

CROSSWOODS HOMEOWNER ASSOCIATION

Lot Maintenance, Insurance, and Damage Repair Policy and Clarification (adopted June 6, 2024)

- I. This Lot Maintenance, Insurance, and Damage Repair Policy and Clarification has been prepared to describe and confirm the rights and obligations of each member of Crosswoods Homeowner Association to maintain their lot, insure their lot, and repair damage to their lot and address related matters.
- II. **Definitions.** When used in this Policy, the following capitalized terms shall have the meanings given to them below.
 - A. **“Association”** means Crosswoods Homeowner Association; the Association is the homeowners association formed to manage the Development.
 - B. **“Board”** means the board of directors of the Association.
 - C. **“Balcony”** means a second story open terrace (i.e., an area open on two sides, accessed from adjoining bedrooms, supported by the framing of the Residence and directly under the roof of the Residence).
 - D. **“Bylaws”** means the *Restated Bylaws of Crosswoods Homeowners Association* dated April 10, 2008 and certified on October 30, 2008, as amended and as may be further amended from time to time.
 - E. **“CC&Rs”** means the *Second Restated Declaration of Covenants, Conditions and Restrictions of Crosswoods* recorded on November 18, 2008 in Book 20081118 at Page 23 in the official records of the County of Sacramento, State of California, as amended and as may be further amended from time to time.
 - F. **“Common Area”** means all portions of the Development other than the Lots, and includes, without limitation, recreational facilities, private streets, and open areas within the Development intended for the common use and enjoyment of Owners and Residents; certain portions of the Common Area are assigned as Exclusive Use Common Area to individual Lots.
 - G. **“Courtyard”** means an area, other than a Deck or Patio, with a gate for access to and from the street or court and which is assigned to a particular Lot.
 - H. **“Deck”** means any rear wood deck area serving an individual Lot; a Deck includes any stairs, railings and gates installed on or a part of the Deck, and any Privacy Wall installed or constructed at the Deck.

- I. **“Development”** means the “Crosswoods” planned development, which contains the Lots and the Common Area.
- J. **“Entrance Area”** means the entrance area from the front of the garage of each Residence to the front door of the Residence; an Entrance Area includes any arbor (i.e., open wooden structure) constructed or installed over the Entrance Area.
- K. **“Exclusive Use Common Area”** means those portions of the Common Area set aside or designed for the exclusive use of an Owner; Exclusive Use Common Areas within the Development include, without limitation, Decks, Courtyards, and Entrance Areas.
- L. **“Guest”** means any person who has been invited by an Owner or Resident into the Development, including, but not limited to, any family member, social guest, domestic worker (e.g., housekeeper, cook, caregiver, or the like), or contractor of an Owner or Occupant.
- M. **“Improvements”** means all structures and improvements, including, without limitation, buildings, landscaping (including, without limitation, trees and bushes), paving, fences, and signs installed or constructed on a Lot or on the Common Area.
- N. **“Lot”** means a separately owned plot of land located within the Development, with the exception of any Common Area plot of land; a Lot includes the Residence and any other Improvements installed or constructed on the Lot.
- O. **“Normal Wear and Tear”** means deterioration over time or damage due to regular use which occurs naturally over time; “normal wear and tear” does not include damage that is caused by the willful or negligent act or omission of an Owner or a Resident of or Guest to the Owner’s Lot or damage which is caused by a fire or other casualty.
- P. **“Owner”** means any person(s) and/or entity(ies) in which recorded fee title to a Lot is vested; each Owner is a member of the Association.
- Q. **“Party Wall”** means a wall shared by two adjoining Residences.
- R. **“Patio”** means a completely enclosed and walled area at the front of a Residence; a Patio is only entered from the interior of the Residence, and has no gate for access to the street.
- S. **“Policy”** means this Lot Maintenance, Insurance, and Damage Repair Policy.
- T. **“Privacy Wall”** means an exterior wall built between Decks of adjoining Residences.

- U. **“Ramada”** means an open wooden structure installed or constructed over a Deck, Courtyard, or Patio.
- V. **“Reimbursement Assessment”** means an assessment levied against an Owner and their Lot to reimburse the Association for costs incurred by the Association to bring the Owner, or the Owner’s Lot or Exclusive Use Common Area, into compliance with the provisions of the CC&Rs or the Association’s other governing documents.
- W. **“Residence”** means a residential structure located upon a Lot which is designed for human residential use and occupancy.
- X. **“Resident”** means any person who resides on a Lot within the Development, whether or not such person is an Owner.

