

Palm Terrace Villas Homeowners Association

NOTICE OF ANNUAL MEMBERSHIP MEETING

Date: **December 13, 2025**

Time: **10:00 a.m.**

Location: **Palm Terrace Villas Clubhouse, Redlands, CA**

Dear Homeowner:

On behalf of the Board of Directors of the Palm Terrace Villas Homeowners Association, notice is hereby given that the Association will hold its Annual Membership Meeting on the date and time listed above. Zoom Link available on **Web Site: ptvhoa.abornpowerspm.com**

Purpose of the Meeting

The purposes of this annual meeting include the presentation of annual reports, review of Association business, and other matters as may properly come before the membership. There is no election scheduled for this meeting.

Agenda

1. Call to Order
2. Determination of Quorum
3. Approval of Prior Meeting Minutes
4. President's Report / Board Update
5. Report & Presentation of Annual Budget – Reserve Study
6. Committee Reports
7. Homeowner Open Forum
8. New Business
9. Adjournment

Please plan to attend. Your participation is important in ensuring that the Association remains responsive to homeowner interests and effectively manages our community. If you cannot attend in person, please consider submitting a proxy in advance so that your interests are represented. If you have any questions regarding the meeting or agenda, please contact the Association's management Aborn Powers at 951-530-8688 or email manager at: marlene@abornpowers.com. Zoom link will be available on the web-site a week before the Annual Meeting.

Sincerely,
Board of Directors
Palm Terrace Villas Homeowners Association

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5. Insurance Summary Disclosure & Certificate of Liability Insurance
6. Contact Information Sheet
7. Consent for Electronic Delivery
8. Architectural Review/ Improvement Request Form
9. Rules & Regulations for Homeowners
10. First Restated Declaration of Covenants, Conditions & Restrictions of Palm Terrace Villas Homeowners Association

Palm Terrace Villas Homeowner Association – Redlands CA

Annual Policy Statement

For Fiscal Year: 2026

Date Issued: December 2025

1. Designated Location for General Notices.

In compliance with California Civil Code §5310, the Association has designated the following location(s) for posting general notices: **Location:** Clubhouse bulletin board, By the Bank of Mailboxes.

HOA Web Site : ptvhoa.abornpowerspm.com

2. Right to Individual Delivery of Notices

Each member has the right to receive notices by individual delivery rather than general notice.

Requests for individual delivery must be submitted in writing to: Association Manager/ Board Secretary

Address: Aborn Powers 2023 Chicago Avenue, B-28, Riverside CA 92705

Email: marlene@abornpowers.com

3. Preferred Method of Delivery (Email / Mail)

Pursuant to Civil Code §4041, each member may request delivery of notices by mail, email, or both.

Current preferred delivery method noted in Tenant Portals via AppFolio

To update your preference, submit a written request to the Association at the address/email above.

4. Assessment Collection Policy

A copy of the Association's Assessment Collection Policy (pursuant to Civil Code §5730) is attached.

This policy outlines late fees, interest, lien rights, and foreclosure procedures. **Copy of CC&Rs attached.**

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5. Procedures for Dispute Resolution

Internal Dispute Resolution (IDR): Members may request IDR with the Board by submitting a written request. IDR procedures are attached. **Rules and Regulations for Homeowners page 4-5**

6. Other Statutory Disclosures:

Election Rules (Civ. Code §5105) **CC&Rs (attached) Pages 3-4**

Insurance Coverage Summary (Civ. Code §5300(b)(9)) **Copies Included: Insurance Summary Disclosure and Certificate of Liability Insurance.**

7. Procedure for Obtaining Meeting Minutes

Minutes of Board meetings are available to members within 30 days of the meeting. Request copies by mail/email from management / Review copies at: Aborn Powers 2023 Chicago Avenue, B-28, Riverside CA 92507 (951)530-8688

Reasonable copying costs may apply. View on Website: ptvhoa.abornpowerspm.com

This Annual Policy Statement is delivered pursuant to California Civil Code §§5310–5320.

Additional Enclosures: Reserve Plan Summary

Contact Information Sheet

Consent for Electronic Delivery

Architectural Review Form (CC&Rs Page 8 Article 4 outlines Architectural Control – attached)

For questions, contact: Association Manager / Board Secretary

Phone: 951—530-8688

Email: marlene@abornpowers.com

Income Statement - 12 Month

Aborn Powers

Properties: 1378 - Palm Terrace Villa Homeowners Association - 625 East Palm Avenue Redlands, CA
 Fund Type: All

Period Range: Jan 2025 to Dec 2025

Accounting Basis: Cash

GL Account Map: None - use master chart of accounts

Level of Detail: Detail View

Include Zero Balance GL Accounts: No

Account Name	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Total
Operating Income & Expense													
Income													
Income - Association Dues	0.00	0.00	13,495.00	14,865.00	18,825.00	19,525.00	17,750.00	17,400.00	18,850.00	23,380.00	17,180.00	0.00	161,270.00
Income - Dishonored Check Fees Collected	0.00	0.00	0.00	0.00	0.00	35.00	0.00	0.00	0.00	70.00	0.00	0.00	105.00
Income - Other Reimbursed - Common Area Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150.00	0.00	0.00	0.00	150.00
Total Operating Income	0.00	0.00	13,495.00	14,865.00	18,814.14	19,560.00	17,750.00	17,400.00	19,000.00	23,450.00	17,180.00	0.00	161,514.14
Expense													
Insurance	0.00	0.00	0.00	3,859.68	1,929.84	1,929.84	1,929.84	1,929.84	1,929.84	1,929.84	0.00	0.00	15,438.72
Janitorial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	290.00	0.00	0.00	0.00	290.00
CAM - Janitorial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	515.00	0.00	0.00	0.00	515.00
Landscape	0.00	0.00	0.00	5,725.00	3,150.00	3,650.00	7,127.20	3,650.00	3,650.00	3,650.00	0.00	0.00	30,602.20
Maint / Repair - Supplies	0.00	0.00	0.00	0.00	0.00	73.51	0.00	0.00	0.00	0.00	0.00	0.00	73.51
Maint / Repair - General	0.00	0.00	0.00	0.00	900.00	1,944.00	2,867.35	5,687.50	300.00	736.50	0.00	0.00	12,435.35
Management Fees	0.00	0.00	0.00	1,600.00	3,200.00	0.00	1,818.75	1,610.36	1,600.00	1,725.00	3,200.00	0.00	14,754.11
Payroll Expense - Workers' Comp Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.00	3.00	0.00	0.00	6.00
Pool/Spa Expense	0.00	0.00	0.00	0.00	500.00	0.00	4,005.00	0.00	942.00	535.00	709.00	0.00	6,691.00

Income Statement - 12 Month

Account Name	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Total
Professional Fees	0.00	0.00	0.00	0.00	0.00	608.73	0.00	375.90	0.00	0.00	0.00	0.00	984.63
Professional Fees Legal	0.00	0.00	0.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00
Security Systems / Fire Alarms / Fire Safety	0.00	0.00	0.00	147.62	68.48	69.49	74.49	0.00	88.64	163.13	0.00	0.00	611.85
Supplies	0.00	0.00	0.00	0.00	0.00	0.00	48.93	0.00	0.00	0.00	0.00	0.00	48.93
Supplies - Postage & Delivery	0.00	0.00	0.00	71.07	0.00	0.00	19.36	0.00	11.10	13.32	0.00	0.00	114.85
Tax & License Business Tax & License	0.00	0.00	0.00	0.00	0.00	0.00	35.00	0.00	0.00	0.00	0.00	0.00	35.00
Utilities Electric & Gas	0.00	0.00	241.66	0.00	147.75	441.37	435.81	1,023.39	2.51	755.52	0.00	0.00	3,048.01
Utilities Water & Sewer	0.00	0.00	0.00	9,216.49	0.00	9,037.83	0.00	11,866.40	0.00	12,802.19	0.00	0.00	42,923.01
Signage	0.00	0.00	0.00	0.00	97.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	97.28
Total Operating Expense	0.00	0.00	241.66	20,619.86	9,993.35	22,754.87	18,361.73	20,143.39	9,332.09	22,313.50	3,909.00	0.00	133,669.45
NOI - Net Operating Income	0.00	0.00	13,253.34	-5,754.86	8,820.79	-3,194.87	-611.73	-8,743.39	9,667.91	1,136.50	13,271.00	0.00	27,844.69
Other Income & Expense													
Other Income													
Bank Transfer	0.00	0.00	0.00	73,904.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	73,904.29
Total Other Income	0.00	0.00	0.00	73,904.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	73,904.29
Net Other Income	0.00	0.00	0.00	73,904.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	73,904.29
Total Income	0.00	0.00	13,495.00	88,789.29	18,814.14	19,560.00	17,750.00	17,400.00	19,000.00	23,450.00	17,180.00	0.00	235,418.43
Total Expense	0.00	0.00	241.66	20,619.86	9,993.35	22,754.87	18,361.73	26,143.39	9,332.09	22,313.50	3,909.00	0.00	133,669.45
Net Income	0.00	0.00	13,253.34	68,149.43	8,820.79	-3,194.87	-611.73	-8,743.39	9,667.91	1,136.50	13,271.00	0.00	101,748.98

