



SUBMITTED VIA ONLINE PORTAL

November 6, 2025

Claire Raybould, Acting Planning Manager
City of Palo Alto Planning & Development
Department Development Center
285 Hamilton Avenue, Suite
100 Palo Alto, CA 94301

**Re: Formal Application a Proposed Residential Subdivision & Streamlined Housing
“The Oaks” at 4103 Old Trace Road, Palo Alto, CA 94306 (APN 175-20-078)**

Dear Ms. Raybould and Planning Staff,

Enclosed you will find a formal application for a “housing development project,” as defined in the Housing Accountability Act (“HAA”) (Gov. Code § 65589.5) on behalf of Steel Bridge Homes Palo Alto, (“Applicant”) for a proposed residential subdivision project known as “The Oaks” located at 4103 Old Trace Road, within the City of Palo Alto, County of Santa Clara. This application follows within 180 days of a SB 330 preliminary application that was filed pursuant to Government Code 65941.1(a) in September of 2025 and vested the development standards as they existed at that time. The specifics of the project, including the affordability levels and density bonus requests, are described in more detail in the Project Description found at **Section I** below.¹ The required statement of Design Conformance for a Major Subdivision is attached as **Exhibit A** to this letter.

As mentioned in our prior discussions with the City, this Project will utilize State Density Bonus Law and the Housing Accountability Act (“HAA”) to ensure that the Project is consistent with all applicable objective general plan and zoning standards once the benefits of SDBL (*i.e.*, density bonuses, waivers, reductions in development standards, incentives and

¹ A housing development project “shall be deemed consistent, compliant, and in conformity with an applicable plan, program, policy, ordinance, standard, requirement, or other similar provision if there is substantial evidence that would allow a reasonable person to conclude that the housing development project is consistent, compliant, or in conformity.” (Gov. Code §§ 65589.5, subd. (f)(4); 65905.5 subd. (c)(1); see also California Renters Legal Advocacy & Education Fund v. City of San Mateo, 68 Cal.App.5th 820 (2021)). Receipt of a density bonus is disregarded when determining consistency. (Gov. Code §§ 65589.5, subd. (f)(1) and (j)(3); 65905.5, subd. (c)(1).)

concessions) are applied. This Project also intends to utilize AB 130’s exemption from CEQA for qualifying in-fill projects as set forth in Public Resource Code Section 21080.66. Further details are provided in **Section II and Exhibit B**.

I. PROJECT DESCRIPTION

A. Project Description

The proposed project (“Project”) is “mixed-income”, all residential “housing development project” within the meaning of the HAA and SDBL consisting of an application for a vesting tentative map to subdivide one (1) vacant 1.02 acre lot located at 4103 Old Trace Road into seven (7) residential lots and one (1) common area lot a private road, access and utility easements, and associated landscape and other improvements and for a streamlined housing development project review for planning approval to construct one single-family and attached junior ADU on six (6) lots and one below-market rate single-family, attached junior ADU and attached ADU on another lot for a total of fifteen (15) units. The Project seeks density bonuses, waivers, reductions in development standards, incentives and concessions as set forth in more detail below.

B. Base Density & Density Bonus Request

As set forth in previous correspondence with the City, the City’s General Plan land use designation for 4103 Old Trace Road of “Single Family Residential, provides for a range of net density in single family areas “from 1 to 7 units per acre” (Chapter 2 – Land Use and Community Design of the General Plan at p. 36 [emphasis added].) At 1.02 gross acres, this yields a minimum base density for the Project of 8 dwelling units (1.02 acres x 7 DUs/AC = 7.16 rounded up to 8.)

The Applicant seeks two (2) density bonuses. The first is a fifty percent (50%) density bonus pursuant to Government Code Section 69515(f)(1) for four (4) additional density bonus units. The second is an additional thirty-eight and three-quarters percent (38.75%) density bonus under Government Code Section 69515(v)(2) for three (3) additional density bonus units.

C. Affordability of Units

The Applicant is proposing to deed-restrict two (2) of the units, the ADU and JADU as affordable to lower-income households and a third (3rd) unit, the SFR, as affordable to moderate-income households, which will qualify the Project as “housing for very low, low-, or moderate-income households” as defined by the HAA (*i.e.*, at least 13% of the base units as affordable to lower-income households) and is entitled to even greater protections. (See Gov. Code § 65589.5, subd. (d) and (h)(3)(A).)

By providing three (3) units to households earning between 80% to 120% of AMI, the Project will also exceed the inclusionary housing requirements of Palo Alto PAMC Section 16.65.030(a)(1), which only requires that an applicant provide 15% of the base units as affordable, *i.e.*, 1.2 units. The Applicant will enter into the appropriate regulatory agreements with the City to enforce the requirements of Government Code Section 69515(c)(2) and to comply with the City’s Below Market Rate Housing Program for the length of time required by the program. The third Single-Family unit will be deed-restricted only for such time as is required by State Density Bonus Law.

By providing two (2) of the eight (8) base units as affordable to lower-income households, the Project meets the threshold to qualify as “housing for very low, low-, or moderate-income households” as defined by the HAA (*i.e.*, at least 13% of the base units as affordable to lower-income households) and is entitled to even greater protections. (*See* Gov. Code § 65589.5, subd. (d) and (h)(3)(A).)

D. Unit Information

The square footage of the units is summarized in the chart below. For further detail, please reference the plan set accompanying this submission.

Unit Information								
Unit Type	Lot 1	Lot 2	Lot 3	Lot 4	Lot 5 (BMR)	Lot 6	Lot 7	Avg. Size
Junior ADU (SF)	214	301	301	336	278	344	439	316
ADU (SF)					398			398
SFR (SF)	3938	4063	4069	2612	1336	2788	2878	3098
# of Bedrooms for SFR	4	4	4	3	2	4	4	
Additional Non-Habitable SF	504	504	504	425	485	472	460	
Total SF	4442	4567	4573	3037	1821	3260	3338	
Total # of Units	15							
Market Rate Units	12			JADU	80% of AMI			
Affordable Units	3			ADU	80% of AMI			
% of Affordable Units (Base Density)	38%			SFR	120% of AMI			
BMR Units Required	1.20							
BMR Units Provided	3.00							
Total SF of Habitable SF Proposed	24295							
Total SF of Affordable Units Provided	2012							

E. SB 330 Replacement Units

Because there are no qualified units being demolished, there are no SB 330 requirements for this Project.

F. Waiver & Reductions in Development Standards

The Applicant requests the following waivers and reductions in development standards pursuant to SDBL:

1. Reduce minimum lot size in RE-1 zone as provided in PAMC § 18.10.040(a) at Table 2 from 1 acre to a minimum of 3,500 SF.
2. Increase maximum allowable lot coverage as provided in PAMC § 18.10.040(a) at Table 2 from 25% to 38%.
3. Increase maximum gross floor area from a maximum of 45% of the first 5,000 SF of lot area plus 30% of any portion of lot area in excess of 5,000 SF as provided in PAMC § 18.10.040(a) at Table 2 to allow for proposed gross floor area.
4. Decrease front setback from 30' provided in PAMC § 18.10.040(a) at Table 2 to a minimum of 9'5" as measured from back of curb for Lots 1 through 5 and 10' from back of walk for Lots 6 and 7.
5. Allow front steps and uncovered porches to encroach into the front setback by an additional 1' over the 6' maximum provided at PAMC § 18.10.070(d).
6. Decrease interior side setbacks as provided in PAMC § 18.10.040(a) at Table 2 from 15' to 5'.
7. Decrease street side setbacks as provided in PAMC § 18.10.040(a) at Table 2 from 24' to 9'5".
8. Reduce the requirement that no parking space shall be located in the first 10' adjoining the property line of a required street side yard per PAMC § 18.12.060(c)(2) to match the required street side yard with the requested waivers herein.
9. Decrease rear setbacks as provided in PAMC § 18.10.040(a) at Table 2 from 30' to 10'.
10. Eliminate the daylight plane requirements (front, rear and side) required by PAMC § 18.10.040(a) at Table 2.
11. Reduce the special setback on Arastradero on Lots 6 and Lot 7 from 30' to 19' and for Lot 5 from 30' to 10'.
12. Reduce the minimum width of the private street from 32' as required by PAMC § 21.20.240(b)(4) to 20'.
13. Reduce minimum 20' distance between curb cuts on Lots 4 and 5 for the driveway.

14. Provide relief from the PAMC § 18.10.130(e)(1) to allow utilities to be placed in required landscaped areas as needed.
15. Reduce the requirement that no parking spaces are to be located in a required front yard per PAMC § 18.12.060(c)(1) to match the required front yards with the requested waivers herein.
16. Reduce minimum lot sizes and areas, depths, and frontages as required in PAM § 21.20.100 to match the proposed size, shape and frontage of the residential lots.

Further waivers are reserved pending comments and feedback on the proposed Project.

G. Incentives and Concessions

Under Government Code Section 69515(d)(2)(C), the Applicant is entitled to three (3) incentive by virtue of providing twenty-four percent (24%) of the base units as affordable to lower-income households. At this time, the Applicant requests an incentive to deviate from PAMC Section 16.65.075's requirement to provide equivalent finishes in the below market rate units to the next equivalent market rate units. The finishes will be of good quality, but will not match the higher-end, luxury finishes for the market rate units. It is anticipated that this reduction in finish level will save \$75 per square foot in construction costs on the affordable units. Further incentives are reserved pending comments and feedback on the proposed Project.

II. Eligibility for CEQA Exemption

The Project has been designed to be exempt from CEQA review under Assembly Bill 130 (AB 130), which was recently enacted to address the cost and time delays to housing production from excessive and unnecessary review under California Environmental Quality Act (CEQA). This statutory exemption, which is codified at Public Resources Code Section 21080.66, applies to qualifying urban infill housing projects that meet specific criteria, including location on previously developed sites, consistency with applicable general plan and zoning designations, and satisfaction of specified environmental and project design standards.

The rationale underlying this exemption recognizes that infill development on previously disturbed sites within existing urbanized areas promotes smart growth principles, reduces urban sprawl, minimizes impacts on undeveloped land and natural resources, and takes advantage of existing infrastructure and public services. By streamlining the environmental review process for projects that meet rigorous environmental and design standards, AB 130 encourages the construction of housing in locations that reduce vehicle miles traveled and advance the State's climate goals while maintaining appropriate environmental protections through objective performance standards.

A checklist has been provided at **Exhibit B** to this letter in support of the Project's eligibility for an exemption under Public Resource Code Section 21080.66. The Applicant requests that the City begin tribal notification at the earliest opportunity.

We appreciate your guidance thus far and look forward to your guidance and input on this Project. If you have any further questions or need any additional information, I can be reached at 415-265-1086 or at mg@hsw-legal.com.

Kind regards,



MELANIE GRISWOLD, Partner
HSW, LLP

EXHIBIT A – DESIGN CONFORMANCE CHECKLIST

DESIGN CONFORMANCE CHECKLIST FOR MAJOR SUBDIVISION

SUBDIVISION DESIGN STANDARD COMPLIANCE	
Standard	Applicant Response
<p>21.20.020 Conformance to master plan and local law.</p> <p>In all respects, subdivisions shall be consistent with the Palo Alto comprehensive plan. Subdivisions shall also conform with any specific plan. Subdivisions shall also conform with all other provisions of law, including but not limited to, zoning, safety and health codes. Any subdivision may The design of the subdivision or of improvements shall conform in all respects to accepted standards of engineering and shall be subject to the approval of the city engineer.be approved subject to such additional design criteria or conditions as may be necessary to insure the public health, safety, welfare and convenience.</p>	<p><i>The proposed project is compliant and consistent with the underlying General Plan land use and zoning designations after taking into account the benefits of State Density Bonus Law.</i></p>
<p>21.20.030 Alleys.</p> <p>When any lots are proposed for commercial or industrial usage, alleys at least twenty feet in width may be required at the rear thereof with adequate ingress and egress for truck traffic.</p>	<p><i>Not applicable.</i></p>
<p>21.20.040 Boundaries of subdivision.</p> <p>Where possible, the exterior boundaries of all subdivisions shall be to the centerline of all streets and highways adjacent to said subdivision unless such street or highway is not within the city limits; in such a case, the exterior boundary of the subdivision will coincide with the city limits. The subdivider shall be required to dedicate to the city all property within the city which is not owned by another public agency between the centerline and the proposed right-of-way line of such street or highway as may be established by official plan lines of the city or established by the comprehensive plan or established by any master plan of streets and highways or any specific plan. Any property between the centerline and the proposed right-of-way line with another public jurisdiction shall be dedicated to that jurisdiction. Such property shall be improved or the full cost of making permanent improvements to the property shall be deposited with the city as prescribed in this chapter.</p>	<p><i>The boundary of the proposed subdivision is at the existing right of way. No further dedications are necessary.</i></p>
<p>21.20.050 Divided lots.</p>	<p><i>No lot is divided by a city boundary line.</i></p>

<p>No lot shall be divided by a city boundary line.</p>	
<p>21.20.060 Drainage.</p> <p>All lots shall be graded to drain to a public street; but the city engineer may require or allow alternative drainage patterns as may be reasonably necessary to avoid excessive grading or grading which results in a significant height differential at any property line.</p>	<p><i>The lots are graded to drain to a public street and to the newly created private street.</i></p>
<p>21.20.070 Easements.</p> <p>Public utility, sanitary sewer, and drainage easements shall be provided in such locations and to such widths as may be required by the director of utilities and city engineer.</p>	<p><i>Noted. Public utility, sanitary sewer, and drainage easements are shown on the proposed vesting tentative subdivision map.</i></p>
<p>21.20.080 Interior lots with double frontage.</p> <p>Interior lots having double frontage will not be approved.</p>	<p><i>Not applicable.</i></p>
<p>21.20.090 Land reserved for public use.</p> <p>The city council may, as a condition of approval of any tentative map, require the subdivider to reserve areas of real property for parks, recreational facilities, fire stations, libraries, or other public uses if such reservation would implement the Palo Alto comprehensive plan or any adopted specific plan. Such reservations shall be pursuant to Section 66479 et seq. of the Government Code.</p>	<p><i>Noted.</i></p>
<p>21.20.100 Lots.</p> <p>The size and shape of lots shall conform with any zoning regulations effective in the area of the proposed subdivisions and as shown on the zoning map. In addition, residential lots on curved or cul-de-sac streets shall have a minimum width at the building setback line of sixty feet, a minimum average depth of one hundred feet, and a minimum area of six thousand square feet; provided, that this requirement shall not be deemed to reduce any more restrictive requirement contained in the zoning regulations.</p>	<p><i>The applicant has requested a waiver under State Density Bonus Law to reduce the development standards for the minimum size and shape of the lots to match the proposed lot sizes shown on the plans. With the benefits of State Density Bonus Law, the proposed project is consistent with this requirement.</i></p>
<p>21.20.110 Nonaccess and planting strips.</p>	<p><i>No ingress or egress is proposed from any lot onto Old Trace or Arastradero. All access is provided via a dedicated private street.</i></p>

<p>When a rear or side lot line of a lot borders on any street, the right of ingress or egress may be prohibited to such lot across such rear or side lot line. Dedication of such access rights shall be made either on the map or by separate instrument satisfactory to the city attorney. When the rear or side lot line of any lot borders any freeway, state highway, expressway, or major thoroughfare, a planting strip approved by the city engineer may be required adjacent to such freeway, highway, expressway, or major thoroughfare.</p>	
<p>21.20.120 Service roads and off-street parking.</p> <p>When lots proposed for commercial usage front on any expressway, arterial or collector street, a service road to provide adequate ingress and egress or in lieu thereof adjacent areas for public off-street parking purposes may be required. When any lot proposed for residential use fronts on any freeway, state highway, expressway, or arterial, an improved service road may be required at the front of such lot. In addition, adequate off-street parking areas for all lots proposed for commercial use shall be required.</p>	<p><i>Not applicable.</i></p>
<p>21.20.130 Side lot lines.</p> <p>The side lot lines of all lots, as far as practicable, shall be at right angles to straight streets or radial to curved streets.</p>	<p><i>To the extent practicable, all lot lines were drawn to comply with this standard.</i></p>
<p>21.20.140 Street names.</p> <p>Street names, whether for public or private streets, require approval by the city council. No street name shall be duplicated. No street name signs or other identification shall be erected showing any name other than that approved by the city council.</p>	<p><i>The proposed street name is "Rose Drive". The conditions are noted and will be accepted.</i></p>
<p>21.20.150 Street name and traffic-control signs.</p> <p>All street names shall be clearly shown upon signs approved by the city engineer. The city engineer shall require traffic-control signal systems, signs, and markings adequate to secure the objectives of public safety and the comprehensive plan. The design and installation of such systems, signs and markings shall be subject to the approval of the city engineer.</p>	<p><i>Noted.</i></p>
<p>21.20.160 Streets and highways - Conformance to master plan.</p> <p>The street design shall conform both in width and alignment to any master plan of streets approved by the city council.</p>	<p><i>Noted but does not appear to be applicable. The proposed street within the subdivision is a private street.</i></p>

<p>21.20.170 Conformance to council proceedings.</p> <p>The street design shall conform to any proceedings affecting the subdivision which may have been initiated by the city council on its own motion or approved by the city council upon initiation by any other legally constituted bodies of the city, county, or state. If a parcel of land to be subdivided includes a portion of the right-of-way to be acquired for a freeway or expressway and the city council determines the boundaries of the right-of-way to be acquired, such right-of-way shall be shown on the tentative and final or parcel maps.</p>	<p><i>Not applicable.</i></p>
<p>21.20.180 Access strips.</p> <p>Reserve strips controlling the access to public ways or which will not be taxable for special improvements, shall be approved only if such strips are necessary for the protection of the public welfare or of substantial property rights, or both. The control and disposal of the land comprising such strips shall be placed within the jurisdiction of the city under conditions deemed sufficient by the city attorney and approved by the city council or director of planning in the case of a preliminary parcel map.</p>	<p><i>Not applicable. Access strips are not proposed.</i></p>
<p>21.20.190 Alignment.</p> <p>As far as practicable, the streets shall be in alignment with existing adjacent streets by continuations of the centerlines thereof and by adjustments by curves.</p>	<p><i>To the extent that it is feasible, the private street has been designed to comply with this requirement.</i></p>
<p>21.20.200 Centerlines.</p> <p>Street centerlines shall intersect one another at an angle as near to a right angle as practicable by tangents not less than seventy-five feet in length.</p>	<p><i>The private street intersects with Old Trace Rd. and Arastradero at, at near as practical, to a right angle and with a tangent that is no less than 75' in length.</i></p>
<p>21.20.210 Grades.</p> <p>No freeway, expressway, arterial or collector street shall have a grade of more than seven percent. No other street shall have a grade of more than fifteen percent.</p>	<p><i>The private street has a grade of approx. 4% is less than 15%.</i></p>
<p>21.20.220 Intersection corner rounding.</p>	<p><i>No changes to the block corner are proposed at Old Trace Rd. and Arastradero. The profile for the private</i></p>

Exhibit A – Design Conformance Checklist

<p>Whenever any street intersects any other street, the property lines at each block corner thus formed shall be rounded with a curve having a radius of not less than ten feet. The city engineer may require a greater curve radius if streets intersect at other than right angles. This section shall not apply at any intersection where there are no building setback requirements.</p>	<p><i>street incorporates a flared egress/ingress driveway approach.</i></p>
<p>21.20.230 Turnarounds.</p> <p>All dead-end streets shall have a turnaround with a minimum radius of forty feet, except that where necessary to give access to or to permit a satisfactory future subdivision of adjoining land, streets may extend to the boundary of the property and the resulting dead-end streets may be approved without a turnaround.</p>	<p><i>Not applicable. There are no dead-end streets.</i></p>
<p>21.20.240 Widths.</p> <p>(a) Streets shown in any master street plan or affected by proceedings initiated or approved by the city council shall have widths as required by such plan or proceedings.</p> <p>(b) All other streets shall have rights-of-way of the following widths, except where the city council determines that the topography or the small number of lots served and the probable future traffic development are such as to justify a narrowed width. Increased widths may be required where streets are to serve nonresidential property, or where probable traffic conditions warrant such increased widths:</p> <ol style="list-style-type: none"> (1) Major arterials: eighty-six feet to one hundred feet; (2) Collector streets, local streets, or cul-de-sac streets longer than three hundred fifty feet: sixty feet; (3) Cul-de-sac streets three hundred fifty feet or less in length: fifty feet; (4) Private streets: Such right-of-way as would be required for a comparable public street, except as specified below. Streets serving five or more lots shall be no less than thirty-two feet wide. Streets serving four or fewer lots shall be no less than twenty-two feet wide providing that the Director of Planning and Community Environment and the City Council specifically approves the twenty-two foot street width. <p>(a) If a building adjacent to a private street has a setback of at least twenty feet between the street and building allowing on-site parking, then the width of the private street may be no less than twenty-six feet at the discretion of the Director of Planning and Community Environment and the City Council.</p> <p>(b) If a private street has a public parking strip of at least six feet in width between the street and the building location, then the width of the private street may be no less than twenty-six feet at the discretion of the Director of Planning and Community Environment and the City Council.</p>	<p><i>The Applicant has requested a waiver under State Density Bonus Law to reduce the width of the private street to the minimum required for emergency vehicle access (i.e., 20'). With the benefit of State Density Bonus Law, this project is consistent with this requirement.</i></p>
<p>21.20.250 Walkways.</p>	

<p>Walkways through long blocks where necessary to provide adequate public access to schools, parks, or other areas may be required. The design and locations of such walkways shall be approved by the city council, or the director of planning in the case of a preliminary parcel map.</p>	<p><i>A walkway is proposed on one side of the development. Additional walkways are not possible with the design. If requested, the Applicant would seek a waiver therefrom under State Density Bonus Law.</i></p>
<p>21.20.260 Watercourses.</p> <p>A right-of-way for storm drainage purposes shall be required and shall conform substantially with the lines of any natural watercourse or channel, stream, or creek that traverses the subdivision. If a parcel of land to be subdivided includes a portion of the right-of-way to be acquired for flood control or drainage purposes and the city council determines the boundaries of the right-of-way to be acquired, such right-of-way shall be shown on the tentative and final and parcel maps and shall either be dedicated or withheld from the subdivision.</p>	<p><i>Not applicable.</i></p>
<p>21.20.270 Local transit facilities.</p> <p>If the subdivision as shown on the tentative map has a potential for two hundred dwelling units or more if developed to the maximum density, or contains one hundred acres or more, and transit services are or within a reasonable time will be made available to such subdivision, local transit facilities, such as bus turn-outs, benches, shelters, landing pads, or similar items which directly benefit the residents of such subdivision may be required.</p>	<p><i>Not applicable.</i></p>
<p>21.20.280 Bicycle paths.</p> <p>If the subdivision as shown on the tentative map thereof contains two hundred or more parcels, and the subdivider is required to dedicate or offer to dedicate real property for roadways, the subdivision shall also contain bicycle paths for the use and safety of the residents of the subdivision.</p>	<p><i>Not applicable.</i></p>
<p>21.20.290 Required dedications.</p> <p>In connection with the design of any subdivision, the subdivider shall make such dedications and improvements as are specified in this chapter or in Chapters 21.24 and 21.28.</p>	<p><i>Noted.</i></p>
<p>21.20.300 Preliminary parcel map - Additional requirements.</p> <p>In addition to the other requirements of this chapter, the standards contained in this section shall be applicable to any subdivision for which a preliminary parcel map is required and is approved</p>	<p><i>See response to PAMC § 21.20.100.</i></p>

<p>by the director of planning. All lots created by such division shall have frontage, equal to the minimum required by this title, upon a street dedicated as a public street.</p>	
<p>21.20.301 Flag lots.</p> <p>(a) The director of planning may approve, pursuant to a preliminary parcel map, not more than one flag lot, as defined in Title 18 of this code, under the following conditions:</p> <ol style="list-style-type: none"> (1) The flag lot shall be used only for single-family residential use; (2) The flag lot shall meet all of the requirements of the zone district within which it is located and, in addition, shall have an area which exceeds the lot area requirement of the zone district by not less than twenty percent exclusive of any portion of the lot used for access to a public street. (3) Access from the flag lot to a public street shall not be over an easement but over land under the same ownership as the flag lot. Such access shall have a minimum width of fifteen feet and shall have a paved way not less than ten feet in width. (4) Notwithstanding the foregoing, if the flag lot or adjacent lot to be created contains a residence with recorded preservation covenants, the flag lot area is not required to exceed the low requirement of the zone district and the flag lot access may be over an easement or land under the same ownership, the access shall have a minimum width of twelve feet for a maximum length no more than 100 feet, and shall have a paved way not less than ten feet in width, and no request for nor approval of exceptions to said standards shall be required. <p>(b) Notwithstanding the foregoing, the creation of flag lots, as defined in Title 18 of this code, shall be prohibited in the R-1 single- family residence district, and no exceptions shall be granted therefore; provided, however, that:</p> <ol style="list-style-type: none"> (1) Flag lots may be created in the R-1 zone district as long as a preservation covenant is recorded for a historic resource located on the flag lot or on an adjacent lot to be created; and (2) Flag lots in the R-1 zone district shall comply with the requirements stated in subsection (a), except that smaller lot areas may be approved pursuant to Section 18.12.140 of Title 18. (3) Flag lots validly existing in the R-1 district as of the effective date of said prohibition shall, nonetheless, be recognized as legal lots for purposes of this Title 21 only. Development of such existing flag lots shall be subject to all applicable provisions of Title 18 of this code as of the date of any such proposed development. <p>(Ord. 5476 § 1, 2019; Ord. 5051 § 8, 2009; Ord. 3850 § 2, 1989)</p>	<p><i>Not applicable. No flag lots are proposed.</i></p>
<p>21.20.310 Solar requirements.</p> <p>All major subdivisions shall provide, to the extent feasible, for future passive or natural heating or cooling opportunities in the subdivision.</p>	<p><i>Noted.</i></p>
<p>21.20.320 Flood hazard regulations.</p>	

<p>For the purpose of carrying out the intent of Chapter 16.52 of this code, all subdivisions shall:</p> <ul style="list-style-type: none"> (a) Be consistent with the need to minimize flood damage; (b) Have public utilities and facilities such as sewer, gas, electrical, and water systems located and constructed to minimize flood damage; (c) Have adequate drainage provided to reduce exposure to flood damage; and (d) Base flood elevation data shall be provided for subdivision proposals and other proposed developments which contain at least fifty lots or five acres (whichever is less). 	<p><i>Project is not located in flood zone. Subdivision will meet all safety standards.</i></p>
<p>21.28.010 Improvements required of all subdivisions.</p> <p>The improvements set forth in this chapter shall be required of all subdivisions unless the city council or director of planning, in the case of a preliminary parcel map, finds that due to the particular circumstances of the subdivision said improvements are not necessary, are not desirable, or that alternatives are desired for the public health, safety and welfare. The subdivider shall pay the expense of all required improvements.</p>	<p><i>Noted. The proposed subdivision will comply with all objective, written standards except as may be modified under State Density Bonus Law.</i></p>
<p>21.28.020 Standards for improvements.</p> <p>All improvements shall be subject to the approval of the city engineer and shall not be less than those set forth in the "Standard Specifications of the City of Palo Alto," copies of which are on file in the office of the city engineer; except that the city engineer may approve alternate standards if conditions such as location, size, and terrain make the application of such specifications unfeasible or undesirable for the particular improvement. All improvements shall also be subject to the standards of the director of utilities and fire chief. The location of all improvements shall be subject to the approval of the city engineer. All improvements shall provide facilities for the handicapped as required by federal, state or local law.</p>	<p><i>Noted. The proposed subdivision will comply with all objective, written standards except as may be modified under State Density Bonus Law. If there are consistency comments with the proposed subdivision, these will be addressed in subsequent rounds of submission.</i></p>
<p>21.28.030 Submission and approval of plans prior to improvement work.</p> <p>Plans and profiles for all improvement work shall be prepared in accordance with the requirements of the city engineer. No improvement work shall be commenced until such plans and the profiles have been submitted to and approved by the city engineer. The subdivider shall be required to pay for the cost of checking such plans.</p>	<p><i>Noted.</i></p>
<p>21.28.040 Inspection and approval of improvements, cost of inspection.</p> <p>All improvements shall be constructed under the inspection of and subject to the approval of the city engineer. The subdivider shall pay the cost of such inspection</p>	<p><i>Noted.</i></p>