III. Maintenance of Lots and Exclusive Use Common Areas – Association Responsibilities

- A. Association Maintenance Responsibilities. The Association has the following limited maintenance, repair and replacement responsibilities with respect to the Lots and Exclusive Use Common Areas:
 - 1. The Association maintains, repairs and, when necessary, replaces the following items on each Lot:
 - a. The roof coverings of the Residence, but excluding any of the underlying roof sheathing or other structural elements of the walls, floor, or foundation of the Residence.
 - b. Any Deck.
 - c. Any Balcony.
 - d. Any Association installed or approved Ramada.
 - 2. The Association paints or stains, repairs, and replaces exterior Residence surfaces – including the siding, trim, gutters, downspouts, brick walls, garage door, and exterior doors of the Residence – and any fence attached to or serving the Residence, when such work is necessitated because of normal wear and tear.
 - a. The Association is not responsible for any foundation walls of a Residence, or cinder-block walls which sit on top of a foundation wall.

- b. The Association is not responsible for repairing or replacing garage doors or any exterior doors of a Residence (other than with respect to the exterior surfaces of such doors).
 - c. The Association's painting obligations shall be pursuant to the Association's maintenance plan or schedule. The Association shall have no responsibility to pay for or reimburse any Owner for any painting work which the Owner requests at any time different from the Association's overall maintenance plan or schedule. Any painting requested by an Owner outside of the maintenance plan or schedule shall be paid for by the Owner.
3. The Association maintains the underground sewer, water, natural gas, and electrical lines located within the Common Area up to the point where such utility services bisect the vertical plane of the Residence footprint (i.e., the physical foundation of the Residence), except for those which are maintained by public or private utility companies or agencies. Notwithstanding the foregoing, the Association only maintains the water line up to the main shutoff for the Residence.
- a. All other utility facility and line maintenance is the responsibility of the Lot Owner.
 - b. Whether or not a utility is maintained by the Association, an Owner is responsible to reimburse the Association for any maintenance necessitated by the Owner or a Resident of or Guest to the Owner's Lot, and the Board will levy a Reimbursement Assessment against the Owner to reimburse the Association for such costs.
4. The Association is only responsible for the cost of maintenance, repair, and replacement of the items listed above to the extent that such maintenance, repair, or replacement is necessitated by normal use, wear, and tear. In all other circumstances, the Owner of the affected Lot shall be responsible for the cost incurred by the Association for such maintenance, repair, or replacement, and the Board will levy a Reimbursement Assessment against the Owner to reimburse the Association for such costs.

[See Section 8.1(b) of the CC&Rs]

- B. **Board Discretion.** The Board shall have the discretion to determine the manner, method, extent, and timing of the performance of any and all maintenance, repair, and replacement by the Association, including without limitation the option of having the Association take charge where two or more adjoining Lots can best be served by combined management of needed repairs by the Association. [See Section 8.8 of the CC&Rs]

- C. Cooperative Maintenance Obligation. To the extent necessary or desirable to accomplish the Association's maintenance, repair, and replacement obligations, Owners and Residents are required to cooperate with the Association and its agents and maintenance personnel in the prosecution of the Association's work. [See Section 8.9 of the CC&Rs]

IV. Maintenance of Lots and Exclusive Use Common Areas – Owner Responsibilities

- A. Residence and Other Improvements. Except to the extent that specific maintenance, repair, or replacement responsibilities with respect to the Lots are expressly and clearly made the responsibility of the Association as noted above or in Section 8.1 of the CC&Rs, each Owner is responsible for the maintenance, repair, and replacement of the Residence and other Improvements on their Lot, including, without limitation, the maintenance, repair, and replacement of the following items:

