



Park Paseo Homeowners Association

November 24, 2022

Dear Park Paseo Homeowner:

As the Park Paseo Homeowners Association embarks on a new budget year, we, as members of the Board of Directors, look forward to undertaking enhancements to our community while still being fiscally prudent with the Association's financial resources.

During 2022, we began to aggressively address a long list of much-needed (and overdue) repairs and renovations in the community. We also reviewed and selected new vendors who provide better service at more cost-effective prices. Moving into 2023, our work continues.

As you know, the cost of goods and services is constantly increasing. The Association was hit by higher inflation in 2022, just like everyone else. In this environment, the Board is still committed to delivering excellent service, superior landscaping and maintenance, and top-notch amenities to our community. This is what Park Paseo residents expect and deserve.

Accordingly, we find ourselves compelled to increase monthly dues by 7% -- from \$129 to \$138 -- beginning January 1, 2023. Below is a brief list of expenses that are seeing significant increases:

- General Inflation.
- Management Fee Increase.
- Utilities – Gas, Water, Electricity.
- Reserve Funding – this consists of reserving for replacement of common area components like walls, sidewalks, pool/clubhouse/tennis courts, etc.

We thank you for your support, and your trust, as we make some critically important changes that will serve the community more soundly as a whole. Enclosed, please find the Association's Budget and Annual Policy Statement and supporting documents required to be sent to the membership annually in accordance with California Civil Codes 5300 and 5310.

Yumi Renshus, President

PARK PASEO HOMEOWNERS ASSOCIATION

ANNUAL POLICY STATEMENT

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

1. The name and address of the person designated to receive official communications to the Association: Board President, c/o: Keystone Pacific Property Management, LLC, 16775 Von Karman, Suite 100, Irvine, CA 92606.

The Association's mailing address for overnight payment of assessment is: Keystone Pacific Property Management, LLC 16775 Von Karman, Suite 100, Irvine, CA 92606.

2. Association members may submit a request to the Association to have the Association's annual budget report, review of the Association's financial statement, the Association's annual policy statement, requests for assessment payments made by the member, pre-lien notices (as described in Civil Code Section 5660), copy of a recorded notice of delinquent assessment, and notice of default, sent to up to two (2) different specified addresses. Such request must be delivered to the Association by e-mail at Reconnect@keystonepacific.com or fax at (949) 377-3309.

3. General notices from the Association to the members will be posted at the following location: Community Mailboxes

4. Association members can arrange to have all general notice items provided to them by individual delivery by submitting a written request to the association by e-mail at Reconnect@keystonepacific.com or fax at (949) 377-3309.

5. Association members may receive copies of minutes, proposed minutes, or summary minutes of meetings of the Association's board of directors (other than meetings held in executive session) by submitting a written request to the person identified in Item 1 above at the address specified in Item 1, or by e-mail at Reconnect@keystonepacific.com or fax at (949) 377-3309. Such minutes, proposed minutes, or summary minutes will be available no later than thirty (30) days after the meeting and any charges involved for copying and postage will be the responsibility of the homeowner.

6. NOTICE ASSESSMENTS AND FORECLOSURE.

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE.

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as non-judicial foreclosure. For liens

recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS.

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS.

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

7. The budget for fiscal year 1/01/2023 through 12/31/2023 is attached hereto.
8. The summary pages of the reserve study are attached hereto.
9. The assessment and reserve funding disclosure summary is attached hereto.
10. The association does not have an outstanding loan.
11. The policy for the collection of delinquent assessments is attached hereto.
12. The discipline policy and schedule of penalties for violations of the association's governing documents are attached hereto.
13. A summary of the dispute resolution procedures is attached hereto.
14. A summary of the types of changes requiring approval by the Architectural Committee/Design Review Committee is attached hereto.
15. A summary describing the status of the common interest development as a Federal Housing Administration (FHA) approved condominium project.
16. A summary describing the status of the common interest development as a federal Department of Veterans Affairs (VA) approved condominium project.
17. A summary of insurance policies maintained by the association is attached hereto.

18. A copy of the completed "Charges for Documents Provided", in accordance with Civil Code 4525, has been attached hereto.

Park Paseo Homeowners Association
Fiscal Year Ending Last Day of December 2023
Approved Budget

P556

Unit Count: 625

Acct	Account Name	Annual	Monthlv	Per Unit Per Month
INCOME				
Income				
4000	Assessments	1,035,000.00	86,250.00	138.00
4020	Reserve Interest Income	5,796.00	483.00	0.77
	Total Income	<u>1,040,796.00</u>	<u>86,733.00</u>	<u>138.77</u>
EXPENSES				
Utilities				
5225	Electricity	42,384.00	3,532.00	5.65
5235	Gas	23,004.00	1,917.00	3.07
5245	Water	51,720.00	4,310.00	6.90
5255	Telephone	4,848.00	404.00	0.65
5265	Refuse	1,800.00	150.00	0.24
	Total	<u>123,756.00</u>	<u>10,313.00</u>	<u>16.50</u>
Administration				
8210	Federal Income Tax	1,968.00	164.00	0.26
8212	State Income Tax	192.00	16.00	0.03
8215	Property/Real Estate Tax	144.00	12.00	0.02
8220	Audit/Tax Returns	1,704.00	142.00	0.23
8222	Reserve Study	1,704.00	142.00	0.23
8225	Licenses & Fees	996.00	83.00	0.13
8365	Legal Service	6,996.00	583.00	0.93
8366	Collection Expense	5,004.00	417.00	0.67
8410	Insurance	15,168.00	1,264.00	2.02
8440	Contract Professional Mana	133,560.00	11,130.00	17.81
8450	Printing & Copying	504.00	42.00	0.07
8451	Office Supplies	1,596.00	133.00	0.21
8452	Postage	600.00	50.00	0.08
8495	Contingency	10,692.00	891.00	1.43
	Total	<u>180,828.00</u>	<u>15,069.00</u>	<u>24.11</u>
Swimming Pools				
6210	Contract Pool Service	20,760.00	1,730.00	2.77
6215	Pool Extras	25,956.00	2,163.00	3.46
	Total	<u>46,716.00</u>	<u>3,893.00</u>	<u>6.23</u>
Landscape Maintenance				
7210	Contract Land Maint	198,372.00	16,531.00	26.45
7215	Landscape Extras	9,996.00	833.00	1.33
7225	Sprinkler Repair	27,504.00	2,292.00	3.67
7230	Tree Trimming	54,000.00	4,500.00	7.20
7235	Tree Replacement	15,000.00	1,250.00	2.00
	Total	<u>304,872.00</u>	<u>25,406.00</u>	<u>40.65</u>
Contracts, Maintenance & Repairs				
7510	Contract Janitorial	25,008.00	2,084.00	3.33
7515	Janitorial Supplies	3,000.00	250.00	0.40
7525	Pest Control	3,000.00	250.00	0.40
7545	Light Maintenance	2,004.00	167.00	0.27
7550	Lighting Supplies/Repairs	9,996.00	833.00	1.33
7560	Patrol Service	54,996.00	4,583.00	7.33
7575	Locks / Keys Repair & Main	1,500.00	125.00	0.20
7580	Pet Stations & Supplies	3,228.00	269.00	0.43
7614	Common Area Maint	20,004.00	1,667.00	2.67
7620	Plumbing Repair	996.00	83.00	0.13
7625	Sidewalk/Concrete Repair &	9,996.00	833.00	1.33
7630	Tennis Court Repair & Main	600.00	50.00	0.08
7635	Vandalism Repair & Maint	504.00	42.00	0.07
7790	Community Events	3,504.00	292.00	0.47
	Total	<u>138,336.00</u>	<u>11,528.00</u>	<u>18.44</u>
Reserve Funding				
9120	Painting	7,044.00	587.00	0.94
9130	Roofs	4,296.00	358.00	0.57
9140	Pool/Spa	45,360.00	3,780.00	6.05
9145	Clubhouse	29,160.00	2,430.00	3.89
9155	Signs	2,256.00	188.00	0.30
9165	Lighting	11,040.00	920.00	1.47
9176	Fencing/Gate/Walls	23,736.00	1,978.00	3.16
9180	Landscape	82,392.00	6,866.00	10.99
9245	Parking Lot	3,024.00	252.00	0.40
9250	Tennis Court	7,056.00	588.00	0.94
9255	Tot Lot	18,120.00	1,510.00	2.42
9300	Contingency	7,008.00	584.00	0.93

Park Paseo Homeowners Association
Fiscal Year Ending Last Day of December 2023
Approved Budget

P556

Unit Count: 625

<u>Acct</u>	<u>Account Name</u>	<u>Annual</u>	<u>Monthly</u>	<u>Per Unit Per Month</u>
9305	Allocate Int To Reserves	5,796.00	483.00	0.77
	Total	<u>246,288.00</u>	<u>20,524.00</u>	<u>32.84</u>
	Subtotal Operating Exp (wo Reserves)	1,040,796.00	86,733.00	138.77
	Total Operating Expenses	<u><u>1,040,796.00</u></u>	<u><u>86,733.00</u></u>	<u><u>138.77</u></u>
	Net Surplus/(Deficit)	0.00	0.00	0.00

Park Paseo Homeowners Association

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	01394
Version Number	2
Analysis Date	09/16/2022
Fiscal Year	1/1/2023 to 12/31/2023
Number of Units	625
Phasing	1 of 1

Global Parameters:

Inflation Rate	3.00 %
Annual Contribution Increase	3.00 %
Investment Rate	1.00 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

Park Paseo HOA consists of 625 homes located in Irvine, California. Common area amenities include, but are not limited to: clubhouse, two pool areas, three tot lots, tennis courts, walkways and common area landscaping.