<p>21.28.050 Underground facilities, construction prior to street finishing.</p> <p>All underground facilities and storm drains installed in streets or alleys shall be constructed prior to the surfacing of such streets or alleys. Connections for all underground utilities shall be laid to such lengths as the city engineer determines necessary to avoid disturbing the street or alley improvements when service connections are made.</p>	<p><i>Noted. The proposed subdivision will comply with all objective, written standards except as may be modified under State Density Bonus Law. .</i></p>
<p>21.28.060 Specific improvements required - Benchmarks.</p> <p>Permanent and accurate benchmarks shall be established on the monument or other approved location at each street intersection. Complete field notes showing locations and elevations of all benchmarks and monuments shall be filed with the city engineer.</p>	<p><i>Noted.</i></p>
<p>21.28.070 Curbs and gutters.</p> <p>Curbs and gutters shall be installed to locations and grades approved by the city engineer. Ramps shall be provided for the handicapped in accordance with state and local requirements.</p>	<p><i>Noted. The proposed subdivision will comply with all objective, written standards except as may be modified under State Density Bonus Law.</i></p>
<p>21.28.080 Monuments.</p> <p>Permanent pipe monuments and boxes shall conform to the standards of the city. Permanent pipe monuments shall be set at each boundary corner of the subdivision along the exterior boundary lines at intervals of approximately five hundred feet at the beginning of curves and ending of curves of property line curves. Monuments shall be set at intersections of all street monument line tangents and at both the beginning of curves and ending of curves of all monument line curves. Complete field notes showing permanent references or ties shall be filed with the city engineer. All monuments that are required to be set shall be marked to conform with the provisions of Chapter 775 of the Statutes of 1935, and all subsequent amendments thereto and with the provisions of this title.</p>	<p><i>Noted.</i></p>
<p>21.28.090 Railroad crossings.</p> <p>Provision shall be made for all railroad crossings necessary to provide access or circulation within the proposed subdivision, including the preparation of all documents necessary for application to the California State Public Utilities Commission for the establishment and improvement of such crossings.</p>	<p><i>Not applicable.</i></p>
<p>21.28.100 Sewers.</p>	<p><i>Noted. A preliminary utility assessment has been provided with the initial submission.</i></p>

Sanitary sewer facilities connecting with the existing city sewer system shall be installed to serve each lot and to grades and sizes approved by the city engineer. The location, grade and size of all sewers must be approved by the city engineer.	
21.28.110 Sidewalks. Sidewalks shall be installed to locations, grades, and widths approved by the city engineer.	<i>Noted. The proposed subdivision will comply with all objective, written standards except as may be modified under State Density Bonus Law.</i>
21.28.120 Street lighting. Street lights shall be installed.	<i>Noted. Two (2) street lights are proposed.</i>
21.28.130 Street trees. Approved street trees shall be provided and planted by the subdivider.	<i>Noted.</i>
21.28.140 Streets. All streets shall be graded and surfaced to widths and grades approved by the city engineer. All extensions of subdivision streets to the intersecting paving line of any county road, city street or state highway shall be improved.	<i>Subject to the requested reduction in width for the private street via a waiver under State Density Bonus Law, this condition is noted.</i>
21.28.150 Water mains, fire hydrants, and gas mains. Water mains, fire hydrants, and gas mains connecting to the city system shall be installed as required by the city engineer, fire chief, and director of utilities.	<i>Noted. A preliminary utility assessment has been provided with the initial submission.</i>
21.28.160 Street name and traffic-control signs. Street name and traffic-control signal systems, signs, and markings shall be installed by the subdivider when required.	<i>Noted.</i>
21.28.170 Alleys. All alleys shall be paved.	<i>Not applicable.</i>

<p>21.28.180 Planting strips.</p> <p>All planting strips shall be landscaped.</p>	<p><i>Noted.</i></p>
<p>21.28.190 Service roads and off-street parking.</p> <p>All service roads and off-street parking areas shall be improved.</p>	<p><i>Not applicable.</i></p>
<p>21.28.200 Undergrounding of public utilities.</p> <p>All public utilities shall be installed underground.</p>	<p><i>Noted.</i></p>
<p>21.28.210 Storm drainage.</p> <p>Adequate storm drainage improvements shall be required, including, but not limited to, storm drain sewers, structures for drainage, and access to such improvements for service and/or public safety.</p>	<p><i>Noted. See Preliminary Stormwater Management Plans and associated calculations.</i></p>
<p>21.28.220 Walkways.</p> <p>Walkways shall be improved.</p>	<p><i>Noted. The subdivision includes one sidewalk.</i></p>
<p>21.28.230 Bicycle paths.</p> <p>Bicycle paths shall be paved.</p>	<p><i>Not applicable.</i></p>
<p>21.28.240 Local transit facilities.</p> <p>Local transit facilities shall be improved.</p>	<p><i>Not applicable.</i></p>
<p>21.28.250 Other improvements.</p> <p>Other improvements necessary or convenient to insure conformity to or implementation of the comprehensive plan or other local ordinances and to insure the public health, safety and welfare, shall be required. In addition, improvements outside of the subdivision may be required where</p>	<p><i>Noted. The proposed subdivision will comply with all objective, written standards except as may be modified under State Density Bonus Law.</i></p>

such improvements are required for the general health, safety and welfare, and where conditions necessitating such improvements are caused or aggravated by the subdivision.	
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EXHIBIT B – CEQA EXEMPTION CHECKLIST

PROJECT & SITE ELIGIBILITY CRITERIA

1. Project Type ✓

Is the project a qualified "housing development project"?

At least 2/3 of the building square footage is dedicated for residential use,

OR

At least 50% of the building square footage is dedicated for residential use if in mixed-use developments

If deemed complete after January 1, 2025, is any portion of the project proposed for use as transient lodging (motel, hotel, bed and breakfast, etc.)

No transient lodging is proposed as part of the project.

Evaluation/Notes: The proposed project qualifies. It is all residential and there is no transient lodging proposed.

2. Project Size ✓

Is the project site within the size limits?

Standard projects: Site is 20 acres or less

Builder's Remedy projects: Site is 5 acres or less (Gov. Code § 65589.5(d)(5))

Evaluation/Notes: The proposed project qualifies. The site is 1.02AC.

3. Location Requirements ✓

Is the project located in:

An incorporated municipality (city), OR

An urban area as defined by the U.S. Census Bureau

Evaluation/Notes: This criterion is met. The City of Palo Alto is an urban area.

4. Urban Use Test ✓

Does the site meet one of the following “urban use” criteria?

- Previously Developed:** Site has been previously developed with urban uses
- 75% Perimeter is Adjacent to Urban Uses:** At least 75% of the site's perimeter adjoins¹ parcels developed with urban uses
- 75% Quarter-Mile Radius:** At least 75% of the area within a 1/4-mile radius is developed with urban uses
- Four-Sided Test:** For sites with four sides, at least 3 out of 4 sides are developed with urban uses AND at least 2/3 of the perimeter adjoins parcels with urban uses

Evaluation/Notes: This criterion is met. The project is surrounded by urban uses as that term is defined in the Public Resources Code. (*See* PRC § 21080.66, subd, (g)(3) [“Urban use’ means any current or previous residential or commercial development, public institution, or public park that is surrounded by other urban uses, parking lot or structure, transit or transportation passenger facility, or retail use, or any combination of those uses.”].)

5. General Plan & Zoning Consistency ✓

Is the project consistent withⁱⁱ the applicable general plan and zoning ordinance (only one required), as well as a local coastal program, if applicable?

- General Plan or Zoning Consistency**
- Local Coastal Program:** Either consistent or none is applicable

Evaluation/Notes: This criterion is met. The General Plan designation of Single Family Residential and RE zoning allows for single-family residential use with a density ranging from at least 1 to 7 units per acre. With the benefits of SDBL, the Project will be consistent with the applicable general plan and zoning ordinance.

6. Density Requirements ✓

Does the project meet minimum density requirements?

- Project achieves at least 50% of the "Mullin density" required for lower-income housing sites under Gov. Code § 65583.2(c)(3)(B)

Evaluation/Notes: The proposed project complies. The Mullins density for Palo Alto is 30 DUs/AC, which means a minimum of 15 DUs/AC is required. The project has a proposed density of 15 DUs/AC.

7. Environmental Exclusions ✓

Project location does not contain any excluded environmental conditions under Government Code § 65913.4(a)(6):

- Site is not located in certain coastal zone areas where not subject to certified LCP or certified land use plan or where vulnerable to 5' sea level riseⁱⁱⁱ
- Site does not consist of prime farmland, farmland of statewide importance, or land zoned or designated for agricultural protection or preservation by a local ballot measure that was approved by the voters of that jurisdiction^{iv}
- The development is not located on a site that is a wetlands, as defined in the United States Fish and Wildlife Service Manual, Part 660 FW 2 (June 21, 1993).
- Site is not located within a very high fire hazard severity zone or within a state responsibility area as defined in Section 4102 of the Public Resources Code except where sites have adopted fire hazard mitigation measures.^v
- Site is not located within a hazardous waste sites as defined except in certain limited circumstances^{vi}
- Site is not located within special flood hazard area by the 1 percent annual chance floor or within a regulated floodway unless exceptions exist^{vii}
- Site is not located within a delineated earthquake fault zones unless development complies with applicable seismic protection building code standards adopted under the California Building Standards law and by any local building department
- Site is not located within a protected species habitat or natural community conservation plan area^{viii}
- Site is not located on lands that are under a conservation easement

Evaluation/Notes: The site complies in that it does not include any exempted environmental conditions.

7. Historic Resource Exclusions ✓

The project does not involve demolition of historic structures:

- The Project does not propose to demolish any historic structures where those structures were listed on federal, state, or local registers prior to the submittal of a preliminary application

Evaluation/Notes: The site is vacant and has not been developed previously with any structures.

ADDITIONAL REQUIREMENTS & CONDITIONS

8. Tribal Consultation ✓

Has the mandatory tribal consultation process been initiated?

- Local government has notified all traditionally and culturally affiliated California Native American tribes within 14 days of application completeness^{ix}

Evaluation/Notes: The Applicant requests that the City begin the tribal notification process.

9. Environmental Assessment Requirements ✓

Has the project completed required environmental assessments?

- Phase I Environmental Site Assessment** required as condition of approval

Potential additional requirements to be met: N/A

- Preliminary Endangerment Assessment** (if any recognized environmental condition is found in Phase 1)
- Hazardous substance removal/mitigation** is completed before certificate of occupancy meeting federal and state standards if a release of a hazardous substance is found to exist on the site)
- Mitigation of any potential for exposures** to significant hazards from surrounding properties or activities, if found, before certificate of occupancy

Evaluation/Notes: A Phase I is included in the submittal materials. No additional follow-up measures are required.

10. Freeway Proximity Requirements ✓

Is any housing on the site located within 500' of a freeway?

- Site is not located within 500 feet of a freeway**

If project is within 500 feet of a freeway, does it include:

- Centralized HVAC with outdoor intakes facing away from freeway

- No balconies facing the freeway
- MERV 16 air filtration replaced at manufacturer's designated intervals

Evaluation/Notes: The site is located more than a mile (approx. 1.16 miles) from the nearest freeway (Hwy 280).

11. Prevailing Wage Requirements ✓

Does the proposed project trigger any prevailing wage requirements? No.

- 100% affordable housing projects:** Prevailing wage required for all construction workers
- Buildings over 85 feet:** Subject to Gov. Code § 65913.4(a)(8) labor standards
- San Francisco projects (50+ units):** Subject to Gov. Code Article 4 labor standards if market-rate multifamily projects in SF met specific criteria (2022-2024)

Evaluation/Notes: The proposed project does not trigger any prevailing wage requirements. It is a market rate project with inclusionary housing units that is under the height threshold and it is not located in San Francisco.

Statutory References:

- i Per Public Resources Code §21080.66(f)(1), “ ‘Adjoins’ includes parcels that are only separated by a street, pedestrian path, or bicycle path.”
- ii Per Public Resources Code §21080.66(a)(4)(C), “[t]he approval of a density bonus, incentives or concessions, waivers or reductions of development standards, and reduced parking ratios pursuant to Section 65915 of the Government Code shall not be grounds for determining that the project is inconsistent with the applicable general plan, zoning ordinance, or local coastal program.”
- iii Gov. Code § 65913.4(a)(6)(A) covers sites that are:
 - (i) An area of the coastal zone subject to paragraph (1) or (2) of subdivision (a) of Section 30603 of the Public Resources Code.
 - (ii) An area of the coastal zone that is not subject to a certified local coastal program or a certified land use plan.
 - (iii) An area of the coastal zone that is vulnerable to five feet of sea level rise, as determined by the National Oceanic and Atmospheric Administration, the Ocean Protection Council, the United States Geological Survey, the University of California, or a local government’s coastal hazards vulnerability assessment.
 - (iv) In a parcel within the coastal zone that is not zoned for multifamily housing.
 - (v) In a parcel in the coastal zone and located on either of the following:

-
- (I) On, or within a 100-foot radius of, a wetland, as defined in Section 30121 of the Public Resources Code.
 - (II) On prime agricultural land, as defined in Sections 30113 and 30241 of the Public Resources Code.

iv Gov. Code § 65913.4(a)(6)(B) covers sites that are:

Either prime farmland or farmland of statewide importance, as defined pursuant to the United States Department of Agriculture land inventory and monitoring criteria, as modified for California, and designated on the maps prepared by the Farmland Mapping and Monitoring Program of the Department of Conservation, or land zoned or designated for agricultural protection or preservation by a local ballot measure that was approved by the voters of that jurisdiction.

v Gov. Code § 65913.4(a)(6)(D) covers sites that are:

Within a very high fire hazard severity zone, as determined by the Department of Forestry and Fire Protection pursuant to Section 51178, or within the state responsibility area, as defined in Section 4102 of the Public Resources Code. This subparagraph does not apply to sites that have adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development, including, but not limited to, standards established under all of the following or their successor provisions:

- (i) Section 4291 of the Public Resources Code or Section 51182, as applicable.
- (ii) Section 4290 of the Public Resources Code.
- (iii) Chapter 7A of the California Building Code (Title 24 of the California Code of Regulations).

vi Gov. Code § 65913.4(a)(6)(E) covers sites that are:

A hazardous waste site that is listed pursuant to Section 65962.5 or a hazardous waste site designated by the Department of Toxic Substances Control pursuant to Section 25356 of the Health and Safety Code, unless either of the following apply:

- (i) The site is an underground storage tank site that received a uniform closure letter issued pursuant to subdivision (g) of Section 25296.10 of the Health and Safety Code based on closure criteria established by the State Water Resources Control Board for residential use or residential mixed uses. This section does not alter or change the conditions to remove a site from the list of hazardous waste sites listed pursuant to Section 65962.5.
- (ii) The State Department of Public Health, State Water Resources Control Board, Department of Toxic Substances Control, or a local agency making a determination pursuant to subdivision (c) of Section 25296.10 of the Health and Safety Code, has otherwise determined that the site is suitable for residential use or residential mixed uses.

vii Gov. Code § 65913.4(a)(6)(G) covers sites that are:

Within a special flood hazard area subject to inundation by the 1 percent annual chance flood (100-year flood) as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, a local government shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local government that is applicable to that site. A development may be located on a site described in this subparagraph if either of the following are met:

-
- (i) The site has been subject to a Letter of Map Revision prepared by the Federal Emergency Management Agency and issued to the local jurisdiction.
 - (ii) The site meets Federal Emergency Management Agency requirements necessary to meet minimum flood plain management criteria of the National Flood Insurance Program pursuant to Part 59 (commencing with Section 59.1) and Part 60 (commencing with Section 60.1) of Subchapter B of Chapter I of Title 44 of the Code of Federal Regulations.

Gov. Code § 65913.4(a)(6)(H) covers sites that are:

Within a regulatory floodway as determined by the Federal Emergency Management Agency in any official maps published by the Federal Emergency Management Agency, unless the development has received a no-rise certification in accordance with Section 60.3(d)(3) of Title 44 of the Code of Federal Regulations. If a development proponent is able to satisfy all applicable federal qualifying criteria in order to provide that the site satisfies this subparagraph and is otherwise eligible for streamlined approval under this section, a local government shall not deny the application on the basis that the development proponent did not comply with any additional permit requirement, standard, or action adopted by that local government that is applicable to that site.

viii Gov. Code § 65913.4(a)(6)(I) covers sites that are:

Lands identified for conservation in an adopted natural community conservation plan pursuant to the Natural Community Conservation Planning Act (Chapter 10 (commencing with Section 2800) of Division 3 of the Fish and Game Code), habitat conservation plan pursuant to the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), or other adopted natural resource protection plan.

Gov. Code § 65913.4(a)(6)(J) covers sites that are:

Habitat for protected species identified as candidate, sensitive, or species of special status by state or federal agencies, fully protected species, or species protected by the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), or the Native Plant Protection Act (Chapter 10 (commencing with Section 1900) of Division 2 of the Fish and Game Code).

ix Note: (1) Tribes have 60 days to request consultation; (2) If requested, consultation must begin within 14 days of tribe's request; and (3) Consultation must conclude within 45 days (plus optional 15-day extension)



MAJOR/MINOR ARCHITECTURAL REVIEW (AR) SUBMITTAL REQUIREMENTS CHECKLIST

Planning intake appointments are required to submit all Planning entitlements. Appointments can be made by calling the Planning Division at (650) 329-2496 ext. 6, option 2 or by emailing planningintake@cityofpaloalto.org.

Prior to making an intake appointment, upload all required documents as a Pre-application (Pre-app) through the City's [Online Permitting Services](#) portal. Directions on creating an account and submitting a Pre-app are available at bit.ly/paloaltoOPS. Please note, the account used for the Pre-app will be the main contact and uploader for the entirety of the Planning project. Applications must contain a minimum of information to be accepted (18.77.020).

1. PLANNING APPLICATION FORM

- Complete application available at bit.ly/PAPanningAppForm, ensure completion of items 1-5.
- Application cannot be accepted without a property owner's signature.
- For projects on Stanford land, a signed approval form with plans stamped and approved by Stanford Management Company shall be included with the application form.
- Include all application documents in a single pdf, titled "C1[insert address]APPLY.pdf", per OPS Guides.

2. ELECTRONIC PLAN SET

- Include the entire plan set in a single pdf, titled "C1[insert address]PLAN.pdf".
- However, any PDF file over 30 MB must be divided into multiple files. Reduce file size to avoid.
- See sections A through P below for required sheets and details.**

3. WRITTEN PROJECT DESCRIPTION

- The project proposal will be reviewed by City department representatives and others who have not had the benefit of meeting with the applicant. Therefore, the description should be thorough. The project proposal shall include: 1) the scope of work to be done; 2) the existing and proposed uses; 3) the purpose of the proposed changes; 4) the design intent; 5) materials, colors, and construction methods to be used; 6) landscaping and 7) lighting.
- Include the project description in a single pdf, titled "C1[insert address]DOCS.pdf".

4. ENVIRONMENTAL INFORMATION ASSESSMENT WORKSHEET

- Submit completed [EIA Worksheet](#) as single pdf (less than 30 MB), titled "C1[insert address]ENVIR.pdf".
- At applicant's expense, City may hire environmental consultant to complete required [CEQA](#) review.
- If hazardous materials are present or will be used/stored on site, submit a complete [Hazardous Materials Disclosure Checklist](#), also see Fire Department for hazardous material permit.

5. COLOR AND MATERIALS SAMPLE BOARD

- Submit samples of actual colors and materials mounted on foam board no larger than 8" x 14" to be retained by the City as part of the project file. Multiple boards may be submitted if needed.

6. APPLICATION FEES **Noted - will pay through permit portal**

- During the intake appointment, you will be notified when to pay fees online through the OPS portal. See fee schedule at bit.ly/PAPanningforms. Staff review does not start until fees are processed.

7. ON-SITE POSTING (MAJOR AR AND MINOR BOARD-LEVEL AR ONLY) **Noted - will post when sign is available**

- At the time of accepting the formal application, you will receive a PDF project sign from the City. Print this sign at a minimum of 18 x 24 inches, on waterproof sign board material, with stakes. Affix the project information "sticker" provided by the City and a proposed streetscape image (minimum size of

4 inches by 17 inches) to the sign and post on project site. Email a photograph of the sign posted on the property to the Project Planner within three (3) days of project submittal. The sign must be prominently displayed so it may be viewed from the sidewalk and/or public right-of-way. The sign shall remain in place until the Planning decision is effective.

8. ~~X~~ RESUBMITTALS Noted

- a. After initial submittal comments have been addressed, applicant will upload resubmittals and/or additional materials through the OPS portal, using the red “resubmit” button at bit.ly/PaloAltoACA.

REQUIRED INFORMATION FOR SCHEMATIC PLAN SET

City staff has discretion to modify these requirements to omit items or to include additional items (e.g. shadow studies, story poles, soils report, etc.) based on the scope of the project. Applicants are encouraged to provide additional information where helpful. It is highly recommended that applicants meet with a planner at the Development Center to determine which items will be required based on the scope of work. Applicants may also contact planning staff by emailing planner@cityofpaloalto.org.

Electronic Plan Sets:

- Color plan sets may need to be printed by the applicant prior to a public hearing
- All text shall be legible when printed on 11 x 17 inch reduced-size sets
- Scale and scale bars shall be indicated on each sheet
- North arrow shall be on each sheet and orient all sheets in the plan set in the same direction
- Information must be consistent on all plan sheets and shall be provided in the order indicated below

A. Title Sheet:

- Vicinity Map showing the location of the site within the City
- Rendering of the proposed project
- Project Data Table:
 1. Lot Area
 2. Site Coverage (Existing & Proposed)
 3. Floor Area (Existing & Proposed) ([PAMC 18.04](#))
 4. Setbacks
 5. Height ([PAMC 18.04](#))
 6. Required Parking ([PAMC 18.52](#)), including loading spaces and bike parking
 7. Building Occupancy Class

For Residential Projects, include the following in the Project Data Table:

8. Number of existing units, demolished units, and new units
9. Proposed residential density
10. Unit types and count (e.g. 2 Studios, 3 One-bedroom, etc.)
11. Number of Below Market Rate (BMR) units required/proposed
12. Landscape Open Space area (total area calculated and percentage of site area indicated)
13. Usable Open Space area (sq. ft./unit) required/proposed
14. Common usable open space area (sq. ft./unit) required/proposed
15. Private usable open space area (sq. ft./unit) required/proposed

B. Neighborhood Context Sheet:

- Dated aerial photograph of the site and adjacent properties with adjacent land uses noted.
- Photo images showing the relationship of the proposed project to adjacent buildings

C. Site Plan Sheets: *Show both existing conditions and proposed changes*

- Dimensioned property lines
- Any underlining lot lines, easements or encumbrances across the property
- Footprint of all buildings and structures on the site
- Adjacent streets and building footprints
- Demolition plan indicating what is to be removed on the site
- Zoning setback lines (including Stanford setback lines if applicable)
- Dimensioned parking area, driveways, and sidewalks
- Site contours
- Light fixtures, bicycle parking, trash and recycling (including proposed containers or related equipment), enclosures, fences, sanitary sewer drains, and grease traps
- Improvements in the public right-of-way, including streets, curbs, sidewalks and street trees within 30 feet of the property
- Location of all existing utilities within the site and along the adjacent public right-of-way, including underground utilities (sewer, gas, electric, water, telecommunications, etc.)
- Location of backflow preventers, above-ground electrical utilities, boxes, transformers, meter mains, fire standpipes, storm drains, etc.
- Creeks or waterways on or adjacent to the property and indicate 'top of bank'
- Tree location, species, size, dripline area, including trees located on neighboring property that overhang the project site (see instructions on the [Tree Protection Sheet \(T-1\)](#)), consistent with the City [Tree Technical Manual](#), Section 1.28
- Existing signs and location of proposed or potential signs including directional and tenant signage

D. Streetscape Sheet:

- Streetscape elevations shall show the proposed project and adjacent properties on each side of the property (drawn to scale). To the highest degree possible, the drawing should accurately show building heights and profiles with dimensions. Trees should be in outline form, so as to not obscure structures.

E. Building Elevation Sheets:

- Fully dimensioned elevations of all sides of the building(s)
- All roof-top equipment and associated required screening; line of sight diagrams shall be included as necessary to demonstrate appropriate screening
- Outlines of adjacent buildings
- Maximum height limit and daylight plane requirements
- All window, door, eaves, skylights, chimneys, rain water leaders, roof equipment and screens, and other appurtenances
- Type, finish, material, and color of all surfaces shall be indicated and should cross reference the color and materials board
- All signage (or proposed location) and associated lighting
- Differentiate between existing conditions to remain and proposed changes, as necessary

F. Floor Plan Sheets:

Submit sufficient floor plans to indicate how the interior of the building affects the exterior design, particularly window and door placement, required emergency exists, space usage, stairs, elevators, etc.

- Fully detailed dimensioned floor plans, including roof-top
- Location of sanitary sewer drains, grease traps, and other utilities
- Fully dimensioned parking garage plans including location of electric vehicle chargers and related equipment (see section L). All spaces should be numbered.

G. FAR Diagram Sheet:

- Provide block area diagrams, using the same floor plans referenced above, showing how gross floor area was calculated
- Indicate all dimensions used to calculate areas

For Projects with more than one land use:

- Provide color coded floor area diagrams utilizing different colors for each use and a separate color for common circulation/mechanical rooms/trash enclosures. Non-residential floor area that is comprised of more than one land use shall also be differentiated on the sheet. For example, if a project has office, retail, and personal service uses, each use and the associated floor area must be indicated and shown.

H. Section Sheet:

- Provide illustrative wall section from parapet to foundation showing foundation, wall, windows, and doors, parapet, cornice, eave, roof (drawing should be at a minimum $\frac{1}{2}'' = 1'$ scale)
- Provide building site sections showing roof and floor heights, site slope, automobile or pedestrian ramps, basements, underground garages, penthouses, etc.
- Provide section(s) at adjacent property lines indicating any grade differentials, showing fence height, retaining walls, ground slope, etc. (drawing should be $1'' = 10'$ scale)

I. Roof Plan Sheet:

- Dimension any useable space, such as terraces or gardens
- All roof-mounted equipment, such as Heating Ventilation Air Conditioning (HVAC) Units, vents, etc.
- Equipment screens
- Photo-voltaic panels, if proposed
- Label roof materials and finish

J. Landscape Plan Sheet:

- Schematic Landscape Plan
 1. Trees and vegetation to be removed, retained, and planted
 2. Location, species, quantities, and size of all proposed plant materials (plant list)
- Open space: include dimensioned site, usable, common, and private open space areas as required for the project
- Fences, trellises, pots, street furniture, and other amenities
- Trash enclosures, bicycle enclosures, etc. ([Trash Enclosure Guidelines](#)) and associated screening
- Location of backflow preventer, above-ground electrical utilities, boxes, transformers, meter mains, fire standpipes, etc.
- Drainage plan to conform with the Storm Water Pollution Prevention Plan (SWPPP) and C-3 Requirements where required (contact Public Works Engineering 650-329-2151 for requirements)
- Ensure conformance with [MWELO](#) requirements, see [checklist](#)

Note: The final planting and irrigation plan must be approved by Planning and Utilities Marketing prior to building permit approval.

K. Arborist Assessment and Report Sheets

- Shall be consistent with the City [Tree Technical Manual](#), Section 2.10
- Required [Tree Protection Sheet](#) (T-1)

L. Lighting Plan Sheet:

- Photometric drawing with foot-candle measurements
- Catalog cut sheet of proposed exterior fixtures

M. Parking Layout and Automobile Circulation Sheets:

- Fully dimensioned parking plan and required number of vehicular, loading, and bicycle parking spaces; number all spaces.
- EV chargers¹:
 1. Location and total number of EV chargers and EV ready stalls
 2. Fully dimensioned chargers, bollards², related equipment, and adjacent walking paths/parking spaces (Min. parking dimensions must be maintained, see [PAMC 18.54](#))
 3. Location of required trenching
 4. Location of emergency power shut off.
- Accessible parking, loading signage
- Main points of entry and exit and traffic flow
- Bicycle racks and/or lockers and cut sheets

Note: If a [parking reduction](#) is requested, a Transportation Demand Management (TDM) study is required to be submitted at the time of application submittal.

N. Pedestrian/Bicycle Circulation Sheet:

- A pedestrian and bicycle circulation plan is required for new development applications or any application which involves proposed changes to the existing circulation layout and configuration.

O. Schematic Details Sheet:

Appropriate architectural details to indicate the quality and nature of the design, including:

- Details showing how adjacent, dissimilar materials connect. Examples include: siding to windows, siding to roofs and parapets, eaves, railings, corners, connections to existing structures
- Details showing attachments to buildings, when these occur (such as railings and awnings)

P. Green Building Program Sheet: Palo Alto is committed to green building and energy efficiency for new construction, addition, and renovation projects.

- At this phase, include a signed preliminary CALGreen Checklist into the plan set. The appropriate preliminary CALGreen Checklist (GB-1) can be found on the [Green Building Compliance webpage](#).