Delinquency (As Of)

Properties: 1378 - Palm Terrace Villa Homeowners Association - 625 East Palm Avenue Redlands, CA
 As of: 10/31/2025

Delinquency Note Range: All Time

Tenant Status: Current and Notice

Amount Owed In Account: All

Balance: Greater than 0.00

Unit	Name	Tenant Status	Tags	Amount Receivable	0-30	30+	60+	90+
1378	1378 - Palm Terrace Villa Homeowners Association - 625 East Palm Avenue Redlands, CA							
		Current		1,249.13	375.00	874.13	499.13	499.13
Total				1,249.13	375.00	874.13	499.13	499.13

Fund Balance Sheet - Active Funds

Properties: 1378 - Palm Terrace Villa Homeowners Association - 625 East Palm Avenue Redlands, CA
 As of: 11/30/2025

Accounting Basis: Cash

GL Account Map: None - use master chart of accounts

Level of Detail: Detail View

Account Number	Account Name	Operating	Reserve	Total
ASSETS				
Cash				
11001010	Cash - Main Checking	119,821.12		119,821.12
	Total Cash	<u>119,821.12</u>	<u>0.00</u>	<u>119,821.12</u>
	TOTAL ASSETS	<u>119,821.12</u>	<u>0.00</u>	<u>119,821.12</u>
LIABILITIES & CAPITAL				
Liabilities				
20011005	Prepaid Rent	4,305.00		4,305.00
	Total Liabilities	<u>4,305.00</u>	<u>0.00</u>	<u>4,305.00</u>
Capital				
3999	Appflio Opening Equity Balance	0.01		0.01
40010010	Opening Balance	13,767.13		13,767.13
	Calculated Retained Earnings	101,748.98	0.00	101,748.98
	Calculated Prior Years Retained Earnings	0.00	0.00	0.00
	Total Capital	<u>115,516.12</u>	<u>0.00</u>	<u>115,516.12</u>
	TOTAL LIABILITIES & CAPITAL	<u>119,821.12</u>	<u>0.00</u>	<u>119,821.12</u>

Budget Detail

Aborn Powers

Properties: 1378 - Palm Terrace Villa Homeowners Association - 625 East Palm Avenue Redlands, CA
 Period Range: Jan 2026 to Dec 2026

Consolidate: No

GL Account Map: None - use master chart of accounts

Include Zero Balance GL Accounts: No

Account Name	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Total	Percent
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1378 - Palm Terrace Villa Homeowners Association - 625 East Palm Avenue Redlands, CA - 1378 2026 Pro Forma - Before Reserve Study Completed

Income - Association Dues	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00	216,000.00	99.98
Income - Dishonored Check Fees Collected	2.92	2.92	2.92	2.92	2.92	2.92	2.92	2.92	2.91	2.91	2.91	2.91	35.00	0.02
Total Budgeted Operating Income	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.91	18,002.91	18,002.91	18,002.91	216,035.00	100.00

Expense	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Total	Percent
Reserve Account	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	21,600.00	11.28
Insurance	2,083.34	2,083.34	2,083.34	2,083.34	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	2,083.33	25,000.00	13.06
Janitorial	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	72.50	870.00	0.45
Landscape	3,920.00	3,920.00	3,920.00	3,920.00	3,920.00	3,920.00	3,920.00	3,920.00	3,920.00	3,920.00	3,920.00	3,920.00	47,040.00	24.57
Locksmith	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.66	41.66	41.66	41.66	500.00	0.26
Maint / Repair - General	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	6,000.00	3.13
Management Fees	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	19,200.00	10.03
Pest Control	29.17	29.17	29.17	29.17	29.17	29.17	29.17	29.17	29.16	29.16	29.16	29.16	350.00	0.18
Pool/Spa Expense	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	1,125.00	13,500.00	7.05
Professional Fees	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.67	416.66	416.66	416.66	416.66	5,000.00	2.61
Security Systems / Fire Alarms / Fire Safety	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	900.00	0.47
Supplies	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	12.50	150.00	0.08

Budget Detail

Account Name	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026	Nov 2026	Dec 2026	Total	Percent
Supplies - Postage & Delivery	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	300.00	0.16
Tree Trimming	708.34	708.34	708.34	708.34	708.33	708.33	708.33	708.33	708.33	708.33	708.33	708.33	8,500.00	4.44
Utilities Electric & Gas	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	315.00	3,780.00	1.97
Utilities Water & Sewer	3,166.67	3,166.67	3,166.67	3,166.67	3,166.67	3,166.67	3,166.67	3,166.67	3,166.66	3,166.66	3,166.66	3,166.66	38,000.00	19.85
Reserve Expense Roof	0.09	0.09	0.09	0.09	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	1.00	0.00
Telephone	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	65.00	780.00	0.41
Total Budgeted Operating Expense	15,955.95	15,955.95	15,955.95	15,955.95	15,955.92	15,955.92	15,955.92	15,955.92	15,955.88	15,955.88	15,955.88	15,955.88	191,471.00	100.00
Total Budgeted Operating Income	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.91	18,002.91	18,002.91	18,002.91	216,035.00	100.00
Total Budgeted Operating Expense	15,955.95	15,955.95	15,955.95	15,955.95	15,955.92	15,955.92	15,955.92	15,955.92	15,955.88	15,955.88	15,955.88	15,955.88	191,471.00	100.00
Net Operating Income	2,046.97	2,046.97	2,046.97	2,046.97	2,047.00	2,047.00	2,047.00	2,047.00	2,047.03	2,047.03	2,047.03	2,047.03	24,564.00	100.00
Total Budgeted Income	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.92	18,002.91	18,002.91	18,002.91	18,002.91	216,035.00	100.00
Total Budgeted Expense	15,955.95	15,955.95	15,955.95	15,955.95	15,955.92	15,955.92	15,955.92	15,955.92	15,955.88	15,955.88	15,955.88	15,955.88	191,471.00	100.00
Net Income	2,046.97	2,046.97	2,046.97	2,046.97	2,047.00	2,047.00	2,047.00	2,047.00	2,047.03	2,047.03	2,047.03	2,047.03	24,564.00	100.00

30-Year Reserve Plan Summary

Report # 17162-15
No-Site-Visit

Fiscal Year Start: 2024

Interest: 2.00% Inflation: 3.00%

Reserve Fund Strength: as of Fiscal Year Start Date				Projected Reserve Balance Changes				
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	\$89,637	\$613,066	14.6 %	High	\$73,200	\$172,800	\$1,387	\$287,850
2025	\$49,173	\$407,619	12.1 %	High	\$79,056	\$0	\$1,676	\$11,330
2026	\$118,576	\$483,004	24.5 %	High	\$85,380	\$0	\$3,137	\$11,670
2027	\$195,423	\$562,545	34.7 %	Medium	\$92,211	\$0	\$4,395	\$47,588
2028	\$244,441	\$609,788	40.1 %	Medium	\$99,588	\$0	\$5,351	\$58,301
2029	\$291,078	\$649,796	44.8 %	Medium	\$107,555	\$0	\$6,287	\$66,774
2030	\$338,145	\$684,730	49.4 %	Medium	\$110,781	\$0	\$7,666	\$27,463
2031	\$429,130	\$763,728	56.2 %	Medium	\$114,105	\$0	\$9,662	\$15,004
2032	\$537,892	\$860,532	62.5 %	Medium	\$117,528	\$0	\$11,502	\$53,584
2033	\$613,338	\$923,182	66.4 %	Medium	\$121,054	\$0	\$13,457	\$14,353
2034	\$733,496	\$1,030,882	71.2 %	Low	\$124,686	\$0	\$14,345	\$170,274
2035	\$702,252	\$984,057	71.4 %	Low	\$128,426	\$0	\$15,317	\$15,227
2036	\$830,769	\$1,098,455	75.6 %	Low	\$132,279	\$0	\$13,832	\$423,237
2037	\$553,643	\$799,052	69.3 %	Medium	\$136,247	\$0	\$12,387	\$16,154
2038	\$686,123	\$913,069	75.1 %	Low	\$140,335	\$0	\$14,365	\$89,243
2039	\$751,579	\$958,425	78.4 %	Low	\$144,545	\$0	\$15,691	\$92,933
2040	\$818,882	\$1,004,638	81.5 %	Low	\$148,881	\$0	\$17,227	\$79,674
2041	\$905,317	\$1,069,290	84.7 %	Low	\$153,347	\$0	\$18,708	\$110,245
2042	\$967,127	\$1,107,890	87.3 %	Low	\$157,948	\$0	\$20,727	\$38,390
2043	\$1,107,413	\$1,225,261	90.4 %	Low	\$162,686	\$0	\$23,800	\$19,289
2044	\$1,274,610	\$1,369,538	93.1 %	Low	\$167,567	\$0	\$23,814	\$357,158
2045	\$1,108,832	\$1,173,959	94.5 %	Low	\$172,594	\$0	\$23,916	\$20,463
2046	\$1,284,880	\$1,323,245	97.1 %	Low	\$177,772	\$0	\$27,516	\$21,077
2047	\$1,469,090	\$1,480,431	99.2 %	Low	\$183,105	\$0	\$31,082	\$41,445
2048	\$1,641,832	\$1,625,530	101.0 %	Low	\$188,598	\$0	\$33,223	\$180,309
2049	\$1,683,344	\$1,636,253	102.9 %	Low	\$194,256	\$0	\$34,670	\$125,627
2050	\$1,786,643	\$1,708,051	104.6 %	Low	\$200,084	\$0	\$37,581	\$49,602
2051	\$1,974,706	\$1,864,872	105.9 %	Low	\$206,086	\$0	\$41,619	\$31,653
2052	\$2,190,757	\$2,049,585	106.9 %	Low	\$212,269	\$0	\$43,989	\$235,085
2053	\$2,211,930	\$2,035,145	108.7 %	Low	\$218,637	\$0	\$45,383	\$145,636



**Palm Terrace Villas HOA
INSURANCE SUMMARY DISCLOSURE**

Pursuant to Section 5300 (b)(9) of the California Civil Code, the Association is providing you with the following information regarding its insurance policies. Pursuant to Civil Code Section 5300 (a), this summary is being distributed not less than 30 days nor more than 90 days preceding the beginning of the Association's fiscal year.