1. The components and structural elements of the walls, floor, foundation, and Courtyard(s) of the Residence.
2. All portions of the fireplace, including, without limitation, the flue, chute, chimney and structural components.
3. The exterior light fixtures on the Owner's Residence.
4. Solar devices and skylights.
5. Heating and air conditioning equipment.
6. The window panes, frames and hardware and doors and door frames, including the garage door and the garage door frame.
7. The interior of the garage, including, without limitation, the automatic garage door opener.
8. Window and door screens.
9. All trees, shrubs, and all other landscaping located on the Owner's Deck or Courtyard.
10. Those portions of the sewer, water, electrical, cable television, and other utility facilities and lines located on the Lot, except for those which are maintained by public or private utility companies or agencies and except for the portions of the utilities maintained by the HOA outside the foundation and the water line upstream of the main shutoff to the residence. [Section 8.1(b)(iv) of the CC&Rs]
11. All personal property, appliances, and fixtures located within the Lot or Residence.

[See Section 8.2(a) of the CC&Rs]

- B. Exclusive Use Common Areas. Except to the extent specifically set forth in this Policy or in Section 8.1 of the CC&Rs, the Owner of each Lot is responsible to maintain, repair and replace the Exclusive Use Common Areas assigned to their Lot, keeping the same in good and attractive condition and repair. [See Section 8.2(b) of the CC&Rs]
- C. Wood Destroying Pests and Organisms. Where any maintenance or repair of a Lot or Exclusive Use Common Area assigned to such Lot, including the Residence and other Improvements thereon, is made necessary by the presence of wood-destroying pests or organisms (such as termites, wood-boring beetles, or fungus like dry rot or wet rot), the Owner of the Lot shall be solely responsible for such maintenance or repair, including the cost thereof, notwithstanding the fact that such maintenance or repair would otherwise be the responsibility of the Association pursuant to this Policy or Section 8.1 of the CC&Rs. [See Section 8.2(c) of the CC&Rs]
- D. Alterations to Original Construction. The Owner of each Lot is solely responsible for the maintenance, repair, and replacement of any portion of their Lot or Exclusive Use Common Area, or the Improvements thereon, which was/were modified, added to, or otherwise altered by the Owner or a prior Owner of the Owner's Lot after the time of original construction of the Residence on the Lot, notwithstanding the fact that such maintenance, repair, or replacement would otherwise be the responsibility of the Association pursuant to this Policy or Section 8.1 of the CC&Rs, or the fact that any such modification, addition, or alteration was approved by the Association. [See Section 8.2(d) of the CC&Rs]
- E. Fences. Each Owner is responsible for the maintenance, repair, and replacement of all fences serving the Owner's Residence or Courtyard. [See Section 8.2(e) of the CC&Rs]
- F. Party Walls. Each Owner is responsible to maintain, repair, and replace Party Walls in accordance with the provisions of Section 8.2(f) of the CC&Rs.
- G. Unscheduled Painting. An Owner is responsible for the cost of any painting work which the Owner requests at any time different from the Association's overall maintenance plan or schedule. [See Section 8.2(g) of the CC&Rs]

V. Crossing Lines of Repair Responsibility

Where maintenance, repair, and/or replacement of items or areas crosses lines of Association and Owner responsibility, the Association may undertake work for which the Owner would otherwise be responsible, in the Board's sole discretion, and charge the Owner a portion of the cost of the work as a Reimbursement Assessment.