Q. 3-Dimensional Images Sheet:

- Massing model, axonometric or perspective drawings from the most visible locations. 3-D images are encouraged and may be physical models, hand drawings, or computer generated.

OTHER SUBMITTAL REQUIREMENTS

1. Soils Report and Water Management

- If a project is C.3 stormwater regulated (thresholds for regulation provided below), applicant will be required to submit qualified third part reviewer certification of proposed C.3 design, prior to public hearing and Planning approval. Consult with Public Works staff for assistance with this requirement.
 1. Projects that create or replace 10,000 sq ft (5,000 sq ft if categorized as a 'special land use' by MRP 2.0) of impervious area are C.3 regulated.
- Below grade structures will be required to submit a soils report. The soils report needs to include current ground water depth information.

¹ Reference Calgreen Ordinance for total required EVSE and or consult the Building Department located at the Development Center

² Palo Alto Fire requires bollards to be installed to prevent collision impacts from vehicles; these bollards **cannot** reduce the minimum required parking dimension or result in a loss of parking stalls.

For projects that add or remove housing units, include the following project information:

2. Residential Project Details

- Complete the “Housing Projects – Information Checklist for Development” form

3. Affordable Housing Plan

- All development projects that include affordable residential units, as defined in [PAMC 16.65](#), shall submit an Affordable Housing Plan for review and approval. See the “Affordable Housing Plan Specifications” handout for details.

Useful Weblinks & Information

Municipal Code

- bit.ly/PAZoningCode

Current Planning (Process Information & Forms)

- <http://bit.ly/PACurrentPlanning>

Planning Application Fees

- bit.ly/PAplanningforms

Development Services Center

- bit.ly/PADevelopmentCenter

Request a Parcel Report

- bit.ly/PAParcelReports

Green Building Compliance Page

- <http://bit.ly/PAGreenBuilding>

Public Works Flood Zone Information

- bit.ly/PAFloodZones

Storm Water Pollution Prevention (Public Works)

- <http://bit.ly/PASstormWaterPollution>

Palo Alto Urban Forestry Page

- bit.ly/PAUrbanForestry

Tree Technical Manual

- bit.ly/PATreeTechManual

Tree Protection Sheet (T-1)

- <http://bit.ly/PATreeProtectionSheetT1>

Model Water Efficient Landscape Ordinance (MWELO)

- bit.ly/ModelWaterEfficientLandscapeOrd

Water Efficiency Compliance

- <http://bit.ly/PAWaterEfficiencyCompliance>



HOUSING PROJECTS

ADDITIONAL SUBMITTAL REQUIREMENTS

Project Address: 4103 Old Trace Road, Palo Alto

For any project increasing or removing housing units, this form shall be completed and included in the submittal application package for Planning review. The housing development information required here is supplemental to the submittal checklist requirements for other planning entitlements (e.g. Architectural Review and Site and Design).

1. Summary of Changes to Housing Units

Existing Units	0
Units to be Removed	0
New Units to be Added	15
Total Proposed Unit in Project	15
Rental Units	0
Ownership Units	15

2. Is the project located on a Housing Inventory Site (HIS)? Yes No

Answer can be found in the comments section of the [City's Parcel Report](#). If the Comments have "HIS" followed by a number, this is the realistic and expected capacity of a Housing Inventory Site. If "HIS" is not on the parcel report, the parcel is not a HIS.

If yes, include in the project description letter 1) the projected unit yield as determined in the Housing Element; 2) the project's compliance with this unit yield; and 3), if the project does not include enough units to meet the Housing Element projections, provide a detailed explanation of why a reduced number of units is proposed.

3. Indicate proposed project type, check all that apply:

- 100% Residential
 - With ownership units, number of units: 15
 - With rental units, number of units: _____
- Mixed-Use
 - With ownership units, number of units: _____
 - With rental units, number of units: _____
- Condo Conversion, number of units: _____
- Residential Development is 100% Affordable, number of units: _____

4. Based on the Below Market Rate (BMR) requirements in PAMC [16.65](#), how many BMR units are required for this project? 1.2 [Generally, when the BMR requirement results in a fractional unit, an in-lieu fee payment may be made for the fractional unit instead of providing an actual BMR unit.]

5. For projects demolishing existing protected units, as defined in Government Code Section 65300.5, how many replacement units are required under Government Code 65300.6? N/A [For units that were not subject to deed-restricted rents, please provide any documentation regarding the number of units rented by lower or very low income households within the past five years.]
6. Does the project utilize the Density Bonus/Concessions provisions as described in PAMC [18.15](#)?
 Yes No

If yes, include in the project description letter details of what is proposed for the project and how the project would qualify for all requested density increases and/or concessions. When requesting concessions, clearly describe which ones are being requested for the project. Please complete following table:

Total Number Proposed Units Prior to Density Bonus	8
% of Restricted BMR Units Proposed and Unit Count	2 (25%) +1 (12.5%)
Income Level of Proposed Restricted BMR Units	80% AMI/120% AMI
% Density Bonus Requested	50% + 38.75%
Total Number Proposed Units with Density Bonus	15
Number of Concessions Allowed	3
Number of Concessions Requested	1 + reserved concessions

7. Does the proposed project utilize any of the following programs or processes listed below? If so, this should be highlighted in the project description letter along with all the relevant details of the project’s eligibility to do so.
- Housing Incentive Program (HIP) (minimum 3 units; not eligible for Density Bonus or SB 35) with Streamlined Housing Development Review [PAMC 18.77.073]
 - Senate Bill 35 (SB 35) [minimum 3 units; eligible for Density Bonus with 5+ units]
 - Streamlined Housing Development Review [PAMC 18.77.073]
8. Affordable Housing Plan: All development projects that include affordable residential units, as defined in PAMC 16.65.080, shall submit an Affordable Housing Plan for review and approval. See the “Affordable Housing Plan Specifications” handout for details.

Note and included in submittal



**506 N Santa Cruz Avenue
Los Gatos, CA 95030
PH: (408) 354-0502 FX: (303) 323-6516**

Melanie Griswold
Steel Bridge Capital LLC
206 Garden Hill Drive
Los Gatos, CA 95032

Escrow Officer: Charlene Ramos
Email: charlene.ramos@cstitleco.com
Assistant: Ramos Team
Email: ramosteam@cstitleco.com
Escrow Number: 3630425-01971

Owner: Steel Bridge Homes Palo Alto, LP

Property: Vacant Land, known as APN 175-20-078 also
knows as
4103 Old Trace Road
Palo Alto, CA 94306

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit B attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of August 27, 2025 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA/CLTA Homeowner's Policy of Title Insurance (2013), if applicable, or CLTA/ALTA Standard Owner's Policy 1990; and/or ALTA Loan Policy (2021).

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

[Steel Bridge Homes Palo Alto, LP, a California Limited Partnership](#)

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A Fee

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and/or assessments for the fiscal year 2025-2026, a lien, but not yet due or payable.
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Section 75, et seq. of the Revenue and Taxation Code of the State of California.

Please note that there may be a supplemental or an escaped assessment of taxes which will possibly be assessed due to the conveyance of said land or may be triggered due to the death of a prior owner. The Company makes no representations and is not responsible for identifying the amount or time period in which said taxes will be assessed against the subject property.

3. Water rights, claims or title to water, whether or not shown by the public records.
4. Easements, recitals, setbacks, and other matters affecting that portion of said land for the purposes stated thereon and incidental purposes as shown upon a filed map

Filed: [Book 293, Page 29](#)

5. A Deed of Trust to secure an original indebtedness and any other amounts or obligations secured thereby

Amount: \$4,000,000.00
Dated: May 22, 2025
Trustor: Steel Bridge Homes Palo Alto, LP a California Limited Partnership
Trustee: Chicago Title Company
Beneficiary: Youland Inc., a California corporation
Recorded: May 30, 2025 as [Instrument No. 25814693](#) of Official Records

6. Rights of parties in possession.

7. Rights of parties in possession of said land by reason of any unrecorded leases.

Please submit any such leases to this company for our examination.

8. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS Survey and/or inspection of said land.

REQUIREMENTS

Prior to closing this company will require the following:

1. The requirement that the owner's property statement be executed and upon review further requirements may be requested prior to the issuance of any policy of insurance.
2. This transaction may be subject to an order issued pursuant to the Bank Secrecy Act. The policy issuing agent may need to provide certain information necessary to comply with the order prior to the closing.
3. The requirement that underwriting approval be obtained if any policy of title insurance is requested other than a standard owners policy.
4. The company may require a copy of a valid government issued photo ID from the Principle(s) involved in this transaction subject to further requirements of this company.
5. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:
 - A. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
 - B. A full copy of the partnership agreement and any amendments; Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
 - C. Other requirements which the Company may impose following its review of the above material and other information which the Company may require.
6. The requirement that High Liability approval be obtained prior to the close and issuance of any policy of title insurance. The High Liability process must be completed according to the Policy Underwriter's requirements.

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. Said property appears to be Vacant Land, known as APN 175-20-078, also known as 4103 Old Trace Road, Palo Alto, CA 94306.
2. General and special taxes and/or assessments for the fiscal year 2024-2025, as follows:

Assessor's Parcel Number: [175-20-078](#)
TRA: 006-020
First Installment: \$2,748.14 Paid
Second Installment: \$2,748.14 Paid

3. There are no conveyances affecting said land within two (2) years of the date of this report, except the following:

A Deed recorded May 30, 2025 as [Instrument Number 25814692](#), Official Records

Dated: March 25, 2025

Grantor: Linda Jean Brennan, Successor Trustee under the Smithwick Living Trust, dated October 15, 1998

Grantee: Steel Bridge Homes Palo Alto, LP a California Limited Partnership

4. The map attached, if any, may or may not be a survey of the land depicted hereon. Cornerstone Title Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

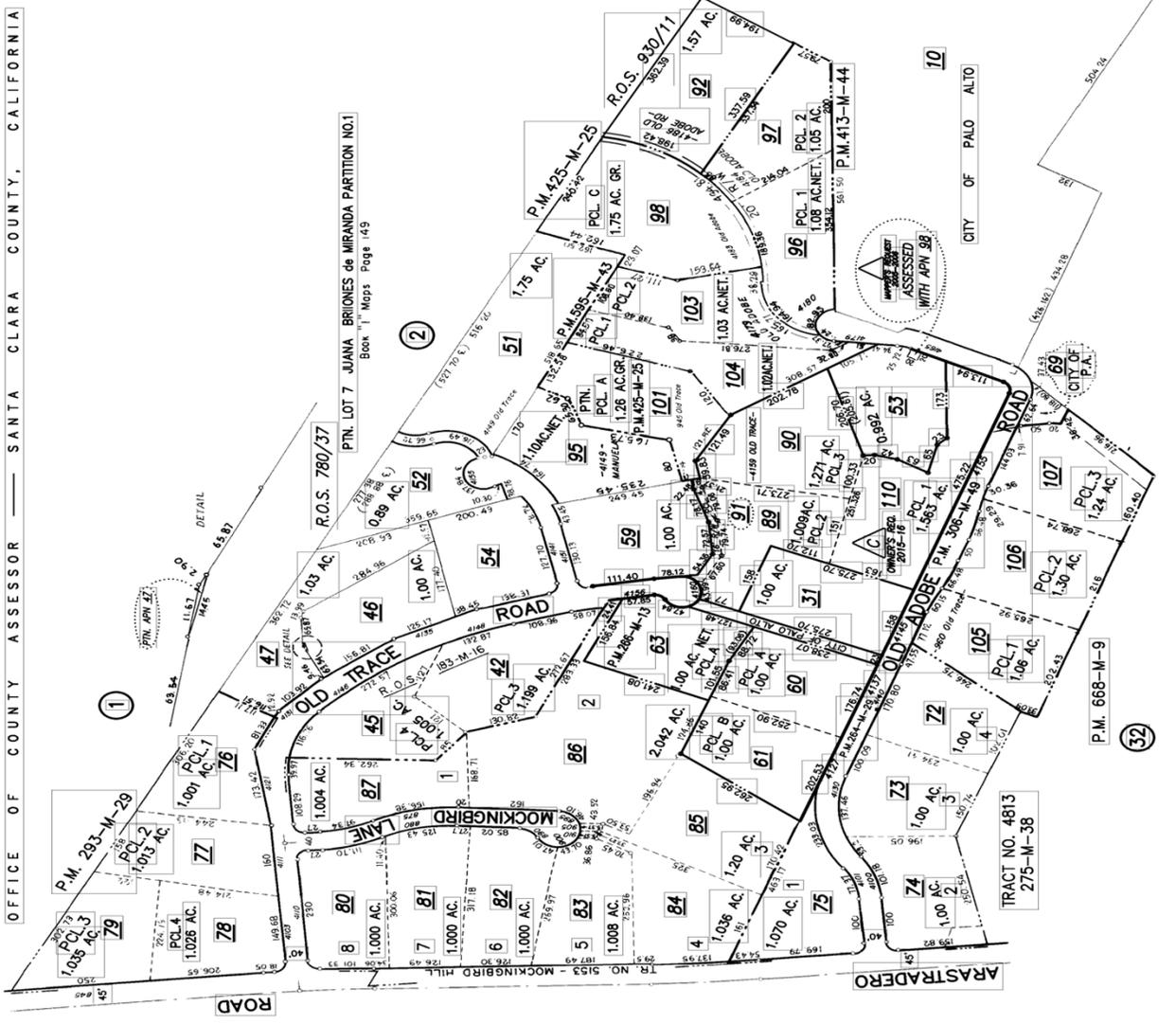
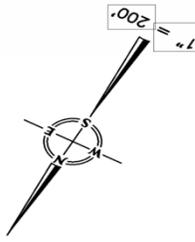
LEGAL DESCRIPTION

All that certain real property situated in the City of Palo Alto, County of Santa Clara, State of California, described as follows:

All of Parcel 4, as shown upon that certain Map entitled, "Parcel Map, Portion of Lot 7, Briones Partition", which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on November 26, 1971 in [Book 293 of Maps, at Page 29](#).

APN: 175-20-078

BOOK 175
PAGE 20



TRM. DET. MAP 62, 63
LAWRENCE E. STONE - ASSESSOR
Colored map for assessment purposes only.
Complete under R. & T. Code, Sec. 327.
Effective Roll Year 2022-2023

OFFICE OF COUNTY ASSESSOR — SANTA CLARA COUNTY, CALIFORNIA

THIS MAP IS FOR YOUR AID IN LOCATING YOUR LAND IN REFERENCE TO STREETS AND OTHER PARCELS. WHILE THIS MAP IS BELIEVED TO BE CORRECT, THE COMPANY ASSUMES NO LIABILITY FOR ANY LOSS OCCURRING BY REASON OF RELIANCE THEREON.

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your escrow office for more details.

**TRG**[®]Title
Resource
Group

Protect What You Have From Cyber-Criminals

CYBER-CRIMINALS are constantly looking for new victims to wire them commissions, sales proceeds or deposits. Real estate transactions are especially vulnerable. **Here's how you can help guard your money:**

CALL BEFORE SENDING

Call us initially. Before sending funds, call us at a number you know is accurate to verify the instructions. Do not use the phone number in an email – even if the email looks like it is from us.

Call us if you are suspicious. Be wary of any email asking for money early or asking for part of the money needed to close. Don't trust an email that change, updates or is "re-sending" wire instructions – call us at a number you know is accurate if you are suspicious.

Call your bank. After talking to us, talk to your bank to confirm it has the correct information.

CALL AFTER SENDING

Call us after sending us your money. Call us to make sure we got it. It may take some time but staying in touch is the best way to be sure there is not a problem.

ACT QUICKLY IF SOMETHING SEEMS WRONG

Call the bank and the authorities. If you think your money was sent to a criminal, you might be able to get it back but time is not your friend. You should immediately:

- Contact your bank.
- Ask your bank to contact the bank where the fraudulent wire was sent.
- Contact your local Federal Bureau of Investigation (FBI) office – the FBI can work with other agencies and might be able to help return or freeze the funds.
- File a complaint online with the FBI at bec.ic3.gov.

For more information about preventing fraud in the home closing process, please visit:
TRGC.com/Wire-Fraud-Warning

Cornerstone Title Company Privacy Statement

Rev 5-10-2023

FACTS	WHAT DOES CORNERSTONE TITLE COMPANY DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> ■ Social Security number and account balances ■ payment history and credit card or other debt ■ checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Cornerstone Title Company chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does Cornerstone Title Company share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For nonaffiliates to market to you	No	We don't share
Questions?	Go to http://www.anywhere.re/privacypolicy	

**Cornerstone Title Company
Privacy Statement**

Rev. 5-10-2023

Who we are	
Who is providing this notice?	Cornerstone Title Company
What we do	
How does Cornerstone Title Company protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Cornerstone Title Company collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> ■ Apply for insurance or pay insurance premiums ■ Provide your mortgage information or show your driver's license ■ Give us your contact information <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> ■ Sharing for affiliates' everyday business purposes—information about your creditworthiness ■ Affiliates from using your information to market to you ■ Sharing for nonaffiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Our affiliates include companies that are owned in whole or in part by Anywhere Real Estate Inc., such as Better Homes and Gardens® Real Estate, CENTURY 21®, Coldwell Banker®, Coldwell Banker Commercial®, The Corcoran Group®, ERA®, Sotheby's International Realty®, Anywhere Advisors LLC, Cartus, Anywhere Leads Inc. and Anywhere Integrated Services LLC.</i>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ <i>Cornerstone Title Company does not share with nonaffiliates so they can market to you</i>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ <i>Cornerstone Title Company does not share with nonaffiliated financial companies for joint marketing purposes</i>
Other Important Information	
For European Union Customers	Please see our Privacy Policy located at http://www.anywhere.re/privacypolicy
For our California Customers	Please see our notice about the California Consumer Protection Act located at http://www.anywhere.re/privacypolicy

Exhibit B (Revised 11-04-22)
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (By Policy Type)

CALIFORNIA LAND TITLE ASSOCIATION
STANDARD COVERAGE POLICY – 2022 (02-04-22)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable "doing business" laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the public records at Date of Policy.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART II

(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)

CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE OWNER'S POLICY (02-04-22)
EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
- Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
 3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
 4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.
 5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
 6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
 7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

PART I

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

PART II

(Variable exceptions such as taxes, easements, CC&R's, etc., are inserted here)

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (07-01-2021)

EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy and We will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
- b. any governmental forfeiture, police, or regulatory, or national security power.
- c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
Exclusion 1 does not modify or limit the coverage provided under Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23, or 27.
2. Any power to take the Land by condemnation. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 17.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by You;
 - b. not Known to Us, not recorded in the Public Records at the Date of Policy, but Known to You and not disclosed in writing to Us by You prior to the date You became an Insured under this policy;
 - c. resulting in no loss or damage to You;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 5, 8.f., 25, 26, 27, 28, or 32); or
 - e. resulting in loss or damage that would not have been sustained if You paid consideration sufficient to qualify You as a bona fide purchaser of the Title at the Date of Policy.
4. Lack of a right:
 - a. to any land outside the area specifically described and referred to in Item 3 of Schedule A; and
 - b. in any street, road, avenue, alley, lane, right-of-way, body of water, or waterway that abut the Land.
Exclusion 4 does not modify or limit the coverage provided under Covered Risk 11 or 21.
5. The failure of Your existing structures, or any portion of Your existing structures, to have been constructed before, on, or after the Date of Policy in accordance with applicable building codes. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 14 or 15.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transfer of the Title to You is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 30.
7. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake, or subsidence.
8. Negligence by a person or an entity exercising a right to extract or develop oil, gas, minerals, groundwater, or any other subsurface substance.
9. Any lien on Your Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 9 does not modify or limit the coverage provided under Covered Risk 8.a. or 27.
10. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

1. For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A. The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$ 2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$ 2,500.00 (whichever is less)	\$ 5,000.00

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (07-01-2021)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.
8. Contamination, explosion, fire, flooding, vibration, fracturing, earthquake or subsidence.
9. Negligence by a person or an Entity exercising a right to extract or develop minerals, water, or any other substances.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

2. For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
- The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1% of Policy Amount Shown in Schedule A or \$ 2,500.00 (whichever is less)	\$ 10,000.00
Covered Risk 18:	1% of Policy Amount Shown in Schedule A or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 19:	1% of Policy Amount Shown in Schedule A or \$ 5,000.00 (whichever is less)	\$ 25,000.00
Covered Risk 21:	1% of Policy Amount Shown in Schedule A or \$ 2,500.00 (whichever is less)	\$ 5,000.00

ALTA OWNER'S POLICY (07-01-2021)
EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1.
 - a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

EXCEPTIONS FROM COVERAGE

Some historical land records contain Discriminatory Covenants that are illegal and unenforceable by law. This policy treats any Discriminatory Covenant in a document referenced in Schedule B as if each Discriminatory Covenant is redacted, repudiated, removed, and not republished or recirculated. Only the remaining provisions of the document are excepted from coverage.

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

NOTE: The 2021 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed as 1 through 7 below:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B

ALTA OWNER'S POLICY (07-01-2021)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage, and the Company will not pay costs, attorneys' fees or expenses, that arise by reason of:

NOTE: The 2006 ALTA Owner's Policy may be issued to afford either Standard Coverage or Extended Coverage. In addition to variable exceptions such as taxes, easements, CC&R's, etc., the Exceptions from Coverage in a Standard Coverage policy will also include the Western Regional Standard Coverage Exceptions listed below as 1 through 7 below:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records at Date of Policy but that could be (a) ascertained by an inspection of the Land, or (b) asserted by persons or parties in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records at Date of Policy.
4. Any encroachment, encumbrance, violation, variation, easement, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records at Date of Policy.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor, material or equipment unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, uranium, clay, rock, sand, and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) app

Exhibit A

All that certain real property situated in the City of Palo Alto, County of Santa Clara, State of California, described as follows:

All of Parcel 4, as shown upon that certain Map entitled, "Parcel Map, Portion of Lot 7, Briones Partition", which Map was filed for record in the Office of the Recorder of the County of Santa Clara, State of California, on November 26, 1971 in [Book 293 of Maps, at Page 29](#).

APN: 175-20-078



ENVIRONMENTAL ASSESSMENT WORKSHEET

City of Palo Alto Department of Planning & Development Services

GENERAL INFORMATION:

Date Filed 11/6/2025

1. Address of Project: 4103 Old Trace Road, Palo Alto

2. Assessor's Parcel Number: 175-20-078 Book #: _____ Page #: _____

3. Application Number(s): _____

4. Applicant: Steel Bridge Homes Palo Alto, LP

Name Melanie Griswold Telephone 415-265-1086

Address 206 Garden Hill Drive Fax # _____
Los Gatos, CA 95032 mg@steelbridgecap.com

E-mail _____

5. Owner: Same as applicant

Name _____ Telephone _____

Address _____ Fax # _____

E-mail _____

6. Current Zoning: RE Comprehensive Plan Designation Single-Family Residential

7. Application for: Streamlined Housing Development Project Review; Vesting Tentative Map

Site and Design _____ Parcel Map _____ ARB Review _____

Use Permit _____ Zone Change _____ EIA, EIR _____

EXISTING SITE:

8. State all known or suspected prior uses, operations, or other activities on the site over the past 20 years None. Land is vacant and has never been developed.

9. Size of site: Gross 1.02 Net _____

10. Site is owned X Rented _____ by applicant.

11. Existing use of property: Vacant - Site Photos included in Docs and Neighborhood Context included in Plans.
*Attach photographs of project site, also include an aerial photo of the project site.

12. Number of existing structures None Current Use Vacant

13. Size of existing structures N/A Condition _____

14. Will any structure be demolished for this project Yes _____ No X

15. Total square footage to be demolished N/A

16. Total number of building occupants for existing use N/A

17. Number of parking spaces N/A % compact spaces N/A # Bicycle spaces N/A

18. If current use is residential: N/A

Number of owner-occupied units _____
Number of renter-occupied units _____

PROPOSED PROJECT:

19. Project description _____

Proposed Vesting Tentative Map application to subdivide a 1.02 gross acre lot at 4103 Old Trace Road into ~~7 single-family lots and 1 common area lot of private street for public access and utilities and~~ associated improvements, including landscape and a Streamlined Housing Development Project Review application for ~~1 single-family and JADU on 6 lots and 1 single-family, attached JADU and attached ADU~~ on 1 lot (15 units total), 3 of which will be affordable to households earning between 80% and 120% of AMI and requests for associated benefits under State Density Bonus Law, including additional density, waivers, reductions in development standards, and incentives and concessions.

20. Future tenant if known N/A

21. Number of structures proposed 7 Size (in square feet) Varies - see Plans

22. Number of floors and building height Varies - see Plans FAR Varies - see Plans

23. Percentage of site to be covered (including bricks and pavers) _____

24. Estimated number of employees per shift N/A

25. If the proposed project is residential:

Total number of units 15 Number of units per acre 15

Expected sales price or monthly rent per dwelling unit Approximately \$1600 PSF

List kinds and size of community buildings N/A

Area of private open space Private Yards - see plans Area of common open space None

Provision of low/moderate income units:

1) Number of units provided for: Sale 3 Rent _____

2) Sale and / or rental price Units will be affordable to households earning between 80% of AMI and 120% of AMI

26. Total number of vehicles expected daily for proposed project 70 daily trips

27. Number of proposed parking spaces ^{2 per unit, 3 in driveway} _____ Percentage compact spaces None

Number of bicycle spaces Yards and garages provide for bicycle parking

28. Are there any toxic wastes to be discharged? Yes _____ No X

(If yes, please complete a Sewer Discharge Questionnaire, which is furnished by the Building Department)

29. Has the facility in the past or will the operation of the proposed facility involve the storage or use of Hazardous materials? Yes _____ No X

(If yes, please complete a Hazardous Materials Disclosure checklist, which is furnished by the Fire Department)

30. Expected amount of water usage (except for residential developments of fewer than 4 units not located in the foothills)

Domestic 4,224 gal/day Peak use 7,194 gal/day

Commercial _____ gal/day Peak use _____ gal/day

31. Daily sewer discharge (over 30 fixtures only) _____

32. Expected energy use:

Gas N/A therms Electric _____ KWH Peak electric demand _____

Uses and equipment sizes

A. Space heating:

Gas N/A BTUH _____ Solar _____

Electric _____ KW _____ Heat pump 2 per lot Tons approx. 50
(14 total)

Other _____

B. Air conditioning:

Number of units 2 per lot (14 total) Total tonnage approx. 50

C. Water heating:

Gas N/A BTUH _____ Solar _____

Electric _____ KW _____ Heat Pump _____ Tons _____

Other _____

Type: Central system _____ Individual system _____

Recirculating Loop? Yes _____ No _____

D. Other:

Indoor lighting _____ KW _____ Outdoor lighting _____ KW _____

Cooking _____ KW _____ Refrigeration _____ Tons or ft _____

Motors _____ HP _____ x-ray _____ Computer _____

33. Air pollution emissions (Check applicable BAAQMD regulations). **N/A**

Commercial / Industrial only: Source _____

Type _____ Amount _____

34. Noise generation: eg. Generators, chitlers, HVAC, drive through speakers, etc.

Source **Residential HVAC condensers** Amount (dBa) **< 50**

Please list outside noise sources that may affect the project: eg. Traffic, train etc. **Traffic on Arastradero**

Sound proofing/mitigation proposed **None**

35. Site drainage provisions **Site drainage is designed according to SCVURPP .3 Drainage Handbook. See Civil Plans and C3 Worksheet for details.**

36. Amount of proposed grading (cubic yards) **3000 cy (total off-haul) Cut: 3250 cy Fill: 250 cy**

37. Disposition of excavated material **Per Green Halo/Waste Mgmt Plan in Plan Check phase**

38. Permits required from other agencies: **None that are expected**

Santa Clara Valley Water District _____

Bay Area Air Quality Management District _____

Army Corps of Engineers _____

Other _____

Environmental Setting:

39. Percent and direction of ground slope at site **Ground slopes from South to North between 5% to 7%**

40. Is this site within a special flood hazard area? Yes _____ No **X**

41. Existing site vegetation (please list, and indicate any to be removed)
*Also include a tree disclosure statement. The size and location of all public, protected private, and heritage trees must be shown. (This form can be obtained at the Development Center or by calling (650) 617-314)

Site is vacant and covered with grass and limited trees. A tree disclosure statement is included in the plans along with an arborist report. See Sheets T1-T-5. Trees are being preserved.

42. Existing animal and bird life on site None known. Nesting bird study will be performed if any trees are to be removed during nesting season

43. Detailed description of conditions and uses of adjacent properties

Site is surrounded by single-family residential use on the South/West side of Arastradero. On the opposite side of Arastradero, there is a public trail.