- I. GENERAL LIABILITY INSURANCE**
 - A. Name of Insurer: DB Insurance Co., Ltd. (US)
 - B. Policy Limits: \$2,000,000 per occurrence; \$4,000,000 aggregate
 - C. Amount of Deductible (if any): \$0
 - D. Umbrella coverage, if applicable: None
 - E. Umbrella carrier: None
 - F. Policy dates: 1/31/2025 - 1/31/2026
- II. PROPERTY INSURANCE**
 - A. Name of Insurer: DB Insurance Co., Ltd. (US)
 - B. Policy Limits: \$17,704,457
 - C. Amount of Deductible: \$5,000
 - D. Policy dates: 1/31/2025 - 1/31/2026
- II. EARTHQUAKE INSURANCE**
 - A. Name of Insurer: None
 - B. Policy Limits:
 - C. Amount of Deductible:
 - D. Policy dates:
- III. FLOOD INSURANCE**
 - A. Name of Insurer: None
 - B. Policy Limits:
 - C. Amount of Deductible:
 - D. Policy dates:
- IV. FIDELITY BOND INSURANCE**
 - A. Name of Insurer: PMA Insurance Group
 - B. Policy Limits: \$500,000
 - C. Amount of Deductible: \$1,000
 - D. Policy dates: 1/31/2025 - 1/31/2026

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

Pursuant to Section 5810 of the California Civil Code, if the association receives any notice of nonrenewal of a policy described in the annual budget report, the association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
6/23/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LaBarre/Oksnee Insurance 30 Enterprise, Suite 180 Aliso Viejo CA 92656	CONTACT NAME: _____
	PHONE (A/C, No, Ext): 800-698-0711 FAX (A/C, No): 949-588-1275 E-MAIL ADDRESS: proof@hoa-insurance.com
INSURER(S) AFFORDING COVERAGE	
INSURER A : DB Insurance Co., Ltd. (US)	NAIC # 12502
INSURER B : PMA Insurance Group	12262
INSURER c : Philadelphia Indemnity Ins. Co	18058
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
 Palm Terrace Villas HOA
 c/o Aborn Powers Inc
 3161 Cameron Park Dr. Ste #205
 Cameron Park CA 95682

COVERAGES **CERTIFICATE NUMBER:** 624487329 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____	Y		CBP 2220022 03	1/31/2025	1/31/2026	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY <input type="checkbox"/> AUTOS ONLY			CBP 2220022 03	1/31/2025	1/31/2026	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	2025010526293Y	2/25/2025	2/25/2026	<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A B C	Property Crime/Fidelity Directors & Officers	Y Y Y		CBP 2220022 03 4125010526293Y PCAP020226-0619	1/31/2025 1/31/2025 1/31/2025	1/31/2026 1/31/2026 1/31/2026	\$5,000 Deductible \$17,704,457 \$1,000 Deductible \$500,000 \$1,000 Deductible \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 HOA consists of 48 units. Located in Redlands, CA.

 Management Company is Additionally Insured on the General Liability, D&O Liability, and Fidelity Bond.

 See 2nd page of certificate of insurance for further coverage information.

 See Attached...

CERTIFICATE HOLDER Aborn Powers Inc 3161 Cameron Park Dr. Ste #205 Cameron Park CA 95682 USA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE



ADDITIONAL REMARKS SCHEDULE

AGENCY LaBarre/Oksnee Insurance	NAMED INSURED Palm Terrace Villas HOA c/o Aborn Powers Inc 3161 Cameron Park Dr. Ste #205 Cameron Park CA 95682
POLICY NUMBER	EFFECTIVE DATE:
CARRIER	
NAIC CODE	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

Single Entity Coverage (Walls In, excluding Improvements and Betterments)

Coverage Includes:
 Special Form with 100% Replacement Cost
 Extended Replacement Cost increases limit to \$21,696,638
 Wind/Hail

Equipment Breakdown
 Building Ordinance or Law A+B+C
 Inflation Guard and/or limits are reviewed yearly to ensure 100% Replacement Cost
 Severability of Interest / Separation of Insureds
 Computer Fraud & Funds Transfer Fraud
 Waiver of Rights of Recovery
 No Co-Insurance
 D&O is a Claims-Made Policy
 Hired and Non-Owned Auto Liability

Palm Terrace Villas HOA Property Contact Information Sheet

Please Remit to Aborn Powers:

by mail: 2023 Chicago Avenue, Unit B-28, Riverside CA 92507

by email: marlene.balch@abornpowers.com

(951)530-8688

Owner: _____

Phone: _____ Cell: _____

Mailing Address: _____

Email: _____

Owner: _____

Phone: _____ Cell: _____

Mailing Address: _____

Email: _____

Occupancy (Circle One): Owner Renter Vacation/Seasonal Residence

IF Rental is there a property management company that manages? YES NO

IF yes, Company and Contact: _____

If Renter occupied, please provide Tenant contact information:

Tenant's Name: _____

Phone Number: _____

Email Address: _____

Official Use:

Received by: Date: _____ Updated in Portal by _____

Palm Terrace Villas HOA
Consent For Electronic Delivery

In accordance with California civil Code Section 4040 (a) (2), I hereby consent to receiving documents from Palm Terrace Villas Homeowners Association which require individual notice, via electronic mail. I understand that such documents include, without limitation, the "Annual Budget Report" (Civil Code Section 5300), the "Annual Policy Statement" (Civil Code Section 5310), and the annual review of the financial statement(Civil Code Section 5305).

I understand that I may revoke my consent for the electronic delivery of these documents by sending a letter to:

Palm Terrace Villas
c/o Aborn Powers
2023 Chicago Avenue, unit B-28
Riverside CA 92507

Signature

Printed Name

Property Address

Phone Number

E-mail address

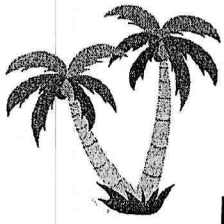
Signature

Printed Name

Property Address

Phone Number

E-mail Address



Palm Terrace Villas HOA

Architectural Review / Improvement Request Form

Homeowner Information

Name: _____

Property Address: _____

Phone Number: _____

Email Address: _____

1. Description of Proposed Improvement(s):

(Please describe the architectural changes or improvements you intend to make.)

2. Attachments:

(Please attach any relevant documents such as plans, drawings, photos, samples, or contractor info.)

3. Estimated Start Date: _____

4. Estimated Completion Date: _____

5. Acknowledgement:

I understand that no work shall commence until I receive written approval from the Architectural Review Committee or the HOA Board. I agree to comply with all HOA rules and guidelines, and obtain any required permits.

Homeowner Signature: _____ Date: _____

For HOA Use Only

Date Received: _____

Reviewed By: _____

Decision:

Approved

Approved with Conditions (see notes below)

Denied

Comments / Conditions:

Board/Committee Member Signature: _____ Date: _____

PALM TERRACE VILLAS
HOMEOWNERS' ASSOCIATION

RULES AND REGULATIONS FOR HOMEOWNERS

*PREPARED BY THE PALM TERRACE VILLAS
RULES & REGULATIONS COMMITTEE*

AND

APPROVED BY YOUR BOARD OF DIRECTORS

EFFECTIVE JANUARY 12, 2002

REVISED OCTOBER 12, 2005

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- i. A copy of the Governing documents of the development;
- ii. A copy of the Homeowner's Association's Articles of Incorporation;
- iii. The most recent financial statements and annual budget;
- iv. A copy of the current insurance coverages provided through the Homeowner's Association maintenance fees; and
- v. A Copy of the Rules and Regulations for Homeowners; and
- vi. A statement from an authorized representative of the Associations as to the amount of the Association's regular and special maintenance assessment fees, and any outstanding monetary fines or penalties levied on the Owner's lot and unpaid on the date of the statement. The statement shall include true information on late charges, interest and costs of collection, which as the date of the statement, are still owed.
- vii. A copy of any notice previously sent to the Owner that sets forth any alleged violations of the Governing documents that remains unresolved at the time of the request; and
- viii. Any change in the Association's current annual maintenance assessment or special assessments that may have been approved by the Board, but have not become due and payable as of the date the information is provided.

