

Summary of Proposed Changes to HPOA's Governing Documents

This Summary is intended to highlight key changes to the Hiddenbrooke Property Owners Association's (HPOA, the "Association") governing documents -- the Articles of Incorporation, Bylaws, and Covenants Conditions and Restrictions (CC&Rs). Proposed changes must be approved by a community vote requiring at least one third of the community to vote (the quorum) and a majority of voters to approve the changes. The proposed changes include both additions to the governing documents as well as clarifications to the existing governing documents. For the full text of both the proposed new governing documents as well as the existing governing documents, please refer to the Hiddenbrooke website.

- The new documents are on the Home Page of the Hiddenbrooke website (www.Hiddenbrookeonline.org)
- The existing governing documents can be found on the website under: Homeowner Assoc/Documents/Hiddenbrooke Documents.

-----CC&Rs-----

General: References to Declarant (Triad, the master developer) have been removed and various Corporation Code sections updated throughout as appropriate

Article 1 – DEFINITIONS

Definitions have been added for "Maintenance", "Repair", "Replacement", "Capital Improvement", "Member in Good Standing", and "City Street Tree"

Article 2 - HOMEOWNER ASSOCIATION

Section 2.7 Safety and Security - Added language stating that neither the Association or Board is responsible for ensuring the safety and security of residents, guests, or invitees. Also, the Association and Board do not have police powers.

Article 3 - OWNERSHIP RIGHTS AND EASEMENT

Section 3.6 No Right to a View - Added language stating Owners do not have the right to an unobstructed view and the Association is not required to take any action to preserve any view including from a "View Lot"

Article 4 - USE RESTRICTIONS

Section 4.4 Child Care Facilities - Establishes certain requirements for such facilities including must provide Association with written notice of operation, must supervise children at all times, and must comply with the CC&Rs and all governmental requirements

Section 4.5 Residential Care Facilities - Prohibits operation of care facilities serving more than six (6) people, must supervise and be responsible for occupants at all times, must comply with the CC&Rs and all government requirements

Section 4.9 Accessory Dwelling Units

4.9.1 Construction of ADUs – must obtain approval from HARC and be reviewed by HARC prior to submitting plans to the City

4.9.2 Use of ADUs – limited to residential use only

4.9.3 Rental of ADUs – rentals subject to rental restrictions in Article 5

Section 4.10 Sports Apparatus - Portable basketball standards allowed in the side or rear yards, but not in the front yard or street; should be stored out of view when not in use if visible from the street.

Section 4.16.3 Owner's Responsibility for Animals and Pets – Currently Owners must keep pets on a leash when outside the Lot; requirement extended to include in an unenclosed front yard

Section 4.17 Trash Disposal – Would allow Association to remove any extraordinary accumulation of trash, rubbish, garbage, or debris at Owner's expense

Section 4.21 Vehicles and Parking. Owner vehicles shall be parked wholly within the garage and driveway unless there are more vehicles than these areas are designed to contain; no vehicle shall be parked continuously in the street for more than 72 hours (enforced by the City).

Section 4.22 Prohibited Vehicles – Vehicles that are dilapidated, inoperable, registered for non-operation, or covered with tarps must be parked in the Garage

Section 4.23 Definition of Commercial Vehicle - Adds definition of a “commercial vehicle”

Section 4.24 Parking Enforcement; Parking Rules - Allows Association to tow vehicles parked on an Owner's Lot in violation of the CC&Rs and allows Association to collect the cost of towing/storage from the Owner via a Reimbursement Assessment

Section 4.25 Garages – Garages are to serve as the primary parking facility. No alterations of a permanent nature allowed that would reduce the number of available parking spaces in a garage. Vehicle maintenance must be done in the garage, except in an emergency

Section 4.30 Weed Abatement. – All weeds must be collected and not allowed to be blown onto adjacent lots or left in the street.

Section 4.33 Utility Service – After recording of new Declaration, wires and conduits for satellite dishes and solar panels visible from the street must be painted to match the exterior color of the Residence and/or roof.

Section 4.37 Outdoor Holiday Decorations - Holiday decorations and lights must not go up more than 30 days before a Holiday and must be taken down 14 days after the Holiday.

Article 5 – RENTING OR LEASING

Section 5.1 Requirements for Renting – Owners must have a written lease, provide Association with names of all tenants, keep Association apprised of current address and telephone number, and provide copy of governing documents to tenants

Section 5.2 Rental of Lots and Residences - Owners can: a) rent entire Lot (including any ADU), however no portion of the Lot may be subleased, b) rent a room or ADU as long as Owner lives in non-rented portion of Residence for the entire rental period, or c) live in the ADU and rent the main Residence as long as the Owner lives in the ADU for the entire rental period

Section 5.3 Subleases/Roommates – There may only be one lease per Lot and subleases are prohibited

Sections 5.5 Time Share Arrangements. These are prohibited (Note: short term, less than 30 day rentals, are already prohibited in current CC&Rs)

Section 5.8 Owner Responsible for Tenant’s Actions; Indemnification of Association – Each Owner renting or leasing a Lot is responsible and strictly liable for the action of their tenants and for indemnifying the Association.