For budgeting purposes, unless otherwise indicated, we have used the following placed-in-service date for aging the original components throughout these areas of the community:

Clubhouse/ Main Pool Area.....January 1977
 Prosa Pool Area.....January 1982

ARS site visits conducted: July 22, 2022 & August 12, 2019

Adequacy of Reserves as of January 1, 2023:

Anticipated Reserve Balance	\$998,101.00
Fully Funded Reserve Balance	\$1,258,457.48
Percent Funded	79.31%

Recommended Funding for the 2023 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	\$240,500	\$20,041.67	\$32.07
Interest Contribution	\$5,792	\$482.71	\$0.77
Total Contribution	\$246,292	\$20,524.37	\$32.84

Park Paseo Homeowners Association

Membership Disclosure Summary

Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
010 Parking Lot	\$25,853	\$25,853	0	3-24
020 Roofs	\$82,528	\$3,665	2-26	20-35
030 Painting	\$43,740	\$36,281	0-6	5-10
040 Fencing	\$300,800	\$56,949	0-22	5-35
050 Lighting	\$186,875	\$42,594	0-21	12-51
060 Clubhouse	\$391,709	\$160,251	0-21	4-51
065 Main Pool	\$329,150	\$175,161	0-18	5-30
070 Prosa Pool	\$161,565	\$65,611	0-21	5-30
080 Tennis	\$91,938	\$47,231	0-19	4-56
085 Park Areas	\$222,200	\$179,485	1-13	2-28
095 Landscaping	\$196,900	\$175,950	0-5	1-30
100 Grounds	\$40,000	\$0	21	25
Contingency	n.a.	\$29,071	n.a.	n.a.
Total	\$2,073,257	\$998,101	0-26	1-56

Park Paseo Homeowners Association

Projections

Directed Cash Flow Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2023	\$998,101	\$240,500	\$5,792	\$283,344	\$961,049	\$1,208,757	80%
2024	\$961,049	\$247,715	\$6,077	\$209,044	\$1,005,797	\$1,246,741	81%
2025	\$1,005,797	\$255,146	\$5,610	\$323,661	\$942,893	\$1,172,555	80%
2026	\$942,893	\$262,801	\$6,612	\$121,683	\$1,090,623	\$1,317,263	83%
2027	\$1,090,623	\$270,685	\$7,661	\$123,606	\$1,245,363	\$1,471,495	85%
2028	\$1,245,363	\$278,805	\$6,095	\$505,095	\$1,025,168	\$1,234,901	83%
2029	\$1,025,168	\$287,170	\$6,949	\$167,033	\$1,152,254	\$1,357,505	85%
2030	\$1,152,254	\$295,785	\$8,177	\$123,218	\$1,332,998	\$1,538,099	87%
2031	\$1,332,998	\$304,658	\$7,570	\$394,556	\$1,250,669	\$1,444,147	87%
2032	\$1,250,669	\$313,798	\$8,562	\$175,019	\$1,398,011	\$1,588,617	88%
2033	\$1,398,011	\$323,212	\$8,650	\$314,274	\$1,415,598	\$1,598,800	89%
2034	\$1,415,598	\$332,908	\$9,536	\$210,054	\$1,547,989	\$1,728,701	90%
2035	\$1,547,989	\$342,895	\$9,842	\$303,419	\$1,597,307	\$1,772,591	90%
2036	\$1,597,307	\$353,182	\$11,111	\$176,745	\$1,784,856	\$1,961,604	91%
2037	\$1,784,856	\$363,778	\$12,322	\$196,676	\$1,964,280	\$2,144,761	92%
2038	\$1,964,280	\$374,691	\$12,243	\$392,462	\$1,958,752	\$2,135,692	92%
2039	\$1,958,752	\$385,932	\$13,911	\$154,529	\$2,204,065	\$2,389,058	92%
2040	\$2,204,065	\$397,510	\$15,657	\$156,445	\$2,460,787	\$2,658,588	93%
2041	\$2,460,787	\$409,435	\$15,409	\$453,975	\$2,431,656	\$2,631,347	92%
2042	\$2,431,656	\$421,718	\$15,448	\$424,937	\$2,443,885	\$2,645,219	92%
2043	\$2,443,885	\$434,370	\$13,407	\$733,526	\$2,158,136	\$2,343,697	92%
2044	\$2,158,136	\$447,401	\$13,724	\$408,666	\$2,210,594	\$2,389,602	93%
2045	\$2,210,594	\$460,823	\$8,275	\$1,243,133	\$1,436,559	\$1,563,799	92%
2046	\$1,436,559	\$474,648	\$9,957	\$235,936	\$1,685,228	\$1,794,398	94%
2047	\$1,685,228	\$488,887	\$10,684	\$387,603	\$1,797,196	\$1,884,032	95%
2048	\$1,797,196	\$503,554	\$11,158	\$438,865	\$1,873,042	\$1,935,380	97%
2049	\$1,873,042	\$518,660	\$12,418	\$342,143	\$2,061,977	\$2,104,656	98%
2050	\$2,061,977	\$534,220	\$14,663	\$218,552	\$2,392,308	\$2,424,355	99%
2051	\$2,392,308	\$550,247	\$15,888	\$381,678	\$2,576,765	\$2,595,237	99%
2052	\$2,576,765	\$566,754	\$16,504	\$486,103	\$2,673,920	\$2,675,552	100%

NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

Park Paseo HOA
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending 12/31/23
 ("Disclosure Summary")

The notes at the end of this Disclosure Summary should be read in conjunction with the information provided.

(1) The regular assessment for the 2023 fiscal year per ownership interest is **\$138.00** per month.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the association's Board of Directors (the "Board") and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (If assessments are variable, see note immediately below):	Purpose of the assessment:
N.A.		

Total: _____

(3) Based upon the most recent reserve study, dated 9/16/22, and other information available to the Board of Directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes X No _____

(4) If the answer to #3 is "no," what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not been approved by the Board or the members?

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N.A.	

Total: _____

(5) All major components are included in the reserve study and are included in its calculations. However, the following major assets are excluded from the reserve study calculations for the following reasons:

Park Paseo HOA
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending 12/31/23
("Disclosure Summary")

Major asset:	Reason this major asset was not included:
Club Bulletin Board	Covered by operating budget
Painting Wrought Iron	Covered by operating budget

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$1,258,457**, based in whole or in part on the last reserve study or update prepared by Advanced Reserve Solutions, Inc. as of 1/1/23. The projected reserve fund cash balance at the end of the current fiscal year is **\$998,101**, resulting in reserves being **79.31%** funded at this date. The current deficiency in the reserve fund represents **\$417** per ownership interest.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, a reserve funding plan has been developed – see the attached projections. The assumed long-term before-tax interest rate earned on reserve funds is **1%** per year and the assumed long-term inflation rate applied to major component repair and replacement costs is **3%** per year. Full reserve study available upon request.

NOTES:

(A) The financial representations set forth in this summary are based on the best estimates of the preparer and the Board at that time. The estimates are subject to change. (B) For the purposes of understanding this Disclosure Summary: (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement. (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in the study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary. (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided. (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the Board to fund reserves in accordance with this calculation. (5) Based on reserve studies or the occurrence of one or more unanticipated events, the Board could increase regular assessments and/or levy special assessments, consistent with the provisions of the CC&Rs and applicable law, to fund additional reserves as it deems necessary. For example, the information contained in this Disclosure Summary includes (i) estimates of replacement value and life expectancies of the components and (ii) assumptions regarding future events. Estimates are projections of a future event based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this Disclosure Summary. Therefore, the actual replacement cost and remaining life may vary from this report and summary and the variation may be significant. Additionally, inflation and other economic events may impact this report and summary, particularly over an extended period of time (such as thirty (30) years) and those events could have a significant and negative impact on the accuracy of this Disclosure Summary and, further, the funds available to meet the association's obligation for repair and/or replacement of major components during their estimated useful life.

Park Paseo Homeowners Association
Reserve Maintenance Disclosure

The scheduled repair of the reserve items listed below was deferred during the fiscal year ending December 31, 2022. The Board of Directors has determined the repair and/or replacement of these items is not needed at this time.

- Clubhouse - Restroom, Epoxy Floor
- Landscape - Irrigation, Controller Enclosures
- Landscape - Tree Trimming, Blue Gum
- Main Wader - Filter
- Main Wader - Heater
- Main Wader - Pump/Motor
- Park Areas - Play Flooring, Main Pool, Seal
- Park Areas - Wood Chips, Alba
- Parking Lot - Asphalt Overlay/Rehab
- Parking Lot - Asphalt Repairs
- Tennis Courts - Deck Caulking
- Tennis Courts - Resurfacing
- Walls - Block, Repairs

The association is following the reserve funding plan as indicated on the projections page included in the most recent reserve study. The budgeted contribution to reserves is being funded with assessments and interest. A copy of the full reserve study plan is available upon request. Printing charges will apply.

PARK PASEO HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS RESOLUTION

Upon motion duly made, seconded and carried, the Board of Directors for Park Paseo Homeowners Association adopted the following Resolution at its regular meeting on the 12th of July 2021, with an amendment on September 14, 2022.

WHEREAS, the Covenants, Conditions and Restrictions of Park Paseo Homeowners Association, require payment of regular and special assessments by all the owners of real property within said community in order to provide funds for payment of expenses for the upkeep, maintenance and preservation of the common areas therein, and for payment of other expenses associated with the normal operation of said Association's business and affairs, and

WHEREAS, said Covenants, Conditions and Restrictions provide the Association's Board of Directors with the power and authority to require regular and special assessments levied against owners of real property within said community (all of whom are required to be members of the Association as a condition of ownership) to be fully and timely paid, and

WHEREAS, the Board of Directors deems it to be in the best interests of the Association and all the Association's members to establish policies and practices relative to the Association's rights and remedies in event of default in payment of the regular and special assessments by any of the Association's individual members, and

NOW, THEREFORE, BE IT RESOLVED that the Association hereby adopts the following policies and practices in the event of any default in payment of the Association's regular and special assessments to be effective the 1st of August 2021, and an update to item #4 to be effective October 1, 2022:

1. Assessments, late charges, interest, collection costs, and any attorneys' fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied.
2. Regular monthly assessments are due and payable on the first day of each month. A courtesy billing statement is sent each month to the billing address on record with the Association. However, it is the owner of record's responsibility to pay each assessment in full regardless of whether a statement is received. All other assessments, including special assessments, are due and payable on the date specified by the Board in the notice imposing such assessment.
3. Any payments made shall be first applied to assessments owed, and, only after the assessments owed are paid in full, shall such payments be applied to late charges, interest and collection expenses, including attorneys', trustee or small claims fees, unless the owner and that Association enter into an agreement providing for payments to be applied in a different manner.
4. When any regular or special assessment remains unpaid thirty (30) days past its due date, said assessment may be subject to a late charge not exceeding ten percent (10%) of the delinquent assessment or ten dollars (\$10.00), whichever is greater in accordance with California Civil Code 5650(b)(2), unless the declaration specifies a smaller amount. Additionally, a "Notice of Past Due Assessment" will be prepared and mailed on the day immediately following the past due date. A charge for the late letter will be made against the delinquent account.
5. In accordance with California Civil Code 5650(b)(3), the Board of Directors shall impose interest on all sums, including the delinquent assessment, reasonable costs of collection, and late charges, at a rate not to exceed six percent (6%) per annum, commencing 30 days after the assessment becomes due, unless the declaration specifies a rate of a lesser amount.