The Association shall be entitled to impose a fee for producing the requested items that represents a reasonable cost for preparing and reproducing the requested items. The Association has determined that a reasonable cost is one hundred dollars (\$100) for producing all items requested for the transfer of title or the execution of a sales contract. For any individual item on the above list reproduced as requested by an owner, the Association has determined the reasonable cost to be no less than twenty-five dollars (\$25) and no more than a maximum of one hundred dollars (\$100).

h. RECEIPT OF THIS DOCUMENT SHALL CONSTITUTE FORMAL NOTICE.

II. RULES AND REGULATIONS

a. ENFORCEMENT OF RULES AND REGULATIONS

In order to enforce the CC&Rs, By-laws and Rules and Regulations, the Board of Directors, as provided for in the Governing documents and the California Civil Code (Davis Stirling Act), may levy, assess, and collect reasonable fines. The fines shall be assessed against the Homeowners for violations by the Owner, members of his or her family, guests, licensee, or lessee of such Owners. The Association Board shall levy no fines without a hearing held in Executive Session, subject to due process. In the exercise of due process, the Owner will be entitled to reasonable advance notice and the opportunity to be heard.

The standard fines to be levied in the case of violations are as follows:

1. First Violation in any 12-month period: Warning Letter
2. Second Violation in any 12-month period: \$25.00
3. Third Violation in any 12-month period: \$50.00
4. Owners who have received a warning notice and continue to park, or cause to have parked, vehicles in the listed restricted areas, driveways, in front of other residents' garage doors, or adjacent to the red painted curbs in violation of the parking rules (Section II.B.4.) will have the vehicle towed away at the Owner's expense and/or additional fines will be levied.
5. Subsequent and uncorrected (continuing) violations: Fine shall be at the discretion of the Board of Directors up to a maximum of \$250 per violation. Violations, which have not been corrected after a warning letter has been sent, will be deemed to have recurred at the end of every 7-consecutive day period during which the violation remains uncorrected.
6. A clerical, legal, or court fee may be assessed in addition to the fine for any required actions necessary to collect fines levied.
7. Enforcement will not necessarily be limited to the imposition of fines, and may include formal legal action at any time, if the Board considers this appropriate in light of the seriousness or nature of any violation.

If a violation is such that it would cause the Association to hire outside labor and/or purchase materials to repair damage done or to rectify a situation that is against the Rules and Regulations, the Owner will be required to reimburse the Association for any expenses incurred, which may be enforced as an individual assessment subject to lien in accordance with the CC&Rs.

Violations must be reported in writing to the Board of Directors, signed by the Complainant. The identity of the person reporting the violation will not be disclosed to the Owner involved unless (1) the Complainant consents, or (2) such disclosure is required by law, or (3) a failure to disclose the identity of the Complainant would seriously prejudice the Association's ability to properly enforce the Governing documents.

Failure to pay fines within 30 days from the date of a levy may result in the filing of legal action in Small Claims Court. In addition, the voting rights and right to use common area facilities will be suspended for the period that the levy remains unpaid.

- b. COMMON AREA: Common areas are those outside your front gate and back fence, including the clubhouse and pool area, walkways, lots, lawns, landscaping and parking lots.
 - i. General Community
 1. Baseball, football, and other games shall be restricted to open lawn areas and are not allowed in driveways. No type of ball playing against walls is allowed. Tree climbing is prohibited.

2. Skateboarding, Big Wheels, tricycles, and motorized or non-motorized scooters are not allowed in the common area roadways, driveways and parking areas. It has proven to be too dangerous and, because of possible insurance implications, is for the protection of all concerned.
 3. Barbecuing in the common area is restricted to the clubhouse pool area.
 4. If you will be away for an extended period, please cancel all newspapers and deliveries or request the service of a friend or neighbor to pick them up for you to discourage vandalism or attract undesirables. Newspapers and other such items accumulating in the driveway send a clear signal to others that your unit, for the moment, is unoccupied.
 5. The monthly maintenance assessment by the Homeowner's Association on common property will depend, in large measure, on the care and consideration exercised by each and every Owner and their guests. Water is master-metered and paid for by your Association with a portion of your monthly maintenance fees. Homeowners are encouraged to conserve water consumption at all times.
 6. No toys, bikes, skateboards or other items of personal property are to be left or stored in the common area.
 7. Homeowners and tenants are encouraged to pick up papers and debris from the complex, when observed.
- ii. Pool: (WARNING! NO LIFEGUARD ON DUTY)!
1. The time for use of the pool area is: 9 AM – 10 PM Daily.
 2. Insurance restrictions require gates to the pool area be kept closed and locked at all times.
 3. Owners are provided a key to the pool gate that also opens the door to the bathrooms. Please lock the bathroom door prior to leaving the pool area. You must turn the button on the inside of the doorknob to ensure that the door is locked.
 4. Only normally accepted swim attire is permitted. No cutoffs are allowed, as strings of fiber may clog the pool filter, resulting in costly damage.
 5. Conduct in pool areas must be orderly. Games, running, noisy behavior and unnecessary splashing are not permitted. Aquatic games must cease if other members and guests want to swim.
 6. No running, jumping or diving allowed.
 7. Children under the age of 14 should not use the pool without an adult in attendance.
 8. Guests using the pool must be accompanied by unit Owner at all times.

9. Any person who may suffer from incontinence must not use the pool; unless he/she is wearing clothing designed to prevent contamination of the pool water.
10. Beverages may be consumed in the pool area from plastic, metal or unbreakable containers only. No glass containers or dishes are allowed in pool area.
11. Safety equipment provided in the pool area must remain in the area at all times and is not to be used as toys.
12. Pets are not permitted in the pool area at any time. This is a requirement of the San Bernardino County Department of Public Health, Environmental Health Division.
13. Pool furniture is not to be removed from the pool area.
14. No bobbypins are permitted in the pool as these may cause damage to the pool, including clogged drains and rust spots on the pool plaster. Wearing earrings in the pool is not recommended. Long hair should be secured or otherwise tied up.
15. Any person having any disease, which is communicable through water, should not use the pool.
16. All trash created by pool users must be removed by them or disposed of in the receptacles provided.

iii. Clubhouse and Sauna

1. Although the clubhouse and sauna are common areas, access is controlled to ensure proper use and maintenance. The keys are available from any Board member.
2. The clubhouse is available for private parties by all Owners for a rental fee of fifteen dollars (\$15). Arrangements to reserve the clubhouse can be made with any member of the Board of Directors. A refundable deposit of one hundred dollars (\$100) is required to reserve the clubhouse. Provided the clubhouse is cleaned up after the activity and there is no damage, the deposit shall be refunded following inspection. The obligation to reimburse the Association for damage or other expenditure caused by the use of the clubhouse or common area is not limited to any deposit paid.
3. When leaving the clubhouse, it is required that (1) all equipment be secured, (2) all electrical appliances must be unplugged, (3) the stove, heating and air conditioning must be turned off, and (4) all doors must be locked.
4. Renting the clubhouse does not give exclusive use of the pool and deck area. Owners and their guests may use these areas even when the clubhouse is otherwise being used.

iv. Vehicle and Parking Rules

1. ***Parking of cars and noncommercial vehicles must be in the Owner's garage or the lined parking areas. Do not park in the driveways or in front of your garage or anywhere in the common***

area where the curbs are painted red. This is to allow emergency and sanitation vehicles access to all homes. Violators will receive an initial warning notice. Owners who have received a warning notice regarding a vehicle they own or are affiliated with, and who continue to park in the areas stated above, shall have said vehicle towed away at the Owner's expense and/or have additional fines levied.