Prepared by 

Date 11/6/2025

Melanie Griswold

Note: More information may be required before the application for which this assessment has been prepared can be processed. Please call the Department of Planning & Development Services at (650) 329-2442 if you have any questions.

PLEASE RETURN COMPLETED WORKSHEET TO THE DEPARTMENT OF PLANNING & DEVELOPMENT SERVICES, DEVELOPMENT CENTER, 285 HAMILTON AVENUE, 1ST FLOOR.

CITY OF PALO ALTO: REQUIRED COVENANTS, CONDITIONS, AND RESTRICTIONS FOR NEW CONDOMINIUM PROJECTS

Section 16.38 of Palo Alto’s Municipal Code provides that all condominium and other “community housing projects” shall submit Covenants, Conditions and Restrictions (CC&R’s) to the City Attorney for approval before the Certificate of Occupancy is issued. The City Attorney has developed the following standard covenants which should be included in all CC&R’s submitted to the City for approval.

City of Palo Alto’s Required Covenants, Conditions, and Restrictions.

Property Shall Comply with City Zoning Ordinances. The property, including all common areas, private streets and, parks within the property, shall at all times comply with the City’s Zoning Code and shall not be used for any purpose other than as permitted in the City Zoning Code.

[Modified to account for Permit - See Section 7.1 of Proposed CC&Rs](#)

Modifications to Property. Any alterations, modifications, or other improvements to the property shall comply with all applicable City Codes.

[See Section 8.2.B of Proposed CC&Rs](#)

Maintenance of Private Streets. The association shall be responsible for maintaining all private streets within and adjoining the property in accordance with industry standards and in compliance with all City ordinances and regulations. The association shall be responsible for removing abandoned or improperly parked vehicles on private streets within and adjoining the property.

[See Section 5.1.A.\(2\) of Proposed CC&Rs](#)

Protection of Storm Water Facilities. Neither the association, its residents, nor their agents, employees, representatives, invitees, licensees, customers, or contractors shall alter or modify any storm water facilities in any way including but not limited to placing, maintaining, constructing, or planting any improvements, landscaping or other items, including without limitation decks, stairs, walls, irrigation systems, trees, or any vegetation on any storm water facilities.

[See Section 7.20 of Proposed CC&Rs](#)

Trash Disposal and Recycling Areas Shall Comply with City Ordinances. All trash disposal and recycling areas shall be kept in a clean and sanitary condition and shall comply with all applicable City Ordinances.

[See Section 7.10 of Proposed CC&Rs](#)

Prohibition against Air and Water Pollution. Neither the association, its residents, nor their agents, employees, representatives, invitees, licensees, customers, or contractors shall use the property in any way which emits pollution into the atmosphere in excess of environmental standards set forth by City, State, and Federal laws, ordinances, and regulations. Neither the association, its residents, nor their agents, employees, representatives, invitees, licensees, customers, or contractors shall discharge garbage, trash, waste, or any other substance or materials of any kind into any private or public sewer or waterway on the property in violation of any regulations of any private or public body having jurisdiction over such matters.

[See Section 7.3 of Proposed CC&Rs](#)

Amendments to Organizational Documents Require City Approval. Any amendments or modifications to the organizational documents shall be submitted to the city attorney for approval. No amendment or modification to the organizational documents shall be effective without prior written consent of the city attorney. [See Section 8.5.E of Proposed CC&Rs](#)

City's Right to Enforce Covenants and Restrictions. The City is hereby granted the right, but in no event the duty, to enforce the covenants and restrictions set forth in the organizational documents. The association shall recognize that it has the primary responsibility for enforcement of the organizational documents and unequivocally guarantees to institute and expeditiously prosecute any required legal action to obtain compliance with all provisions set forth in the organizational documents. [See Section 8.2.A of Proposed CC&Rs](#)

No Waiver of City's Rights. No failure of the City to enforce any of the covenants or restrictions contained in the organizational documents will in any event render them ineffective.

[See Section 8.2.B of Proposed CC&Rs](#)

City's Remedies to Cure a Breach or Violation. Remedies available to the City to cure any breach or violation of the organizational documents shall be cumulative to any other provisions of law. The City's failure to exercise any remedy provided for in the organizational documents shall not, under any circumstances, be construed as a waiver of the remedy.

[See Section 8.2.C of Proposed CC&Rs](#)

Severability. Invalidation of any one of the City's required covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

[See Section 8.2.D of Proposed CC&Rs](#)

**Recording Requested By.
Cornerstone Title Company**

**When Recorded Return To.
California Advisory Services, PC
206 Garden Hill Drive
Los Gatos, CA 95032**

APN. 175-20-078
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Palo Alto, CA 94306

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
STEEL BRIDGE ESTATES, A PLANNED DEVELOPMENT**

THIS DECLARATION CONTAINS A JUDICIAL REFERENCE PROVISION AND A BINDING ARBITRATION PROVISION IN CALIFORNIA ARBITRATION ACT. ARBITRATION INCLUDES A WAIVER OF THE CONSTITUTIONAL RIGHT TO A JURY. YOU MUST READ THE JUDICIAL REFERENCE AND ARBITRATION PROVISIONS CAREFULLY AND SHOULD CONSULT LEGAL COUNSEL WITH ANY QUESTIONS.

IF THIS DOCUMENT CONTAINS ANY RESTRICTION BASED ON AGE, RACE, COLOR, RELIGION, SEX, GENDER, GENDER IDENTITY, GENDER EXPRESSION, SEXUAL ORIENTATION, FAMILIAL STATUS, MARITAL STATUS, DISABILITY, VETERAN OR MILITARY STATUS, GENETIC INFORMATION, NATIONAL ORIGIN, SOURCE OF INCOME AS DEFINED IN SUBDIVISION (P) OF SECTION 12955, OR ANCESTRY, THAT RESTRICTION VIOLATES STATE AND FEDERAL FAIR HOUSING LAWS AND IS VOID, AND MAY BE REMOVED PURSUANT TO SECTION 12956.2 OF THE GOVERNMENT CODE BY SUBMITTING A "RESTRICTIVE COVENANT MODIFICATION" FORM, TOGETHER WITH A COPY OF THE ATTACHED DOCUMENT WITH THE UNLAWFUL PROVISION REDACTED TO THE COUNTY RECORDER'S OFFICE. THE "RESTRICTIVE COVENANT MODIFICATION" FORM CAN BE OBTAINED FROM THE COUNTY RECORDER'S OFFICE AND MAY BE AVAILABLE ON ITS INTERNET WEBSITE. THE FORM MAY ALSO BE AVAILABLE FROM THE PARTY THAT PROVIDED YOU WITH THIS DOCUMENT. LAWFUL RESTRICTIONS UNDER STATE AND FEDERAL LAW ON THE AGE OF OCCUPANTS IN SENIOR HOUSING OR HOUSING FOR OLDER PERSONS SHALL NOT BE CONSTRUED AS RESTRICTIONS BASED ON FAMILIAL STATUS.

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**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
STEEL BRIDGE ESTATES, A PLANNED DEVELOPMENT**

THIS DECLARATION, made on the date hereinafter set forth, by Steel Bridge Homes Palo Alto, LP, a California limited partnership, (“Steel Bridge”) hereinafter referred to as "Declarant," is made with reference to the following facts.

A. Location of Property. Declarant is the owner of certain property located in the City of Palo Alto ("City"), County of Santa Clara ("County"), State of California, more particularly described on the Map entitled _____ filed for record in the Office of the Recorder of the County of Santa Clara State of California, on _____, 202_, in Book _____ of Maps, page(s) _____ ("Map").

B. Owner's Interest. The development shall be referred to as the "Project" as defined in **Section 1.39**. Lots 1 through 7 shall each have appurtenant to it a membership in the STEEL BRIDGE PALO ALTO HOMEOWNERS ASSOCIATION, a nonprofit mutual benefit corporation, which shall own and manage the Common Area.

C. General Plan of Improvement. Declarant intends by this Declaration to impose upon the Project, as defined and described in this Declaration, mutually beneficial restrictions under a general plan of improvement for the benefit of all Owners of Lots.

NOW, THEREFORE, Declarant hereby declares that all of the Project described above shall be held, sold, leased, mortgaged, encumbered, rented, used, occupied, improved and conveyed subject to the following declarations, limitations, easements, restrictions, covenants, and conditions, which are imposed as equitable servitudes pursuant to a general plan for the development of the Project for the purpose of enhancing and protecting the value and desirability of the Project and every part thereof, and which shall run with the Project and be binding on Declarant and its successors and assigns, and on all parties having or acquiring any right, title or interest in or to the described Project or any part of it, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I DEFINITIONS AND INTERPRETATIONS

1.1. "Articles". The Articles of Incorporation of the Association, as amended from time to time.

1.2. "Assessment". That portion of the cost of inspecting, maintaining, improving, repairing, operating and managing the Project, including Reserves, which is to be paid by each Owner as determined by the Association, and shall include Regular Assessments, Special Assessments, and Reimbursement Charges.

1.3. "Assessment Lien". A lien imposed by the Association on a Lot to collect a delinquent Assessment pursuant to California Civil Code section 5675.

1.4. "Association". The Steel Bridge Palo Alto Homeowners Association, a California nonprofit mutual benefit corporation, the Members of which shall be the Owners of Lots in the Project.

1.5. "Board" or "Board of Directors". The governing body of the Association.

1.6. "Budget". A written, itemized estimate of the Association’s income and Common Expenses prepared and adopted by the Association pursuant to the Bylaws.

- 1.7. **"Bylaws"**. The Bylaws of the Association, as amended from time to time.
- 1.8. **"City"**. The City of Palo Alto.
- 1.9. **"Common Area"**. The portions of the Property (and all improvements thereon) owned by the Association for the common use and enjoyment of the Owners consisting upon recordation of the Maps and conveyance by deed to the Association of Lot "A", described on said Map.
- 1.10. **"Common Expenses"**. The actual and estimated expenses the Association incurred for inspecting, maintaining, repairing, operating and replacing the Common Area and any reasonable Reserve for such purposes as found and determined by the Board and all sums designated Common Expenses by or pursuant to the Declaration, Articles, or Bylaws.
- 1.11. **"Condominium"**. Means a condominium, if any, as shown on the Map.
- 1.12. **"County"**. The County of Santa Clara
- 1.13. **"Davis-Stirling Act"**. California Civil Code sections 4000, et seq.
- 1.14. **"Declarant"**. Steel Bridge Homes Palo Alto, LP, a California limited partnership, and any successor or assign that expressly assumes the rights and duties of the Declarant under this Declaration in a recorded written document.
- 1.15. **"Declaration"**. This Declaration, as amended or supplemented from time to time.
- 1.16. **"Design Guidelines"**. The rules or guidelines setting forth procedures and standards for submission of plans for Board approval.
- 1.17. **"DRE"**. The California Department of Real Estate and any department or agency of the California state government that succeeds to the DRE's functions.
- 1.18. **"Eligible Mortgages"**. Mortgages held by "Eligible Mortgage Holders."
- 1.19. **"Eligible Mortgage Holder"**. A holder, insurer, or guarantor of a First Mortgage on a Lot which has requested timely written notices from the Association, in a written request that includes the name and address of the Eligible Mortgage Holder, and the Lot number.
- 1.20. **"Eligible Insurer or Guarantor"**. An insurer or governmental guarantor of a First Mortgage.
- 1.21. **"First Lender"**. Any person, entity, bank, savings and loan association, insurance company, or other financial institution holding a recorded First Mortgage on any Lot.
- 1.22. **"First Mortgage"**. Any Mortgage recorded in the County made in good faith and for value on a Lot with first priority over other Mortgages encumbering the Lot.
- 1.23. **"Foreclosure"**. The legal process by which a Lot owned by an Owner who is in default under a Mortgage is sold, pursuant to California Civil Code section 2924a et seq. or sale by the court pursuant to California Code of Civil Procedure § 725a et seq. and any other applicable laws.

1.24. "Governing Documents". This Declaration, as amended from time to time, the exhibits, if any, that are attached to the Declaration, together with the other basic documents used to create and govern the Project, including the Map, the Articles, the Bylaws, any Rules and any Design Guidelines adopted by the Board or the Association.

1.25. "Hazardous Materials". Any substance, material or waste which is or becomes. (i) regulated by any local or regional Governmental authority of the State of California or the United States Government as a hazardous waste; (ii) is defined as a "solid waste," "sludge," "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "non-RCRA hazardous waste," "RCRA hazardous waste," or "recyclable material," under any federal, state or local statute, regulation, or ordinance, including, without limitation, Sections 25115, 25117, 25117.9, 25120.2, 25120.5 or 25122.7, 25140, 25141 of the California Health and Safety Code; (iii) defined as a "Hazardous Substance" under section 25316 of the California Health and Safety Code; (iv) defined as a "Hazardous Material," "Hazardous Substance" or "Hazardous Waste" under Section 25501 of the California Health and Safety Code; (v) defined as a "Hazardous Substance" under Section 25281 of the California Health and Safety Code; (vi) asbestos; (vii) petroleum products, including, without limitation, petroleum, gasoline, used oil, crude oil, waste oil, and any fraction thereof, natural gas, natural gas liquefied, methane gas, natural gas, or synthetic fuels, (viii) materials defined as hazardous or extremely hazardous pursuant to the California Code of Regulations; (ix) pesticides, herbicides and fungicides; (x) polychlorinated biphenyls; (xi) defined as a "Hazardous Substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1251 *et seq.*); (xii) defined as a "Hazardous Waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 *et seq.*; (xiii) defined as a "Hazardous Substance" or "Mixed Waste" pursuant to Section 101 of the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C. Section 9601 *et seq.*, and regulations promulgated thereunder; (xiv) defined as a "Hazardous Substance") pursuant to Section 401.15 of the Clean Water Act, 40 C.F.R. 116; (xv) defined as an "Extremely Hazardous Substance" pursuant to Section 302 of the Superfund Amendments and Reauthorizations Act of 1986, 42 U.S.C. Section 11002 *et seq.*; or (xvi) defined as "medical waste" pursuant to Section 25023.2 of the California Health and Safety Code, Chapter 6.1 (Medical Waste Management Act).

1.26. "Homeowners Association Handbook". Any recommendations and directions for inspection and maintenance of Common Area improvements by the Association and/or the Board.

1.27. "Homeowners Handbook". Any recommendations and directions for inspection and maintenance of Lots by Owners.

1.28. "Lot". Each Lot shown on the Map, with the exception of the Common Area.

1.29. "Major Components". Those elements of the Project, including, without limitation, structural elements, machinery and equipment, that the Association is obligated to maintain as provided in California Civil Code sections 5300(b) and 5550.

1.30. "Map". That Map, described above in Introductory Paragraph A.

1.31. "Member". A person entitled to membership in the Association as provided herein.

1.32. "Mortgage". A mortgage, deed of trust, assignment of rents, issues and profits or other proper instrument (including, without limitation, those instruments and estates created by sublease or assignment) given as security for the repayment of a loan or other financing which encumbers a Lot, made in good faith and for value.

1.33. "Mortgagee". The holder of a Mortgage including the beneficiary of a deed of trust that constitutes a Mortgage.

1.34. "Mortgagor". A Person who encumbers its Lot with a Mortgage, including a trustor of a deed of trust that constitutes a Mortgage.

1.35. "Notice of Delinquent Assessment". A Notice of Delinquent Assessment filed by the Association for a delinquent Assessment pursuant to **Section 4.9.C**.

1.36. "Occupant". A Person who legally occupies a Lot, including, without limitation, a tenant or guest, invitee, renter, lessee, family member, or relative.

1.37. "Owner". The record holder, whether one (1) or more Persons or entities (all of whom or which, collectively constitute one (1) Owner of each Lot for all purposes of this Declaration, from time to time designated on the records of the Association) of fee simple title to a Lot, including Declarant, expressly excluding. (a) Those Persons or entities having (i) an interest merely as security for the performance of an obligation and/or (ii) option rights; rights of first refusal; rights of first negotiation and/or a recorded memorandum of any such rights, in each case until such Persons or entities obtain fee title to the Lot and/or (b) those Persons or entities who have leasehold and/or other non-ownership occupancy interests in a Lot. If a Lot is sold under a recorded installment contract of sale, the purchaser under the contract of sale, rather than the holder of the fee interest, shall be considered the "Owner" from and after the date the Association receives written notice of the recorded contract of sale. The term "Owner" includes Declarant with respect to each Lot that Declarant owns.

1.38. "Person". A natural person, a corporation, a partnership, a trust, or other legal entity.

1.39. "Private Street". The private street located within the Common Area, Lot A, as shown on the Map.

1.40. "Project". All of the real property above described on the Map including all improvements and structures erected or to be erected on that real property, subject to this Declaration.

1.41. "Public Report". The official document and permit issued pursuant to the Subdivided Lands Act (Business & Professions Code §§ 11000 et seq.) by the State of California Department of Real Estate authorizing the offering of the Lots for sale to the public.

1.42. "Regular Assessments". A Regular Assessment levied by the Association pursuant to Section 4.3.A.

1.43. "Reimbursement Charge". A charge levied by the Board against an Owner to reimburse the Association for costs and expenses incurred in bringing the Owner and/or its Lot and/or Occupant into compliance with the provisions of this Declaration, determined and levied pursuant to **Sections 4.10** and **5.1.A** of this Declaration.

1.44. "Reserves or Reserve Funds". That portion of the Common Expenses collected as part of the Regular Assessments levied against the Lots in the Project allocated (i) for the future repair and replacement of, or additions to, the Major Components which the Association is obligated to maintain pursuant to this Declaration, including Reserves for replacement of structural elements and mechanical equipment or other facilities maintained by the Association; and (ii) to cover the deductible amounts of any insurance policies maintained by the Association.

1.45. "Reserve Study". The tri-annual study of Major Components of a Common Interest Development required by California Civil Code sections 5550 and 5560.

1.46. "Residence". The residential structure that is located within a Lot or a Condominium.

1.47. "Right to Repair Law". Division 2, Part 2, Title 7 (commencing with Section 895) of the California Civil Code ("SB 800").

1.48. "Rules". The rules adopted from time to time by the Board or the Association.

1.49. "SB 800". The "Right to Repair Law".

1.50. "Special Assessments". A Special Assessment levied by the Association pursuant to Section 4.3.B.

1.51. "Utility Facilities". Defined in **Section 2.6.**

ARTICLE II. DESCRIPTION OF PROJECT AND CREATION OF PROPERTY RIGHTS

2.1. Description of Project. The Project is a planned development, consisting of the Common Area, seven (7) Lots and all improvements thereon.

2.2. Easements; Dedication of Common Area. Each of the Lots shown on the Map shall have appurtenant to it as the dominant tenement an easement over the Common Area(s) as the servient tenement for ingress and egress, and for use, occupancy, and enjoyment, and for the construction, maintenance and operation of utilities; subject to the following provisions.

A. The right of the Association to discipline Members for any period during which any Assessment against the Member's Lot remains unpaid, and for any infraction of the Declaration, Bylaws, Articles or written Rules in accordance with the provisions of **Sections 4.9, 5.2.F and 9.1** hereof.

B. The right of the Association to dedicate, transfer or mortgage all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided, that in the case of the borrowing of money and the mortgaging of its property as security therefor, the rights of such Mortgagee shall be subordinate to the rights of the Members of the Association. No such dedication, transfer or mortgage shall be effective unless an instrument signed or approved by two-thirds (2/3rds) of the Members agreeing to such dedication, transfer or mortgage has been recorded.

C. The right of the Association to grant easements under, in, upon, across, over, above or through any portion of the Common Area for purposes, including, without limitation, access, utilities, and parking, which are beneficial to the development of the Project in accordance with the general plan established by this Declaration.

D. The right of the Association or Declarant to install or have installed a cable or central television antenna system. The system, if and when installed, shall be maintained by the Association or cable television franchisee. To the extent required to effectuate the foregoing plan, there shall be an easement in favor of each Lot for the purpose of connecting the same with the master cable television terminal, central television antenna or line. Each Lot shall be subject to an easement in favor of all other Lots and in favor of the entity holding the cable television or similar communications services franchise, to provide for the passage through the Lot and any structure thereon of television connections from any other Lot to the cable system, and shall be subject to a further easement for the placement and maintenance of such connections.

E. Easements for work necessary to complete development and construction of the Project, as more particularly described in **Section 9.6**.

The foregoing easements are granted and reserved subject to the condition that their use and enjoyment shall not unreasonably interfere with the use, occupancy or enjoyment of all or any part of the Lot servient to them or to which they are appurtenant.

2.3. Easements to Accompany Conveyance of Lot. Easements that benefit or burden any Lot shall be appurtenant to that Lot and shall automatically accompany the conveyance of the Lot, even though the description in the instrument of conveyance may refer only to the fee title to the Lot.

2.4. Delegation of Use. Any Owner may delegate, in accordance with the Bylaws, its right of enjoyment to the Common Area and facilities to the Members of its family, guests, Occupants, or contract purchasers, who reside in the Project.

2.5. Conveyance of Common Area to Association. On or before conveyance of title to the first Lot, Declarant shall deed the Common Area to the Association to be held for the benefit of the Members of the Association.

2.6. Owners' Rights and Easements for Utilities. The rights and duties of the Owners within the Project with respect to sanitary sewer, drainage, water, electric, gas, television receiving, telephone equipment, DSL fiber optic or other cables and lines or facilities (hereinafter referred to, collectively, as "Utility Facilities") shall be as follows.

A. Whenever Utility Facilities are installed within the Project, which Utility Facilities or any portion thereof lie in or upon any Lot(s) or Condominium(s) owned by an Owner other than the Owner of the Lot served by said Utility Facilities, the Owners of the Lot served by said Utility Facilities, shall have the right of reasonable access for themselves or for utility companies or the City to repair, to replace and generally maintain said Utility Facilities as and when the same may be necessary, due to failure or inability of the Board to take timely action to make such repairs or perform such maintenance.

B. Whenever Utility Facilities are installed within the Project which serve more than one (1) Lot, the Owner of each Lot served by said Utility Facilities shall be entitled to the full use and enjoyment of such portions of said Utility Facilities that service its Lot.

C. In the event of a dispute between Owners with respect to the repair or rebuilding of said Utility Facilities, or with respect to the sharing of the cost thereof, then, upon written request of one (1) Owner addressed to the other Owner(s), the matter shall be submitted first to the Board for mediation, and thereafter, if the dispute remains unresolved, to binding arbitration within sixty (60) days pursuant to **Section 9.14.E** of the Declaration.

2.7. Encroachment Easements. Each Lot as the dominant tenement shall have an easement over adjoining Lots and Common Area as the servient tenements for the purpose of accommodating any encroachment due to foundations, exterior wall, windows, roof overhang and fences or walls which are built in accordance with the original design, plans and specifications of Declarant, or due to engineering errors, errors or adjustments in original construction, settlement or shifting of the building, or similar causes. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of Owners shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurred due to the intentional conduct of said Owner or Owners other than adjustments by Declarant in the original construction. In the event a structure is partially or totally destroyed, and then repaired or rebuilt, the Owners of each adjoining Lot agree that minor encroachments over adjoining Lots, Condominiums, and Common Area shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist. In the event that an error in engineering, design or construction results in an encroachment of a building into the Common Area, or into or onto an adjoining Lot, or into a required setback area, a correcting modification may (at the discretion of Declarant) be made in the Map. Said modification shall be in the form of a certificate of correction and shall be executed by Declarant (so long as Declarant is the sole owner of the Project) and by Declarant's engineer and by the City Engineer. If the correction occurs after title to the Common Area has been conveyed to the Association, the Association shall also execute the certificate of correction. The Board of Directors may, by vote or written approval of a majority of the Directors, authorize the execution of the certificate of correction.

2.8. Maintenance Easement. An easement over each Lot and Condominium is reserved by Declarant, and is hereby granted to the Association, for the purpose of entering upon the Project to perform such maintenance, if any, as the Association may do in accordance with the provisions of **Section 5.1** of this Declaration.

2.9. Drainage Easements. An easement over and under each Lot and Condominium as the servient tenement is reserved in favor of each other Lot, Condominium, and Common Area as the dominant tenement for the purpose of allowing the Association's agents to enter the Lot to maintain that portion of an in-tract storm drainage system and bio-retention facilities located thereon. No Owner or Occupant shall commit any act that would interfere with the operation of any drainage system (including drainage swales and bio-retention areas) installed on the Owner's Lot, each Owner shall maintain the system free of debris and other obstacles at all times. Reciprocal appurtenant easements between each Lot, Condominium, and the Common Area and between adjoining Lots are reserved for the flow of surface water.

2.10. Other Easements. The Common Area and each Lot and Condominium are subject to all easements, dedications, and rights of way granted or reserved in, on, over and under the Project as shown on the Map.

2.11. Rights of Entry and Use. The Lots, Condominiums, and Common Area shall be subject to the following rights of entry and use.

A. The right of the Association's agents to enter any Lot to cure any violation of the Governing Documents, provided that the Owner has received notice and a hearing as required by the Bylaws (except in the case of an emergency) and the Owner has failed to cure the violation or take steps necessary to cure the violation within thirty (30) days after the finding of a violation by the Association;

B. The access rights of the Association to inspect, maintain, repair, or replace improvements or property located in the Common Area as described in **Article IV**;

C. The easements described in this **Article II**;

D. The right of the Association's agents to enter any Lot to enter and perform maintenance as described in **Sections 7.20** and **9.10**;

E. The rights of the Declarant during the construction period as described in **Section 9.6**.

2.12. Partition of Common Area. There shall be no subdivision or partition of the Common Area, nor shall any Owner seek any partition or subdivision thereof.

Notwithstanding any provisions to the contrary contained in this Declaration and in order to provide for a means of terminating the Project if this should become necessary or desirable, on occurrence of any of the conditions allowing an Owner of a Lot to maintain an action for partition (as such conditions are presently set forth in California Civil Code section 4610 or as such conditions in the future may be set forth in any amendment thereto or comparable provisions of law), two-thirds (2/3rds) of the Owners of Lots (collectively) shall have the right to petition the Superior Court having jurisdiction to alter or vacate the Map under California Government Code section 66499.21, et seq., or any comparable provisions of law, and to vest title to the Project in Owners as tenants in common and order an equitable partition of the Project in accordance with the laws of the State of California. Nothing herein shall be construed to prohibit partition of a joint tenancy or co-tenancy in any Lot.

2.13. All Easements Part of Common Plan. Whenever any easements are reserved or created or are to be reserved or created in this Declaration, such easements shall constitute equitable servitudes for the mutual benefit of all property in the Project, even if only certain Lots are specifically mentioned as subject to or benefiting from a particular easement. The Easements referred to in this Declaration that are

created by grant deeds subsequent to the date of this Declaration shall be part of the common plan created by this Declaration for the benefit of all property Owners within the Project.

ARTICLE III. ASSOCIATION, ADMINISTRATION, MEMBERSHIP AND VOTING RIGHTS

3.1. Association to Own and Manage Common Areas. The Association shall own and manage the Common Area in accordance with the provisions of the Governing Documents.

3.2. Membership. The Owner of a Lot shall automatically, upon becoming the Owner of same, be a Member of the Association, and shall remain a Member thereof until such time as his ownership ceases for any reason. Membership shall be appurtenant to and may not be separated from ownership of a Lot. Membership shall be held in accordance with the Articles and Bylaws. Each Lot is entitled to one (1) vote each, regardless of the number of Persons or entities comprising the Owner thereof. If multiple votes are cast by the Owners of a Lot, the votes constituting a simple majority shall be deemed to be the single vote cast on behalf of that Lot. If there is no majority vote and multiple votes are cast by the Owners of a Lot, the vote for that Lot shall not be counted. If a Person including, without limitation, the Declarant, owns more than one (1) Lot, that Person has Membership interests equal in number to the number of Lots of which it is the Owner. For the purpose of tabulating whether any quorum or threshold has been met, it shall be based on the number votes cast compared to the total votes available for the Project, which is fifteen (15).

3.3. Transferred Membership. Membership in the Association shall not be transferred, encumbered, pledged, or alienated in any way, except upon the sale or encumbrance of the Lot to which it is appurtenant, and then only to the purchaser, in the case of a sale, or Mortgagee, in the case of an encumbrance of such Lot. On any transfer of title to an Owner's Lot, including a transfer on the death of an Owner, membership passes automatically with title to the transferee, subject to all restrictions imposed by this Declaration, as amended, and/or by the Association on the transferred Lot.

A Mortgagee does not have membership rights until it obtains title to the Lot through Foreclosure or deed in lieu of Foreclosure. Any attempt to make a prohibited transfer is void. No Member may resign its membership or transfer its Membership separate and apart from the related Lot. On notice of a transfer, the Association shall record the transfer on its books.