6. When any assessment remains unpaid sixty (60) days past its due date, the Association, through its Management Company, shall mail a Pre-Lien Notification to the owner as required by California Civil Code 5660 by certified and first class mail, to the owner's mailing address of record advising you of the delinquent status of the account, impending collection action and the owner's right to request that the Association participate in the "meet and confer" program or in some form of internal dispute resolution process ("IDR"). The owner will be charged a fee for the pre-lien notification, which shall be charged to the delinquent member's account.

7. Within fifteen (15) days from the date of the postmark of the Pre-Lien Notification, a delinquent owner may submit a written request to the Association to meet with the Board to discuss a payment plan for the amount set forth in the Pre-Lien Notification letter. The Board shall meet with the delinquent homeowner in executive session within forty-five (45) days of the date of the postmark of the written request. Each request is handled on a case-by-case basis. The Board is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an owner's separate interest to secure payment for the owner's delinquent assessments. If the Board authorized a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees for the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.

8. If an owner fails to pay the amounts set forth in the Pre-Lien notification and fails to request IDR within forty-five (45) days of the date of the Pre-Lien notification, the Board shall decide, by majority vote in an open meeting, whether to record a Notice of Delinquent Assessment (Lien) for the amount of any delinquent assessments, late charges, interest and/or costs of collection. This lien shall be recorded in the office of the County Recorder and mailed to the delinquent member. A fee for the lien processing work and a fee for the preparation and mailing said Notice of Delinquent Assessment by the Agent, Trustee or Attorney employed by the Association, shall be charged to the delinquent member's account. The lien may be enforced in any manner permitted by law, including without limitation, a small claims judgment, judicial or non-judicial foreclosure.

9. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by only the parcel number of the owner's property. Prior to initiating any foreclosure sale on a recorded lien, the Association shall offer delinquent homeowners the option of participating in IDR or Alternative Dispute Resolution ("ADR")

10. After thirty (30) days from recording the Notice of Delinquent Assessment, the Association may turn the members account over to the Association's Attorney or Trustee to enforce the lien by proceeding with judicial or non-judicial foreclosure sale when either (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1,800.00) or more, excluding accelerated assessments and specified late charges and fees or (b) the assessments are delinquent for more that twelve (12) months. However, upon review of the Association Member's delinquent account, the Board may decide to take small claims court action. The Association is authorized under California law to charge the owner reasonable costs of collection for any action utilized.

11. **“IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION”**

12. An owner is entitled to inspect the Association’s accounting books and records to verify the amounts owed on their account pursuant to California Civil Code 5205. If it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interest, and costs of collection associated with collection of those assessments.

13. Owners have the right to provide a secondary address for mailing for purposes of collection to the Association. An owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.

14. Prior to recordation of the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys’ fees, must be paid in full to the Association. The mailing address for overnight payments of assessments is 16775 Von Karman, Suite 100, Irvine, CA 92606 unless the account has been turned over to the association’s trustee or attorney, then the homeowner would need to call said party for the full amount owed and their correct mailing address.

15. The foregoing policies and practices shall remain in full force and effect until such time as they may be changed, modified, or amended in their entirety, by a duly adopted Resolution of the Board of Directors of Park Paseo Homeowners Association. This policy is subject to change upon thirty (30) day written notice.

**PARK PASEO HOMEOWNERS ASSOCIATION
SCHEDULE OF FINES & FEES**

Whereas, it is the policy of the Park Paseo Homeowners Association (PPHOA) to protect the rights and privileges of the members and to enforce the CC&Rs and Rules and Regulations of the Association, therefore, pursuant to the authority vested in the Board of Directors by the CC&Rs and the Bylaws, the following schedule of fines and fees is hereby established and supersedes all previously adopted schedules for such fines and fees.

VIOLATION TYPE	1ST OFFENSE	2ND OFFENSE	3RD OFFENSE
A. Failure to comply with Animal control rules	Warning	\$100.00	\$200.00 + poss suspension of privileges
B. Damage to Assoc property	\$100.00 + repair and legal costs	\$200 + repair and legal costs	Legal action
C. Littering or disposal of of debris on or around common areas	Warning	\$100.00	\$200.00
D. Trash containers put out earlier than Sunday eve or left out after eve of pickup	Warning	\$100.00	\$200.00
E. Unauthorized vehicles in driveways (boats, trailers, RVs, commercial vehicles	Warning	\$100.00	\$200.00
F. Use of motor vehicles in common areas	Warning	\$100.00	\$200.00
G. Failure to comply with, or violation of, CC&Rs or any rule not set forth above	Warning	\$100.00	\$200.00
H. Short Term Rentals	Warning	\$100.00	\$200.00

Fines continue to double to \$400.00 for 4th offense and then \$800.00 for the 5th offense.

In the event a member fails to abide by the Architectural Guidelines and Standards, a penalty of \$25.00 may be levied by the Board of Directors for each day the violation exists. This may occur after a third offense has been noted and ignored.

All fines and fees, pursuant to this schedule, shall be imposed by action of the Board of Directors after reasonable notice and hearing.

ALTERNATIVE DISPUTE RESOLUTION SUMMARY

California *Civil Code* Sections 5925 through 5965 require community associations and their homeowners to offer to participate in some form of Alternative Dispute Resolution (“ADR”) prior to initiating certain types of lawsuits in superior court. ADR means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision making process. ADR may either be binding or non-binding, as may be agreed to by the parties. This Summary of the ADR statutes is being distributed as required by California *Civil Code* Section 5960.

I. When ADR Must be Offered Prior to Initiating Enforcement Action:

An association or an owner may not file certain lawsuits in superior court unless an effort has been made to submit the dispute to ADR as required by law. Generally, ADR must be offered before filing a civil action or proceeding that seeks:

- A. A judicial declaration of the rights and responsibilities of the parties, only; or
- B. A writ of mandate or a writ of prohibition, only; or
- C. Permanent injunctive relief only; or
- D. Declaratory relief, writ relief, or injunctive relief, combined with a claim for monetary damages of five thousand dollars or less

It is not necessary to offer ADR prior to filing any other type of superior court action, or prior to filing any type of small claims action. Except as otherwise provided by law, the ADR requirement does **not** apply to an assessment dispute.

II. Compliance Procedures:

The ADR process is initiated by one party serving all other parties with a “Request for Resolution,” which shall include:

- A. A brief description of the dispute between the parties;
- B. A request for ADR;
- C. When directed to an owner, the request must be accompanied by a copy of the ADR statutes;
- D. A notice to all parties that they are required to respond within 30 days of receipt, or else the offer of ADR is deemed rejected; and

Service of the Request must be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the intended recipient actual notice of the Request. If the Request is accepted, ADR must be completed within 90 days of the receipt of the acceptance, unless the parties sign a written agreement extending the completion date.

The cost of ADR is to be borne by the parties. Unless the parties agree, no oral or written evidence or statements made in an ADR proceeding, other than arbitration, are admissible as evidence in a later lawsuit.

Each homeowner should consult with his or her own attorney regarding appropriate compliance with the ADR statutes.

III. Failure to Participate in Some Form of ADR Prior to Enforcement Action:

Should a party unreasonably refuse to participate in ADR before the lawsuit is filed, the court may, in its discretion, take this refusal into consideration in determining the amount of attorney’s fees and costs ultimately awarded at trial. In accordance with the disclosure requirement of California *Civil Code* Section 5965, please be advised that:

“Failure of a member of the Association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.”

IV. Association’s Policy of Early Dispute Resolution:

In accordance with the California *Civil Code*, a fair, reasonable, and expeditious procedure exists for resolving disputes between Association and an owner involving their rights, duties or liabilities under the

Davis Stirling Common Interest Development Act, the Nonprofit Mutual Benefit Corporation Law, or the Association's governing documents. The procedure supplements, but does not replace the ADR process summarized above. The procedure follows:

- A. Either party may request the other, in writing, to meet and confer. While a homeowner may refuse a request to meet and confer, the Association may not.
- B. The Board shall designate a member of the Board to meet and confer with the owner.
- C. The parties shall meet promptly at a mutually convenient time and place to explain their positions and confer in good faith in an effort to resolve the dispute.
- D. A resolution of the dispute shall be memorialized in writing and signed by the parties.
- E. An agreement reached using this procedure binds the parties and is judicially enforceable if it is not in conflict with the law or the governing documents and the agreement is either consistent with the authority granted by the Board of Directors to the Board member who met with the owner, or if the agreement is ratified by the Board.
- F. An owner may not be charged a fee to participate in the process.

V. Internal Dispute Resolution:

California *Civil Code* Sections 5900 through 5920 require community associations and their homeowners to participate in some form of Internal Dispute Resolution ("IDR") prior to initiating certain types of disputes in superior court. This summary of the IDR procedure is being distributed as required by California *Civil Code* Section 5920. The below applies in an Association that does not otherwise provide a fair, reasonable, and expeditious IDR procedure meeting the minimum requirements described in California *Civil Code* 5910.

- A. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be made in writing.
- B. A member of an Association may refuse a request to meet and confer. An Association may not refuse a request to meet and confer.
- C. Upon an Owner's request that the Association participate in an IDR proceeding, the Association has thirty (30) days to respond and must make a good faith attempt to hold the IDR proceeding within sixty (60) days of receipt of the written request.
- D. The Association's Board of Directors shall designate a member of the Board to meet and confer.
- E. Although not precluded, attorney participation in the IDR Process is discouraged in order to maintain direct discussions between the parties of the Dispute and to maintain the goal of resolution through an expeditious process. To the extent the Owner requires that his/her/its attorney attend the IDR proceeding, the Owner shall be required to give at least five (5) business days' notice to the Association so that the Association can ascertain if it desires its corporate counsel to also attend.
- F. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- G. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.
- H. An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:
 - 1. The agreement is not in conflict with the law or the governing documents of the common interest development or Association.
 - 2. The agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board.
- I. A member of the Association may not be charged a fee to participate in the process.

(Revised 4/5/18)

PARK PASEO HOMEOWNER'S ASSOCIATION
ARCHITECTURAL STANDARDS

Adopted 08/12/13

I. INTRODUCTION

The Park Paseo Homeowner's Association (the "Association") is a single family residential development located in the Northwood Area of Irvine, California bounded by Park Place on the south and west, Hicks Canyon on the north, Diamante on the east and Orange Arrow to the south. A portion of the development is bounded on the east by Yale Avenue.