2. *The parking of personal cars and commercial (service) vehicles in driveways and in front of garages for the purpose of loading and unloading, performing services; i.e., plumbing, electrical, painting, carpeting, appliance repair, etc., or during an emergency is permitted. Washing of an Owner's noncommercial vehicle is permitted adjacent to the Owner's garage only.*
3. Driving or parking a vehicle of any kind on the lawns or landscaping is strictly prohibited.
4. The speed for traffic in the common area paved areas is limited to 15 mph.
5. No trailer, camper, recreational vehicle, boat, inoperative or unregistered automobile shall be parked in the complex except in the individual garages. *No vehicle shall be parked in the same space in the lined parking areas for more than 14 consecutive days, to include vacation times, unless previous arrangements have been made with the Palm Terrace Villas Homeowner's Association.*
6. Commercial vehicles (vehicles larger than ¾ ton pickups and any vehicle with business markings) must be parked at the far end of the lower parking area. Washing of commercial vehicles is not allowed.
7. Maintenance of vehicles in the common area parking lots is limited to emergency repairs, such as tire changing and battery replacement. All other maintenance, *to include oil changes and lubrication*, will be limited to the interior of your garage or an offsite location.

c. OWNER AREA

i. General Rules

1. In order to discourage theft and to improve overall appearance, garage doors must be closed at all times, except for ingress and egress, loading and unloading of vehicles and periodic cleaning of garages.
2. Patio areas should be maintained to preserve and protect the attractive appearance of the complex. Plants and trees should be trimmed to prevent growth that extends over walls into your neighbor's area and the common area so the plants do not detract from the overall appearance or cause any damage.
3. No building, fence, wall or other improvement shall be commenced, erected or maintained upon any lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specification showing the nature, kind, shape, height, materials and

location of the same shall have been submitted to and approved, in writing, as to harmony of external design and location in relation to surrounding improvements and topography or as otherwise specified in Rules pertaining to architectural issues promulgated by the Board (CC&Rs, Article VI, pg 8). *Forms for submitting requests are available from the Board.*

4. All Owners should promptly repair and maintain their residences and lots, except for those portions maintained by the Association under the CC&Rs (Appendix A).
5. Garage sales are prohibited, unless it is an Association activity. Your Association will periodically, based on demand, organize and schedule sales. Please contact the Board if you want to have a garage sale.

ii. Noise

1. Owners and occupants shall exercise reasonable care to avoid making or permitting to be made loud, disturbing or objectionable noises and in using, playing or permitting to be used or played musical instruments, radios, phonographs, televisions, amplifiers and any other instruments or devices in such a manner as may unreasonably disturb owners or occupants of other units. This includes noise caused by animals kept as pets.
2. Owners and occupants must not use noise-making tools and appliances, which are audible outside their lot, after 10 PM or before 8 AM on weekdays and 9 AM on weekends.

iii. Trash and Recyclable Removal

1. Trash and recyclables are picked up every Tuesday, except holidays, and then they are picked up the following day.
2. Trash and recycle containers must only be placed at the curb on the day of, or the evening prior to, pickup. Trash and recycle containers should be placed inside your garage or patio as soon as possible and not more than 12 hours following pickup.

iv. Disposal of Toxic Waste

1. No Owner or occupant shall dispose of any toxic material on the complex in a manner that is inconsistent with local and federal law. Toxic materials include, but are not limited to, gasoline, oil, antifreeze, batteries, solvents, paint, pesticides, herbicides, etc.
2. The City of Redlands has provisions and specific locations for toxic waste disposal. Please contact them directly at **(909) 798.7529**.

v. Sales & Rentals

1. Sellers are responsible for passing on the mailbox and pool keys to the buyers. Lost keys will be replaced upon payment of necessary locksmith fees.

2. Any homeowner choosing to rent his unit must notify the Board of Directors within 10 days of the name(s) of the tenants and their phone number. This is necessary in case of any emergency notification that may apply to those in residence.
3. Owners shall provide tenants with a copy of the Association Rules and Regulations.

vi. Pets

1. Dogs must be on a leash at all times when outside the confines of any individual lot, or in the common areas of Palm Terrace Villas. Animal feces must be removed from common areas and disposed of in proper containers.
2. Owners are responsible for all animals under the control of that Owner or any occupant of an Owner's lot. Animals must not be permitted to be a nuisance, either by creating noise or odors, unless these are adequately abated, nor are animals permitted to cause damage to shrubbery, vegetation, or other parts of the common area.

We look forward to your full cooperation in following the above Rules and Regulations.

Sincerely,

Your Board of Directors

October 12, 2005

If this document contains any restriction based on 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. 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.

Provided by:

INTERPACIFIC ASSET MANAGEMENT
COVER PAGE FOR HOMEOWNERS ASSOCIATIONS
GOVERNING DOCUMENTS

“If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, 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. 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.”

Recorded in Official Records, County of
San Bernardino, Larry Walker, Recorder

68.00

Doc No. 20010512901

12:08pm 11/08/01

RECORDING REQUESTED BY,
& WHEN RECORDED, RETURN TO:

Craig S. Bickler, Esq.
Bickler & Associates
456 E. Grand Avenue, Suite 300
Escondido, CA 92025

205 40294523 01 04

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FIRST RESTATED DECLARATION OF
COVENANTS, CONDITIONS & RESTRICTIONS OF
PALM TERRACE VILLAS HOMEOWNERS ASSOCIATION

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**FIRST RESTATED DECLARATION OF
COVENANTS, CONDITIONS & RESTRICTIONS OF
PALM TERRACE VILLAS HOMEOWNERS ASSOCIATION**

This Restated Declarations of Covenants, Conditions & Restrictions is made on the day and year hereinafter written by PALM TERRACE VILLAS HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation ("Association").

RECITALS

- A. The Association is a corporation whose members are the Owners of all the Lots within that project known as Palm-Terrace Villas Homeowners Association (which project is otherwise called "the Properties" as hereinafter defined), in the County of San Bernardino, State of California.
- B. The Properties were developed as a Planned Development, as provided in Section 1351(k) of the California Civil Code, consisting of Lots and Common Area, as hereinafter defined.
- C. The Properties are subject to the covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges set forth in the Declaration of Covenants, Conditions and Restrictions recorded on November 22, 1972 in the Office of the County Recorder of San Bernardino as Document No. 848 in Book 8066, Page 1273 (the "Original Declaration").
- D. The Association now desires to completely restate the Original Declaration and replace it in its entirety with this Restated Declaration. The Association further desires that, upon recordation of this Restated Declaration, the Properties shall be subject to the covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens and charges contained herein, and that this Restated Declaration take the place of the Original Declaration.
- E. The Original Declaration, in Article X, Section 4, provides that it may be amended by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners, which amendment must be recorded. The undersigned President and Secretary of the Association certify that, to the best of their knowledge, the affirmative written consent or vote of at least the required percentage of Association members has been obtained.

NOW, THEREFORE, the Association hereby declares that all of the Properties are and shall continue to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the declarations, limitations,

covenants, conditions and restrictions, reservations, rights and easements set forth in this Restated Declaration, all of which are declared and agreed to be in furtherance of a plan established for the purpose of enhancing and perfecting the value, desirability and attractiveness of the Properties. All provisions of this Restated Declaration shall constitute covenants running with the land and enforceable equitable servitudes upon the Properties, and shall be binding on and for the benefit of all of the Properties, and all parties having or acquiring any right, title or interest in all or any part of the Properties, including the heirs, executors, administrators, and assigns of these parties, and all subsequent Owners and lessees of all or any part of a Lot.

ARTICLE I DEFINITIONS

Section 1. "Articles" shall mean the Articles of Incorporation of the Association, filed in the Office of the Secretary of State of the State of California on November 9, 1972 as File No. 668893, and any amendments thereto.

Section 2. "Association" shall mean PALM TERRACE VILLAS HOMEOWNERS ASSOCIATION, a nonprofit mutual benefit corporation, and its heirs and assigns.

Section 3. "Board" shall mean all persons who at any one time constitute the duly elected or appointed Directors of the Association.

Section 4. "Bylaws" shall mean the Bylaws of the Association, and any amendments thereto.

Section 5. "Common Area" shall mean all real property owned by the Association within the Properties for the common use and enjoyment of the Owners. The Common Area owned by the Association at the date hereof consists of Lot 49, Tract 8506, as per plat recorded in Book 115 of Maps, Pages 46 through 48, Records of the County of San Bernardino, California.

Section 6. "Declarant" shall mean and refer to the original developer of the Properties, namely MALL MANAGEMENT, INC., a corporation, also known as MALL DEVELOPMENT, INC., and KAVANAU REAL ESTATE TRUST, a Massachusetts Trust.

Section 7. "Governing Documents" shall mean this Restated Declaration, the Articles, Bylaws, Rules of the Association, and any other document which governs the operation of the Association, as any of these may from time to time be amended.

Section 8. "Improvement" shall mean any structure or appurtenance thereto of every type and kind, including but not limited to houses and other buildings, walkways, sprinkler pipes, carports, recreational facilities, roads, driveways, parking areas, fences,

screening walls, block walls, retaining walls, stairs, decks, landscaping, antennae, the paint on all exterior surfaces, hedges, windbreaks, patio covers, railings, plantings, planted trees and shrubs, poles, signs, storage areas, exterior air conditioning and water-softening fixtures or equipment.

Section 9. "Lot" shall mean any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 10. "Member" shall mean every person or entity who holds membership in the Association.

Section 11. "Owner" shall mean the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, but excluding those having such interest merely as security for the performance of an obligation.

Section 12. "Properties" shall mean that certain real property comprising Common Area and individually owned Lots commonly known as Palm Terrace Villas, and more particularly described as Lots 1 through 49, inclusive, of Tract 8506, as per Plat recorded in Book 115 of Maps, Pages 46 through 48, Records of the County of San Bernardino, California, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 13. "Rules" shall mean the rules or regulations governing the Association and intended to supplement the provisions of this Restated Declaration, as the same are adopted and published by the Board, and as may be amended from time to time.

ARTICLE II

MEMBERSHIP & VOTING RIGHTS

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot (but excluding entities who hold an interest merely as security for the performance of an obligation) shall automatically be a Member of the Association and shall remain a Member until the time that such ownership ceases, when membership in the Association shall automatically cease. Membership shall be appurtenant to and may not be separated from ownership of any Lot, and shall be held in accordance with the Governing Documents. Record ownership of such Lot shall be the sole qualification for membership.