3.4. Membership and Voting Rights. Additional details on membership and voting rights shall be as set forth in the Bylaws but shall not conflict with the provisions herein.

ARTICLE IV. ASSESSMENTS, LIENS AND FORECLOSURE

4.1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Project, hereby covenants, and each Owner of any Lot by acceptance of a deed for that Lot, whether or not it shall be so expressed in such deed, covenants and agrees.

(1) to pay Regular Assessments, Special Assessments, and Reimbursement Charges to the Association as established in this Declaration; and,

(2) to allow the Association to enforce any Assessment Lien established under this Declaration by non-judicial proceedings under a power of sale or by any other means authorized by law.

The Regular Assessments and Special Assessments, including Reimbursement Charges as permitted under Section 4.10, together with interest, late charges, collection costs, and reasonable attorneys' fees, shall be a charge on the Lot and shall be a continuing lien as an Assessment Lien upon the Lot against which each such Assessment is made, the Assessment Lien to become effective upon recordation of a Notice

of Delinquent Assessment. The Assessment Lien on account of prior delinquencies shall be deemed to include subsequent delinquencies and amounts due on account thereof and shall have priority over all liens or claims created subsequent to the recordation of this Declaration except for tax liens, Assessments in favor of municipal or other governments, or the lien of a First Mortgage recorded prior to the recordation of the Notice of Delinquent Assessment. Each Assessment, together with interest, late charges, collection costs, and reasonable attorneys' fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to the Member's successors in title unless expressly assumed by them and, if not so assumed, shall remain the personal obligation of the transferring Member. No Owner shall be exempt from liability for payment of Assessments by waiver of the use or enjoyment of any of the Common Areas or by the abandonment of the Owner's Lot.

The Membership interest of any Owner in the amounts paid pursuant to any Assessment upon the transfer of ownership shall pass to the new Owner. Upon the termination of these covenants for any reason, any amounts remaining from the collection of such Assessments after paying all amounts properly charged against such Assessments shall be distributed to the then Owners on the same pro rata basis on which the Assessments were collected.

4.2. Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the economic interests, recreation, health, safety, and welfare of all the Owners and other residents in the Project and to enable the Association to perform its obligations under this Declaration, including, without limitation, the maintenance of all Common Area improvements in good condition at all times.

4.3. Assessments.

A. Regular Assessments. The Board shall establish and levy Regular Assessments in an amount that the Board estimates will be sufficient to raise the funds needed to perform the duties of the Association during each fiscal year. Regular Assessments shall be made for successive one-year periods and collected in (as closely as possible) equal monthly installments. Regular Assessments shall be allocated among the Lots as provided in **Section 4.5**.

The Regular Assessment shall include a portion for Reserves in such amounts as necessary to fully fund Reserves to meet the costs of the future repair, replacement or additions to the Major Components and fixtures that the Association is obligated to maintain and repair. Reserve Funds shall be deposited in a separate account and the signatures of at least two (2) persons who shall either be Members of the Board or one officer who is not a Member of the Board and a Member of the Board shall be required to withdraw monies from the Reserve account and to account therefor to the Board.

B. Special Assessments. The Board, at any time, may levy a Special Assessment in order to raise funds for unexpected operating or other costs, insufficient operating or Reserve Funds, or such other purposes as the Board in its discretion considers appropriate. Special Assessments shall be allocated in proportion to the lot size of each Lot, compared to the lot size of all Lots and for that portion allocated to Lot 5, two-thirds to Condominium A and one-third to Condominium B, excepting the Common Area Lot, except in the case of an Assessment levied by the Board against a Member to reimburse the Association for costs incurred in bringing the Member and its Lot into compliance with provisions of the Governing Documents, or to replace insurance proceeds pre-empted pursuant **Article VIII**.

4.4. Restrictions on Increases in Regular Assessments or Special Assessments.

A. Approval of Members for Certain Assessments. Except as provided in **Section 4.4.B**, without having first obtained the approval of such action by the vote or written assent of Members

casting a majority of the votes at a meeting of the Association at which a quorum is present, the Board may not. (1) impose a Regular Assessment on any Lot which is more than twenty percent (20%) greater than the Regular Assessment for the immediately preceding fiscal year or (2) levy a Special Assessment to defray the cost of any action or undertaking on behalf of the Association which in the aggregate exceeds ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year. For purposes of this **Section 4.4**, a "quorum" means Members constituting more than fifty percent (50%) of the voting power of the Association. Any meeting of the Association for purposes of complying with this Section 4.4 shall be conducted in accordance with Chapter 5 (commencing with § 7510) of Part 3, Division 2 of Title 1 of the California Corporations Code and § 7613 of the California Corporations Code. The right of the Board to increase Regular Assessments by up to twenty percent (20%) over the Regular Assessment for the immediately preceding fiscal year is subject to the Board having complied with the provisions of California Civil Code section 5605(a), or having obtained the approval of such increase by the Members in the manner set forth above in this Section.

B. Assessments - Emergency Situations. Notwithstanding the foregoing, the Board, without membership approval, may increase Regular Assessments or levy Special Assessments necessary for an emergency situation in amounts that exceed the limits set forth above. For purposes of this Section, an emergency situation is one of the following.

- (1) an extraordinary expense required by an order of a court;
- (2) an extraordinary expense necessary to repair or maintain the Project or any part of it for which the Association is responsible where a threat to personal safety on the Project is discovered; or,
- (3) an extraordinary expense necessary to repair or maintain the Project or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the pro forma operating budget, provided, however, that prior to the imposition or collection of the Assessment, the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process and the resolution shall be distributed to the Members with the notice of the Assessment.

The Association shall provide to the Owners notice, by first-class mail, postage prepaid, express mail, or overnight delivery by an express service carrier, or e-mail, fax, or other electronic means, if the recipient has consented in writing to that method of delivery, of any increase in the Regular Assessments or Special Assessments of the Association, not less than thirty (30) nor more than sixty (60) days prior to the increased Assessment becoming due.

This Section incorporates the statutory requirements of California Civil Code section 5610. If that Section of the California Civil Code is amended in any manner, this Section shall be automatically amended in the same manner without the necessity of amending this Declaration.

C. Notice and Quorum for Any Action Authorized. Any action authorized under this Section, which requires a vote of the membership, shall be taken at a meeting called for that purpose, written notice of which shall be personally delivered or mailed to all Members not less than ten (10) nor more than ninety (90) days in advance of the meeting specifying the place, day and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken. The action may also be taken without a meeting pursuant to the provisions of California Corporations Code section 7513, in which event the ballot and any related material may be sent by electronic transmissions, and responses may be returned by electronic transmissions.

4.5. Division of Assessments. Both Regular Assessments and Special Assessments shall be levied in proportion to the lot size of each Lot compared to the lot size of all Lots, excepting the Common Area Lot, as set forth in the Budget. The Owner of Condominium A shall be responsible for two-thirds (2/3) of any levy for Lot 5 and the Owner of Condominium B shall be responsible for one-third (1/3) of any levy for Lot 5.

4.6. Date of Commencement of Regular Assessments; Due Dates. The Regular Assessments provided for in this Declaration shall commence as to all Lots covered by this Declaration on the earlier to occur of (i) the first day of the month following the first conveyance of a Lot to the purchaser thereof under authority of a Public Report, or (ii) upon the occupancy of a Residence on a Lot in the Project. Subject to the provisions of **Section 4.3** hereof, the Board of Directors shall use their best efforts to fix the amount of the Regular Assessment against each Lot and send written notice thereof to every Owner at least forty-five (45) days in advance of each Regular Assessment period, provided that failure to comply with the foregoing shall not affect the validity of any Assessment levied by the Board. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot have been paid. Such a certificate stating that Assessments have been paid shall be conclusive evidence of such payment.

4.7. Effect of Nonpayment of Assessments. Any Assessment not paid within fifteen (15) days after the due date shall be delinquent, shall bear interest at the rate of ten percent (10%) per annum from thirty (30) days after the due date until paid, and shall incur a late payment penalty in an amount to be set by the Board from time to time, all of which collectively shall not exceed the maximum permitted by applicable law.

4.8. Transfer of Lot by Sale or Foreclosure. Sale or transfer of any Lot shall not affect the Assessment Lien. However, the sale of any Lot pursuant to Foreclosure of a First Mortgage shall extinguish the Assessment Lien of any Assessments on that Lot (including attorneys' fees, late charges, or interest levied in connection therewith) as to payments which became due prior to such sale or transfer (except for Assessment Liens as to which a Notice of Delinquent Assessment has been recorded prior to the Mortgage). Any First Lender who obtains title to a Lot pursuant to remedies in the Mortgage or through foreclosure will not be liable for more than six (6) months of the Lot's unpaid regularly budgeted Assessment accrued before acquisition of the title to the Lot by the First Lender, and will be liable for fees or costs related to the collection of unpaid Assessments. No sale or transfer shall relieve such Lot from liability for any Assessments becoming due after the foreclosure sale or from the lien thereof. The unpaid share of such Assessments shall be deemed to be Common Expenses collectible from all of the Lot Owners including such acquirer, its successors or assigns.

If a Lot is transferred, the grantor shall remain liable to the Association for all unpaid Assessments against the Lot through and including the date of the transfer. The grantee shall be entitled to a statement from the Association, dated as of the date of transfer, setting forth the amount of the unpaid Assessments against the Lot to be transferred, and the Lot shall not be subject to a lien for unpaid Assessments in excess of the amount set forth in the statement, provided, however, the grantee shall be liable for any Assessments that become due after the date of the transfer.

4.9. Priorities; Enforcement; Remedies. If an Owner fails to pay an Assessment when due, the Association has the right, and option, to bring legal action against the Owner to enforce collection of the unpaid and past due Assessment, or may impose an Assessment Lien on the Lot owned by Owner pursuant to the provisions of California Civil Code section 5675. Suit to recover a money judgment for unpaid Assessments and attorneys' fees, shall be maintainable without foreclosing or waiving the lien securing the same. The Association shall distribute the written notice described in subdivision (b) of California Civil Code section 5730 entitled "Notice Assessments and Foreclosure" to each Member during

the 60-day period immediately preceding the beginning of the Association's fiscal year. The notice is to be printed in at least 12-point type.

A. Statement of Charges. At least thirty (30) days prior to the Association recording an Assessment Lien upon a Lot pursuant to California Civil Code section 5650, the Association shall notify the Owner of record in writing by certified mail of the following.

(1) A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount owed, a statement that the Owner has the right to inspect the Association's records, pursuant to California Civil Code section 5205, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed. "IMPORTANT NOTICE. IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION".

(2) An itemized statement of the charges owed by the Owner, including items on the statement which indicate the amount of any delinquent Assessments, the fees and reasonable costs of collection, reasonable attorneys' fees, any late charges, and interest, if any.

(3) A statement that the Owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the Assessment was paid on time to the Association.

(4) The right to request a meeting with the Board as provided by California Civil Code section 5675.

(5) The right to dispute the Assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10 of the California Civil Code.

(6) The right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 of the California Civil Code before the Association may initiate foreclosure against the Owner's Lot, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

Note. Any payments made by the Owner toward the debt shall first be applied to the Assessments owed, and, only after the Assessments owed are paid in full shall the payments be applied to the fees and costs of collection, attorneys' fees, late charges, or interest. The Association need not accept any tender of a partial payment of an Assessment and all costs and attorneys' fees attributable thereto. Acceptance of any such tender does not waive the Association's right to demand and receive full payment. When an Owner makes a payment, the Owner may request a receipt and the Association shall provide it. The receipt shall indicate the date of payment and the person who received it. The Association shall provide a mailing address for overnight payment of Assessments.

B. Payment Plan. An Owner may submit a written request to meet with the Board to discuss a payment plan for the Assessment debt noticed pursuant to **Section 4.9.A**. The Association shall provide the Owner(s) the standards for payment plans, if any exist. The Board shall meet with the Owner in an executive session within forty five (45) days of the postmark of the request, if the request is mailed within fifteen (15) days of the date of the postmark of the notice, unless there is no regularly scheduled Board meeting within that period, in which case the Board may designate a committee of one or more Members to meet with the Owner. Payment plans may incorporate any Assessments that accrue during the payment plan period. Payment plans shall not impede the Association's ability to record a lien on the Owner's Lot to secure payment of delinquent Assessments. Additional late fees shall not accrue during the payment plan period if the Owner is in compliance with the terms of the payment plan. In the event of a

default on any payment plan, the Association may resume its efforts to collect the delinquent Assessments from the time prior to entering into the payment plan.

C. Notice of Delinquent Assessment. After compliance with the provisions of California Civil Code section 5660(a), the Association may record a Notice of Delinquent Assessment and establish an Assessment Lien against the Lot of the delinquent Owner prior and superior to all other liens recorded subsequent to recordation of the Notice of Delinquent Assessment, except as provided in Section 4.1. The Notice of Delinquent Assessment shall include an itemized statement of the charges owed by the Owner described in **Section 4.9.A** above, a description of the Lot against which the Assessment and other sums are levied, the name of the record Owner, and the name and address of the trustee authorized by the Association to enforce the lien by sale. The notice shall be signed by any officer of the Association, or any management agent retained by the Association and shall be mailed by certified mail to every person whose name is shown as an Owner of the Lot in the Association's records no later than ten (10) calendar days after recordation.

D. Lien Releases. Within twenty-one (21) days after payment of the sums specified in the Notice of Delinquent Assessment, the Association shall record or cause to be recorded in the Office of the County Recorder in which the Notice of Delinquent Assessment is recorded a lien release or notice of rescission and provide the Owner a copy of the lien release or notice that the delinquent Assessment has been satisfied.

E. Enforcement of Assessment Lien and Limitations on Foreclosure. The collection by the Association of delinquent Regular Assessments or delinquent Special Assessments of an amount less than one thousand eight hundred dollars (\$1,800), not including any accelerated Assessments, late charges, fees and costs of collection, attorneys' fees, or interest, may not be enforced through judicial or non-judicial foreclosure, but may be collected or secured in any of the following ways.

(1) By a civil action in small claims court, pursuant to Chapter 5.5 (commencing with Section 116.110) of Title 1 of the California Code of Civil Procedure. If the Association chooses to proceed by an action in small claims court, and prevails, the Association may enforce the judgment as permitted under Article 8 (commencing with Section 116.810) of Title 1 of the California Code of Civil Procedure. The amount that may be recovered in small claims court to collect upon a debt for delinquent Assessments may not exceed the jurisdictional limits of the small claims court and shall be the sum of the following.

(a) The amount owed as of the date of filing the complaint in the small claims court proceeding.

(b) In the discretion of the court, an additional amount to that described in subparagraph (a) equal to the amount owed for the period from the date the complaint is filed until satisfaction of the judgment, which total amount may include accruing unpaid Assessments and any reasonable late charges, fees and costs of collection, attorneys' fees, and interest, up to the jurisdictional limits of the small claims court.

(2) By recording a lien on the Owner's Lot upon which the Association may not foreclose until the amount of the delinquent Assessments secured by the lien, exclusive of any accelerated Assessments, late charges, fees and costs of collection, attorneys' fees, or interest, equals or exceeds one thousand eight hundred dollars (\$1,800) or the Assessments are more than twelve (12) months delinquent. If the Association chooses to record a lien under these provisions, prior to recording the lien, the Association shall offer the Owner and, if so requested by the Owner, participate in dispute resolution as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of the California Civil Code.

(3) Any other manner provided by law, except for judicial or non-judicial foreclosure.

F. Foreclosure. The Association may collect delinquent Regular Assessments or delinquent Special Assessments of an amount of one thousand eight hundred dollars (\$1,800) or more, not including any accelerated Assessments, late charges, fees and costs of collection, attorneys' fees, or interest, or any Assessments that are more than twelve (12) months delinquent, by a civil action, including, if within the jurisdiction of the small claims court, in small claims court, pursuant to Chapter 5.5 (commencing with Section 116.110) of Title 1 of the California Code of Civil Procedure, or any other manner provided by law, including using judicial or non-judicial foreclosure subject to the following conditions.

(1) Prior to initiating a foreclosure on an Owner's separate interest, the Association shall offer the Owner and, if so requested by the Owner, participate in dispute resolution pursuant to the Association's "meet and confer" program required in California Civil Code Article 2 (commencing with Section 5900) of Chapter 10 of the California Civil Code or alternative dispute resolution as set forth in California Civil Code Article 3 (commencing with Section 5925) of Chapter 10 of the California Civil Code. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the Owner, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

(2) The decision to initiate Foreclosure of an Assessment Lien for delinquent Assessments that has been validly recorded shall be made only by the Board and may not be delegated to an agent of the Association. The Board shall approve the decision by a majority vote of the Board Members in an executive session. The Board shall record the vote in the minutes of the next meeting of the Board open to all Members. The Board shall maintain the confidentiality of the Owner or Owners of the Lot by identifying the matter in the minutes by the Lot number of the property, rather than the name of the Owner or Owners. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale.

(3) The Board shall provide notice by personal service to an Owner of a Lot who occupies the Lot or to the Owner's legal representative, if the Board votes to foreclose upon the Lot. The Board shall provide written notice to an Owner of a Lot who does not occupy the Lot by first-class mail, postage prepaid, at the most current address shown on the books of the Association. In the absence of written notification by the Owner to the Association, the address of the Owner's Lot may be treated as the Owner's mailing address.

(4) A non-judicial foreclosure by the Association to collect upon a debt for delinquent Assessments shall be subject to a right of redemption. The redemption period within which the Lot may be redeemed from a foreclosure sale under this paragraph ends ninety (90) days after the sale.

In addition to the requirements of California Civil Code section 2924, a notice of default shall be served by the Association on the Owner's legal representative in accordance with the manner of service of summons in Article 3 (commencing with Section 415.10) of Chapter 4 of Title 5 of Part 2 of the California Code of Civil Procedure. Upon receipt of a written request by an Owner identifying a secondary address for purposes of collection notices, the Association shall send additional copies of any notices required by this Section to the secondary address provided. The Association shall notify Owners of their right to submit secondary addresses to the Association, at the time the Association issues the pro forma operating Budget pursuant to California Civil Code section 5310. The Owner's request shall be in writing and shall be mailed to the Association in a manner that shall indicate the Association has received it. The 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.

G. Sale by Trustee. Any sale by the trustee shall be conducted in accordance with the provisions of §§ 2924, 2924b, 2924c, 2924f, 2924g, 2924h and 2924j of the California Civil Code applicable to the exercise of powers of sale in mortgages and deeds of trust, including any successor statutes thereto, or in any other manner permitted by law. The fees of a trustee may not exceed the amounts prescribed in California Civil Code sections 2924c and 2924d. Nothing in this Declaration shall preclude the Association from bringing an action directly against an Owner for breach of the personal obligation to pay Assessments or from taking a deed in lieu of foreclosure.

H. Purchase By Association. The Association, acting on behalf of the Lot Owners, shall have the power to bid for the Lot at a Foreclosure sale, and to acquire and hold, lease, mortgage and convey the Lot. If the purchase of a Lot would result in a five percent (5%) or greater increase in Assessments, the purchase shall require the vote or written consent of a majority of the total voting power of the Association, including a majority of Members other than Declarant. During the period a Lot is owned by the Association, following Foreclosure.

- (1) no right to vote shall be exercised on behalf of the Lot;
- (2) no Assessment shall be assessed or levied on the Lot; and,
- (3) each other Lot shall be charged, in addition to its usual Assessment, its share of the Assessment that would have been charged to such Lot had it not been acquired by the Association as a result of Foreclosure.

After acquiring title to the Lot at Foreclosure sale following notice and publication, the Association may execute, acknowledge and record a deed conveying title to the Lot which deed shall be binding upon the Owners, successors, and all other parties.

I. Fines and Penalties. In conformity with California Civil Code section 5725(b), fines and penalties imposed by the Association for violation of this Declaration as a disciplinary measure for failure of an Owner to comply with this Declaration or the Rules, except for late payments, are not "Assessments," and are not enforceable by Assessment Lien, but are enforceable by court proceedings; provided, however, pursuant to California Civil Code section 5725(a), monetary penalties imposed by the Association to reimburse the Association for costs incurred for repair of damage to Common Area or facilities for which the Owner or Occupant(s) were responsible may become the subject of a lien. Provided however that any such enforcement as a lien shall only be permitted if there are no Lots in the Project that are subject to the jurisdiction of the Department of Real Estate under a Final Subdivision Public Report. In the event that California Civil Code section 5725(b) is amended to permit fines and penalties imposed by the Association for violation of the Governing Documents as a disciplinary measure for failure of an Owner to comply with this Declaration or the Rules to be enforceable by Assessment Lien, then this provision shall be deemed amended to conform to any such amendment of California Civil Code section 5725(b).

The provisions of this **Section 4.9** are intended to comply with the current requirements of California Civil Code section 5725. If these Sections are amended or rescinded in any manner the provisions of this Section 4.9 automatically shall be amended or rescinded in the same manner.

4.10. Reimbursement Charges. The Board may levy a Reimbursement Charge against a Member to reimburse the Association for costs incurred by the Association in the repair of damage to the Common Area and facilities for which the Member (or the Occupant for which the Member is responsible) was responsible, and in bringing the Member and his Lot into compliance with the provisions of the Governing Documents. The Reimbursement Charges shall be in the amount required to reimburse the Association for the actual costs and expenses incurred to enforce the Association's rights under this Declaration subject to any limitation set by law. Reimbursement Charges shall be payable when directed

by the Board after written notice to the Owner(s), which notice shall in no event be less than thirty (30) days. If an Owner disputes a Reimbursement Charge, the Owner may request a hearing before the Board.

4.11. Unallocated Taxes. In the event that any taxes are assessed against the Common Area, or the personal property of the Association, rather than against the Lots, said taxes shall be included in the Assessments made under the provisions of **Section 4.1** and, if necessary, a Special Assessment may be levied against the Lots in an amount equal to said taxes, to be paid in two (2) installments, thirty (30) days prior to the due date of each tax installment.

4.12. Estoppel Certificate. Within ten (10) days of the mailing or delivery of a written request by any Owner, the Board shall provide the Owner with a written statement containing the following information. (i) whether to the knowledge of the Association, the Owner or Occupant of the Owner's Lot is in violation of any of the provisions of the Governing Documents; (ii) the amount of Regular Assessments, Special Assessments, and Reimbursement Charges, including installment payments, paid by the Owner during the fiscal year in which the request is received; and (iii) the amount of any Assessments levied against the Owner's Lot that are unpaid as of the date of the statement, including any late charges, interest or costs of collection, and that, as of the date of the statement, are or may be made a lien against the Owner's Lot as provided by this Declaration. The Association may charge a fee to provide this information, provided the fee shall not exceed the Association's reasonable cost to prepare and reproduce the requested items.

ARTICLE V. DUTIES AND POWERS OF THE ASSOCIATION

5.1. Duties. In addition to the duties enumerated in the Articles and Bylaws, or elsewhere provided for in this Declaration, and without limiting the generality of those duties, the Association shall perform the following duties.

A. Maintenance. The Association shall inspect, maintain and repair the following.

(1) Common Area Maintenance. The Common Area, all improvements and landscaping thereon, and all property owned by the Association, including, without limitation, street trees, paving of the private street, curb and gutter, irrigation systems, lighting fixtures, plumbing fixtures, and utility, sewer or drainage systems not maintained by a public entity, utility company, or improvement district, and all facilities (including Utility Facilities to the extent described in **Section 2.6**).

(2) Private Streets. The Association shall be responsible for maintaining all private streets within and adjoining the property in accordance with industry standards and in compliance with all City ordinances and regulations. The Association shall be responsible for removing abandoned or improperly parked vehicles on private streets within and adjoining the property.

(3) Front Yard Landscape. All landscaping, including but not limited infiltration plantings, in the front yards shall be maintained by the Association.

(4) Stormwater System. The Association shall provide for regular monitoring and maintenance of the Project's stormwater and drainage system, in accordance with the manufacturer's recommendations, in the Common Area and within the Lots.

(5) Sewer System. The Association shall provide for regular monitoring and maintenance of any private sanitary system of the Project in the Common Area.

(6) Cooperation of Owners/Occupants. Each Owner and Occupant shall fully cooperate with the agents of the Association in the performance of the Association's maintenance and repair obligations described above. Such cooperation shall include, but is not limited to, immediate

notification to the Board or its managing agent of any maintenance or repair problems for which the Association is responsible and access to the Owner's or Occupant's Lot, Condominium, and Common Area as may be necessary to inspect and, if appropriate, to perform any necessary maintenance or repairs.

Except as expressly assigned to the Association in this **Section 5.1.A**, all other maintenance and repair obligations for any residential structure shall be done by and at the expense of the Owner of the Residence as described in **Section 7.21**.

The responsibility of the Association for inspection, maintenance and repair shall not extend to repairs or replacements arising out of or caused by the willful or negligent act or omission of any Owner or Occupant, or the Occupant's pet(s). Any such repairs or replacements not covered by insurance carried by the Association shall be made by the responsible Owner, provided the Board approves the person or entity actually making the repairs and the method of repair. If the responsible Owner fails to take the necessary steps to make the repairs within a reasonable time under the circumstances, the Association may cause the repairs to be made and shall impose a Reimbursement Charge upon the responsible Owner, which charge shall bear interest at the rate of twelve percent (12%) per annum (but no greater than the maximum rate allowed by law) until paid in full. If such repair is covered by the insurance carried by the Association, the Association shall be responsible for making the repairs, and the responsible Owner shall pay any deductible pursuant to the insurance policy. If the Owner fails to make such payment, then the Association may make such payment and charge the cost thereof as a Reimbursement Charge to the Responsible Owner, which charge shall bear interest at the rate of twelve percent (12%) per annum (but no greater than the maximum rate allowed by law) until paid in full. If the Owner disputes the charge, the Owner shall be entitled to a notice and a hearing as provided in the Bylaws before the charge may be imposed.

B. Inspection and Maintenance Guidelines; Homeowners Association Handbook. The Declarant may provide the Association with a Homeowners Association Handbook, and each Owner with a Homeowners Handbook both including manufacturers' guidelines and schedules for the inspection and maintenance of the improvements within the Project. The Board shall take all appropriate actions to implement and comply with the Homeowners Association Handbook.

(1) The Board shall cause professional inspections of Major Components and of all Common Area infrastructure to be routinely made. The Board shall engage professionals to conduct such inspection if the Board or the Association's manager deems that such inspections by professionals, such as an architect, a civil engineer and a landscape architect, or other such professional, is warranted. Inspections shall be made at least yearly, and for appropriate items or events, more often. Inspections will include a review of all repair records since the previous inspection. The Board shall keep a log ("Maintenance Log") to record all inspections and maintenance performed, and to record who performed the work, the results, and the date the inspection or maintenance was performed.

(2) The Board shall prepare and maintain annual reports of the results of the inspection, and the status of maintenance of the Common Area, including a copy of the Maintenance Log. The reports shall address any noted deterioration which may require future attention. The reports may also recommend supplemental specialized investigations (i.e., elevator, termite, pool, mechanical, arborist, limnologist, geologist, structural, etc.).

(3) The Board shall keep permanent records of all. (a) Complaints and potential problems, including description, date and by whom; (b) Reports, including inspections and recommendations; (c) Maintenance and repairs, including description, location, date, by whom made and cost; and (d) Plans, including construction drawings, subsequent modifications, and repair plans.

(4) For a period of ten (10) years after the date of the last close of escrow in the Project, the Board shall also furnish to Declarant copies of. (a) the report of each inspection performed for the Board,

whenever such inspection is performed and for whatever portion of the Common Area that is inspected, within thirty (30) days after the completion of such inspection; and (b) the most recent inspection and/or maintenance report prepared for any portion of the Project, within ten (10) days after the Association's receipt of a written request therefor from Declarant.

(5) The Board may, from time to time, make appropriate revisions to the Homeowners Association Handbook based on the Board's review thereof, to update such handbook to provide for inspection and maintenance according to current industry practices so long as such changes do not reduce the useful life or functionality of the items being maintained. No changes may be made to the Homeowners Association Handbook without the Declarant's prior written consent for a period of ten (10) years after completion of construction of the Common Area improvements, or the close of escrow on the sale of the first Lot, whichever occurs later.

(6) The Board shall inspect, maintain and operate the Common Area of the Project in accordance with all applicable municipal, state, and federal laws, statutes and ordinances, as the case may be. The Board shall also, as a separate and distinct responsibility, insure that third parties (including Owners and Occupants) utilize the Common Area in accordance with the aforementioned regulations. The Board shall, when it becomes aware of any violation of the aforementioned regulations, expeditiously correct such violations.

C. Insurance. The Board shall obtain and maintain such policy or policies of insurance as are required by Section 8.1 of this Declaration.

