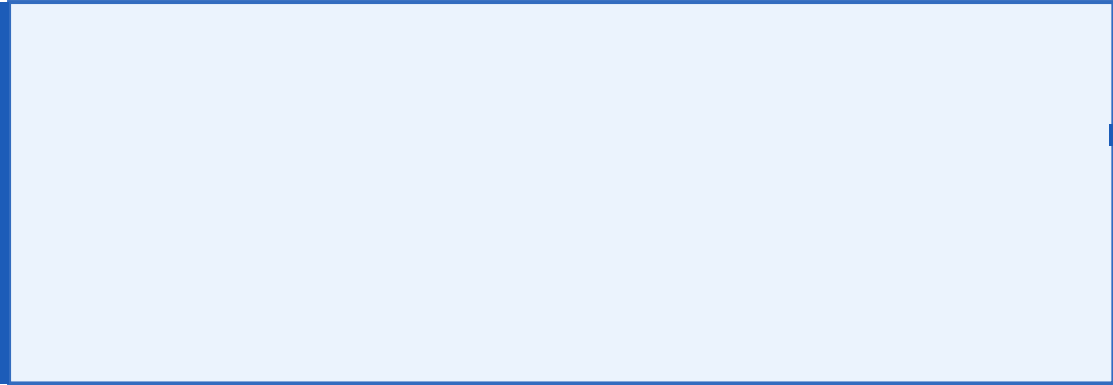


Section 3.1 - Sample Provision Excerpt (Public Preview)

A perpetual easement is reserved over the rear, sides and front five-feet of each lot for the installation and maintenance of utilities. It is understood that the Association reserves the right to enter in and upon each lot to make any and all repairs to said utilities and may grant this right to any public utility or organization duly authorized to carry...

ISSUE #1



MARKUP #1 ->



MARKUP #1 · MANDATORY RESERVE & DEFICIT DISCLOSURE

BOARD & COUNSEL REVIEW

Sec. 3.1 (p. 3): Reserve provisions omit the mandatory 3-year visual reserve component inspection and annual Reserve Funding Plan disclosure requirements under California Civil Code §§ 5550 and 5300.

Statutory / Legal Reference: Cal. Civ. Code § 5550 & 5300(b)(3)

Statutory Comparison: Under Cal. Civ. Code § 5550, the board must cause a reasonably competent and diligent visual inspection of accessible major components to be conducted at least once every three (3) years, review the study annually, and include the Reserve Funding Plan and Assessment and Reserve Funding Disclosure Summary (Civil Code § 5570) in the Annual Budget Report under § 5300.

CURRENT WORDING IN DOCUMENT:

A perpetual easement is reserved over the rear, sides and front five-feet of each lot for the installation and maintenance of utilities. It is understood that the Association reserves the right to enter in and upon each lot to make any and all repairs to said utilities and may grant this right to any public utility or organization duly authorized to carry...

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

A perpetual easement is reserved over the rear, sides and front five-feet of each lot for the installation and maintenance of utilities. It is understood that the Association reserves the right to enter in and upon each lot to make any and all repairs to said utilities and may grant this right to any public utility or organization duly authorized to carry on such business under the laws of the...