Section 2. Transfer. The Association membership held by any Owner of a Lot shall not be transferred, pledged or alienated in any way except upon the legal transfer of fee title and then only to the transferee. Any attempt to make a prohibited transfer is void and will not be reflected upon the books and records of the Association.

Section 3. Voting Rights. The Association shall have one class of membership. When more than one person holds an interest in any Lot, all such persons shall be Members constituting a single membership in the Association. Each Lot in the Properties is entitled to one vote. The vote for such Lot shall be exercised as the Owners of interest therein decide, but in no event shall more than one vote be cast with respect to any Lot.

Section 4. Joint Owner Disputes. The vote for each such Lot may be cast only as a Lot, and fractional votes shall not be allowed. In the event that joint Owners of any Lot are unable to agree among themselves as to how their vote shall be cast, they shall lose their right to vote on the matter in question. If any Owner or Owners cast a vote representing a certain Lot, it will thereafter be conclusively presumed for all purposes that he or they were acting with the authority and consent of all other Owners of the same Lot. In the event more than one vote is cast for a particular Lot and any vote is in conflict with any other vote concerning a particular matter in question, none of said votes for such Lot shall be counted and all of said votes for that particular matter shall be deemed void.

ARTICLE III **ASSOCIATION DUTIES & POWERS**

The Association shall have all the powers of a nonprofit corporation under California law, subject to the limitations in the Governing Documents of the Association. The Association may perform all acts which may be necessary or desirable for or incidental to the performance of the obligations, rights and duties imposed upon or granted to it as referenced in Article IV hereof or otherwise in the Governing Documents.

ARTICLE IV **PROPERTY RIGHTS**

Section 1. Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to that Owner's Lot and a non-exclusive right and easement of enjoyment to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to establish reasonable rules and regulations regarding the Properties or any part thereof, and to impose monetary penalties for any violation of the Governing Documents after providing an opportunity for a hearing.

(b) The right of the Association to charge reasonable admission and other fees for the use of any recreational and parking facility situated upon the Common Area.

(c) The right of the Association, in accordance with its Articles and Bylaws, to borrow money for the purpose of improving the Common Area and facilities and in aid thereof, with the assent of two-thirds (2/3) of the voting power of the membership, to mortgage said property, when the rights of such mortgagee in said property shall be subordinate to the rights of the Owners hereunder.

(d) The right of the Association (after hearing by the Board) to suspend the voting rights of an Owner and to suspend the right of an Owner and/or his delegates to use of the recreational facilities (i) for any period during which any assessment against that Owner's Lot remains unpaid; and (ii) for a period not to exceed thirty (30) days for any infraction of the Governing Documents.

(e) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility with the assent of two-thirds (2/3) of the voting power of the membership, and to grant permits, licenses and easements over, under, upon or across the Common Area for utilities, roads and/or other purposes reasonably necessary, useful or beneficial to the Association and/or its Members.

(f) The right of the Association to enter Lots as is necessary or reasonably required to construct, maintain, repair, or replace Improvements on such Lots.

Section 2. Delegation of Use. Any Member may delegate his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers, provided that the Association may promulgate Rules restricting the use of the Common Area and facilities for parking or recreational purposes to residents of the Properties and/or their guests.

ARTICLE V

COVENANT FOR ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) regular annual assessments or charges, (2) special assessments for capital Improvements, (3) reimbursement assessments, and (4) emergency assessments, all such assessments to be fixed, established, and collected from time to time as hereafter provided. The assessments, together with interest thereon and costs of collection thereof, including reasonable attorneys' fees, shall be (a) a charge on the land and a continuing lien upon the Lot against which each such assessment is made, and (b) the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation shall not pass to an Owner's successors-in-title unless expressly assumed by them with

the written consent of the Association. No Owner may exempt himself or his Lot from liability for the payment of assessments by waiver of the use or enjoyment of any Common Area, or by abandonment of his Lot.

Section 2. Purpose of Assessments. Assessments levied by the Association shall be used exclusively (a) for the purpose of promoting the recreation, health, safety, and welfare of the Owners and residents of the Properties, and/or (b) for the improvement, maintenance, and rebuilding of the Common Area and equipment used therewith, and/or (c) for the maintenance, repair, and rebuilding of the homes situated upon the Properties to the extent specified herein, and/or (d) to meet any obligations imposed by law or incurred by the Board or Association in performing their duties or exercising their powers as specified in the Governing Documents or by law.

Section 3. Basis and Maximum of Assessments. The Board may fix regular, special, emergency, and reimbursement assessments at an amount not in excess of the maximum permitted by law. Any assessment in excess of the maximum amount permitted by law to be fixed by the Board shall require the approval of the Members in accordance with California Civil Code Section 1366 or any statutory modification or reenactment thereof.

Section 4. Types of Assessments Which May Be Levied.

A. *Annual Regular Assessments* shall be fixed by the Board after consideration of current maintenance costs and the future needs of the Association.

B. *Special Assessments* may be fixed by the Board applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto.

C. *Emergency Assessments* may be fixed by the Board as is necessary for emergency situations as provided by Civil Code Section 1366.

D. *Individual Assessments* may be imposed by the Board against an Owner (provided that the Owner has been afforded notice and an opportunity for a hearing and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Association's Governing Documents):

(1) In the event that any damage to or destruction of any portion of the Common Area or any portion of the Lot which the Association is obligated to repair and maintain, is caused by the willful misconduct or negligent act or omission of any Owner, any member of his or her family, or any of his or her tenants, guests, servants, employees, licensees or invitees; or

(2) The Owner shall fail to maintain and repair his Lot as required by Article VII, Section 3 herein.

Either before or after the imposition or collection of such individual assessment, the Board may cause the relevant Improvement or area to be repaired or replaced, and all costs and expenses incurred or to be incurred in connection therewith may be assessed and charged to and against such Owner as an individual assessment.

Once an individual assessment has been levied against an Owner for any reason described, such individual assessment shall be recorded on the Owner's account, notice thereof shall be mailed to the affected Owner, and the individual assessment shall thereafter be due as a separate debt of the Owner payable in full to the Association within thirty (30) days after the mailing of notice of the assessment.

Section 5. Uniform Rate of Assessment. Regular annual, special, and emergency assessments must be fixed at a uniform rate for all Lots, and may be collected on a monthly basis, or on such other periodic or installment basis as the Board may decide. Reimbursement assessments may be assessed against an individual Lot and the Owners thereof.

Section 6. Effect of Nonpayment of Assessments. Assessments are delinquent fifteen (15) days after they become due. A late charge not exceeding ten percent (10%) of the delinquent assessment or ten dollars (\$10), whichever is greater, may be imposed upon any delinquent payment. Interest on delinquent assessments and late charges may be imposed at an annual percentage rate of twelve percent (12%) interest commencing thirty (30) days after the assessments become due. Late charges and interest on past due amounts may be varied by the Board up to the maximum amount or rate allowed by law.

Section 7. Enforcement; Remedies. If any assessment is delinquent, the Association may record an assessment lien against the Lot of the delinquent Owner. The lien shall be recorded in accordance with the requirements of Civil Code Section 1367 and may be enforced in any manner permitted by law, including but not limited to the power of sale, which shall be conducted in accordance with the provisions of Civil Code Section 2924, or any successor statutes thereto, applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any other manner permitted by law. The Association may also or in addition institute a lawsuit against an individual Owner, and nothing herein shall preclude the Association from bringing an action directly against an Owner for breach of the personal obligations to pay assessments. The Association, acting on behalf of the Lot Owners, shall have the power to bid for the Lot at foreclosure sale, and to acquire and hold, lease, mortgage, and convey the same.

ARTICLE VI
ARCHITECTURAL CONTROL

No building, fence, wall or other Improvement shall be commenced, erected or maintained upon any Lot, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding Improvements and topography or as otherwise specified in Rules pertaining to architectural issues promulgated by the Board. The Board may appoint an Architectural Committee composed of three (3) or more representatives who shall serve at the Board's pleasure. In the event the Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after complete plans and specifications have been submitted to it as required, the applicant may serve upon the Board written notice by certified mail, return receipt requested, requiring the Board to adjudicate on the plans. In default of the Board sending written notice of disapproval either in whole or in part within thirty (30) days thereafter, such plans will be deemed to have been approved.

ARTICLE VII
MAINTENANCE

Section 1. Common Area and Recreation Area. The Association shall be solely responsible for maintenance, repair, upkeep, and replacement of the Common Area, including but not limited to painting, landscaping, recreational facilities, termite control and/or eradication, streets, and all other portions of the Common Area. No person other than the Association or its duly authorized agents shall, except with the written approval of the Board, construct, reconstruct, refinish, alter, or maintain any Improvement on, in, under or over any portion of the Common Area.