D. Discharge of Liens. The Board shall discharge by payment, if necessary, any lien against the Common Area and charge the cost thereof to the Owner or Owners responsible for the existence of the lien after notice and hearing as provided in the Bylaws.

E. Assessments. The Board shall fix, levy, collect and enforce Assessments as set forth in Article IV hereof.

F. Payment of Expenses and Taxes. The Association shall pay all expenses and obligations incurred by the Association in the conduct of its business including, without limitation, all licenses, taxes or governmental charges levied or imposed against the property of the Association.

G. Enforcement. The Association and the Board shall be responsible for the enforcement of this Declaration.

H. Annual Budget. The Association shall establish a budget for all expenses of the Project for the coming year, including maintenance, insurance, repair, replacement, including reserves, and management, and shall distribute a copy of the Budget to each Member thirty (30) to ninety (90) days before the end of the Association's fiscal year pursuant to the provisions of Civil Code section 5300. Each Lot Owner shall be responsible for payment of its share of the budgeted expenses, and other expenses incurred by the Association during the year. On request of any Owner, the Association shall prepare and distribute any financial statements and reports that may be required by law.

5.2. Powers. In addition to the powers enumerated in the Articles and Bylaws, or elsewhere provided for herein, and without limiting the generality thereof, the Association and the Board, where applicable, shall have the following powers.

A. Easements. The Association shall have authority by document signed by the President and the Secretary, to grant easements where necessary for roads, utilities, communication services, cable television, and sewer facilities over the Common Area to serve the Common Areas, Lots,

Condominiums, and/or where necessary to satisfy or achieve appropriate governmental purpose or request. The Board of Directors may grant exclusive use easement rights over a portion of the Common Area to a Member with the affirmative vote of two thirds (2/3rds) of the total voting power of the Association., and without the approval of the Members in those limited cases set forth in California Civil Code section 4600, and in such case the Board may cause an amendment to the Declaration to be recorded to conform to the grant of the exclusive use easement rights. Approval of the Members is not required for the Association to allow exclusive use of the Common Area by an Owner for the installation of a solar energy system.

B. Manager. The Association may employ a professional management firm and contract with independent contractors or managing agents to perform all or any part of the duties and responsibilities of the Association, including maintenance operations and waste/recycling collection procedures, except for the responsibility to levy fines, impose discipline, hold hearings, file suit, record or foreclose liens, or make capital expenditures, provided that any contract with a firm or person appointed as a manager or managing agent shall not exceed a one (1) year term, shall provide for the right of the Association to terminate the same at the first annual meeting of the Members of the Association, and to terminate the same without cause or payment of a termination fee on ninety (90) days' written notice, or for cause on thirty (30) days' written notice.

C. Adoption of Rules. The Association or the Board, by majority vote, may adopt reasonable Rules not in conflict with the law, or with the Governing Documents, relating to the use of the Common Area and all its facilities, and the conduct of Owners and Occupants with respect to the Project and other Owners. Written copies of such Rules and any schedule of fines and penalties adopted by the Board shall be furnished to Owners. All changes to the Rules will become effective fifteen (15) days after they are either. (i) posted in a conspicuous place in the Common Area; or (ii) sent to the Owners via first-class mail or by any method described in **Section 9.9**, by first-class mail, postage prepaid, express mail, or overnight delivery by an express service carrier, or e-mail, fax, or other electronic means, if the recipient has consented in writing to that method of delivery, or by inclusion in a billing statement, or as provided in Civil Code section 4045. The adoption of any Rules or amendment or repeal of any Rule shall comply with the procedures required by California Civil Code sections 4350, 4355, 4360 and 4365, to the extent applicable.

D. Access. For the purpose of performing inspections, construction, maintenance or emergency repair for the benefit of the Common Area or the Owners in common, and/or to perform maintenance work that an Owner has failed to perform as provided in **Section 7.21**, the Association's agents or employees shall have the right, after reasonable notice (except in emergencies, not less than twenty-four (24) hours) to the Owner or Occupant of the Lot in which such maintenance work has not been performed, to enter the Lot at reasonable hours. Such entry shall be made with as little inconvenience to the Owner or Occupant as practicable, and any damage caused by such entry shall be repaired at the expense of the Association.

E. Assessments and Liens. The Board shall have the power to levy and collect Assessments in accordance with the provisions of Article IV hereof.

F. Fines and Disciplinary Action. The Board may impose fines or take disciplinary action against any Owner for failure to pay Assessments or for violation by Owner or Occupant for whom Owner is responsible, of any provision of the Governing Documents. Penalties may include, but are not limited to, fines, or other appropriate discipline, provided the Owner is given notice and a hearing as provided in the Bylaws before the imposition of any fine or disciplinary action. The Board shall have the power to adopt a schedule of reasonable fines and penalties for violations of the terms of this Declaration, and for violations of any Rules adopted pursuant to **Section 5.2.C**. Written copies of Rules and the schedule of penalties shall be furnished to Owners. The Board shall levy fines and penalties and shall enforce such Assessments as appropriate under applicable law.

G. Enforcement. The Board shall have the authority to enforce this Declaration as per this Article and **Section 9.1** hereof.

H. Acquisition and Disposition of Property. The Board shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, or otherwise dispose of real or personal property in connection with the affairs of the Association. Any transfer of property shall be by document signed or approved by two-thirds (2/3rds) of the total voting power of the Association which shall include two-thirds (2/3rds) of the Members other than Declarant.

I. Loans. The Board shall have the power to borrow money, and, only with the assent (by vote or written consent) of two-thirds (2/3rds) of the total voting power of the Association including two-thirds (2/3rds) of the Members other than Declarant, or where the two (2) class voting structure is still in effect, two-thirds (2/3rds) of the voting power of each class of Members, to mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

J. Dedication. The Board shall have the power to dedicate all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication shall be effective unless an instrument has been signed by two-thirds (2/3rds) of the total voting power of the Association including two-thirds (2/3rds) of the Members other than Declarant, or where the two (2) class voting structure is still in effect, two-thirds (2/3rds) of the voting power of each class of Members, agreeing to such dedication.

K. Contracts. The Board shall have the power to enter into written contracts for goods and/or services for the Common Area(s), for the Lots, or for the Association, subject to limitations set forth in the Bylaws, or elsewhere in this Declaration. The Board shall not enter into any contracts with an independent contractor until it meets the requirements of **Section 8.1.A.(3)** herein. The Board shall not enter into any contract with an independent contractor that does not carry workers' compensation insurance, unless the Association carries such insurance.

L. Delegation. The Board, and the officers of the Association shall have the power to delegate their authority and powers to committees, officers or employees of the Association, or to a manager employed by the Association, provided that the Board shall not delegate its responsibility.

(1) to make expenditures for capital additions or improvements chargeable against the Reserve Funds;

(2) to conduct hearings concerning compliance by an Owner or Occupant with the Governing Documents;

(3) to make a decision to levy monetary fines, levy Reimbursement Charges, or otherwise impose discipline;

(4) to make a decision to levy Regular Assessments or Special Assessments; or,

(5) to make a decision to bring suit, record a claim of lien or institute Foreclosure proceedings for default in payment of Assessments.

M. Appointment of Trustee. The Board acting on behalf of the Association, has the power to appoint or designate a trustee to enforce Assessment Liens by sale as provided in **Section 4.9** and California Civil Code section 5700(a).

N. Security. The Board shall have the power to contract for security service for the Common Area. Notwithstanding the foregoing, if the Association elects to provide any security services or systems, neither the Association nor the Board shall be deemed to have made any representation or warranty to any Owner or Occupant, nor to any other Person using the facilities or Improvements within the Project regarding security or safety. Each Owner shall be responsible for the security and safety of Persons who occupy or use the Lot owned by the respective Owner. The Association shall not be subject to any claims or liability in connection with the provision of any security service or security system, or the failure to provide any security service or security system, within any portion of the Project.

O. Litigation/Arbitration. The Board, subject to **Section 9.14** of this Declaration, shall have the power to institute, defend, settle or intervene in litigation, arbitration, mediation or administrative proceedings on behalf of the Association pursuant to California Civil Code section 5980.

P. Other Powers. In addition to the powers contained herein, the Board may exercise the powers granted to a nonprofit mutual benefit corporation under California Corporations Code section 7140.

Q. Common Area Improvements. The Board shall have the authority and power to demolish, remove and reconstruct any and all improvements on or over or under the Common Area in a manner not inconsistent with this Declaration, and to construct, improve and repair improvements that are appropriate for the use and benefit of the Members of the Association, and to charge for the use of such improvements, provided that the Board shall not include in any Regular Assessment or Special Assessment the cost of any new capital improvement which exceeds \$5,000 in cost to be expended in any one calendar year, unless fifty-one percent (51%) or more of the total voting power of the Association has previously approved said expenditure.

R. Granting Rights. The power to grant exclusive or non-exclusive easements, licenses, rights of way or fee interests in the Common Area, to the extent any such grant is reasonably required. (a) for utilities and facilities to serve the Common Area, the Lots; (b) for purposes of conformity with the as-built location of improvements installed or authorized by Declarant or the Association; (c) in connection with any lawful lot line adjustment; or (d) for other purposes consistent with the intended use of the Project.

5.3. Commencement of Association's Duties and Powers. Until incorporation of the Association, conveyance of the Common Area to the Association, and the conveyance of title to the first Lot to a Person that is not the Declarant or an affiliate of Declarant, all duties and powers of the Association as described in this Declaration, including all rights of consent and approval, shall be and remain the duties and powers of Declarant. After the date of incorporation of the Association, the conveyance of the Common Area to the Association, and the conveyance of title to the first Lot, the Association shall assume all duties and powers, and Declarant shall be relieved of any further liability therefor.

ARTICLE VI. ARCHITECTURAL CONTROL

6.1. Purpose of Architectural Controls. The purpose and intent of this Article is to empower the Association to preserve property values and design integrity within the Project. The Board shall operate pursuant to the following guidelines.

A. The emphasis of review by the Board hereunder shall be to prevent additions, alterations or replacements which are reasonably likely to be detrimental to the overall ambiance of the Project, the consistency of design and reasonably likely to adversely affect property values throughout the Project. The restrictions are not intended to empower the Board to act arbitrarily, capriciously, or whimsically in the process of reviewing plans. Standards should be established which are both reasonable and objective, and which are reasonably ascertainable, and are uniformly and fairly applied to all, and in all cases. The Board shall base their decisions on what is in the best interests of the Project as a whole, and not upon what will appease a particular Member or group of Members. Design Guidelines may be developed and maintained by the Board.

6.2. Requirement for Approval of Plans. No subdivision, additional units, building, fence, wall, pool, spa, obstruction, outside or exterior wiring, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, trellis, improvement, or structure of any kind shall be permitted, commenced, installed, erected, painted or maintained upon the Project, nor shall any alteration or improvement of any kind be made thereto, or to the exterior of any Residence, until the same has been approved in writing by the Board. Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements, alterations, etc., shall be submitted to the Board for approval as to quality of workmanship and design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. No fence or wall shall be erected, placed or altered on any Lot nearer to any street than the minimum building set back line. No permission or approval shall be required to repaint in accordance with Declarant's original color scheme, or to rebuild in accordance with Declarant's original plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his Residence or to paint the interior of his Residence any color desired. The Board may consider the impact of views from other Lots along with other factors, including reasonable privacy right claims, passage of light and air, beneficial shading and other factors in reviewing, approving or disapproving any proposed landscaping, construction or other improvements. However, neither the Declarant nor the Association warrants that any views in the Property are protected. No Lot is guaranteed the existence or unobstructed continuation of any particular view.

6.3. Architectural Control Review Action. In the event the Board fails to approve or disapprove plans and specifications in writing within sixty (60) days after a written notice to the Board by the Owner after the same have been submitted to the Board, approval will not be required and the related covenants shall be deemed to have been fully complied with if the Owner has delivered a written notice to the Board after such sixty (60) days requesting a response from the Board and the Board has not delivered a written response to the Owner within ten (10) days after such request from the Owner. Approval of plans by Board shall in no way make the Board or any Director responsible for or liable for the improvements built after approval of the plans, and the Owner whose plans are approved shall defend, indemnify and hold the Board, the Association, and any such Directors thereof, harmless from any and all liability arising out of such approval.

The Board shall meet as necessary to perform its duties. The Board may, by resolution unanimously adopted in writing, designate a representative (who may be a licensed architect or other professional consultant retained by the Board) to review applications and recommend action to be taken by the Board or to take any other action or perform any other duties for and on behalf of the Board except the granting of variances. In the absence of such designation, the vote or written consent of a majority of the Board constitutes an act of the Board. All approvals issued by the Board must be in writing. Orally stated

approvals issued by the Board, any individual Directors or any other representative of the Association are not valid, are not binding on the Association and may not be relied on by any Person and/or Owner. In reviewing and approving or disapproving a proposed alteration, modification or improvements to a Lot that is subject to review, the Board shall satisfy the following requirements in accordance with California Civil Code section 4765. Nothing in this provision authorizes a physical change to the Common Area in a manner that is inconsistent with an association's governing documents or governing law.

6.4. Landscaping. No landscaping or other physical improvements or additions shall be made or added to any decks, balconies, patios or yards or portions of Lots which are visible from the street or from any Common Area by any Owner until plans and specifications showing the nature, kind, shape, and location of the materials shall have been submitted to and approved in writing by the Board, such approval to be within the Board's discretion. No rules or restrictions shall be adopted or applied which prohibit or have the effect of prohibiting the use of low water-using plants or that have the effect of prohibiting or restricting compliance with a water-efficient landscape ordinance, or have the effect of prohibiting or restricting compliance with any regulation or restriction on the use of water adopted pursuant to Section 353 or 375 of the California Water Code. The Association may, however, apply landscaping rules and regulations, provided that such rules and regulations do not prohibit or restrict the use of low water-using plants, or prohibit or restrict compliance with any water efficient landscape ordinance, or any regulation or restriction on the use of water adopted pursuant to California Water Code sections 353 or 375.

6.5. Completion of Work; Review of Work. Upon approval of the Board, the Owner shall diligently proceed with the commencement and completion of all work so approved by the Board in compliance with the approvals granted. The work must be commenced within six months from the date of approval unless the Board permits the work to be commenced at a later time. If the work has not started within six months after the approval date, or such later time as the Board has granted approval, then the approval shall be deemed cancelled, and the Owner must reapply to the Board before undertaking any such work. The Board shall inspect work within sixty days after a written notice of completion has been delivered to the Board by the Owner. The Board may also inspect the work at any time prior to completion as it deems appropriate to determine that the Board approval is being followed. The Board is to inspect the work performed, and determine whether it was performed and completed in compliance with the approval granted in all material respects. If at any time during the construction of any work, the Board finds that the work was not performed or completed in compliance of the approval granted in all material respects, or if the Board finds that the appropriate approval which was required for any work was not obtained, the Board shall notify the Owner in writing of the non-compliance. The notice shall specify in writing the particulars of non-compliance, and shall set forth the requirement of the Owner to remedy the non-compliance. The Board shall determine in its reasonable judgment whether an alteration, modification or improvement complies with the approval as granted in material respects. Minor changes, deviations or imperfections that do not negatively affect or impact the Project shall not be considered as non-compliance.

If the Board has determined an Owner has not constructed an improvement in compliance of the approval granted in all material respects, and if the Owner fails to remedy such non-compliance in accordance with provisions of the notice of non-compliance from the Board, then after expiration of thirty (30) days from the date of such notification the Board shall provide Notice and Hearing to consider the Owner's continuing non-compliance. At the hearing, if the Board finds that there is no valid reason for the continuing non-compliance, the Board shall then require the Owner to remedy the non-compliance as necessary and appropriate in the determination of the Board as to result in the improvement being rendered as reasonably in compliance as is appropriate for the overall good and benefit of the Project, or remove the same within a period of not more than forty-five (45) days from the date of the Board's determination. If the Owner does not comply with the Board's ruling within such period, or within any extension of such period as the Board, in its discretion may grant, the Board may (1) remove the non-complying improvement, (2) remedy the non-compliance, or (3) institute legal proceedings to enforce compliance or completion, and to recover costs of enforcement, including attorneys' fees.

6.6. No Waiver of Future Approvals. The Board's approval of any proposals, plans and specifications or drawings for any work done or proposed in connection with any matter requiring the Board's approval does not waive the right to withhold approval of any similar proposals, plans and specifications, drawings or matters subsequently or additionally submitted for approval.

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ARTICLE VII. USE RESTRICTIONS

In addition to all of the covenants contained in this Declaration, the use of the Project and each Lot and Condominium in the Project is subject to the following.

7.1. Use of Project, Lots. The Project, including all Common Areas, private streets and parks within the Project, shall at all times comply with the permitted Project conditions for _____ and, for any changes made thereafter, the City's Zoning Code and shall not be used for any other purpose except as permitted by the Permit or City's Zoning Code. No Lot shall be occupied and used except for residential purposes by the Owners or Occupants, or further subdivided, and no business shall be conducted in any Lot, except that a Lot and/or Condominium may be used as a combined Residence and executive or professional office by the Owner or Occupant thereof, so long as such use. (a) does not interfere with the quiet enjoyment by other Owners; (b) does not include visiting clients; (c) business activities take place solely inside the Residence; (d) does not generate in-person visits by suppliers or clientele; (e) complies with all laws, regulations and ordinances applicable to the Property, including zoning, health and licensing requirements; (f) otherwise complies with this Declaration and is consistent with the residential character of the Property; (g) no signs, logos, billboards, or other advertising materials or devices are displayed in the windows of the Residence, or on exterior of the Residence, or on any Common Area, to advertise the activity; (h) the existence or operation of the business is not apparent or detectable outside the Residence by sight, sound or odor; and (i) the business does not increase the liability or casualty insurance obligation or premium of the Association. No tent, shack, trailer, basement, garage, outbuilding or structure of a temporary character shall be erected or used on any Lot at any time as a Residence, either temporarily or permanently.

Notwithstanding the foregoing, Declarant, its successors or assigns, may use any Lot(s) in the Project owned by Declarant for a model home site or sites and display and sales/construction office during construction and until the last Lot is sold by Declarant.

No health care facilities operating as a business or charity, unless permitted by law or ordinance which preempts this restriction.

No family day care home shall be permitted within the Project except as specifically authorized by California Health and Safety Code section 1597.40 and other applicable state statutes. The owner/operator of any such day care facility shall comply with all local and state laws regarding the licensing and operating of a day care home and, in addition, shall.

A. Name the Association as an additional insured on the liability insurance policy or bond carried by the owner/operator of the day care home;

B. Defend, indemnify, and hold the Association harmless from any liability arising out of the existence and operation of the day care home;

C. Abide by and comply with all of the Association's Rules;

D. Supervise and be completely responsible for children at all times while they are within the project;

E. Cooperate with the Association if the Association's insurance agent or carrier requires proof of insurance, proof of the agreement of the owner or operator of the day care home to these conditions, or other reasonable requests; and,

7.2. Rentals. No Lot, or any portion thereof in the Project, shall be leased, subleased, occupied, rented, let, sublet, or used for or in connection with any short-term rentals (i.e., thirty (30) days or less), time sharing agreement, plan, program or arrangement, including, without limitation, any so-called "vacation license," "travel club," "extended vacation," or other membership or time interval ownership arrangement. The term "time sharing" as used herein shall be deemed to include, but shall not be limited to, any agreement, plan, program, or arrangement under which the right to use, occupy, or possess the Lot, or any portion thereof or Residence thereon in the Project rotates among various persons, either corporate, partnership, individual, or otherwise, on a periodically recurring basis for value exchanged, whether monetary or like kind use privileges, according to a fixed or floating interval or period of time. This Section shall not be construed to limit the personal use of any Lot or any portion thereof in the Project by any Owner or Occupant, nor shall it be interpreted to disallow an Owner from trading the temporary use of its Lot for the right to use another dwelling on a temporary basis, provided the frequency of such exchange is in accordance with the Rules. Notwithstanding the foregoing, no Lot shall be used for an AirBnB, VRBO or other such use sharing arrangement or other such arrangements that provide for the advertising, listing, locating and/or rental of a Lot, Condominium, or Residence as a short term or shared lodging.

7.3. Prohibition Against Air and Water Pollution. Neither the Association, its Owners, residents, nor their agents, employees, representatives, invitees, licensees, customers, or contractors shall use the property in any way which emits pollution into the atmosphere in excess of environmental standards set forth by City, State, and Federal laws, ordinances, and regulations. Neither the Association, its Owners, residents, nor their agents, employees, representatives, invitees, licensees, customers, or contractors shall discharge garbage, trash, waste, or any other substance or materials of any kind into any private or public sewer or waterway on the property in violation of any regulations of any private or public body having jurisdiction over such matters.

7.4. Nuisances. No noxious, illegal, or seriously offensive activities shall be carried on within any Lot, or in any part of the Project, nor shall anything be done thereon that may be or may become a serious annoyance or a nuisance to or which may in any way interfere with the quiet enjoyment of the Owners, or which shall in any way increase the rate of insurance for the Project, or cause any insurance policy to be cancelled or to cause a refusal to renew the same, or which will impair the structural integrity of any Residence or other building in the Project. The Board is entitled to determine if any device, noise, odor or activity constitutes a nuisance.

7.5. Allowed Vehicles and Parking. Except as otherwise provided in this **Section 7.3**, only "Allowed Vehicles" shall be parked, stored or operated within the Project.

A. Allowed Vehicles shall mean appropriately licensed passenger automobiles, sports utility vehicles, motorcycles, and trucks having carrying capacity of $\frac{3}{4}$ ton or less, vans having seating capacity of eight (8) persons or less and any vehicle required to transport disabled persons. Owners and/or Occupants shall park their Allowed Vehicles only in the garages or driveways appurtenant to or assigned to their Lot. Vehicles that are not Allowed Vehicles shall not be parked or stored in the Project, except for commercial vehicles or construction equipment that are providing services to a Lot, or the Association (but only during the period of time in which such services are being provided and subject to the Rules). Allowed Vehicles shall not include any commercial vehicle, construction equipment, trailer, camper, mobile home,

recreational vehicle, truck having carrying capacity of greater than $\frac{3}{4}$ ton, van having seating capacity in excess of eight (8) persons or any vehicle which is too large to fit within the Owner's garage, or assigned parking space, inoperable or abandoned vehicles, boats or similar equipment. Allowed Vehicles that are used both for business and personal use are not prohibited, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No excessively noisy or smoky vehicles shall be operated on the Project. Vehicle washing, and vehicle repair and maintenance activities in the Project are prohibited, including, except within enclosed interior garages.

B. No parking shall be permitted within the Private Streets of the Project. All such guest parking areas shall be used for guest parking only in accordance with the Governing Documents, and the laws of California. There shall be no parking of vehicles on the driveway or apron providing access to a garage. The Private Street is a fire lane and shall not be blocked and access shall not be impeded in any manner.

C. The Association may install a sign at each vehicular entrance to the Project containing a statement that public parking is prohibited and that all vehicles not authorized to park on the Project will be removed at the vehicle owner's expense. The sign shall contain the telephone number of the local traffic law enforcement agency and shall not be less than 17 x 22 inches in size with lettering not less than one (1) inch in height, and the name and telephone number of each towing company that is a party to a written general towing authorization agreement with the Association. The sign may also indicate that a citation may also be issued for the violation. The Association shall enter into a written general towing authorization agreement with one or more towing companies as required by Vehicle Code section 22658.

D. The Association may cause the removal of any vehicle wrongfully parked on the Project, including a vehicle owned by an Owner or Occupant in accordance with applicable law. Unless the Board provides otherwise, any Director or officer, any manager or manager's agent or any Owner authorized to do so by any Director or officer shall have the authority to act on behalf of the Association to cause the removal of any vehicle wrongfully parked within the Project.

E. No garage space shall be converted into any use (such as a recreational room or storage room) that would prevent use for parking space for the number of vehicles the space was designed to contain or used for storage such that vehicles cannot park in the garage except as may permitted to create an accessory dwelling unit or as allowed by state law. Garage doors shall be kept closed at all times except when in use by the Occupant of the Lot which the garage is appurtenant, for ingress and egress to and from the garage.

The provisions of this **Section 7.3** are intended to comply with the current requirements of Vehicle Code section 22658. If this Vehicle Code section is amended, this provision automatically shall be amended in the same manner. If this Section is repealed and no successor Section is enacted, this provision shall remain in full force and effect. Vehicle Code section 22658 may have been amended by the State Legislature since this Declaration was recorded, and the Board should confirm the current statutory requirements.

7.6. Commercial Activity. No business, professional, or commercial activity of any kind shall be conducted on any Lot except as provided and to the extent allowed in **Section 7.1**.

7.7. Storage in Common Area. Nothing shall be stored in the front yards of any Lot or in the Common Area without the prior consent of the Board.

7.8. Signs. Subject to California Civil Code sections 712, 713 and 4710, no signs shall be displayed to the public view on any Lot or on any other portion of the Project, except non-commercial signs may be displayed within a Lot that are approved by the Board, that conform to the Rules regarding signs, and that conform to the requirements of State law, and applicable local ordinances. "For Sale" or "For

Rent" or "For Tax Deferred Exchange" signs shall be allowed to be displayed within areas of the Project that are designated in the Rules regarding such signs, and that conform to the requirements of State law, and applicable local ordinances, provided the design, dimensions and locations are reasonable. An Owner or his or her agent may display one (1) such For Sale or For Rent or For Tax Deferred Exchange sign within his or her Lot and one sign in the Common Area advertising directions to the Owner's Lot which is for sale, rent, or exchange, provided the design, dimensions and locations are reasonable and comply with the Rules regarding signs, and comply with the requirements of State law, and applicable local ordinances. These restrictions on display of signs apply to signs that are visible from the exterior of a Lot and are not intended to restrict signs that may be seen only from within the Lot in which the sign(s) is displayed. Declarant's rights reserved under **Section 9.7** are not limited by this Section.

7.9. Animals. Except as provided in the Governing Documents, no animals of any kind shall be raised, bred, or kept in any Lot, or on any other portion of the Project. Owners or Occupants of Lots, and, in the case of Lot 5, in each Condominium, may keep no more than two (2) dogs, or two (2) cats, or one (1) dog and one (1) cat, within a Lot as is applicable, and may keep a reasonable number (as determined by the Board) of other ordinary household pets and fish that are kept in cages or aquariums, provided that no such dogs, cats or other animal or fish may kept, bred, board, or maintained for any commercial purposes. All animals shall be kept under reasonable control at all times. No animals shall be allowed in the Common Area except as may be permitted by Rules of the Board. No Owner or Occupant shall allow its dog to enter the Common Area except on a leash. After making a reasonable attempt to notify the Owner or Occupant, the Association or any Owner may, but is not obligated to, secure or cause any animal found within the Common Area in violation of the Rules of the Board or this Declaration to be removed by the Association (or any Owner) to a pound or animal shelter under the jurisdiction of the City or County by calling the appropriate authorities, whereupon the Owner or Occupant may, upon payment of all expenses connected therewith, repossess the animal. Owners or Occupants shall prevent their pets from soiling all portions of the Common Area and shall promptly clean up any waste left by their animals. Owners or Occupants shall be fully responsible for any damage caused by their animals.

Assistance Animals, as provided in U.S. Department of Housing and Urban Development and Equal Opportunity Notice FHEO 2020-01, dated January 28, 2020, may be kept by and Owner or Occupant, in accordance with the Declaration and applicable Rules. Assistance Animals include.

(1) Service Animals. Dogs that are trained to do work, perform tasks or provide assistance for the benefit of individuals with disabilities, as defined in the Americans With Disabilities Act, 28 CFR §36.104; and,

(2) Support Animals. Animals that provide therapeutic or emotional support for individuals with psychiatric, intellectual or other mental disability as defined in FHA Guidelines on Documenting Individuals Need for Assistance Animals in Housing, referred to as "Assistance Animal Notice" as an integral part of U.S. Department of Housing and Urban Development Office of Fair Housing and Equal Opportunity notice FHEO 2020-01 dated January 28, 2020.

Owners or Occupants shall use reasonable efforts to prevent any animal within his Lot from making disturbing noises that can be heard from any other Lot. An Owner or Occupant in violation of this Section may be deemed to be permitting, or causing a serious annoyance or nuisance to any other Owner. The Board, after notice and a hearing, may require the permanent removal of any animal that the Board determines to be a danger to the health and safety of any Occupant in the Project, or otherwise to be a nuisance within the Project. The Board may find that an animal is a nuisance if the animal or its owner continues to violate the Rules regulating pets after receipt by the Owner of a written demand from the Board to comply with the Rules. Structures for Animals. No structure for the care, housing or confinement of any house or yard pet shall be maintained on a Lot so as to be visible from neighboring property. The Board, after notice and a hearing, may require the permanent removal of any animal that the Board

determines to be a danger to the health and safety of any Owner or Occupant in the Project, or otherwise to be a nuisance within the Project. The Board may find that an animal is a nuisance if the animal or its owner continues to violate the Rules regulating pets after receipt by the Owner or Occupant of a written demand from the Board to comply with the Rules.