VI. Mold

- A. General Information. Molds are simple, microscopic organisms, present virtually everywhere, indoors and outdoors. Mold can be any color, but is usually green, gray, brown or black. Mold requires a food source (such as paper, wood, leaves or dirt), a source of moisture and a suitable temperature (generally 40-100 degrees Fahrenheit) to grow.
- B. Mold Exposure. Individuals are exposed to molds on a daily basis, and in most instances there are no harmful effects. However, the buildup of molds in the indoor environment may contribute to serious health problems for some individuals. Due to a variety of factors, including the fact that sensitivities to various types of molds and other potential contaminants vary from person to person, there are currently no state or federal standards concerning acceptable levels of exposure to mold. Sources of indoor moisture that may lead to mold problems include, but are not limited to flooding, leaks, seepage, overflow from sinks or sewers, steam from shower or cooking, humidifiers, wet clothes drying indoors, watering house plants, and clothes dryers exhausting indoors.
- C. Mold Prevention.
1. Each Owner should take precautions to prevent the growth of mold in their Residence. Such preventative measures include, but are not limited to, the following:
 - a. Regularly cleaning the Residence;
 - b. Regularly checking for accumulated moisture in corners and unventilated areas;
 - c. Running fans, dehumidifiers, and air conditioners to reduce indoor humidity;
 - d. Stopping the source of any leak or flooding;
 - e. Removing excess water with mops or a wet vacuum;
 - f. Moving wet items to a dry, well-ventilated area;
 - g. Regularly cleaning and disinfecting indoor and outdoor surfaces that may contain mold;
 - h. Having major appliances, such as furnaces, heat pumps, central air conditioners, ventilation systems, and furnace-attached humidifiers inspected, cleaned and serviced regularly by a qualified professional;
 - i. Cleaning the refrigerator, air conditioner, and dehumidifier drip pans and filters regularly and ensuring that refrigerator and freezer doors seal properly; and
 - j. Avoiding over-watering of plants.
 2. No Owner or Resident shall undertake any action on their Balcony, Courtyard, Deck, or Entrance Area that would cause excessive moisture, water, or mold accumulation on their Balcony, Courtyard, Deck, or Entrance Area (such as, for example, placing rugs, linoleum, Astroturf, or other materials on the floor surface of the Balcony, Courtyard, Deck, or Entrance Area).

- D. Owner Responsibility. It is an owner's responsibility to monitor their Residence on a continual basis for excessive moisture, water, and mold accumulation, and to address such conditions promptly and properly.

VII. Failure of Owner to Perform Maintenance

The Board has the absolute discretion to determine whether any maintenance, repair, or replacement which is the responsibility of an Owner, including, without limitation, the treatment of and the maintenance, repair, or replacement resulting from the presence of wood destroying pests and organisms, is necessary to preserve the appearance and value of the property comprising the Development, or any portion thereof, and the Board may notify an Owner of the work the Board deems necessary. Subject to the authority of the Board to authorize immediate emergency repairs as specified in this Policy and Section 8.6 of the CC&Rs, in the event an Owner fails to perform such work within thirty (30) days after notification by the Board to the Owner, the Board may, after written notice to the Owner and the right of a hearing before the Board, cause such work to be done by the Association and charge the cost thereof to the Owner as a Reimbursement Assessment. [See Section 8.3 of the CC&Rs]

VIII. Owner Liability for Association Maintenance Costs

In the event the need for any maintenance, repair, or replacement work by the Association is caused by the willful or negligent act or omission of an Owner or a Resident of or Guest to the Owner's Lot, the cost of such maintenance, repair, or replacement work (including the cost of materials, labor, supplies, and services) will be charged to, and payable by, such Owner in the form of a Reimbursement Assessment. [See Section 8.5 of the CC&Rs]

IX. Association Entry Onto Lots.

The Association or its agents may enter any Lot, whenever such entry is necessary, in the Board's sole discretion, in connection with the performance of any maintenance, repair, construction, or replacement work for which the Association is responsible, or which the Association is authorized to perform pursuant to the CC&Rs. Although under no obligation to do so, the Board, in its complete and sole discretion, may enter or may authorize the Association's agents to enter any Lot to effect emergency repairs where such repairs are necessary for safety reasons or to prevent or discontinue damage to the entered Lot, any other Lot, or the Common Area. The cost of performing any such emergency repairs will be charged to the Owner as a Reimbursement Assessment. Such entry will be made with as little inconvenience to the Residents of the Lot as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except in emergency situations, or in response to a request or work order submitted by an Owner. [See Section 8.6 of the CC&Rs]