The community consists of 625 homes within Tracts 9045, 9282, 9283, 9337, 9354, 9362, 9363, 9364, 9365, 9366, 9367, 9368, 9369, and 9370, County of Orange. There are two types of single-family detached homes in the community – Conventional Single Family Detached (297 units) and Zero Lot Line or Patio Homes (328 units). Conventional Single Family Detached homes have accessible yard spaces at the front, rear and both sideyards. Zero Lot Line or Patio Homes have accessible yard spaces on three sides, the front, rear and one sideyard.

It is the goal of the Park Paseo Homeowner's Association that new construction be in harmony with existing residences, from the standpoint of external appearance, location and massing. A means of accomplishing this goal is through the establishment of Architectural Standards.

Architectural Standards establish a control mechanism that provides applicants the assurance that everyone must conform to the same high standards established by the Community Association. This ultimately ensures the quality of the community and the Park Paseo residential development as a whole.

Neither the Association, nor the Board of Directors (the "Board") nor the Architecture Committee shall have any responsibility for engineering capabilities or structural defects. Approval of plans shall not be deemed approval of any plan or design from the standpoint of structural safety or conformance with building or other governmental codes.

A. ARCHITECTURE COMMITTEE

1. The Architecture Committee (the "Committee") has been established to further the goals of consistency, compliance and equity in the implementation of Policies, Plans, Covenants, Conditions and Restrictions (CC & R's) and other documents pertaining to the physical development of Park Paseo. The maintenance of Park Paseo as an attractive community in which to live depends upon continuous design excellence and sensitivity to the environment. The Committee serves as an appointed

committee of the Board of Directors to ensure compliance with protective restrictions, and the compatibility of construction, design, and maintenance of our homes and property.

2. The Architecture Committee members are appointed by the Board of Directors for a two (2) year staggered period. There will be three (3) or more members on the Architecture Committee as determined by the Board of Directors. The members shall have the desire and appropriate background to review applications and approve or disapprove applications. Members of the Architecture Committee volunteer their time.
3. The Association Manager (“Manager”) acts as the liaison between the Homeowner and the Committee. The Manager strives to provide adequate information to the Committee on each application. The Manager works with the homeowner during the review process and encourages the homeowner to attend the Committee meetings. The Manager is available by telephone or at the Association’s office to answer any questions.
4. Approval from the Architecture Committee is required prior to construction for all additions and alterations that meet any of the following criteria:
 - a. All exterior windows and doors require approval.
 - b. All exterior structures or alterations that are visible from public or private sidewalks or streets, trails, walkways, greenbelts and parks. (Including but not limited to: French doors, planters, walkways, driveways, pilasters, lighting, paint colors, room additions, weather vanes, flagpoles.)
 - c. All mechanical equipment. (Examples: air conditioners, spa/swimming pool equipment, and waterfall pumps, etc.) This is to insure that neighbors have been made aware of equipment installation for sound attenuation purposes.
 - d. Any hardscape and softscape, including but not limited to artificial turf and its application and installation, which deviates from the minimum requirements must be approved by the Committee prior to installation.
 - e. Any external improvement work or modifications requiring a City Permit must be approved by the Committee.
 - f. Exterior lawn ornamentation, fountains, statuary and in excess of three (3) potted plants, trees and shrubs visible from the common area require Committee approval.
5. Failure to obtain the necessary approvals prior to construction will constitute a violation of the CC&R’s and other binding documents for the Association and may:

- a. Result in assessment of application fees.
 - b. Require modification or removal of unauthorized work at the expense of the homeowner.
 - c. Require payment of a monetary penalty.
6. In addition to the Architecture Committee approval, a permit may be required from the City of Irvine Building Department or other governmental agencies prior to starting the work on construction. For more information contact the Association office at (714) 730-1560. A copy of the final inspection sign-off by the respective permit agency must be submitted to the Manager for record purposes.
 7. The adoption of the Architectural Guidelines and Standards by the Board of Directors has allowed your Association to implement review and control procedures, and to support those recorded legal documents which serve to bind each individual property owner to the CC&R's and other binding documents of the Park Paseo Homeowner's Association.
 8. Set forth in these Architectural Guidelines and Standards are policies and procedures to assist the Committee and property owners through the architectural review process. We feel the guidance of architectural control is a key element in the success of every "membership" community such as Park Paseo.
 9. The Homeowner should contact the Park Paseo Homeowner's Association, 25 Christamon West, Irvine, California 92620, (714) 730-1560, prior to filing any Home Improvement Application and ensure that they are in possession of the most current Architectural Guidelines and Standards.

B. ARCHITECTURAL STANDARDS

1. The following Standards are established to guide the development of improvements to existing residences within the Park Paseo Homeowner's Association.
2. The Standards are adopted to establish a consistency of materials, colors and forms to ensure the high standards of appearance, compatibility of all proposed additions and remodels and to protect and enhance the individual and overall value of the community while allowing for flexibility of expression. The Standards also form the basis and criteria for the evaluation of drawings and

specifications submitted to the Architecture Committee for review and approval.

6. The Standards are subject to Amendment and any conditions and materials not defined within shall be a matter of judgment by the Architecture Committee unless described in the CC & R's. In the event of conflict with CC & R's, the CC & R's will prevail.
7. All exterior modifications are subject to review and approval by the Architecture Committee. Interior modifications are subject to review by the Architecture Committee only to the extent that they affect the exterior of a residence.
8. No structure, hardscape, or softscape not meeting minimum requirements shall be erected, planted or maintained on any lot or parcel unless and until detailed plans and specifications for such structure and/or landscaping have been approved in advance, in writing by the Architecture Committee of the Association as herein provided. In some cases, such as issuance of a variance or architectural appeals, the final decision will be made by the Board of Directors.
9. Approval shall be based upon the following considerations:
 - a. Compliance with the provisions of the CC & R's.
 - b. Conformity and harmony of size, dimensions and external designs with other structures in the neighborhood.
 - c. Effect of location and use of improvements and landscaping on properties in the neighborhood.
 - d. Relation of topography, grade and finished elevation of the structure to that of the neighborhood.

II. REVIEW PROCEDURE

A. PROCESS

1. Additions/Alterations
 - a. Prior to obtaining a Building Permit from the City of Irvine, a property owner is required to submit drawings to the Association's management office and obtain written approval from the Park Paseo Homeowner's Association Architecture Committee. The focus of the Architectural review is to ensure compliance with the Association's minimum standards, including:
 - 1) The siting of an addition;
 - 2) The selection of colors and materials;

- 3) The exterior building elevations and maximum height of proposed addition /alteration.
 - 4) The design, placement, type and color of fencing.
- b. A two-step submittal and approval process for improvements is recommended to ensure consistency and compliance as follows:
- 1) Preliminary Review
This procedure involves the review and approval of the proposed design. Two (2) sets of plans shall be submitted for review.
 - a) Room additions/First and Second Story additions and Remodels: Homeowners are encouraged to obtain an advisory opinion from the Architecture Committee prior to the preparation of detail drawings. Preliminary drawings should be drawn to a minimum scale of 1/8" = 1'-0" and submitted in duplicate and should contain the following:
 - Site Plan: All plans will show setbacks for all adjacent property lines as well as drainage and grading detail, both surface and below grade drain lines.
 - Floor Plan (drawn to minimum scale): Indicate all walls, columns, openings, and any conditions or feature that will affect the exterior design of the additions/structure.
 - Elevations (drawn to minimum scale):
 - ❖ Provide exterior elevation of proposed addition/structure.
 - ❖ Note all materials and colors.
 - ❖ Blueprint must show rooflines, heights, setbacks, etc.
 - ❖ Show how the proposed structure fits within the addition/structure envelope.
 - ❖ Note proposed roof material.
 - b) One copy of such drawings will be returned to the owner with advisory comments by the Architecture Committee, which may serve as a guide in the preparation of the formal Home Improvement Application. The review of the preliminary drawings by the Committee is advisory only, and is not required, but it is strongly recommended. Any comments, written or oral, made by the

Committee shall not be construed as its approval. Approval or disapproval by the Architecture Committee is rendered only upon submission of the formal Home Improvement Application.

2) Final Plan Review

This procedure ensures that the construction documents are executed in accordance with the previously approved Preliminary Plan submission. The applicant shall provide two (2) complete sets of construction documents for the review by the committee and/or its architect.

a) Final Drawings for Submittal: A completed Home Improvement Application must accompany the plan submittal drawn to a minimum scale 1/8" = 1'-0". The final drawings submitted must include but not be limited to the following:

- Site plan
- Floor plan
- Elevations
- Roof plan
- Exterior door and window schedules
- Exterior detail sheets
- A material color list and sample board showing proposed exterior finish colors for all walls, roof, windows, and trim and any other finish materials contemplated for use.
- Blueprint must show rooflines, heights, setbacks, etc.

2. Landscape Plan Review

a. Landscape Plan Review is a two-step process as follows:

1) Preliminary Landscape Plan Review

This procedure includes the submittal of two (2) sets of plans that includes but is not limited to drainage and grading.

2) Final Landscape Plan Review

This step ensures that the construction documents are executed in accordance with the previously approved Preliminary Landscape Plan submission. The applicant shall provide two (2) complete sets of

construction documents for the review by the committee and/or architect.

B. SUBMISSION

1. All proposals for new construction and improvements and alterations to existing improvements shall be submitted to the Architecture Committee for review and approval in accordance with the PARK PASEO HOMEOWNER'S ASSOCIATION ARCHITECTURAL SUBMITTAL FORM (Exhibit A). All requests for painting approval must be made on the Paint Application Form (Exhibit B).

All architectural drawings shall be prepared and signed by an architect or structural engineer licensed in the State of California, except for patio covers which may be prepared by a landscape architect or structural engineer licensed in the State of California. Unless otherwise designated, submissions shall be made at least 72 hours prior to the Architecture Committee meeting to:

PARK PASEO ARCHITECTURE COMMITTEE
PARK PASEO HOMEOWNER'S ASSOCIATION
25 Christamon West
Irvine, CA 92620
(714) 730-1560

2. Two (2) sets of plans or drawings must be submitted with the application. One set is retained as part of the homeowner's permanent file with the Association, and the second copy will be returned to the homeowner when a decision has been made by the Architecture Committee. For homeowners planning major additions to their home, it is recommended that elevation drawings, including material to be used, be submitted for preliminary review by the Architecture Committee. (Refer to Optional Preliminary Review Process for Major Additions, see Section 2 A). Changes in exterior elevation must be approved by the Board of Directors.
3. Neighbor Awareness: The intent of Neighbor Awareness is to advise neighbors who own property adjacent to or in close proximity to the lot of the proposed improvement by requiring their signatures on the Home Improvement Application and their initials on the proposed plans. If the closely affected neighbors(s) residing on the property is not an owner, the address of the owner should be provided on the Home Improvement Application and the Association will contact the absentee owner in writing upon submittal to the Architecture Committee. However, in that instance, the Home Improvement Application cannot be considered complete and submitted to the Architecture Committee until (10)

days after submission, in order to allow an opportunity for the absentee owner to comment on the proposed plans.

