Failure by the Association to technically comply with these procedures, or any rules or policies adopted, shall not be fatal to the process so long as there is no significant prejudice to the person who has been charged with a violation. Appearance at a hearing shall constitute a waiver of any defect in notice.

13.6(e) Owner Standing. Any Owner shall also have such rights of enforcement as exist by virtue of Civil Code §5975 (including direct enforcement of this Declaration) or otherwise by law.

13.6(f) Fees and Costs of Governing Document Disputes. In a lawsuit arising out of a dispute involving the Governing Documents or Davis-Stirling, the prevailing party shall be awarded reasonable attorney's fees and costs. The Association may levy a Reimbursement Assessment.

13.6(g) Other. Any former Owner who loses title by foreclosure but remains in possession shall be bound by the Governing Documents during possession.

ARTICLE XIV GENERAL PROVISIONS

Section 14.1. Severability. Should any provision in this Declaration be void or become invalid or unenforceable in law or in equity by judgment or court order, the remaining provisions shall be and remain in full force and effect.

Section 14.2. Interpretation. The provisions of this Declaration and the other Governing Documents shall be liberally construed to effectuate the purpose of efficiently governing, operating and perpetuating a uniform plan for the operation of a Condominium Project and Continuing Care Retirement Community.

Section 14.3. Term of Declaration. The provisions of this Declaration shall continue and be effective until January 1, 2032, after which date this Declaration shall be automatically extended for successive periods of ten (10) years, until it is terminated by the Owners in accordance with the law. This Declaration may be amended as provided below.

Section 14.4. Amendment. This Declaration may be amended by approval of Owners holding a majority of the total votes. (Based on 224 Condominiums, this is 113 votes.) Said amendment shall be effective upon recordation in the Office of the County Recorder of the County of Marin. Notice of approval shall be given to all Owners but, at the Board's discretion, need not include a paper copy of the full document previously submitted and voted upon, unless requested by an Owner.

Section 14.5. Document Hierarchy. To the extent of any conflict between the Governing Documents and the law, the law shall prevail. To the extent of any conflict between the Articles and the Declaration, the Declaration shall prevail. To the extent of any conflict between the Bylaws and the Articles or Declaration, the Articles or Declaration shall prevail. To the extent of any conflict between the operating rules and the Bylaws, Articles or Declaration, the Bylaws, Articles or Declaration shall prevail. Governing Documents may, however, impose standards greater than many ordinances and other laws without being in conflict.

Section 14.6. Owner Responsibility. Each Owner and Owner's Qualified Occupant shall be liable to the Association for any costs incurred generally arising out of a Governing Document violation and/or damage to the Common Areas or damage to areas which the Association must maintain, repair or replace caused directly or indirectly by the Owner and Owner's Qualified Occupant or his or her family, pets, guests, private employees, invitees, Lessees, Renters, the guests or invitees of any occupant (including but not limited to inadvertence, failure to act, active or passive negligence or willful misconduct or otherwise). Such responsibility shall include related costs generally that are incurred by the Association. Each Owner and Owner's Qualified Occupant shall protect, defend, hold harmless and indemnify the Association and Directors from any third-party claim arising out of such conduct and damage.

Section 14.7. Davis-Stirling Act.

14.7(a) Correction of Numbering. If the Governing Documents include a reference to a provision of the Davis-Stirling Act that has been changed or added, the Board may

amend the **Governing Documents**, solely to correct the cross-reference, by adopting a **Board** resolution that shows the correction. **Owner** approval is not required in order to adopt such a resolution pursuant to this authority. A **Declaration** that is corrected under this section may be restated in corrected form and recorded in corrected form with the amendment information footnoted.

14.7(b) Updating of Preempted Content or Other Statutory Reference in CC&Rs

In addition to the authority in **Section 14.7(a)**, the **Board** shall have authority to update the **CC&Rs** if or when changes in any statutory laws preempt content set forth in these **CC&Rs**. Unless provided for in **Section 14.7(a)**, before the **Board** can approve such an update, the **Board** must have confirmation from counsel of the nature of the statutory preemption. The **Board** must provide **Owners** with at least thirty (30) days' notice of the proposed change. The **Board** may then approve revision of these **CC&Rs** to conform to change(s) in the law. A **Declaration** that is updated under this section may be restated and recorded in corrected form with the amendment information footnoted.

Section 14.8. Transition Provisions. In order to facilitate the transition from the provisions contained under the Former Declaration to those contained in these **Governing Documents**, the **Board** shall have the authority, in its sole discretion, to grandfather certain activities within, uses, or conditions on the **Property** typically for a period not to exceed eighteen (18) months following the date of recordation of these **CC&Rs**. The granting of any such grandfathered activity, use, or condition shall be in writing and made a part of the **Association's** records.

CERTIFICATE OF AMENDMENT

The **Association** desired to make substantial changes to the **CC&Rs** pursuant to the amendment provisions and Civil Code §4270, and on October 6, 2022 the **Owners** voted to approve the language of said changes.

This Restated Declaration of Covenants, Conditions and Restrictions supersedes the Former Declaration.

The undersigned declare, under penalty of perjury, under the laws of the State of California, that the matters set forth in this Restated Declaration are true and correct of their own knowledge. Executed at San Rafael, California on Oct 11, 2022.

VILLA MARIN HOMEOWNERS' ASSOCIATION

Barbara Heller
President:

BARBARA HELLER

MAJILLIAMS
Secretary:

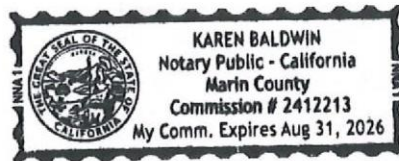
ATTACH NOTARY ACKNOWLEDGMENT(S)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this Certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Marin } SS.

On October 11, 2022, before me, Karen Baldwin, Notary
DATE
personally appeared Barbara Heller & M.A. Williams, who proved to me

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 he/she/they are 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.

Karen Baldwin
NOTARY'S SIGNATURE

PLACENOTARY SEALIN ABOVE SPACE

OPTIONAL INFORMATION

The information below is optional. However, it may prove valuable and could prevent fraudulent attachment of this form to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER _____ TITLE(S)
☐ PARTNER(S)
☐ ATTORNEY-IN-FACT
☐ GUARDIAN/CONSERVATOR
☐ SUBSCRIBING WITNESS
☐ OTHER: _____

SIGNER (PRINCIPAL) IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

OTHER

RIGHT
THUMBPRINT
OF
SIGNER

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