Section 2. Association Maintenance Responsibility Regarding Improvements on Lots. Subject to the Association's responsibility to repair or replace Improvements on Lots as required by Article IX hereof, the Association shall only be responsible to repair, replace, decorate, and maintain those parts or elements of the Improvements constructed or placed on each Lot by the Declarant or the Association as are specifically listed and identified in Appendix "A" attached hereto, provided that the Association will have no such obligation to the extent that (a) the need for repair, replacement, decoration, or maintenance arose or was caused by the willful or negligent act or omission of the Owner, his family, guests, tenants, servants, employees, or invitees, or (b) the repair, replacement, decoration, or maintenance cannot be undertaken due to the failure or omission of the Lot Owner to first construct and sufficiently complete the underlying Improvements to enable the Association to repair or replace those building elements specified in Appendix "A".

Section 3. Owner's Obligation to Maintain and Repair. Except to the extent to which the Association is required to maintain, repair, and replace portions of the Lots as provided in this Restated Declaration, each Lot Owner shall, at his sole cost and expense, repair, replace, maintain, and at all times keep all Improvements on his Lot in good, clean and tidy condition.

Section 4. Recovery of Costs of Certain Repairs and Maintenance. In the event that an Owner fails to keep in good condition and repair all Improvements for which he or she is responsible under Section 3 above, the Association may give written notice to the Owner with a request to correct the failure within fifteen (15) days after receipt thereof. If the Owner refuses or fails to perform any specified repair, replacement, or maintenance, the Association may enter the Owner's Lot and perform the repair or maintenance so long as the Owner has been given notice and the opportunity for a hearing. The cost of the repairs may be billed to the Owner as an individual assessment in accordance with Article V, Section 4.D.

ARTICLE VIII USE RESTRICTIONS

The Properties shall be held, sold, and conveyed subject to use restrictions as follows:

- (a) No sign or other advertising device of any kind shall be erected, displayed, or permitted upon any Lot, except for signs permitted by the Rules, or real estate "For Sale" or "For Rent" signs as permitted by law.
- (b) No trade or business or commercial activity shall be carried on or conducted upon any Lot, except that residents may conduct business by telecommunication or mail, provided that such activities: (i) are otherwise compatible with residential use, (ii) are permitted under applicable zoning laws or regulations without the necessity of obtaining a special use permit or specific government authorization, (iii) do not entail employees or non-residents of a Lot working from that Lot, and (iv) otherwise comply with the provisions of any of the Governing Documents.
- (c) No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that at least one (1) dog, cat, or other domestic household pet (or such larger number as may from time to time be permitted by the Rules) may be kept, provided they are not kept for any commercial purpose, do not constitute a nuisance to other Owners or occupants, and are kept in a manner which complies with the Rules.
- (d) No rubbish, trash, garbage, or other waste materials shall be kept or permitted on any Lot, except in sanitary and suitable containers.

(e) No one shall interfere with or otherwise restrict the free right of passage to the Owners, their agents, servants, tenants, guests, and employees over driveways or passages leading to their respective garages.

(f) No Improvement, other than the house built by the Declarant on any Lot, shall be used at any time as a residence, either temporarily or permanently.

(g) No Improvements of any nature shall be erected upon any Lot and no Lot shall be graded in any manner which might interfere with or alter (i) the natural drainage or the natural flow of water, or (ii) the flow established by the Declarant's grading over and across the Properties.

(h) No noxious or offensive activity shall be carried out upon any Lot, nor shall anything be done, permitted, or suffered thereon which may be or may become an annoyance or nuisance to other Owners or residents of the Properties.

(i) The parking of boats, trailers, campers, commercial trucks as determined by the Board, motor homes, and recreational vehicles, except in the closed individual garages on a Lot or in designated areas in accordance with the Rules, is prohibited.

(j) No antennae or other device to receive or transmit over-the-air signals shall be permitted on the Lots, except in accordance with the Rules and/or which are of a kind the Association is required to permit by law.

ARTICLE IX INSURANCE

Section 1. Insurance Coverage. The Association shall obtain and maintain the following insurance:

A. *Casualty.* A casualty policy insuring the full replacement value of Improvements and property on the Common Area, and structural Improvements and exterior fixtures constructed by the Declarant or Association on the Lots to the extent reasonably available or as the Board may, in its sole discretion, determine, with any riders or endorsements deemed by the Board to be appropriate;

B. *Liability.* A comprehensive public liability insurance policy insuring the Association and other interested parties in such sum as the Board shall determine appropriate against liability incidental to the ownership or use of the Common Area or any other Association owned or maintained real or personal property;

C. *Workers Compensation.* Workers compensation insurance to the extent required by law;

D. *Directors Liability.* Officers and directors liability insurance in such sum and covering such liabilities as the Board shall deem appropriate;

E. *Other Insurance.* Such other insurance or bonds as the Board in its sole discretion considers necessary or advisable.

Except as otherwise provided, the amount, terms, and coverage of any policy required herein (including the type of endorsements, the amount of the deductible, the named insureds, the loss payees, standard mortgage clauses, and notices of changes or cancellations) shall be that which is customary for similar policies on similar projects in the area or otherwise as the Board shall reasonably determine.

Section 2. Insurance Trustee. Each Owner appoints the Association or any insurance trustee designated by the Association to act on behalf of the Owners in connection with all insurance matters arising from any insurance policy maintained by the Association, including, without limitation, representing the Owners in any proceeding, negotiation, settlement, or agreements.

Section 3. Waiver of Subrogation. Any insurance maintained by the Association shall contain a waiver of subrogation as to the Association and its officers, directors, and Members, the Owners and occupants of the Lots and mortgagees and, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The Association shall periodically (and not less than once every three (3) years) review all insurance policies maintained by the Association to determine the adequacy of the coverage and to adjust the policies accordingly.

Any insurance obtained by an Owner or Owners shall contain a waiver of subrogation as to the Association and its officers and directors, and as to all other Owners, mortgagees, and occupants of the Lots.

Section 4. Lot Owner Insurance for Contents Required. Owners may insure all portions of their Lots which are not covered by the Association's insurance, including the interior of a residence, the Owner's personal or other property, and any improvements made by an Owner or predecessor to his Lot. Any Owner failing to purchase said insurance waives any claim he or she may have against the Association for damage to those said portions of his or her Lot or property, arising out of negligence, nuisance, or breach of contract on the part of the Association so long as the damage or loss would have been covered under the Owner's policy had it been in force at the time of the loss.

Section 5. Insurance Policy Deductibles. The Board shall have the power, in its sole discretion, to determine the amount of any deductible applicable to any insurance policy carried by the Association. In the event of a loss for which Association

insurance coverage is used, the responsibility for payment of any deductible shall be as follows:

(a) Owner shall be responsible for the cost of any deductible if the damage or loss occurs to the Owner's real or personal property, or Improvement on the Owner's Lot.

(b) The Association shall be responsible for the cost of any deductible if the damage or loss occurs to any Improvement or item owned by the Association, or on Common Area.

(c) The foregoing notwithstanding, if the damage or loss of caused by the negligence or willful act or omission of any Owner, or resident, guest, tenant, servant, employee, or invitee of an Owner, said Owner shall be liable for the full amount of the deductible.

Section 6. Duty to Restore Lot. If all or any portion of an Improvement as originally constructed by the Declarant (or any replacement hereof) on any Lot is damaged or destroyed by fire or other peril covered by the insurance effected by the Association, it shall be the duty of the Association to rebuild, repair or reconstruct such Improvement in a manner which will restore it substantially to its appearance and condition immediately prior to the casualty or as otherwise approved by the Board, provided always that the Association's said responsibility with regard to those Improvements ordinarily maintainable by an Owner under Article VII, Section 3 shall be at all times limited to the extent to which the insurance proceeds available are applicable to and sufficient to restore or reconstruct such Improvements. To the extent that the Association is not responsible under this Article to repair or replace any Improvement on a Lot, the Owner shall be responsible to immediately mitigate any danger presented by such damage or destruction and to either repair or replace such Improvement, whether or not such destruction or damage is covered by the Owner's own insurance, or completely demolish and remove such Improvement, within three (3) months after the damage or destruction occurs, unless prevented by causes beyond his reasonable control.

ARTICLE X DAMAGE OR DESTRUCTION; CONDEMNATION

Section 1. Destruction of the Properties. If there is a total or partial destruction of the Improvements in the Properties, and if the available proceeds of the insurance carried plus reserve account funds designated for the repair or replacement of capital Improvements which have been damaged or destroyed are sufficient to cover not less than eighty-five percent (85%) of the costs of repair and reconstruction, the Improvements shall be promptly rebuilt, unless, within one hundred fifty (150) days from the date of destruction, Owners then holding at least seventy-five percent (75%) of the

total voting power of the Association, determine that repair and reconstruction shall not take place. If such funds listed above represent less than eighty-five percent (85%) of such costs, the Improvements shall be promptly rebuilt, unless, within the same period as above, Owners holding at least fifty-one percent (51%) of the total voting power of the Association determine that repair and reconstruction shall not take place. If a Members' meeting is called or written ballot circulated, the Association shall solicit and obtain bids from at least two (2) reputable contractors to repair and reconstruct the Improvements in accordance with the original plans and shall present this information to the Owners as soon as possible. If repair and reconstruction is to take place, the Association shall be required to execute, acknowledge, and record in the office of the County Recorder of the County not later than one hundred eighty (180) days from the date of destruction, a certificate declaring the intention of the Owners to rebuild.