- a. The Architecture Committee will evaluate the neighbor comments or concerns, which may necessitate homeowner/neighbor attendance at a meeting. However, the authority to approve or disapprove the Home Improvement Application is the sole responsibility of the Architecture Committee subject to an appeal to the Board of Directors as provided in the CC&R's. (Additionally, the application must include the initials of the neighbor's awareness on the plans submitted for review by the Architecture Committee.) The inability to obtain the initials of neighbor awareness will be evaluated by the Architecture Committee on a case-by-case basis.
 - b. The applicant is responsible to obtain this information, and will acknowledge by signature on the Home Improvement Application that the information is complete and accurate. The Architecture Committee reserves the right to request additional Neighbor Awareness.
4. The plans processing fees are as set in the Fee Schedule (see p. 31, sections D & C) for the Home Improvement Application. It is \$50.00 for a simple improvement (less than \$2,500) with a waiver provision, \$50 for a minor improvement (\$2,500 to \$20,000), and \$100 for a major improvement (greater than \$20,000). The processing fee must be paid with the application or there will be a Special Assessment against the homeowner's lot in accordance with Article V, Section 9, of the Master Declaration.

C. APPROVALS AND DENIALS

1. In accordance with CC&R's and other binding documents, the Architecture Committee has a maximum of thirty (30) days to render a decision on a complete application as provided in the CC&R's. The applications are considered delivered when presented at an Architecture Committee meeting where a quorum is present. An incomplete application is not considered submitted.
2. Approved Applications: Homeowners will be notified in writing of the Architecture Committee's decision. Plans and specifications are not reviewed for engineering design, and by approving such plans and specifications, none of the Architecture Committee, the members thereof, the Association, the members thereof, the Board of Directors, nor the members thereof assumes liability or responsibility therefore, or for any defect in any structure constructed from such plans and specifications. The applicant is responsible to ensure that the original course of surface water flow

is not disturbed or altered to adversely affect a neighboring property. Additionally, approval by the Architecture Committee is not a review of the side yard easement rights between the parties involved, including drainage, or the effect of the proposed improvements on such rights and drainage.

3. Disapproved Applications: All homeowners will be notified in writing of the Architecture Committee's decision. In the event plans and specifications submitted to the Architecture Committee are not approved, the applicant may request to meet with the Architecture Committee at their regularly scheduled monthly meeting to review and discuss the plans and application. The homeowner may appeal the disapproval, in writing or in person, to the Park Paseo Homeowner's Association Board of Directors. The written request must be received by the Board of Directors not more than thirty (30) days following the disapproval by the Architecture Committee.
4. Approval or disapproval by the Architecture Committee has no bearing on the integrity of the work to be done or the local code requirements. The City of Irvine Planning and Building Department shall be contacted concerning municipal codes, ordinances and regulations. In the case of overlapping or inconsistent requirements, the more stringent shall apply.
5. Final Plan approval may not be granted, and an architectural application shall not be deemed a complete submission, until such time as the required property security deposit is posted.
6. Stop Work Orders: The commencement of construction prior to the approval of the proposed work by the Architecture Committee, or non-adherence to the approval plans, shall be a violation of these rules and the Association's Architecture Committee may recommend to the Board of Directors that the Board issue a Stop Work Order to the homeowner. Continuing work after receipt of the Stop Work Order shall subject the homeowner to possible penalty assessments and all other remedies which the Association may be entitled to pursuant to the CC&R's and other binding documents and the laws of the State of California. The Stop Work Order issued by the Board of Directors, through the Association Manager, will be delivered or posted at the job site and a copy mailed, by U.S. mail, to the homeowner.

D. VARIANCES

1. Applications for variances are strongly discouraged. However, there may be instances where unique circumstances or site conditions require special review.
2. In the event an owner wishes to seek a variance from the approved Architectural Standards, the owner shall submit a letter of justification to the Architecture Committee describing the request and unique circumstance or condition.
3. All variances will require approval of the Architecture Committee and the Board of Directors.

III. PARK PASEO DEVELOPMENT CONCEPT

A. ARCHITECTURAL STYLE

1. The architectural style within Park Paseo is a mixture of housing types that can best be described as one having the elements of California Ranch style and Contemporary style. These elements include sloping roofs, wood siding, shingle siding, brick veneer in addition to exterior plaster or stucco, and wood window trim. Maintaining this style of architecture ensures a common thread of detailing and scale. High quality natural materials and finishes are used to distinguish this development from surrounding developments.

B. STRUCTURAL RELATIONSHIP BETWEEN BUILDING AND SITE

1. A key to a well-designed residential environment is careful attention to siting and outdoor living spaces. By giving attention to these aspects, livability and relationship to the street can be greatly enhanced to offer benefits to the individual residents and neighborhood as a whole. Each building shall be designed and constructed in a manner that conveys a sense of solidity, stability and permanence. Buildings shall be perceived as supported by walls that are solidly anchored into the ground. Grading shall be limited to that required for preparing the pad for the house or addition.

C. BUILDING DESIGN AND SITE

1. Building design emphasizes single forms arranged in strong geometry. All two-story residences have one-story elements to help break up the design mass. Both one and two-story residences include variation along the roof ridgeline or ridgelines for the most part. Variations in the ridgeline are encouraged. It is assumed that the homes will be seen from all angles and that there will be a continuity of color, materials and details on all elevations. The most articulated elevations are those that are in public view.

Priority is given to those elevations visible from the street and walkways.

D. BUILDING TRANSITION TO SITE

1. Homes shall be designed to gracefully transition from building structure to landscape. The transition sequence should follow from the building structure to exterior structural features to structured landscape to landscape. The transition should be accomplished through the use of terraces, covered patio areas, exterior walls, planters, trellises and landscape planting.

IV. ARCHITECTURAL DEVELOPMENT

The following standards shall be required:

A. DEVELOPMENT STANDARDS

1. Development standards shall be verified with the city regarding any additions or alterations to confirm conformance with the current Zoning Ordinances and Building Codes in addition to these standards. In cases where a discrepancy occurs between the two, the more restrictive of the two shall apply.
2. A portion of Park Paseo (328 lots) is a zero lot line Patio Home development and as such incorporates easements between adjacent properties for landscaping, outdoor living, maintenance, drainage, etc. A complete description of easements is contained in Article III of the CC & R's and Exhibits and should be consulted. There are also 297 lots, which are standard Single Family Detached homes.
3. The following site development standards shall apply to both zero lot line Patio Homes and Single Family Detached homes:
 - a. Setbacks: Among the setbacks requiring verification are:
 - 1) Front: The minimum distance a garage or building can be setback from the public right-of-way shall be in accordance with Section 3-37-13.2.2 of the City of Irvine Zoning Code.
 - 2) Side: The minimum distance a building may be setback from a neighboring property line and if a corner lot, a public right-of-way. Side yard setbacks shall be in accordance with Section 3-37-13.2.2 of the City of Irvine Zoning Code. In all cases, separate single family homes shall be a minimum of ten (10) feet apart to conform with California Building Code requirements as they pertain to fire safety.
 - 3) Rear: The minimum distance a building or accessory structure may be set back from the rear

property line. Rear setbacks shall be in accordance with Section 3-37-13.2.2 of the City of Irvine Zoning Code.

- 4) Exceptions: Roof overhangs and fireplaces may encroach in to the setback in accordance with the Zoning Code and California Building Code, whichever is most restrictive.
- 5) Restrictions: No private structure or buildings within the common area are allowed.

b. Dwelling Size, Lot Coverage and Usage:

- 1) The maximum lot coverage shall be 40% of each building site.
- 2) The minimum building lot area is 4,000 square feet.

c. Floor Area Ratio:

1) Determining the Floor Area Ratio (FAR):

The Floor Area Ratio (FAR) represents the relationship between the total land area of the lot and the total livable square footage of the home on the lot. The FAR is used to control the mass and bulk of the home. The FAR (Floor Area Ratio) is calculated by adding the total livable square footage of the first floor, the square footages of the entire garage and the total livable square footage of the second floor; subtracting a four hundred square foot garage exclusion; and then dividing the difference by the square footage of the lot.

The first 400 square feet of the garage will be excluded from the new FAR limit.

2) Maximum size:

The maximum FAR allowed is 0.50. The minimum size of the first floor shall be 55% of the actual living area square footage plus the minimum 400 square foot garage allowance. The maximum second floor living area shall be 45%. For example, a 5,000 s.f. lot with the 0.50 FAR is restricted to a maximum 2,500 s.f. total living area (5,000 s.f. x 0.50).

First Floor minimum (55%) = 2,500 s.f. x 0.55 = 1,375 s.f. living area + 400 s.f. garage.

Second Floor Maximum (45%) = 2,500 s.f. x 0.45 = 1,125 s.f. living area.

- d. Building Height: The maximum heights of all buildings shall be 25 feet as measured from the original finished floor at its lowest level.

- Exceptions: Chimneys may exceed the height limit in accordance with the City of Irvine Zoning Code and California Building Code.
- e. Fencing, Walls and Gates: Fencing, walls and gates shall be of substantial materials complementary to the architecture of the house.
- 1) No fence or gate shall be constructed higher than 6'-0" above the highest existing grade level.
 - 2) All fences must be structurally maintained by the individual homeowner(s) in good condition and repair.
 - 3) Fences, walls and gates shall not extend beyond the front of the homeowner's dwelling, including the garage.
 - 4) Replacement of wood fencing with new wood fencing must remain consistent with the original builder installed fence or be replaced with the approved fence standard. Fence color proposal will be considered by the Architecture Committee on a case-by-case basis depending upon the standard for the tract and the location of the proposed fence replacement on the lot.
 - 5) Fences and walls delineating a lot boundary shall be placed in accordance with the legal recorded property line.
 - 6) Stucco walls are permitted as long as they match the color and texture of the home.
 - 7) Gates, including wood, vinyl, alumawood and wrought iron, will be considered for compatibility with the homes in terms of design and color proposed by the homeowner. No "spike" designs will be permitted. No gates shall be installed along Park Paseo Association's maintained property, theme walls or fences, or other perimeter theme walls or fences. Unacceptable materials for fencing, walls and gates include, but are not limited to sheet metal, chicken wire or mesh, plywood, pegboard metal or plastic chain link, plastic webbing, cloth materials, reed or straw-like materials, corrugated or flat plastic and fiberglass panels, glass block, rope or other fibrous strand materials, or miniature-type fencing.
 - 8) Picket fences, planter borders and fences are not allowed, whether bordering the planters and/or property.