7.10. Garbage and Refuse Disposal. All trash disposal and recycling areas shall be kept in a clean and sanitary condition and shall comply with all applicable City Ordinances. All rubbish, trash recycling materials and garbage shall be regularly removed from the Lots, and shall not be allowed to accumulate therein. Trash, garbage, recycling materials and other waste shall only be kept in sanitary containers. All equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition, and shall be screened from view of neighboring Lots, Common Areas and streets. No toxic or Hazardous Materials shall be disposed of within the Project by dumping in the garbage containers or down the drains, or otherwise. Each Owner or Occupant shall be responsible for removal of garbage from his Lot and for prompt placement and removal of all containers placed in the Common Area for pick-up at designated pick-up points. Garbage, trash and recycling containers shall be left outside the authorized enclosure only on the scheduled day of pick up and shall be returned to the authorized enclosure no later than the day of scheduled pick up. All recycling and solid waste shall be confined to approved receptacles and enclosures.

7.11. Radio, Television, and Internet Antennas. No Owner shall construct, install and/or use and operate a radio and/or television antenna, satellite dish, Internet dish or an antenna one meter or more in diameter or diagonal measurement, other signal reception or transmission devices or related equipment in the Project, without the consent of the Board, which the Board shall have the discretion to withhold, subject to applicable legal requirements. In considering whether to approve applications for any such devices to be located, the Board shall consider and give great weight to considerations of aesthetics, safety within the community, uniformity of appearance, and the requirements of any applicable laws. The Board shall, in acting upon requests for approval of a satellite dish or other signal reception or transmission devices comply with California Civil Code section 4725 and FCC (Federal Communications Commission) regulations. The Board may adopt other Rules for installation and operation of any satellite dish or other signal reception or transmission devices that comply with California Civil Code section 4725 and FCC regulations.

7.12. Window Coverings. All drapes, curtains, shutters, blinds or other window coverings visible from the street or Common Areas shall be beige, white, or off-white in color or lined in beige, white, or off-white, or as the case may be, of colors, materials and patterns which are approved by the Board.

7.13. Power Equipment and Motor Vehicle Maintenance. No power equipment, hobby shops, or car maintenance (other than emergency work), or boat maintenance shall be permitted on the Project except with prior written approval of the Board (except for approved construction work being undertaken on a Residence). Approval shall not be unreasonably withheld and, in deciding whether to grant approval, the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception, and similar objections. All hazardous waste shall be disposed of properly by each Owner.

7.14. Liability of Owners for Damage to Common Area. The Owner of each Lot shall be liable to the Association for all damage to the Common Area improvements caused by such Owner or any Occupant for whom an Owner is responsible, or pets, except for that portion of damage covered by insurance carried by the Association. The responsible Owner shall be charged with the cost of repairing such damage (including interest thereon) for any areas for which the Association is responsible.

7.15. Right to Lease.

A. Any Owner who wishes to lease his Residence must meet each of the following requirements, and the lease will be subject to these requirements whether they are included within the lease or not.

- (1) all leases must be in writing;
- (2) the lease must be for the entire Residence and not merely parts of the Residence, unless the Owner remains in occupancy;
- (3) all leases shall be subject in all respects to provisions of the Governing Documents, and all leases shall clearly obligate all Occupants to obey and comply with the Governing Documents;
- (4) all Owners who lease their Residences shall promptly notify the Secretary of the Association in writing of the names of all Occupants and Members of Occupants' family occupying such Residences, and their respective vehicle and pet information, and shall provide the Secretary of the Association with a complete copy of the lease. All Owners leasing their Residence shall promptly notify the Secretary of the Association of the address and telephone number where such Owner can be reached;
- (5) no Owner shall lease his Residence for a period of less than thirty (30) days; and,
- (6) no Lot or any portion of any Lot in the Project shall be leased, subleased, occupied, rented, let, sublet, or used for or in connection with any short term or shared use or occupancy arrangements such as "Air BnB" or other arrangements that provide for the advertising, listing, locating and/or rental of a Lot or Residence as a short term or shared lodging.

B. Any failure of an Occupant to comply with the Governing Documents shall be a default under the lease, regardless of whether the lease so provides. In the event of any such default, the Owner immediately shall take all actions to cure the default including, if necessary, eviction of the Occupant.

C. If any Occupant is in violation of the provisions of the Governing Documents, the Association may bring an action in its own name and/or in the name of the Owner to have the Occupant evicted and/or to recover damages. If the court finds that the Occupant is violating, or has violated any of the provisions of the Governing Documents of the Association, the court may find the Occupant guilty of unlawful detainer notwithstanding the fact that the Owner is not the plaintiff in the action and/or the Occupant is not otherwise in violation of Occupant's lease. For purposes of granting an unlawful detainer against the Occupant, the court may assume that the Owner or person in whose name a contract (the lease or rental agreement) was made was acting for the benefit of the Association. The remedy provided by this subsection is not exclusive and is in addition to any other remedy or remedies which the Association has. If permitted by present or future law, the Association may recover all its costs, including court costs and reasonable attorneys' fees incurred in prosecuting the unlawful detainer action.

D. The Association shall give the Occupant and the Owner notice in writing of the nature of the violation of the Governing Documents, and twenty (20) days from the mailing of the notice in which to cure the violation before the Association may file for eviction.

E. Each Owner shall provide a copy of the Governing Documents of the Association to each Occupant of his or her Lot. By becoming an Occupant, each Occupant agrees to be bound by the Governing Documents of the Association, and recognizes and accepts the right and power of the Association to evict an Occupant for any violation by the Occupant of the Governing Documents.

7.16. Flags, Pennants, Banners, Etc.. There shall be no exhibiting, flying or hanging of any flags, pennants, banners, kites, towels, etc., from any area of the Project (except by Declarant, during the period Declarant is marketing the Project) that would be visible from the street, Common Area, or the other Lots, except in conformance with Rules adopted by the Board and except for flags, banners and signs that are expressly permitted by statute. The Association may adopt Rules regarding the display of flags, banners and signs provided that such Rules shall be consistent with the then applicable laws.

7.17. Activities Causing Increase in Insurance Rates. Nothing shall be done or kept on any Lot or in any improvements constructed in any Lot, or in the Common Area, which will increase any applicable rate of insurance or which will result in the cancellation of insurance on any Lot, or any part of the Common Area, or which would be in violation of any law.

7.18. Common Area Use. Nothing shall be stored, grown, or displayed in the Common Area.

7.19. Drainage. No Owner, Member or Occupant shall do or cause anything to be done that would alter or interfere with the Project drainage patterns or block or alter the natural flow or engineered flow of surface water or interfere with drainage patterns within the Project.

7.20. Protections of Storm Water Facilities. Neither the Association, its Owners, residents, nor their agents, employees, representatives, invitees, licensees, customers, or contractors shall alter or modify any storm water facilities in any way including but not limited to placing, maintaining, constructing, or planting any improvements, landscaping or other items, including without limitation decks, stairs, walls, irrigation systems, trees, or any vegetation on any storm water facilities.

7.21. Owner's Obligation to Inspect, Maintain and Repair.

A. Except for those portions of the Project which the Association is required to inspect, maintain and repair, each Owner shall, at his sole cost and expense, maintain and repair his Lot, Condominium, and the Residence and all landscaping thereon, keeping the same in good condition, pursuant to and in accordance with the Homeowners Handbook. In addition, each Owner shall have the improvements on the Owner's Lot periodically inspected for termites and immediately shall take appropriate corrective measures thereof.

B. In order to prevent leaks and to reduce the presence of mold, fungi, spores, pollens and other botanical substances, or other allergens (collectively "Mold") within the Lot, the Owners shall inspect the interior of their Residences not less frequently than once each quarter, or as recommended by the Homeowners Association Handbook, to check for water leaks or other breaches of the watertight integrity of the improvements, and for the presence of Mold. If any water leaks and/or Mold are detected within the Lot, the Owner shall immediately take appropriate corrective steps to repair the leak, and/or remove the Mold and to maintain proper ventilation within enclosed areas, and to maintain humidity levels to reduce the risk of Mold growth, and take such other prudent steps as may be appropriate to prevent leaks and Mold growth, or eliminate any existing Mold.

C. Each Owner shall inspect and maintain the improvements within his or her Lot and/or Condominium in accordance with the inspection and maintenance guidelines set forth in the Homeowners Handbook established by the Declarant. A copy of the Homeowners Handbook shall be delivered by Declarant to each Owner when the Lot has closed escrow. Each Owner shall retain the Homeowners Handbook and take all appropriate actions to comply with and implement the Homeowners Handbook. When an Owner transfers a Lot, the Owner shall deliver a complete copy of the Homeowners Handbook and all manufacturers' materials to the transferee of the Lot on or before the date the Lot is transferred.

D. In the event an Owner of any Lot shall fail to inspect and maintain his Lot and Residence and the improvements thereon as required herein, the Association's agents may, after notice and a hearing as provided in the Bylaws, enter the Lot and perform the necessary maintenance. The cost of such inspection and maintenance shall immediately be paid to the Association by the Owner of such Lot as a Reimbursement Charge, together with interest at the rate of twelve percent (12%) per annum (but not to exceed the maximum interest rate authorized by law) from the date the cost was incurred by the Association until the date the cost is paid by the Owner.

ARTICLE VIII. INSURANCE; DAMAGE OR DESTRUCTION; CONDEMNATION

8.1. Insurance. The Association shall obtain and maintain the following insurance.

A. Association Insurance.

(1) a casualty or hazards property insurance policy insuring all improvements, equipment, and fixtures in the Common Area owned by the Association, unless the Board determines, in its sole discretion, that such insurance is not necessary;

(2) an occurrence version comprehensive general liability policy insuring the Association, its agents, the Owners and their respective family members, against liability incident to the ownership or use of the Common Area or any other Association owned or maintained real or personal property. The amount of general liability insurance that the Association shall carry at all times shall be not less than the minimum amounts required by California Civil Code sections 5800 and 5805;

(3) workers' compensation insurance (statutory limits) to the extent required by law (or such greater amount as the Board deems necessary). All independent contractors who contract with the Association shall be required to carry appropriate general liability insurance, automobile liability insurance coverage and workers' compensation coverage, and shall indemnify the Association with respect to any claims from such independent contractor, or independent contractor's employees, with regards to claims for liability and workers' compensation claims from any independent contractor who performs any service for the Association. Independent contractors shall be required to carry a minimum of \$1,000,000 per occurrence, \$2,000,000 general aggregate and \$2,000,000 products-completed operations aggregate under the general liability requirement naming the Association as an additional insured for their work. Independent contractors shall also carry a minimum of \$1,000,000 combined single limit for auto liability covering all owned, hired and non-owned automobiles;

(4) fidelity bonds or insurance covering officers, directors, and employees;

(5) directors and officers liability insurance covering all past, present and future directors and officers of the Association, the amount of which shall at all times not be less than the minimum amounts required by California Civil Code sections 5800 and 5805, as amended from time to time, including any successor statutes;

(6) insurance against water damage, and liability for non-owned and hired automobiles;

(7) water damage insurance to the extent typically available from commercial carriers, if available at reasonable rates in the opinion of the Board.

(8) such other insurance as the Board in its discretion considers necessary or advisable.

B. Amount, Term and Coverage. The amount, term and coverage of any policy required hereunder (including the type of endorsements, the amount of the deductible, the named insureds,

the loss payees, standard mortgage clauses, notices of changes or cancellations, and the insurance company rating) shall satisfy the minimum requirements imposed for this type of project by the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"), and the Housing and Urban Development ("HUD"), or any successor to either of those entities. If the FNMA, FHLMC or HUD requirements conflict, the more stringent requirement shall be met. If FNMA, FHLMC and HUD do not impose requirements on any policy required hereunder, the term, amount and coverage of such policy shall be no less than that which is customary for similar policies on similar projects in the area. The Board shall adopt a policy regarding payment of deductibles on any insurance coverage. Unless the Board determines otherwise, the Association shall pay deductibles required under any insurance claim from Association funds, unless insufficient funds are available to the Association from the Association's accounts from funds borrowed by the Association in accordance with this Declaration, in which event the Association shall levy a Special Assessment, in accordance with **Sections 4.3.B and 4.4** of this Declaration, with respect to the amount of any such deductible which exceeds funds available to the Association from Association funds or from borrowing. Owners responsible for causing damage are responsible for the amount of any deductible as well as any documented increase in the cost of insurance due to the claim.

C. Representation for Claims. Each Owner appoints the Association or any insurance trustee designated by the Association to act on behalf of the Owners in connection with all insurance matters arising from any insurance policy maintained by the Association, including without limitation, representing the Owners in any proceeding, negotiation, settlement or agreement.

D. Waiver of Subrogation. Any insurance maintained by the Association shall contain "waiver of subrogation" as to the Association and its officers, Directors and Members, and the Owners and Occupants of the Lots (including Declarant) and Mortgagees; and cross-liability and severability of interest coverage insuring each insured against liability to each other insured.

All individually owned insurance shall contain a waiver of subrogation as to the Association and its officers, Directors and Members, and the Owners and Occupants of the Lots and Mortgagees; and all Members are deemed to have waived subrogation rights as to the Association and/or other Members, whether or not their policies so provide.

E. Review of Policies. The Association shall periodically (and not less than annually) review all insurance policies maintained by the Association to determine the adequacy of the coverage and to adjust the policies accordingly.

F. Copies of Policies; Notice to Members. The Association shall distribute annually to the Members a summary of the Association's insurance policies as required by California Civil Code section 5300(9) and as provided in the Bylaws. The Association, as soon as reasonably practical, shall notify its Members by first-class mail if any of the policies have been cancelled and not immediately renewed or restored or if there is a significant change such as a reduction in coverage or limits or an increase in the deductible for any policy. If the Association receives any notice of non-renewal of a policy, the Association immediately shall notify its Members if replacement coverage will not be in effect by the date the existing coverage will lapse.

To the extent that the information required to be disclosed, as described in California Civil Code section 5300(9), is specified in the insurance policy declaration page, the Association may meet its disclosure obligations by making copies of that page and distributing copies to all its Members.

G. Limitation on Liability. The Association, and its Directors and officers, shall have no liability to any Owner or Mortgagee if, after a good faith effort, it is unable to obtain the insurance required hereunder, because the insurance is no longer available or, if available, can be obtained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the

Members fail to approve any Assessment increase needed to fund the insurance premiums. In such event, the Board immediately shall notify each Member and any Mortgagee entitled to notice that the insurance will not be obtained or renewed.

H. Policies and Procedures Regarding the Filing and Processing of Claims. The Board shall adopt policies and procedures regarding the filing and processing of claims for damage and destruction of Common Area improvements or any other matters covered by insurance maintained by the Association.

I. Owner's Insurance. The Association's insurance does not cover losses to the individual Residences or improvements on a Lot. Each Owner shall obtain and maintain, at the Owner's sole expense, property insurance with fire and casualty coverage for the Owner's Residence as may be required by any mortgagee of the Lot and in no event less than the amount and type of fire and casualty insurance required to be obtained and maintained as determined by the Board, and with respect to amount, the coverage shall be for one hundred percent (100%) of current replacement cost of all improvements on his Lot. All such individually carried insurance shall contain a waiver of subrogation by the carrier as to the other Owners, the Association, Declarant, and the mortgagees of such Lot.

8.2. Damage or Destruction. If Common Area improvements are damaged or destroyed by fire or other casualty, the improvements shall be repaired or reconstructed substantially in accordance with the original as-built plans and specifications, modified as may be required by applicable building codes and regulations in force at the time of such repair or reconstruction and subject to such alterations or upgrades as may be approved by the Board, unless either of the following occurs. (1) the cost of repair or reconstruction is more than fifty percent (50%) of the current replacement costs of all Common Area improvements, available insurance proceeds are not sufficient to pay for at least eighty-five percent (85%) of the cost of such repairs or reconstruction, and three-fourths (3/4) of the total voting power of the Association residing in Members and their First Lenders vote against such repair and reconstruction; or (2) available insurance proceeds are not sufficient to substantially repair or reconstruct the improvements within a reasonable time as determined by the Board, a Special Assessment levied to supplement the insurance fails to receive the requisite approval (if such approval is required) as provided in **Section 4.4**, and the Board, without such approval by the Owners, is unable to supplement the insurance by borrowing on behalf of the Association sufficient monies to enable the improvements to be substantially repaired or reconstructed within a reasonable time. If the Residence, any improvements or landscaping on any Lot other than a Common Area lot are damaged or destroyed by fire or other casualty, the Owner of such Lot, if applicable, shall repair or reconstruct the damaged improvements within a reasonable period of time in accordance with the original as-built plans and specifications, modified as may be required by applicable building codes and regulations in force at the time of such repair or reconstruction or as authorized by the Board. Unless there are circumstances beyond the affected Owner's reasonable control, a reasonable time for completing such repair and reconstruction shall be deemed to not exceed eighteen (18) months from the date of the damage or destruction.

A. Cost of Damage – Lots. In the case of damage or destruction of an individual Residence, whether by fire, earthquake or other causes, the Owner(s) of that Lot shall be required to reconstruct the damages to the Residence and the other improvements on its Lot and shall be responsible for the cost of reconstruction that is not covered by insurance or is within the deductible amount.

B. Process For Association Repair or Reconstruction. If the costs of the Common Area improvements that are to be repaired or reconstructed is in excess of twenty-five percent (25%) of the current replacement cost of all the Common Area improvements, the Board shall designate a construction consultant, a general contractor, and an architect for the repair or reconstruction. All insurance proceeds, Association monies allocated for the repair or reconstruction, and any borrowings by the Association for the repair or reconstruction shall be deposited with a commercial lending institution experienced in the

disbursement of construction loan funds (the "Depository") as selected by the Board. Funds shall be disbursed in accordance with the normal construction loan practices of the Depository that require as a minimum that the construction consultant, general contractor and architect certify within ten (10) days prior to any disbursement substantially the following.

(1) that all of the work completed as of the date of such request for disbursement has been done in compliance with the approved plans and specifications;

(2) that such disbursement request represents monies which either have been paid by or on behalf of the construction consultant, the general contractor or the architect and/or are justly due to contractors, subcontractors, materialmen, engineers, or other persons (whose name and address shall be stated) who have rendered or furnished certain services or materials for the work and giving a brief description of such services and materials and the principal subdivisions or categories thereof and the respective amounts paid or due to each of those persons in respect of such services and stating the progress of the work up to the date of the certificate;

(3) that the sum then requested to be disbursed plus all sums previously disbursed does not exceed the cost of the work insofar as actually accomplished up to the date of such certificate;

(4) that no part of the cost of repair or reconstruction has been or is being made the basis for the disbursement of any funds in any previous or then pending application;

(5) that the amount held by the Depository, after payment of the amount requested in the pending disbursement request, will be sufficient to pay in full the costs necessary to complete the repair or reconstruction; and,

(6) that mechanics' lien releases have been obtained from those eligible to file lien claims.

If the cost of repair or reconstruction of the Common Area improvements is less than twenty-five percent (25%) of the current replacement cost of all the Project Common Area improvements, the Board shall disburse the available funds for the repair and reconstruction under such procedures as the Board deems appropriate under the circumstances.

The repair or reconstruction shall commence as soon as reasonably practicable after the date of such damage or destruction and shall be completed as quickly as is reasonably practicable after commencement of reconstruction, subject to delays that are beyond the control of the party responsible for making the repairs. The Owner of the damaged or destroyed improvement (and the Board, in the case of damage to the Common Area) immediately shall take such steps as may be reasonably necessary to secure any hazardous condition and to screen any unsightly views resulting from the damage or destruction.

In the event the work required to maintain or to repair or restore damage or destruction involves work that is the responsibility of Owner and the Association as provided in **Sections 5.1.A** and **7.20** then all of such work shall be directed by the Board, with the expense to be allocated between Owner and the Association pursuant to **Sections 7.20** and **5.1.A**. If more than one Owner is involved, the expense to be paid by each Owner shall be apportioned by the Board. If the Association is involved in a dispute over the apportionment of such expenses, then the dispute shall be settled by arbitration pursuant to **Section 9.14.E**.

If the Association undertakes any work which **Section 7.20** requires an Owner to undertake, or if it undertakes any work that the Association is required to undertake at the expense of the Owner, the Board shall assess the Lot of the Owner for such work, and shall so inform the Owner thereof in writing; provided, however, that the Assessment shall be reduced by the amount of any insurance proceeds paid to the Association as a result of damage to or destruction to the property involved in an amount proportionate to

what would otherwise be the Owner's responsibility or that is attributable to the work undertaken for that Owner. Such Assessment shall be a lien upon the Lot of the Owner and may be foreclosed, as set forth in **Section 4.9**.

C. Process If Repair or Reconstruction Not Undertaken. If the Common Area improvements are not required to be repaired or reconstructed in accordance with the foregoing, all available insurance proceeds shall be disbursed among the Owners of the damaged Lots and their respective Mortgagees in the same proportion that the Owners are assessed, subject to the rights of the Owners' Mortgagees, after first applying the proceeds to the cost of mitigating hazardous conditions on the Project, making provision for the continuance of public liability insurance to protect the interests of the Owners until the property can be sold, and complying with all other applicable requirements of governmental agencies.

8.3. Condemnation. If all or any part of a Lot (except the Common Area) is taken by eminent domain, the award shall be disbursed to the Owner of the Lot, subject to the rights of the Owner's Mortgagees. If the taking renders the Lot uninhabitable, the Owner shall be divested of any further interest in the Project, including membership in the Association, and the interest of the remaining Owners shall be adjusted accordingly. If all or any part of the Common Area is taken by eminent domain, the proceeds of condemnation shall be used to restore or replace the portion of the Common Area affected by condemnation, if restoration or replacement is possible, and any remaining funds, after payment of any and all fees and expenses incurred by the Association relating to such condemnation, shall be distributed among the Owners in the same proportion as such Owners are assessed, subject to the rights of Mortgagees. If necessary, the remaining portion of the Project shall be resurveyed to reflect such taking. The Association shall participate in the negotiations and shall propose the method of division of the proceeds of condemnation, where Lots are not valued separately by the condemning authority by the court. The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Area, or part of the Common Area.

ARTICLE IX. GENERAL PROVISIONS

9.1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of the Governing Documents. If any legal action or any other proceeding, including arbitration or an action for declaratory relief is brought for the enforcement of this Declaration or because of an alleged dispute, breach, default, or misrepresentation in connection with any provision of this Declaration, the prevailing party shall be entitled to recover reasonable attorneys' fees, expert and consultant fees and other costs incurred in that action or proceeding and in appeal therefrom. The right to recover attorneys' fees includes a prevailing party who prevails using only an affirmative defense. Failure by the Association or by any Owner to enforce the Governing Documents shall in no event be deemed a waiver of the right to do so thereafter. Failure by the Association to enforce the Governing Documents shall not be deemed to constitute approval of or consent to any violation or failure to comply with the Governing Documents.

9.2. City's Rights and Enforcement.

A. City's Right to Enforce Covenants and Restrictions. The City is hereby granted the right, but in no event the duty, to enforce the covenants and restrictions set forth in the Governing Documents. The Association shall recognize that it has the primary responsibility for enforcement of the Governing Documents and unequivocally guarantees to institute and expeditiously prosecute any required legal action to obtain compliance with all provisions set forth in the Governing Documents.

B. No Waiver of City's Rights. No failure of the City to enforce any of the covenants or restrictions contained in the Governing Documents will in any event render them ineffective.

C. City's Remedies to Cure a Breach or Violation. Remedies available to the City to cure any breach or violation of the Governing Documents shall be cumulative to any other provisions of law. The City's failure to exercise any remedy provided for in the Governing Documents shall not, under any circumstances, be construed as a waiver of the remedy.

D. Severability. Invalidation of any one of the City's required covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

8.3. Invalidity of Any Provision. Should any provision or portion of this Declaration be declared invalid by judgment or court order, or in conflict with any law of the jurisdiction where this Project is situated, the validity of all other provisions and portions hereof shall remain unaffected and in full force and effect.

8.4. Term. Subject to **Section 9.4**, the covenants and restrictions of this Declaration shall run with and bind the Project, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of forty-five (45) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners of the Lots, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to terminate the same.

8.5. Amendments.

A. Unilateral Amendment by Declarant. Notwithstanding any other provisions of this Section, at any time prior to the first Close of Escrow in the Project, Declarant may unilaterally amend or terminate this Declaration by recording a written instrument which effects the amendment or termination and is signed and acknowledged by Declarant. Notwithstanding any other provisions of this Section, Declarant (for so long as Declarant owns any portion of the Project) may unilaterally amend this Declaration by recording a written instrument signed by Declarant in order to. (i) conform this Declaration to the rules, regulations or requirements of VA, FHA, DRE, Fannie Mae, Ginnie Mae or Freddie Mac; (ii) amend, replace or substitute any Exhibit for any purpose to the extent that the Exhibit affects portions of the Project that have not yet been conveyed to the Association or for which there has been no Close of Escrow, as applicable; (iii) amend, replace or substitute any Exhibit to correct typographical or engineering errors; (iv) include any Exhibit that was inadvertently omitted from the Declaration at the time of recording; (v) comply with any city, county, state or federal laws or regulations; (vi) correct any typographical errors; (vii) supplement or amend this Declaration with provisions which pertain to rights and obligations of Declarant, the Association or Owners arising under the Right to Repair Law at Division 2, Part 2, Title 7 (commencing with Section 895) of the California Civil Code; or (viii) change any exhibit or portion of an exhibit to this Declaration to conform to as-built conditions.

B. Amendment by Members. After sale of the first Lot, this Declaration may be amended only by the affirmative vote by secret written ballot (in person or by proxy) representing a majority of the total voting power of the Association and a majority of the affirmative votes of Members other than the Declarant. However, the percentage of voting power necessary to amend a specific Section shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that Section. Any amendment must be certified in writing executed and acknowledged by the President or Vice President of the Association and recorded in the Recorder's Office of the County.

C. Amendments Requiring Consent of Owners. Notwithstanding anything herein to the contrary, no amendment affecting the dimensions of any Lot or the interests in the Common Area shall be effective without the consent of all Owners whose Lots and Common Area interests, or Common Area rights are affected by the amendment. The provisions of this **Section 9.4.D** may not be amended without the unanimous consent of the total voting power of the Association.

D. Agreements Among Owners. In any situation where agreement between or among Owners is required, agreement or consent shall not be withheld unreasonably.

E. Amendments to Organization Documents Require City Approval. Any amendments or modifications to the Governing Documents shall be submitted to the City Attorney for approval. No amendment or modification to the Governing Documents shall be effective without prior written consent of the City Attorney.

8.6. Rights of First Lenders. No breach of any of the covenants, conditions and restrictions contained in this Declaration, nor the enforcement of any of its lien provisions, shall render invalid the lien of any First Lender on any Lot made in good faith and for value, but all of those covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through Foreclosure or trustee's sale, or otherwise. Notwithstanding any provision in the Governing Documents to the contrary, First Lenders shall have the following rights.

A. Amendments.

(1) Amendments of a material adverse nature to First Lenders require the approval of at least fifty-one percent (51%) of First Lenders (based on one (1) vote for each First Mortgage owned);

(2) any action to terminate the legal status of the Project, or to use insurance proceeds for any purpose other than to rebuild, requires approval of at least fifty-one percent (51%) of First Lenders (based on one (1) vote for each First Mortgage owned); and,

(3) Implied approval may be assumed when a Mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after the Mortgagee actually receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

B. Reserves. The Association shall establish and maintain a Reserve Fund for replacements and a general operating Reserve sufficient in amount to satisfy the minimum amounts necessary to comply with any applicable requirements of FNMA, FHLMC, and FHA.

C. First Lenders Rights Confirmed. Any First Lender who comes into possession of the Lot by virtue of Foreclosure of the Mortgage, or any purchaser at a Foreclosure, will take the Lot free of any claims for unpaid Assessments and fees, late charges, fines or interest levied in connection with such claims, against the Lot which accrue more than six (6) months prior to the time such First Lender or purchaser at a Foreclosure takes title to the Lot, except for fees or costs related to the collection of the unpaid Assessments, claims for a pro rata share of such Assessments or charges to all Lots including the mortgaged Lot, and except for Assessment Liens as to which a Notice of Delinquent Assessment has been recorded prior to the Mortgage.

D. Distribution of Proceeds of Insurance, Condemnation or Termination. No provision of the Governing Documents gives an Owner, or any other party, priority over any rights of First Lenders in the case of a distribution to Owners of proceeds of termination or any insurance proceeds or condemnation awards for losses to or taking of Lots and/or Common Area.