Section 2. Rebuilding and Apportionment of Assessments. If the Owners determine to rebuild pursuant to Section 1 above, each Owner shall be obligated to contribute his or her equal share of the cost of reconstruction or restoration over and above the available insurance proceeds and relevant reserve funds. The Association may levy a special assessment for the cost of restoration or reconstruction over and above the insurance proceeds. The Board shall have the authority to enter into a written contract with a contractor for the repair and reconstruction, disburse insurance proceeds for this work, and take all steps necessary to assure the commencement and completion of authorized repair and reconstruction at the earliest possible date.

Section 3. Rebuilding Not Authorized. If the Owners determine not to rebuild, then, subject to the rights of any mortgagees, any insurance proceeds then available for such rebuilding shall be distributed to each Owner (of any uninhabitable damaged residence which is not to be rebuilt) according to the relative fair market values of their Lot. The Board shall select an independent qualified appraiser who shall determine such relative values as of a date immediately prior to such destruction. The Association shall have the duty, within one hundred eighty (180) days from the date of destruction, to execute, acknowledge, and record in the office of the County Recorder of the County, a certificate declaring the intention of the Owners not to rebuild.

Section 4. Minor Repair and Reconstruction. The Association shall have the right to repair and reconstruct Common Area Improvements, without the consent of Owners and irrespective of the amount of available insurance proceeds, in all instances of partial destruction where the estimated cost of repair and reconstruction does not exceed \$50,000. The Association can levy a special assessment for the cost of repairing and reconstructing these Improvements to the extent insurance proceeds or relevant reserve funds are unavailable without the approval of Owners.

Section 5. Condemnation. If all or part of the Common Area shall be taken or condemned by any authority having the power of eminent domain, all compensation and damages for or on account of the taking of the Common Area, exclusive of

compensation for consequential damages to affected Lots, shall be payable to the Association as trustee for all Owners and mortgagees according to the loss or damages to their respective interest in the Common Area. The Association, acting through its Board, shall have the right to act on behalf of the Owners with respect to the negotiation, settlement and litigation of the issues with respect to the taking and compensation affecting the Common Area. Each Owner hereby designates and appoints the Association as his or her attorney-in-fact for such purposes.

ARTICLE XI **GENERAL PROVISIONS**

Section 1. Compliance and Enforcement. Each Owner, tenant or occupant of a Lot is obligated to comply with the provisions of the Governing Documents as lawfully amended from time to time, and failure to comply with such provisions shall be grounds for an action to recover sums due, for damages and/or for injunctive or other equitable relief. The Association or any Member shall have the right to enforce by proceedings at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of the Governing Documents, including the right to prevent the violation of any such restrictions, conditions, covenants or reservations, the right to recover monetary damages or other loss for such violation; provided, however, that the Association shall have the exclusive right to enforce the payment of assessments. Should the Association incur attorneys' fees, costs, or other expenses in order to enforce the Governing Documents, it shall be entitled to recover such attorneys' fees, costs, or expenses from the Member or other parties against whom such enforcement action is taken.

Section 2. Severability. Invalidation of any one of these covenants, conditions and restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3. Term. The provisions of this Restated Declaration shall continue in effect for a term of fifty (50) years from the date of execution. Thereafter, it shall be automatically extended for successive periods of ten (10) years, until the membership of the Association decides to terminate it.

Section 4. Construction. The provisions of this Restated Declaration shall be liberally construed to effectuate its purposes of creating a uniform plan for the maintenance of a residential community of Lots and Common Area. Paragraph headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.

Section 5. Amendments. This Restated Declaration may be amended by the affirmative assent or vote of not less than fifty-one percent (51%) of the voting power of the Association. Any amendment must be certified in a writing executed and

acknowledged by an authorized officer of the Association and recorded in the County Recorder's Office of the County of San Bernardino.

Section 6. Singular Includes Plural. Whenever the context of this Restated Declaration requires the same, the singular shall include the plural and the masculine shall include the feminine or neuter gender and vice versa.

Section 7. Nonliability of Association. The Association shall not be liable for damage to property on the Lots resulting from water which may leak or flow from outside of any Lot or from any part of an Improvement on a Lot, or from any pipe, drains, conduits, appliances, or equipment, or from any other place or cause, unless caused by the gross negligence of the Association, its Board, officers, or agents.

Section 8. Nonliability of Board. No member of the Board, or officer of the Association, shall be liable for damages resulting from any acts performed while in the furtherance of such duty as a member of the Board or officer, or omission to perform same, unless such act or omission was knowingly unlawful or the result of grossly negligent or willful misconduct. The Association, its Board, officers, employees and agents shall have no liability to any Owner, their family members, guests, invitees, tenants, and contract purchasers, or to any other person on the Properties, for any damage or injury to persons or property caused by any use of or by any activity carried on within or emanating from a Lot, or by the keeping of any animal within the Properties, absent any willful or gross negligence on the part of the Association, or its Board, officers, employees, or agents.

Section 9. Nuisance. The result of every act or omission whereby any covenant, condition, restriction or rule contained in the Governing Documents is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

Section 10. Waiver. The failure of any Owner, the Board, the Association, or its officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants, or easements, rights, rights-of-way, liens, charges, or equitable servitudes contained in the Governing Documents 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.

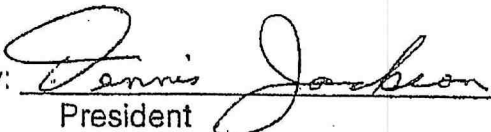
Section 11. Mortgage Protection Clause. No breach of the covenants, conditions, or restrictions contained herein, nor the enforcement of any lien provision herein, shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, but all of said covenants, conditions, and restrictions shall be

binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

Section 12. Conflict of Governing Documents. If there is a conflict among or between the Governing Documents, the provisions of this Restated Declaration shall prevail; thereafter, priority shall be given to Governing Documents in the following order: Articles, Bylaws, and Rules of the Association.

IN WITNESS WHEREOF, PALM TERRACE VILLAS HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, by and through its Board of Directors, hereby certifies that this Restated Declaration of Covenants, Conditions and Restrictions is duly adopted.

PALM TERRACE VILLAGES HOMEOWNERS ASSOCIATION,
a California nonprofit mutual benefit corporation

By: 
President

Name Printed: DENNIS JACKSON

By: 
Secretary

Name Printed: SHARON GRAHAM

**APPENDIX A
TO FIRST RESTATED DECLARATION OF
COVENANTS, CONDITIONS & RESTRICTIONS OF
PALM TERRACE VILLAS HOMEOWNERS ASSOCIATION**

List of Building Elements Which the Association is Obligated to Maintain:

- * Roof tiles
- * Roofing felt
- * Roof vent pipes and surrounding vent pipe flashing
- * Plywood affixed to roof rafters
- * That portion of roof rafters which extend outwards from the exterior stucco and the decorative surfaces thereof, and excluding that portion of roof rafters which extend over or within the footprint of the building's exterior walls
- * Facia boards and the decorative surfaces thereof
- * Exterior stucco and the decorative surfaces thereof
- * Decorative surfaces of garage doors
- * Exterior light fixtures
- * Electric meter covered door, door frame, and the decorative surfaces thereof
- * Wall grills, exterior vent covers, and surrounding vent flashing

**PALM TERRACE VILLAS HOMEOWNERS ASSOCIATION
CERTIFICATION OF PRESIDENT AND SECRETARY
AS TO APPROVAL OF RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

We, Jeanne Abeyta and SHARON GRHAM declare and state as follows:

1. We certify that we are the President and Secretary, respectively, of Palm Terrace Villas Homeowners Association, a California nonprofit mutual benefit corporation (hereinafter "Association").

2. This Certification is executed, according to the provisions contained in Article X, Section 4 of the Declaration of the Association recorded on November 22, 1972 and in California Civil Code Section 1355, to certify that the amendment requirements of the said Declaration have been met.

3. We certify (1) that all Class B membership has been converted to Class A membership, (2) that there are currently forty-eight (48) Owners of Lots in the Properties; (3) that each such Owner is entitled to one (1) vote in the Association on behalf of such Lot, (4) that there are not Lots currently owned by the Declarant, (5) that there are no Lots whose voting rights have been suspended.

4. According to the requirements of Article X, Section 4 of the said Declaration, at least seventy-five percent (75%) of the total voting power in the Association is required to amend the Declaration. Thus, at least thirty-six (36) affirmative votes are needed to amend the Declaration.

5. We further certify that, as of the date this document is executed, the following is the total of the votes cast by all Owners:

YES
36

NO
4

NO RESPONSE
8

6. Since these totals reflect approval by at least thirty-six (36) affirmative votes of the Owners, we certify that the Restated Declaration was approved.

On behalf of the Association, we declare under penalty of perjury under the laws of the State of California that the foregoing facts are true and correct. Executed on SEPTEMBER 17, 2001 at REDLANDS, California.

By: Jeanne Abeyta
President

By: Sharon Graham
Secretary