- 9) All fences and walls shall comply with the City of Irvine Zoning Code.
- g. Grading: Grading shall be limited to that required for preparing for and addition to an existing residence or preparing the pad for a new residence. Grading shall not be permitted to disrupt existing drainage patterns. All lot drainage shall drain toward the street.
- h. Landscaping: Landscaping components can be defined as (1) hardscape (walkways, driveway, planters, free standing walls, pilasters, etc.) and (2) softscape (grass lawn, flowers, shrubs, groundcover, trees, etc.). All hardscape components must be approved by the Architecture Committee. Landscaping installed must present an attractive appearance for the property and must include a reasonable combination of lawn and/or groundcover, shrubs, and trees, walkways, etc. (See required percentages below for softscape.) Any softscape which deviates from the minimum landscaping requirements must be approved in advance by the Architecture Committee.
- 1) The following landscaping materials are not permitted within the front and visible without the prior approval of the Architecture Committee.
 - a) Decorative rock, wood chips, sand, gravel, or any other rock-like substance. However, these materials may be acceptable when installed as an accent in the visible areas. Non-plant decorative materials are not to be used as substitution for hardscape, lawn or groundcover.
 - b) Hedge-type plants and/or shrubs with thorns planted adjacent to sidewalks.
 - c) Artificial Turf.
 - 2) The following minimum softscape requirements for the front and/or side yard property are:
 - a) Eighty percent (80%) of the front and side yards planted in groundcover, artificial turf, or grass lawn, or a combination thereof.
 - b) Twenty percent (20%) of front yard planted with shrubs.
 - 3) Drought-tolerant plants are encouraged. For a list of preferred drought-tolerant plants, please visit the Irvine Ranch Water District's (IRWD's) recommended website at www.rightscaperesources.com.
- i. Parking: There shall be a minimum of two fully enclosed and maintained car parking spaces for each residence. Carports will not be permitted. Parking shall be provided

- c. Roof Materials: Roof replacements will be considered for approval by the Architecture Committee if appearance of proposed material is consistent with the roofs in the immediate tract. A sample or brochure of the roof materials and color composition must accompany the Home Improvement Application.
 - 1) Unapproved Materials:
 - a) Asphalt composition of any type.
 - b) Fiberglass shakes or shingles.
 - c) Corrugated plastic, plastic webbing, split bamboo, reed or straw-like materials.
 - 2). Approved Materials:
 - a) Wood shakes. Must meet all City of Irvine building codes and be fire retardant and pressure treated.
 - b) Tile (clay or concrete).
 - c) Tile simulated shakes.
 - d) Cement composition simulated shakes.
 - e) Cement composition simulated tile.
 - f) *Steel-based simulated tile.
 - g) *Steel-based simulated shakes.

*The old roof must be removed prior to the installation of any steel-based material.

C. ARCHITECTURAL COMPONENTS

1. Address Numbers

- a. Must meet City of Irvine Code requirements which require backlighting of number.

2. Antennae

- a. Pursuant to the Federal Telecommunications Act of 1996, various FCC rulings, as well as State law, the Association will allow owners to install satellite dish antennas, which are less than 40 inches in diameter. No more than three (3) dishes shall be allowed and all satellite dish antennas must be placed in the most discreet location and shall not unreasonably impair neighbor's views. Any satellite dish antenna or other antenna larger than 40 inches must receive prior written architectural approval from the Association. The Association's Architecture Committee will consider an application for a FCC permitted antenna or a large satellite dish antenna on a case-by-case basis. All installations must conform to the following:

- 1) FCC Permitted Antennas. (Television antennas designed to receive broadcast signals over-the-air, and satellite dishes and microwave cable antennas which have a diameter or diagonal measurement of one meter or less.)
 - a) Prior to installing a FCC permitted antenna, the owner shall request and obtain Architecture Committee approval.
 - b) FCC permitted antennas may only be installed on property which the lot owner has the exclusive right to use. FCC permitted antennas may not be installed on common areas.
 - c) The Association may regulate FCC permitted antenna placement or indicate a preference for installations that are not visible as long as the placement does not unreasonably increase the cost of the installation, or render the reception impossible or substantially degraded. The Association may require reasonable screening or painting of the dish as part of the approval process. Consideration must be given to minimize the visibility of the antenna, satellite dish, external cables and related installations.
 - d) All satellite dishes should be installed on the rear half of the house (on the patio cover may be acceptable) in order to minimize the visual impact on the community. Non-dish satellite antennas of any type will be on a case-by-case basis as approved by the Architecture Committee.
 - e) External cable and related installations would involve routing and attachment of cable along existing joints, edges or interfaces, such as along the gables or behind the fascia boards of the roof. This could be along a wall of the residence as long as the cable is painted to match the color of the stucco or siding to which it is attached. Ideally, any installation would not be visible from the streets or sidewalks of the community.

- 2) Large Satellite Dishes (Television satellite dish receiving antennas with a diameter greater than 40 inches).
 - a) Prior to installing a large satellite dish, the owner shall request and obtain Architecture Committee approval.
 - b) Height: The height from the adjoining finished grade to the topmost part of the antennas shall not exceed six feet (6') nor shall the topmost part of the antenna extend eighteen inches (18") above the nearest fence.
 - c) Associated Sound: Adjoining neighbors shall be informed by the requesting homeowner that there may be some sound/noise associated with the large satellite dish when changing positions. Adjoining neighbors will acknowledge this awareness on their submitted plans.
 - d) Location: Large satellite dish antennas shall not be roof-mounted. All large satellite dishes shall be located in such a manner as to be behind a wall or a solid fence. Where possible side and rear yard setback of five feet (5') will be maintained from the property line.
 - e) Screening: A large satellite dish shall be screened from view from the adjacent streets, public sidewalks, trails, paseos, walkways, greenbelts, parks and surrounding properties by the use of fences, hedges, or other appropriate plant materials. Such visual mitigation shall be designed so the antenna is screened from view upon installation.

3. Awnings

- a. Awnings are unacceptable when visible from streets, public sidewalks, trails, paseos, walkways, greenbelts, parks and surrounding properties. However, applications for awnings not visible from the above mentioned areas will be reviewed by the Architecture Committee, on a case-by-case basis.
 - 1) Awning material must always be maintained in an aesthetic and unfaded condition.

4. Chimneys
 - a. Chimneys should be designed to be compatible with both the roof and building design. Chimneys should not unreasonably impinge upon the views of adjacent sites; where possible they should be located toward the rear of the building. Chimneys must meet City Building & Fire Codes. They should be finished in stucco, brick, stone or copper and have City Fire Department approved spark arrestors that are in scale with the rest of the chimney. All flashing and miscellaneous metal associated with the chimney will be painted to match the color of the roof or chimney material. Exposed metal flues are not acceptable. The design and materials of all chimneys shall be subject to the review and approval of the Architecture Committee.

5. Driveways
 - a. Driveways, walks and flatwork beyond the front setback may be finished in concrete, pavers, brick, stone or other material appropriate to the architectural concept. Asphalt paving is prohibited.

6. Flashing, Sheet Metal and Vents
 - a. Roof vents shall be consolidated where possible and colored to match the dominant roofing material. Exposed sheet metal is to be colored to match the material to which it is attached or from which it is projected.

7. Garage and Garage Doors
 - a. The number of garage parking spaces shall be as per City requirements or CC & R's. There shall be a minimum of two fully enclosed car parking spaces. In order to minimize the visual impact of garage doors, separating columns, overhanging eaves and other architectural elements to reduce the scale of garage door areas should be used. The color should complement adjacent wall colors and be consistent with trim colors or finishes. Side windows and doors can be installed (excepting zero-lot line wall) to increase natural lighting for garage areas. Architecture Committee approval is required. Conversion of garage or any portion thereof to living or office space is strictly prohibited (CC & R's: Article IX, Section 9). No detached garages are permitted.

8. Recreational Vehicle Parking
 - a. Recreational vehicle parking shall be in accordance with the Association CC&R's, Article IX, Section 2:

Recreational Vehicles. No recreational vehicle may be parked or stored on any Lot or street except within an enclosed garage. Notwithstanding the foregoing, any recreational vehicle may be parked on a driveway of any Lot or on any street within the Properties by guests of any Owner for not in excess of forty-eight (48) hours, and by the owner for the sole and express purpose of loading or unloading, but not in excess of any six (6) hour period within any single day.

Recreational Vehicles (CC & R's, Article I, Section 15) includes trailers (boats, motorcycles, dunebuggies, off-road vehicles), camping trailers, motor homes, pick-up (slide-in) campers, chassis mounts, converted vans, chopped vans, mini-motor homes, and 5th wheel trailers of recreational vehicle construction, design and intent.

9. Gutters and Downspouts

- a. Gutters and downspouts may either be concealed or exposed. If exposed, gutters and downspouts shall be the color of the adjacent wall or surface to which it is attached. Gutters and downspouts should be located at the corners of buildings rather than in the center of a wall.

10. Roofs

- a. Roofs are a significant architectural component of any building structure and affect views from adjacent sites. Consideration shall be given in the architectural design of any building structure to the style, shape and articulation of the roof and its various appendages. No mechanical equipment shall be located upon or incorporated within any roof (see also pages 16-17).

11. Solar Energy Equipment

- a. Rooftop solar energy equipment requires prior approval by the Architecture Committee. Approval is based, to a great extent, on the homeowner's ability to design and accommodate the installation with the least amount of exposure to adjacent units, and a homogeneous relationship of the panels to the roof pitch. Moreover, installation must be consistent with the requirements of state laws concerning efficient placement of collector units.
 - 1) Solar energy equipment includes: all panels, collectors, piping, attachments, bracing, flashing, mechanical hardware, supporting structure and any other related elements.
 - 2) Equipment Guidelines:

- a) A profile as low as functionally practical and efficient should be maintained.
- b) When possible, piping should go through the roof rather than on the face of the roof or dwelling. Panels should be installed parallel with the roof pitch.
- c) Long runs of piping should be condensed and concealed as much as possible.
- d) Equipment, or equipment enclosures, should be painted or stained to match adjacent surface color.
- e) Related equipment (e.g., control boxes) must be installed in garage or behind sideyard wall/gate or as approved by Architecture Committee.
- f) All conduits, control boxes, and pipes should run below eaves and/or along downspouts for minimized exposure where possible and painted to match adjacent finishes.