Article 6 – MAINTENANCE, REPAIR AND REPLACEMENT RESPONSIBILITIES (new Article)

Section 6.1 Lots and Residences – Adds new requirement for Owners to maintain their residence in good condition and state of repair (Note: as required by the other HOAs in Hiddenbrooke), including but not limited to: exterior paint, shutters, stucco and siding, patios, structural elements, accessory structures, fences, mailboxes, driveways, walkways, and lighted house numbers.

Section 6.2 Landscaping – Areas of bare ground should be vegetated and/or covered with mulch, except that large areas of only mulch and bark are not allowed.

Section 6.3.3 Trees - No City street tree shall be “topped” or severely trimmed in a manner that will permanently damage the structure and appearance of the tree.

Section 6.7 Board Discretion – May require work to be done to correct a safety hazard or preserve the appearance and value of the property within the Development. Board may also cause needed work to be done in the case of an emergency and defines an emergency

Article 8 – ARCHITECTURAL REVIEW

Section 8.1.5 ADUs - ADUs require approval from HARC and are limited to one (1) bedroom and 800 square feet of floor area; also must meet all other requirements in the Design Guidelines

Section 8.5 and 8.6 Approval of Plans and Specification – Updates procedures and timeframes for review of plans and specifications for “New Owner/Builder Homes and Additions” and “Improvements and Enhancements by Owner to Existing Residences and or Landscaping” consistent with HARC’s current procedures

Article 10 – ASSESSMENTS AND LIENS

Section 10.6.4 Increases in Annual Assessments – Increases the base Association dues to \$85 a year and limits increases above that amount to changes in the Bay Area Consumer Price Index (as in the current CC&Rs). Increases above this amount must be approved by a majority of a quorum, with a quorum being 25% of members.

Section 10.7.4 Approval of Special Assessments. Approval of a Special Assessment greater than 10% of the Annual Assessment must be approved by a majority of a quorum, with a quorum being 25% of members

Section 10.12 Delinquent Assessments – Maintains current language that “No procedure shall be initiated to foreclose the lien securing any Assessment levied under this Article 10”

Article 11 - ENFORCEMENT

Section 11.5.3 Additional Remedies– Keeps language in current CC&Rs regarding right to enter a property to correct a violation and adds that any such action would only take place after 60 days notification, a hearing, and 15 days written notice.

Section 11.11 - Dispute Resolution - As in current CC&Rs, includes provisions in for Internal Dispute Resolution (IDR) and Alternative Dispute Resolution (ADR) and updates references to relevant Civil Code sections.

Article 12 – INSURANCE – Updates language for various insurance requirements; does not change coverage requirements

EXHIBIT A – Legal Description of Encumbered Properties - Exhibit A has been extensively corrected and updated to provide a better legal description of the property in the Hiddenbrooke Development that is covered by the CC&Rs.

-----**BYLAWS**-----

Article 4 – MEMBER MEETINGS AND VOTING

Section 4.6 Voting - The ballot and any related material for a vote may be sent by electronic transmission by the Association and responses may be returned by electronic transmission in accordance with *Corporations Code Section 7513*

Section 4.8.1 Quorum for Election of Directors - The number of written ballots received by the deadline shall constitute a quorum

Section 4.8.5 Quorum for Votes to Increase Annual and Special Assessments - A quorum for these actions shall be at least 25% of the total voting power of the Association

Section 4.10 Proxies - Use of Proxies for election of Directors would not be allowed

Article 5 –BOARD OF DIRECTORS ELECTION; TERM OF OFFICE

Section 5.1 Number of Directors - The number of Directors on the Board would be reduced from 7 to 5

Section 5.4 Election - Write-in candidates on a ballot for Election of Directors and Nominations of candidates from the floor at an Annual Meeting would not be permitted (Note: allows for potential Election by Acclamation, below, and avoids expense of a new election if there is a nomination from the Floor).

Section 5.5 Election by Acclamation - If number of Board candidates does not exceed the number of Directors to be elected by the deadline for nominations, these candidates may be declared elected and written notice given to Members

ARTICLE 8 – DUTIES OF THE BOARD OF DIRECTORS

Article 8.7 Annual and Periodic Notices and Disclosures - Distribute all notices and disclosures required by law, including without limitation (i) annual notice of the Member's right to receive financial report as required by Corporations Code, and (ii), if applicable, an annual financial statement disclosing certain transactions or indemnification as required by Corporation Code

Article 8.8 Results of Member Votes -Board must respond to written requests from a Member for voting results at an Annual or Special meeting for a period of 60 days following the vote

-----ARTICLES OF INCORPORATION-----

Removes language classifying the Association as a Common Interest Development subject to the Davis Stirling Common Interest Development Act.