X. Property Insurance

- A. *Insurance to be Carried by Association.* To the extent available at a reasonable premium cost, the Association will obtain and maintain a policy or policies of special form property insurance for the full insurable replacement value of the Residences and other Improvements located on Lots and Exclusive Use Common Areas. The Board has the sole and complete discretion to select a deductible amount and to provide for the exclusion from coverage of: (1) interior Residence improvements such as wall and floor coverings, cabinetry, and other similar items; and (2) appliances. The decision whether to have the Association purchase earthquake insurance and/or flood insurance for all or any portion of Lots and/or Exclusive Use Common Areas is in the sole and complete discretion of the Board. [See Section 5.7 of the CC&Rs and Section 8.2.15 of the Bylaws]
- B. *Insurance to be Carried by Owners.* It is the sole responsibility of the Owner of each Lot to obtain and maintain property insurance for their personal property and for any portions of their Residence or other Improvements on their Lot which the Association does not insure. Each Owner is strongly encouraged to consult with a personal insurance advisor to ensure that the Owner has purchased and is maintaining adequate and appropriate insurance coverage. [See Section 8.2.15 of the Bylaws]
- C. *Deductible Responsibility.* The following provisions shall apply to claims made under the Association's master property insurance policy with respect to damage or loss to one or more Lots:
1. Claims Involving One Lot: An Owner will be responsible for the cost of any deductible when the damage or loss covered under an insurance claim relates solely to the Owner's Lot.
 2. Claims Involving Multiple Lots: The affected Lot Owners will share the cost of the deductible in proportion to their losses.

[See Section 7.2 of the CC&Rs]

XI. Damage or Destruction of Lots

- A. *Obligation to Repair.* If a Lot is damaged or destroyed by fire or other casualty, the Owner is responsible to contract to repair or rebuild the damaged portions of the Lot to its condition existing prior to the damage or destruction, or to such other condition as may be approved in advance by the Board pursuant to the architectural and landscaping control provisions contained in Article 9 of the CC&Rs. Repair or rebuilding must be commenced within a reasonable time, which shall in no event exceed one year after the occurrence of the damage or destruction. This obligation exists irrespective whether or

not there are any available insurance proceeds (see the "Insurance Proceeds" paragraph below). [See Section 7.2(a) of the CC&Rs]

- B. Insurance Proceeds. The available insurance proceeds (if any) under the Association's master property insurance policy will be paid to the Association for disbursement to the Lot Owner. Such disbursement shall, in the discretion of the Board, be made payable jointly to the Owner and the Owner's contractor, upon a schedule approved by the Board in its sole discretion to ensure completion of the repair work. The Board may require that appropriate mechanic's lien releases are provided prior to or in conjunction with disbursements of insurance proceeds. In the event the insurance proceeds are insufficient to complete the rebuilding or repair work, the Owner of the Lot shall pay such additional sums as may be necessary to complete such rebuilding or repair. [See Section 7.2(a) of the CC&Rs]

- C. Failure of Owner to Repair. In the event that an Owner fails, in the Board's sole discretion, to diligently initiate or complete rebuilding or repair work, the Board may contract to repair or rebuild the damaged portions of the Lot. In the event available insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, the Board will levy a Reimbursement Assessment against the Owner of the damaged Lot in an amount sufficient to pay all such costs in excess of insurance proceeds. [See Section 7.2(b) of the CC&Rs]

- D. Owner Responsibility for Consequential Damage. Except as provided by Article 7 of the CC&Rs, an Owner is responsible for the cost of repair of those portions of the Owner's Residence which are required to be maintained by the Owner, those portions of Common Area which are to be maintained by the Owner, and the fixtures and personal property located on the Owner's Lot, Residence, and within any Exclusive Use Common Areas serving the Owner's Lot, even if the cause of the damage originates from an element maintained by the Association, unless the cause is the gross negligence of the Association or its agents. [See Section 8.2(h) of the CC&Rs]

- E. Association Liability for Damage. Except as specifically provided in Section 8.1 of the CC&Rs, the Association shall not be responsible or liable for any maintenance, repair, or replacement of a Lot or any Improvement thereon, except to the extent that the need for such maintenance, repair, or replacement results from the gross negligence of the Association or its employees, contractors, or agents. [See Section 8.7 of the CC&Rs]

XII. Temporary Relocation Costs

The costs of temporary relocation of an Owner or Resident from a Lot (a) as a result of damage to the Lot or other portions of the Development, (b) during the maintenance or repair of the Lot or other portions of the Development, (c) in relation to the prevention and eradication of pests (i.e., wood-destroying pests or organisms, insects, or rodents) within the Lot or other

portions of the Development, or (d) for any other reason, shall be borne by the Owner or Resident of the Lot affected. The Association shall in no event be liable for any temporary relocation costs that an Owner or Resident may incur. [See California Civil Code section 4775(b)]

XIII. Conflicts

In the event of any conflict between a provision of this Policy and a provision of the CC&Rs or applicable law, the CC&Rs or applicable law shall control.

[End]