12. Holiday Lights and Decorations

- a. Holiday decorations and lights are permitted from mid-November, during December and January and must be removed by February 1st of the following year. Exceptions are also allowed for other official religious holidays and are subject to Architecture Committee approval.

13. Balconies

- a. Front/rear yard balconies are not allowed.

14. Skylights and Solatubes

- a. Dormers, bay windows, atriums, clerestories, and vertical glazed windows are preferable to skylights to bring daylight into buildings. However, if skylights are used, they must be designed as an integral part of the roof. White plastic glazing and natural aluminum color frames are prohibited. Skylight framing must be colored to match adjoining surfaces. Skylights referred to as Solatubes are permitted. Skylights and Solatubes should not be visible from the street. Exceptions may be considered on a case-by-case basis. All visible manufacturer labels shall be removed prior to installation.

15. Wall Openings
- a. Wall openings, doors and windows shall be proportionately designed to the wall surfaces in which they occur throughout the building structure. Window design and materials shall be consistent with other windows on the dwelling. Window style may not be acceptable if the proposed changes alter the character of the window elements already existing in the neighborhood. Window frame color changes require a Home Improvement Application. If approved, all exterior metal window frames must match approved color. Approved wooden window frames will be allowed to be painted to match trim, wood siding, or stucco of dwelling. Zero lot line windows are not permitted.
16. Window Coverings
- a. Any window covering appearing as temporary covering shall be removed within 30 days after close of escrow on a sale of property to a new owner. These coverings, which are considered temporary, include, but are not limited to: aluminum foil, newspaper, cardboard, butcher paper, poster board, plywood, sheets, other paper covers.
 - 1) Reflective material, which creates a “mirror” effect on windows from the outside, is prohibited where visible from adjacent properties.
17. Screen Doors: Not allowed on visible front entries (disappearing or re-tractable type screens on front doors may be approved on a case by case basis).
18. Security Doors and Windows: Exterior security doors, window bars and grills are not permitted.

D. SITE STRUCTURES

1. Playhouses, Play Structures and Storage Sheds.
 - a. Playhouses, play structures and storage sheds will be approved on a case-by-case basis with respect to architectural considerations which the Committee, in its discretion, will deem appropriate:
 - 1) Structures shall be constructed, located and screened to minimize the impact on the adjacent neighbors’ privacy and any existing structure or common area.
 - 2) Structures shall blend with the architectural characteristics of the dwelling and neighborhood in

both colors and materials (i.e. wood shingle roof, wood siding, etc.).

- 3) Enclosed structure openings must be designed in such a manner that any openings (windows, doorways, etc.) that face neighboring dwellings shall be no higher than the adjacent fence. Any openings above the fence shall be installed facing the dwelling of the applicant who is proposing the playhouse/structure.

NOTE: Portable children's play equipment/toys that do not exceed five feet (5') in height from ground level do not require a Home Improvement Application.

2. Flagpoles and Flags.

- a. Flagpoles on private property to fly the American flag will be permitted providing architectural approval is obtained. Flagpole and flag must be maintained in good condition and repair by the individual homeowner(s). Necessary repairs and replacements, including painting if necessary, is therefore the responsibility of the respective homeowner(s). There will be no infringement of the right of homeowners to display the American flag on their private property as provided for in the California Civil Code 1353.5.

There are however, Guidelines regarding the installation of flagpoles.

- 1) Any flagpole cannot exceed the height of the residence on the same property.
- 2) Flagpoles must be white, silver, bronze or natural woods in color.
- 3) Installation of flagpoles must comply with the City of Irvine Code requirements, especially regarding foundations. A city Permit is required. Installation setbacks are as follows (exceptions must be approved):
 - a) At least ten (10) feet from any public walkway or sidewalk.
 - b) At least fifteen (15) feet, away from any property line.
- 4) Proper flag etiquette must be followed at all times.
- 5) Civil Code and Association Guidelines allow for the American flag only. No other flag may be flown from a freestanding flagpole.
- 6) Consideration must be had for noise abatement qualities. This could include, but is not limited to:

- a) Non-metallic hardware (perhaps nylon or lexan pulleys).
 - b) Cord wrapped around flagpole to prevent flapping against pole.
 - c) A dampening device wrapped around pole where hardware contacts pole.
- 7) A Homeowners Improvement Application must be submitted for Architecture Committee approval.

3. Mailboxes and Posts.

- a. Mailboxes and posts must be maintained in good condition and repair by the individual homeowner(s). Necessary repairs and replacements, including painting if necessary, is therefore the responsibility of the respective homeowner(s).
 - 1) Rural style mailbox design, black in color, is the acceptable replacement standard.
 - 2) Multiple mailboxes on a common post must be identical in design and height.
 - 3) The standard mailbox height, measured from the ground to the bottom of the box, should be approximately 42”.
 - 4) Mailbox posts may be constructed of wood, metal, slump-stone block, brick or other materials approved by the Architecture Committee.
 - 5) Any natural posts determined to be in a deteriorated condition must be replaced or painted to match existing colors.
 - 6) Any changes to the original mailbox or post design and/or materials must be submitted for Architecture Committee approval.

4. Mechanical Equipment

- a. Installation of mechanical equipment, including but not limited to air conditioners, swimming pool/spa equipment, water softeners, waterfall pumps, etc. shall require approval by the Architecture Committee.
 - 1) All equipment shall be located a reasonable distance away from neighboring property lines.
 - a) Location typically not allowed in the side yard easement areas, generally, five feet (5’) from the adjacent dwellings. Requires Architecture Committee approval.
 - b) A minimum of three feet (3’) must be maintained from all other property lines.

- c) Plan drawings must indicate the location of the equipment and, if exposed to view, the method of screening.
 - d) The Architecture Committee may require pumps and blowers to be enclosed or buried to mitigate the noise factor.
 - 2) Pool construction, drainage and fencing will be required to conform to all City building codes and health ordinances.
 - 3) Window-installed air conditioners, fans or exhaust vents are not allowed.
5. Patio Covers, Sunshades, Arbors, Trellises, and Gazebos.
 - a. Trellises, and Gazebos: Structures shall be of approved materials only (wood, vinyl, aluminum and other approved synthetic materials) only, with the exception of the vertical supports, which may also be of stucco or masonry. Size and design must be compatible with the lot and the immediate neighborhood, and shall be painted or stained to match a color on the home. Grade I redwood is allowed to remain in its natural state, but is subject to painting should it subsequently deteriorate.
 - 1) Patio covers, sunshades, arbors, and gazebos must meet city code requirements and be submitted to the Architecture Committee for approval.
 - 2) Front yard patio cover, sunshades, arbors, trellises and gazebos are generally not appropriate; however, the Architecture Committee will consider applications on a case-by-case basis.
 - 3) Setbacks: The minimum setback requirements from the property line to posts are three feet (3'). The minimum setback from the property line to patio overhang is two feet (2'). Additionally, patio covers and arbors must meet city requirements.
 - 4) The following materials are not acceptable: (This material list is not all-inclusive.)
 - a) Metal (faux wood exceptions on case-by-case basis may be approved).
 - b) Aluminum shingles that look like wood.
 - c) Corrugated plastic and metal.
 - d) Plastic webbing, split bamboo, reed or straw-like material.
 - e) PVC pipe.

6. Swimming Pools
- a. Swimming pools must be fully integrated into the terrain and landscape design for the lot. All pool areas must be fenced or walled in a manner architecturally consistent with the residential structure and in accordance with City and County regulations. All pumps, heaters, filters and other related mechanical equipment must be screened from view and must be sound attenuated.

7. Basketball Backboards

- a. Both portable and permanent basketball backboards are permitted subject to the Association's Guidelines and Standards for Basketball Backboards which follow:
- 1) The Board of Directors, at the October 9, 2000 regular meeting, adopted a new Association Rule that states: *"Placement of temporary sports equipment in the street is a City of Irvine citable offense and related to the safety and liability concerns of the Association. Parents must assume responsibility for the safety and supervision of their children...PPHOA and The Board cannot and will not assume responsibility for unsupervised children playing in the street, common areas or greenbelts."* This policy came about as a result of discussion regarding permanent and temporary basketball backboards and other types of sport equipment, which are often placed in the streets for use by children.
 - 2) The Architecture Committee has revised the guidelines and standards for installation, appearance and placement of basketball backboards. Requests for approval must be submitted to the Architecture Committee for approval before installation and conform to the following guidelines and standards:
 - a) BASKETBALL BACKBOARDS:
 - Architectural requests for basketball backboards, to include temporary (portable units) and permanent backboards attached to the house, must be submitted prior to installation.
 - The request must contain a clear description of the backboard and a picture of proposed placement, and

must comply with the requirements described in the guideline.

- b) GENERAL:
- The Architecture Committee will approve installation of permanent backboards and temporary units on a case-by-case basis. All lots are not configured to comply with the placement requirements and approval may not be granted.
 - All applications will require the signatures of neighbors on both sides and across the street signifying receipt notice of an application.
 - Playing hours will be no later than dusk and not earlier than 9:00 a.m.
- c) APPEARANCE:
- Backboards attached to the house and all supports must be painted to match the surface that it is attached to.
 - Clear backboards are permitted. Tinted or smoked backboards are NOT allowed.
 - Netting must be white cord only. Chain netting will not be permitted due to the noise factor.
 - All backboards should have logos and advertisements removed except for the manufacturer markings.
 - All backboards, temporary units or permanent, including the net, attachments and mounting devices, must be maintained (including painting when required) to keep them attractive and in good condition.
- d) PLACEMENT:
- Temporary or permanent basketball backboard units cannot at any time obstruct driveways or be a nuisance to neighboring properties.
 - Placement must not obstruct streets and/or sidewalks, as these are Association and/or City property.

- Temporary units may at no time be placed in the street.

8. Trash Areas

- a. Each resident must have a designed, enclosed trash area that is screened from the view of neighbors and the street.

9. Real Estate Signs

- a. Only City of Irvine approved signs are permitted. Contact the Association for Sign Rules and Regulations and for further details.
- 1) All other signs within the Covered Property of Park Paseo, except approved traffic/parking enforcement signs, neighborhood watch and any other signs approved by the Association, are prohibited.

V. CONSTRUCTION

A. CONSTRUCTION SITE REQUIREMENTS

1. Construction temporary fencing is to be provided securing the front yard prior to commencement of work (not more than 1 week not less than 2 days prior) as determined by the Architecture Committee. Temporary fencing shall provide screening from view of the construction site.
2. If portable toilets are required for the project, they must be kept from view.
3. Dumpsters are required to be emptied on a regular basis or when determined to be full. Boards are to be placed beneath dumpster wheels or contact points, to prevent damage to the street. Dumpsters are to be removed when no longer needed and prior to Committee verification of project completion.
4. Visible areas of construction site are to be kept clean and clear of debris.
5. Lapses in the work or stoppage shall not exceed one week.

B. CONSTRUCTION HOURS AND COMPLETION DATES

1. Proposed and agreed-upon project completion dates are required on Home Improvement Applications.
2. Construction shall be limited in accordance with the City's Noise Regulations. These typically are:
7:00 a.m. to 6:00 p.m. Monday – Friday
8:00 a.m. to 6:00 p.m. Saturday
No construction shall be permitted on Sunday or legal holidays.

C. SITE CONDUCT AND MAINTENANCE

1. The General Contractor, his superintendent, employees, sub-contractors, and suppliers shall:
 - a. For major projects, carry full workers compensation and liability insurance (no less than 1 million dollars), with copies submitted with the plans.
 - b. Not consume alcoholic beverages on site or play sound devices (radios, CD, MP3 or tape players) so that they may be heard from adjacent residences.
 - c. Not bring pets on site at any time.
 - d. Take necessary precautions for the safety of all persons, materials, and equipment on or adjacent to the site.
 - e. Maintain the site in a neat and clean condition immediately removing waste materials or debris generated by the work.
 - f. Keep the streets, gutters and adjacent property clean and free of dirt, trash, debris, or other material related to or caused by the work.
 - g. Not use property adjacent to lots under construction for vehicle access, parking or equipment and material storage without written permission of the adjacent property owner. Such written permission must be on file with the Architecture Committee prior to usage. Adjacent property must be returned to its original condition at the completion of construction.
 - h. If construction work requires the use of common area (Park Paseo Association property), for the purpose of transporting labor and materials, or for temporary storage of materials for the work, the Homeowner must obtain written permission from the Association Manager. A security deposit or bond may be required.
 - i. Properly muffle motorized construction equipment.
 - j. All work shall be conducted from the front side or street side of the residence.
 - k. All work improvement should be completed within ninety (90) days from the date of approval of the application. If the scope of the project warrants more time or for other reasons deemed necessary or appropriate by the Architecture Committee, the homeowner must apply for an extension of the construction period, which may or may not be granted.
- l. However, if more than one hundred eighty (180) days elapse from approval and no work has begun, then a new Home Improvement Application may be required by the Architecture Committee. A written response will be mailed to the homeowner stating the Association's decision.

- m. The Association Manager will make routine inspections of the project. Upon completion of the outside work as indicated on the “approved” copy of the drawing and its specifications, the homeowner must notify the Association Manager to obtain a final inspection. If the Architecture Committee chooses to inspect the job for conformance to the plans as submitted and approved, inspections will be completed within thirty (30) days after the homeowner has notified the Association of completion.
- n. The Association will notify the homeowner in writing should any non-compliance with the approved plans be determined upon inspection.
- o. The commencement of construction prior to the approval of the proposed work by the Architecture Committee, or non-adherence to the approval plans, shall be a violation of these rules and the Association’s Architecture Committee may recommend to the Board of Directors that the Board issue a Stop Work Order to the homeowner. Continuing work after receipt of the Stop Work Order shall subject the homeowner to possible penalty assessments and all other remedies which the Association may be entitled to pursuant to the CC&R’s and other binding documents and the laws of the State of California. The Stop Work Order issued by the Board of Directors, through the Association Manager, will be delivered or posted at the job site and a copy mailed to the homeowner.

D. FEE SCHEDULE

- 1. Fees must be submitted with the application or the application will not be considered complete and will be returned to homeowner.
 - a. Simple Improvement Submittal Fee: \$50.00 with a waive policy if application submitted prior to work commencing. A simple improvement applies to improvements less than \$2,500.00. These may include:
 - Replacing an existing fence
 - Paint change
 - Patio cover
 - Swing set
 - Tree/shrub charge
 - b. Minor Improvement Submittal Fee: \$50.00
This fee shall apply to improvements valued from \$2,500 to \$20,000. These may include:
 - Walls and fences
 - Fireplace additions and/or changes
 - Decks
 - Exterior finish changes

- Gazebos
- Patio, new sidewalk
- Window/door replacement
- Roof replacement
- Spas & Jacuzzis

c. Major Improvement Submittal Fee: \$100.00
 This fee shall apply to improvements greater than \$20,000.
 These may include:

- Additions resulting in a change to the residences footprint; i.e. – expansion beyond 100 square feet; additions resulting in changes to the exterior elevations.
- Landscape changes resulting in change in the turf area; i.e. addition of large patios, decks at grade.
- Swimming pools

E. DAMAGE AND LANDSCAPE DEPOSIT

1. Prior to Final Plan Approval of a major improvement, the Owner shall provide an Improvement Deposit Fee totaling \$500.00 and a copy of the building Permit to the Association Management. This deposit will be fully refunded upon completion of all improvements including landscaping and their acceptance by the Architecture Committee provided there is no damage by the owner and/or his contractor to public and/or private improvements, or other projects within the community. The decision whether an improvement is simple, minor, or major shall be determined by the Architectural Committee in its sole discretion.

F. ARCHITECTURAL ENFORCEMENT POLICY

1. In the event the member fails to abide by the Architectural Standards, a penalty according to the fine schedule may be levied by the Board of Directors for each day the violation exists in Park Paseo per the Association Schedule of Fines and Fees. In the event of a possible penalty assessment, the Association Manager notifies the member in writing of a Hearing Date in accordance with the Association’s Bylaws, Article VII, Sections 8 and 10. A written notification of the decision will be mailed to the homeowner within seven (7) days following the Hearing. The Association may also consider taking other legal action to bring the property into compliance. All legal fees and costs incurred by the Association may be assessed to the legal owner.

2. All legal fees incurred by the Association due to construction without approval will be charged to the homeowner’s account after notice of hearing and opportunity to be heard. Fees include

expert costs or other fees such as mediator, arbitrator or other court fees, which the Association has to incur as a result of the architectural enforcement process.

3. As set forth above, such fees will be assessed to the homeowner's account, but shall not be characterized or treated as an assessment lien. All such fees and costs may be collected by the Association through the filing of legal action, either in small claims court or in conjunction with any action seeking enforcement of the Association's governing documents.

END OF ARCHITECTURAL STANDARDS

(SEE EXHIBITS)

Insurance Disclosure Statement
(As required by California Civil Code Section 5300)

Park Paseo HOA
c/o Keystone Pacific Property Management
16775 Von Karman Ave Ste 100,
Irvine CA 92606

1. General Liability

- | | |
|-------------------------------------|---|
| (A) Insurance carrier: | American Alternative Insurance Corporation |
| (B) The policy limits of insurance: | \$2,000,000/\$1,000,000 |
| (C) The amount of deductible: | \$0 |
| (D) The policy term is: | 1/16/2022 to 1/16/2023 |

2. Property

- | | |
|-------------------------------------|---|
| (A) Insurance carrier: | American Alternative Insurance Corporation |
| (B) The policy limits of insurance: | \$1,455,000 |
| (C) The amount of deductible: | \$2,500 |
| (D) The policy term is: | 1/16/2022 to 1/16/2023 |

3. Commercial Umbrella

- | | |
|-------------------------------------|-------------------------------------|
| (A) Insurance carrier: | Fireman's Fund Insurance Co. |
| (B) The policy limits of insurance: | \$5,000,000 |
| (C) The amount of deductible: | \$0 |
| (D) The policy term is: | 1/16/2022 to 1/16/2023 |

4. Crime

- | | |
|-------------------------------------|--|
| (A) Insurance carrier: | Pennsylvania Manufacturers Ins. Indemnity Co. |
| (B) The policy limits of insurance: | \$1,500,000 |
| (C) The amount of deductible: | \$5,000 |
| (D) The policy term is: | 1/16/2022 to 1/16/2023 |

5. Worker's Comp

- | | |
|-------------------------------------|--|
| (A) Insurance carrier: | Pennsylvania Manufacturers Ins. Indemnity Co. |
| (B) The policy limits of insurance: | \$1,000,000 |
| (C) The amount of deductible: | \$0 |
| (D) The policy term is: | 1/16/2022 to 1/16/2023 |

6. Differences in Conditions

- | | |
|-------------------------------------|--------------------------|
| (A) Insurance carrier: | Lloyd's of London |
| (B) The policy limits of insurance: | \$520,432 |
| (C) The amount of deductible: | 7.5% |
| (D) The policy term is: | 1/25/2022 to 1/16/2023 |

7. Directors & Officers

- | | |
|-------------------------------------|---|
| (A) Insurance carrier: | Pennsylvania Manufacturers Ins. Indemnity Co |
| (B) The policy limits of insurance: | \$1,000,000 |
| (C) The amount of deductible: | \$0 |
| (D) The policy term is: | 1/16/2022 to 1/16/2023 |

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.

PARK PASEO HOMEOWNERS ASSOCIATION

Charges for Documents Provided

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

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents but shall not be required to purchase ALL of the documents listed on this form.

Property Address:

Owner of Property:

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

Provider of the Section 4525 Items:

Print Name _____ Position or Title _____ Association or Agent Date Form Completed:

Check or Complete Applicable Column or Columns Below

Document	Civil Code Section	Fee	Not Available (N/A), Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	25.00	
CC&Rs	Section 4525(a)(1)	45.00	
Bylaws	Section 4525(a)(1)	35.00	
Operating Rules	Section 4525(a)(1)	10.00	
Age restrictions, if any	Section 4525(a)(2)	No Cost	
Rental restrictions, if any	Section 4525(a)(9)	No Cost	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	35.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	No Cost	
Financial statement review	Sections 5305 and 4525(a)(3)	40.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	No Cost	
Insurance summary	Sections 5300 and 4525(a)(3)	No Cost	
Regular assessment	Section 4525(a)(4)		
Special assessment	Section 4525(a)(4)	No Cost	
Emergency assessment	Section 4525(a)(4)		
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)		
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)		
Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100		
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100		
Notice(s) of violation	Sections 5855 and 4525(a)(5)		
Required statement of fees	Section 4525	323.00	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	65.00	

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

Revised September 2021