E. Status of Loan to Facilitate Resale. Any First Mortgage given to secure a loan to facilitate the resale of a Lot after acquisition by Foreclosure or by a deed in lieu of Foreclosure or by an assignment in lieu of Foreclosure, shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of Mortgagees under this Declaration.

9.6. Limitation of Restrictions on Declarant. Declarant is undertaking the work of construction of a planned development and incidental improvements upon the Project. The completion of that work and the sale, rental, and other disposal of the Lots is essential to the establishment and welfare of the Project as a residential community. In order that work may be completed and the Project be established as a fully occupied residential community as rapidly as possible, nothing in this Declaration shall be understood or construed to.

A. Prevent Declarant, its contractors, or subcontractors from doing on the Project or any Lot, whatever is reasonably necessary or advisable in connection with the completion of said work; or,

B. Prevent Declarant or its representatives from erecting, constructing and maintaining on the Project (except within Lots owned by others), such structures as may be reasonable and necessary for developing the Project as a residential community and disposing of the same by sale, lease or otherwise; or,

C. Prevent Declarant from conducting on the Project (except within Lots owned by others) its business of completing the work and of establishing a plan of residential ownership and of disposing of the Project in Lots by sale, lease or otherwise; or,

D. Prevent Declarant from maintaining or displaying such sign(s), pennants, banners and flag(s) anywhere in the Project (except within Lots owned by others) as may be necessary for the sale, lease or disposition thereof for the duration of Declarant's marketing; or,

E. Subject Declarant to the architectural control provisions of **Article VI** for the construction of any Residence or other improvements on the Project.

The foregoing rights of Declarant shall terminate upon sale of Declarant's entire interest in the Project, and, until then, this Section shall not be amended without Declarant's consent. So long as Declarant, or its successors and assigns, owns one (1) or more of the Lots described herein, Declarant, or its successors and assigns, shall be subject to the provisions of this Declaration. Declarant shall make reasonable efforts to avoid disturbing the use and enjoyment of Lots and the Common Area by their Owners, while completing any work necessary to said Lots or Common Area.

9.7. Termination of Any Responsibility of Declarant and Acceptance of Obligations by the Association. In the event Declarant shall assign or convey all of its rights, title and interest in and to the Project to any successor Declarant, then and in such event, Declarant shall be relieved of the performance of any further duties or obligations under this Declaration arising after such conveyance, and such successor Declarant shall thereafter be obligated to perform all such duties and obligations of the Declarant.

9.8. Owners' Compliance. Each Owner or Occupant of a Lot shall comply with the provisions of this Declaration, and to the extent they are not in conflict with the Governing Documents, and the decisions and resolutions of the Association or the Board, as lawfully amended from time to time. Failure to comply with any such provisions, decisions, or resolutions shall be grounds for an action (1) to recover sums due, (2) for damages, (3) for injunctive relief, (4) for costs and attorneys' fees, or (5) any combination of the foregoing. All agreements and determinations lawfully made by the Association in accordance with

the voting percentages established in the Governing Documents shall be deemed to be binding on all Owners, their successors and assigns.

9.9. Notice. Unless otherwise provided elsewhere herein, any notice permitted or required by the Declaration or Bylaws may be delivered personally or by mail, or by any method described in **Section 4.4.C**, by first-class mail, postage prepaid, express mail, or overnight delivery by an express service carrier, or e-mail, fax, or other electronic means, if the recipient has consent in writing to that method of delivery. Notwithstanding the foregoing, if an Owner has elected pursuant to the Bylaws to receive notices from the Association by electronic transmission, then such notices may be delivered by the Association to that Owner by such electronic transmission. Furthermore, if this Declaration, the Bylaws or applicable laws allow such notice to be made by posting of the notice in the common Area, such notice may be made and deemed delivered by such posting. If delivery is by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, first-class or registered, postage prepaid, addressed to the person to be notified at the current address given by such person to the Secretary of the Board or addressed to the Lot of such person if no address has been given to the Secretary, without regard to delivery refusal, if any.

9.10. Inspection and Assumption of Maintenance Responsibility for Common Area Improvements. The Association's inspection and assumption of maintenance responsibility for the Common Area Improvements shall be determined in accordance with the following procedures.

A. Walk-Through Inspection. On completion of all or any portion of the Common Area Improvements in the Project ("Common Improvements"), Declarant shall notify the Board of Directors of the Association in writing. Within five (5) business days of the notice or such later date as is agreeable to the parties, representatives of the Association and Declarant shall meet for the purpose of inspecting the Common Improvements and identifying any uncompleted or incorrectly completed items. In addition to representatives of the Board and the Declarant, the inspectors may include an inspector who is under contract to the Association to participate in the inspection. With respect to those items that the parties agree need to be completed or corrected, Declarant shall have a reasonable time thereafter to complete or correct the items ("Punch List").

The results of the inspection shall be noted in a written document ("Inspection Report"), which document shall be dated and signed by all of the inspectors, and one duplicate original shall be retained by the Association, and one shall be retained by the Declarant.

B. Assumption of Responsibility for Maintenance of Common Area Improvements. Upon completion of such an inspection, as evidenced by the dated and signed Inspection Report, all obligations and duties dictated by this Declaration for the Common Areas covered by the Inspection Report shall be assumed by the Association, and as of the date of the Inspection Report, the Association accepts the obligations and duties required by this Declaration. Any Punch List items noted on the Inspection Report shall not cause a delay of the Association's acceptance of the obligations and duties required by this Declaration, and the assumption of responsibility for maintenance of the Common Area shall occur as of the date of the Inspection Report.

9.11. Special Provisions Relating to Enforcement of Declarant's Obligation to Complete Common Area Improvements. Where the Project includes Common Area improvements which have not been completed prior to the close of escrow on the sale of the first Lot, and where the Association is the obligee under a bond or other arrangement (hereafter "Common Area Bond") to secure performance of the commitment of Declarant to complete said improvements, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the Common Area Bond with respect to any improvement for which a notice of completion has not been filed within sixty (60) days after the completion date specified for those improvements in the planned construction statement appended to the Common Area

Bond. If the Association has given an extension in writing for the completion of any Common Area improvement, the Board shall consider and vote on the aforesaid question of action if a notice of completion has not been filed within thirty (30) days after the expiration of the extension. A special meeting of Members of the Association for the purpose of. (i) voting to override a decision by the Board not to initiate action to enforce the obligations under the Common Area Bond; or (ii) to consider the failure of the Board to consider and vote on the question shall be held not less than thirty-five (35) days nor more than forty-five (45) days after receipt by the Board of a petition for such a meeting signed by Members representing five percent (5%) or more of the total voting power of the Association. At such special meeting a vote of a majority of Members of the Association other than the Declarant shall be required to take action to enforce the obligations under the Common Area Bond and a vote of a majority of the voting power of the Association, excluding Declarant, shall be deemed to be the decision of the Association, and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

On satisfaction of the Declarant's obligation to complete the Common Area improvements, the Association shall acknowledge in writing pursuant to Board resolution that it approves the release of the Common Area Bond and shall execute any other documents as may be necessary to effect the release of the Common Area Bond. The Association shall not condition its approval of the release of the Common Area Bond on the satisfaction of any condition other than the completion of the Common Area improvements as described on the planned construction statement (Department of Real Estate Form RE 611A) attached to the Common Area Bond. If the Common Area improvements have been completed, a notice of completion has been filed, and sixty (60) days have passed without the filing of a mechanics' lien claim, the Association shall authorize and direct the escrow holder holding the Common Area Bond to release the Common Area Bond. If the Association fails to authorize and direct the release of the Common Area Bond within forty (40) days after receiving a request from Declarant, Declarant may petition the Superior Court of the County for an order releasing the bond, or, at the request of either party, the issue shall be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

9.12. Special Provisions Relating to Enforcement of Declarant's Obligation to Pay Assessments. Where the Association is the obligee under a bond or other arrangement (hereafter "Assessment Bond") to secure performance of the commitment of Declarant to pay Assessments on Lots owned by Declarant, the Board shall consider and vote on the question of action by the Association to enforce the obligations under the Assessment Bond with respect to any of Declarant's Assessments which are delinquent for thirty (30) days. A special meeting of Members of the Association for the purpose of voting to override a decision by the Board not to initiate action to enforce the obligations under the Assessment Bond or such a meeting to consider the failure of the Board to consider and vote on the question shall be held not less than ten (10) days nor more than twenty (20) days after receipt by the Board of a petition for such a meeting signed by Members representing five percent (5%) or more of the total voting power of the Association. At such special meeting a vote of a majority of Members of the Association other than the Declarant shall be required to take action to enforce the obligations under the Assessment Bond and a vote of a majority of the voting power of the Association, excluding Declarant, shall be deemed to be the decision of the Association, and the Board shall thereafter implement this decision by initiating and pursuing appropriate action in the name of the Association.

Upon satisfaction of the Declarant's obligation to assure the availability of funds to pay Assessments upon unsold Lots as set forth in Title 10 Cal Code of Regs § 2792.9, the escrow holder holding the Assessment Bond shall return the Assessment Bond to Declarant, after delivery to said escrow holder of Declarant's written request for release of the Assessment Bond, and Declarant's written statement that (1) Declarant has paid, as and when due, all Regular Assessments and Special Assessments levied by the Association against Lots owned by the Declarant and that (2) 80% of the Lots in the Project have been conveyed by Declarant, unless pursuant to Title 10 Cal Code of Regs § 2792.9, the Association delivers to said escrow holder its written objection to the return of the Assessment Bond to Declarant within forty (40)

days after delivery of notice of Declarant's request from release and the statement to the Association. The Association shall not condition its approval of the release of the Assessment Bond on the satisfaction of any condition other than the payment of Assessments.

If the Association delivers to the escrow holder of the Assessment Bond and to Declarant a demand for remittance of the Assessment Bond or a portion thereof, or the proceeds thereof to the escrow holder of the Assessment Bond, which demand is accompanied by a written statement signed by an officer of the Association that the Declarant is delinquent in the payment of Regular Assessments or Special Assessments which have been levied by the Association against Lots owned by the Declarant, then all or some specified portion of the security as demanded shall be remitted to the Association upon the Declarant's failure to give the escrow holder within forty (40) days after receipt of delivery of the demand by the escrow holder, the Declarant's written objection to remittance of the security. Both the Declarant and the Association shall adhere and comply with the terms of escrow instructions with the escrow holder of the Assessment Bond, which shall be in the form approved by the Department of Real Estate, with respect to the holding of the Assessment Bond, the return or remittance of the Assessment Bond and other disposition of matters set forth in said escrow instructions with respect to the Assessment Bond. If the Association fails to authorize and direct the release of the Assessment Bond within the forty (40) days after receiving a request from Declarant, Declarant may petition the Superior Court of the County for an order releasing the bond, or, at the request of either party, the issue shall be submitted to arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association.

9.13. Fair Housing. No Owner shall, either directly or indirectly, forbid or restrict the conveyance, encumbrance, leasing, or mortgaging, or occupancy of his Lot to any person of a specified race, sex, sexual orientation, gender, gender identity, gender expression, genetic information, age, marital status, veteran or military status, medical condition, citizenship, primary language, immigration status, or color, religion, physical handicap, national origin, familial status, source of income or disability of that person.

9.14. Dispute Resolution. The Board is authorized to resolve any civil claim or action through alternative dispute resolution proceedings such as mediation, binding arbitration, or non-binding arbitration proceedings.

A. Claims for Declaratory Relief or Enforcement of Governing Documents. Prior to the filing of an enforcement action, as defined in Civil Code section 5925, including a civil action solely for declaratory relief or injunctive relief to enforce the Governing Documents, or for declaratory, injunctive or writ relief in conjunction with a claim for monetary damages, the Board, or any Owner who seeks such relief, shall first endeavor to submit the matter to alternative dispute resolution in compliance with the provisions of California Civil Code sections 5925-5960. The Board shall comply with the requirements of California Civil Code section 5965 by providing Members of the Association annually with a summary of Article 3 (commencing with California Civil Code section 5925 of Chapter 10 of the California Civil Code, including the following language. "Failure of a Member of the Association to comply with the alternative dispute resolution requirements of Section 5930 of the California 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".

B. Design or Construction Defect Claims. Actions by the Association pertaining to or based upon a claim for defects in the design or construction of improvements within the Project against the Declarant, or any architect, engineer or other consultant, or any contractor, subcontractor or materials supplier engaged by or on behalf of Declarant for the design and/or construction of the Project, or any element thereof, or otherwise defined in California Civil Code sections 896 or 897 as an Actionable Defect ("Claim"), shall be resolved and administered in accordance with California Civil Code sections 895

through 945.5, and California Civil Code section 6000, as such Sections may be amended, revised or superseded, from time to time.

If a Claim is subject to pre-litigation procedures in California Civil Code sections 910 through 938, or any successor statutes, each Owner, and the Declarant, prior to filing any civil action, arbitration or action in judicial reference regarding such Claim shall comply with the pre-litigation procedures of California Civil Code sections 910 through 938. Notices of Claims shall specify all of the matters as set forth in California Civil Code section 6150 and/or California Civil Code sections 910 through 938, as applicable, and any successor statutes or laws.

The Association and not the individual Members shall have the power to pursue any Claims for alleged construction defects in the Common Area. Any recovery by the Association with respect to any damage to or defect in the Common Area shall be utilized solely for the purpose of paying for the costs of obtaining the recovery and for correcting or repairing such damage or defect.

If the Claim is not resolved by and pursuant to the pre-litigation procedures of California Civil Code sections 910 through 938, subject to the provisions of California Civil Code section 6000, then notwithstanding the provisions of California Code of Civil Procedure Section 1298.7, the Claim shall be resolved in accordance with the provisions of **Section 9.14.D** of this Declaration (Judicial Reference) and **Section 9.14.E** of this Declaration (Arbitration of Disputes).

WAIVER OF JURY TRIAL. DECLARANT, AND BY ACCEPTING A DEED FOR ANY PORTION OF THE PROPERTY, THE ASSOCIATION (USE IF THE ASSOCIATION TAKES TITLE TO SOME OF THE COMMON AREA) AND EACH OWNER AGREE (i) TO HAVE ANY DESIGN OR CONSTRUCTION DISPUTE DECIDED BY JUDICIAL REFERENCE AS PROVIDED HEREIN, OR BY NEUTRAL ARBITRATION IN ACCORDANCE WITH THE CALIFORNIA ARBITRATION ACT; (ii) TO GIVE UP ANY RIGHTS THEY MIGHT POSSESS TO HAVE THE DESIGN OR CONSTRUCTION DISPUTE LITIGATED IN A COURT OR JURY TRIAL. IF ANY PARTY REFUSES TO SUBMIT TO JUDICIAL REFERENCE OR TO ARBITRATION AFTER AGREEING TO THIS PROVISION, SUCH PARTY MAY BE COMPELLED TO DO SO.

C. Notices to Members of Legal Proceedings Against Declarant. In accordance with California Civil Code section 6150, at least thirty (30) days prior to filing any civil action, including arbitration, against Declarant or other developer of the Project for alleged damage to the Common Areas, alleged damage to the separate interests that the Association is obligated to maintain or repair, or alleged damage to the separate interests that arises out of, or is integrally related to, damage to the Common Areas or separate interests that the Association is obligated to maintain or repair, the Board shall provide written notice to each Member specifying each of the following.

- (1) That a meeting will take place to discuss problems that may lead to the filing of a civil action;
- (2) The options, including civil actions, that are available to address the problems; and,
- (3) The time and place of the meeting. If the Association has reason to believe that the applicable statute of limitations will expire before the Association is able to give notice, hold the hearing and file the civil action, the Association may file the civil action first and then give the notice within thirty (30) days after filing of the action.

D. Judicial Reference for Certain Disputes. For any action by the Association or any Owner against the Declarant, any architect, engineer or other consultant, or any contractor, subcontractor or materials supplier engaged by or on behalf of Declarant for the design and/or construction

of the Project, or any element thereof (“Developer Parties”), subject to the provisions of California Civil Code sections 895 through 938, California Civil Code section 6000 and California Civil Code section 6000, or any other action by the Association or any Owner against the Declarant, except as otherwise provided herein, such claim shall be submitted to Judicial Reference as hereinafter provided.

(1) The dispute shall be submitted to binding general judicial reference pursuant to California Code of Civil Procedure Sections 638 through 645.2, or any successor statutes thereto pertaining to proceedings under judicial reference ("Judicial Reference"). The parties shall cooperate in good faith to ensure that all necessary and appropriate parties are included in the Judicial Reference proceeding. Declarant shall not be required to participate in the Judicial Reference proceeding unless it is satisfied that all necessary and appropriate parties will participate. The parties shall share the fees and costs of the referee for the Judicial Reference proceeding as determined by the referee.

(2) The referee shall have the authority to try all issues, whether of fact or law, and to report a statement of decision to the court. The parties shall use the procedures adopted by Judicial Arbitration and Mediation Services (“JAMS”) for judicial reference (or any other entity offering judicial reference dispute resolution procedures as may be mutually acceptable to the parties), provided that the following rules and procedures shall apply in all cases unless the parties agree otherwise.

(a) If the Declarant is a party to the Judicial Reference, then any fee to initiate the Judicial Reference shall be paid by Declarant, provided however, that the cost of the judicial reference shall ultimately be borne as determined by the referee;

(b) The proceedings shall be heard in the County;

(c) The referee must be a neutral and disinterested party who is a retired judge or a licensed attorney with at least ten (10) years’ experience in relevant real estate matters;

(d) Any dispute regarding the selection of the referee shall be resolved by JAMS or the entity providing the reference services, or, if no entity is involved, by the court with appropriate jurisdiction;

(e) The referee may require one or more pre-hearing conferences;

(f) The parties shall be entitled to discovery, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge;

(g) A stenographic record of the Judicial Reference proceedings shall be made, provided that the record shall remain confidential except as may be necessary for post-hearing motions and any appeals;

(h) The referee’s statement of decision shall contain findings of fact and conclusions of law to the extent applicable;

(i) The referee shall have the authority to rule on all post-hearing motions in the same manner as a trial judge;

(j) The referee shall be authorized to provide all recognized remedies available in law or equity for any cause of action that is the basis of the Judicial Reference;

(k) The statement of decision of the referee upon all of the issues considered by the referee shall be binding upon the parties, and upon filing of the statement of decision with the clerk of the court, or with the judge where there is no clerk, judgment may be entered thereon. The decision of the referee shall be appealable as if rendered by the court; and,

(l) If submission of a disputed matter referenced in this Section 9.14.D to Judicial Reference is not permitted under the then applicable law, then notwithstanding California Code of Civil Procedure Section 1298.7, if the dispute is not resolved through mediation, each Owner, the Association and Declarant shall resolve such dispute exclusively through binding arbitration conducted in accordance with Section 9.14.E of this Declaration.

(3) Judicial Reference shall only proceed for any matter that is subject to the requirements of California Civil Code sections 5925-5960 after the parties have attempted to reasonably comply with the alternative dispute resolution requirements set forth in California Civil Code sections 5925-5960, as same may be amended from time to time.

(4) Notwithstanding the foregoing, any dispute under Sections 9.11 and 9.12 of this Declaration between the Declarant and the Association regarding the question of satisfaction of the conditions for exoneration or release of the Assessment Bond or Common Area Bond or other security shall, at the request of either party, be submitted to arbitration pursuant to Section 9.14.E of this Declaration.

E. Arbitration of Disputes. If a dispute is the subject of binding arbitration under this Declaration, the following shall apply.

(1) **Costs and Fees.** Costs and fees of the arbitration, including ongoing costs and fees of the arbitration shall be paid as agreed by the parties, and, if the parties cannot agree, as determined by the arbitrator; provided, however, if the Declarant is a party to the arbitration, then any fee to initiate arbitration shall be paid by Declarant, but the cost of arbitration shall ultimately be borne as determined by the arbitrator;

(2) **Neutral.** A neutral and impartial individual with at least ten (10) years' experience in real estate construction arbitration shall be appointed to serve as arbitrator, with the arbitrator to be selected by mutual agreement of the parties. If the parties are unable to agree on an arbitrator within fifteen (15) days after any party initiates the arbitration, a neutral and impartial arbitrator shall be selected by the Judicial Arbitration and Mediation Services, Inc. ("JAMS"). In selecting the arbitrator, the provisions of §1297.121 of the California Code of Civil Procedure shall apply. An arbitrator may be challenged for any of the grounds listed in §1297.121, or in §1297.124 of the California Code of Civil Procedure;

(3) **Venue.** Venue of the arbitration shall be in the County of Santa Clara;

(4) **Timely Commencement.** the arbitration shall commence in a prompt and timely manner in accordance with (i) the Commercial Rules of JAMS, or if the rules do not specify a date by which arbitration is to commence, then (ii) by a date agreed upon by the parties, and if they cannot agree as to a commencement date, (iii) a date determined by the arbitrator. The arbitrator shall apply California substantive law in rendering a final decision. The arbitrator shall have the power to grant all legal and equitable remedies and award compensatory damages. When the arbitrator is prepared to make the award, the arbitrator shall first so inform the parties, who shall have ten (10) days to attempt to resolve the matter by a binding agreement between them. If the parties resolve the matter, the arbitrator shall not make any award. If the parties do not so resolve the matter within the ten (10) day period, the arbitrator shall make the award on the eleventh day following the arbitrator's notice of being prepared to make the award;

(5) **Rules.** The arbitration shall be conducted in accordance with the Commercial Rules of JAMS;

(6) **Promptness.** The arbitration shall be conducted and concluded in a prompt and timely manner;

(7) **Authority.** The arbitrator(s) shall be authorized to provide all recognized remedies available in law or equity for any cause of action that is the basis of arbitration. The arbitrator(s) shall not have the power to commit errors of law or legal reasoning;

(8) **Entry of Judgment.** A judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction or application may be made to such court for judicial acceptance of the award and an order of enforcement.

(9) **Preliminary Procedures.** If state or federal law requires an Owner, the Association or Declarant to take steps or procedures before commencing an action in arbitration, then the Owner, the Association or Declarant must take such steps or follow such procedures, as the case may be, before commencing the arbitration. For example, any claim or Disputes pursuant to California Civil Code section 895 *et seq.*, as hereafter amended, may be subject to the non-adversarial procedures set forth in California Civil Code section 910 through 938, prior to the initiation of any arbitration. In addition, nothing contained herein shall be deemed a waiver or limitation of the provisions of California Civil Code sections 6150, 6000 and 6100;

(10) **Participation by Other Parties.** An Owner, the Association and Declarant, to such extent any such party is defending a claim in the arbitration, may, if it chooses, have all necessary and appropriate parties included as parties to the arbitration; and,

(11) ARBITRATION OF DISPUTES. BY EXECUTING THIS DECLARATION, DECLARANT AND BY ACCEPTING A DEED TO ANY PORTION OF THE PROPERTY, EACH OWNER AND THE ASSOCIATION SHALL BE DEEMED TO HAVE AGREED TO HAVE ANY DISPUTE RELATING TO OR BASED UPON A CLAIM FOR DEFECTS IN DESIGN OR CONSTRUCTION OF IMPROVEMENTS WITHIN THE PROJECT DECIDED BY JUDICIAL REFERENCE AS PROVIDED IN SECTION 9.14.D, AND TO HAVE ANY DISPUTE RELATING TO OR BASED UPON CLAIMS FOR DECLARATORY RELIEF OR ENFORCEMENT OF THE GOVERNING DOCUMENTS DECIDED BY NEUTRAL BINDING ARBITRATION AS PROVIDED IN SECTION 9.14.E. DECLARANT, THE ASSOCIATION AND EACH OWNER ARE GIVING UP ANY RIGHTS DECLARANT, THE ASSOCIATION AND EACH OWNER MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A JURY TRIAL. DECLARANT, THE ASSOCIATION AND EACH OWNER ARE GIVING UP JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "JUDICIAL REFERENCE FOR CERTAIN DISPUTES" PROVISION (SECTION 9.14.D), AND THE "ARBITRATION OF DISPUTES" (SECTION 9.14.E) PROVISION. IF DECLARANT, THE ASSOCIATION OR ANY OWNER REFUSES TO SUBMIT TO JUDICIAL REFERENCE OR ARBITRATION, DECLARANT, THE ASSOCIATION OR SUCH OWNER MAY BE COMPELLED TO SUBMIT TO JUDICIAL REFERENCE OR ARBITRATION UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE.

9.15. General Rules. This Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for creating and operating a residential planned development and maintaining the Common Area. As used in this Declaration, the singular includes the plural and the plural the singular. The masculine, feminine and neuter each includes the other, unless the context dictates otherwise.

9.16. Articles and Sections. The Article and Section headings have been inserted for convenience only and may not be considered in resolving questions of interpretation or construction. Unless otherwise indicated, any references in this Declaration to articles or sections or exhibits are to articles and sections of this Declaration except for reference to code sections.

9.17. Priorities and Inconsistencies. If there are conflicts or inconsistencies between the Governing Documents, then the provisions of this Declaration shall prevail.

9.18. Severability. The provisions of this Declaration are independent and severable. A determination of invalidity or partial invalidity or unenforceability of any one provision of this Declaration by a court of competent jurisdiction does not affect the validity or enforceability of any other provisions of this Declaration.

9.19. Statutory References. All references made in this Declaration to statutes are to those statutes as currently in effect or to subsequently enacted replacement statutes.

9.20. Unimproved Lots. The Declarant reserves the right to deliver a Lot to a purchaser without a Residence being constructed on the Lot. The Lot in such an instance will be delivered as a graded finished land with utilities installed up to the boundaries of the legal description for that Lot. If a Lot is conveyed by Declarant to a buyer as Owner without the construction of a Residence having been commenced, that Owner shall be obligated to construct a Residence in accordance with the plans for a Residence on that Lot as applicable, as approved by the City without any material variation. Any changes to the design of the improvements on such Lot shall require the prior written approval of the City, and so long as the Declarant owns a Lot in the Project, the Declarant as well. The Declarant has full discretion to withhold approval of any changes. If the Owner does not commence construction of a Residence on the Lot within eighteen (18) months after taking title to the Lot, the Declarant shall have the right to purchase the Lot for the purchase price for such repurchase that equals the purchase price paid by the Owner to Declarant when Owner took title to the Lot. All costs of closing and transfer shall be paid by the Owner.

A. After the date that is eighteen (18) months from the date of closing of the purchase by the Owner from Declarant, and if Declarant no longer holds title to any other Lot, then any changes to the design of the improvements on such Lot shall require the prior written approval of both the City and by the Board of the Association.

B. As long Declarant holds title to a Lot, the Owner shall provide Declarant with written notice of the name and address of the Contractor that Owner proposes to use for construction of the Residence. Declarant shall have the right to approve such Contractor and shall indicate whether it approves or disapproves of the contractor within a reasonable period of time after receiving notice from the Owner. If Declarant does not object to the Owner using the Contractor within 30 days after receiving written notice of such Contractor from Owner, the Owner may use the named contractor notwithstanding not receiving any notice otherwise from Declarant.

C. This **Section 9.20** shall not be amended or deleted from this Declaration without the express written consent of the Declarant.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration this ____ day of _____, 202_.

STEEL BRIDGE HOMES PALO ALTO, LP, A California Limited Partnership

By. STEEL BRIDGE CAPITAL LLC, a California Limited Liability Company
Its. General Partner

By. DDR Capital Ventures Co, a California Corporation
Its. Managing Member

By. _____
Melanie Griswold Demertzis
Its. CEO

A notary public or other officer completing the certificate verifies only the identity of the individual who signed the document to which the certificate is attached and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF _____

On _____, 202_ before me, _____, a Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal
Signature

(SEAL)

REPORT TO

**TRACE ESTATES LLC
LOS GATOS, CALIFORNIA**

FOR

**PROPOSED RESIDENTIAL SUBDIVISION
4103 OLD TRACE ROAD
PALO ALTO, CALIFORNIA**

**GEOTECHNICAL INVESTIGATION
MAY 2025**

PREPARED BY

**SILICON VALLEY SOIL ENGINEERING
1916 O'TOOLE WAY
SAN JOSE, CALIFORNIA**

SILICON VALLEY SOIL ENGINEERING

GEOTECHNICAL CONSULTANTS

File No. SV3029

May 14, 2025

Trace Estates LLC
206 Garden Hill Drive
Los Gatos, CA 95032

Attention: Melanie Griswold, Manager

Subject: Proposed Residential Subdivision
4103 Old Trace Road
Palo Alto, California
GEOTECHNICAL INVESTIGATION

Dear Melanie Griswold:

Pursuant to your request, we are pleased to transmit herein the results of our geotechnical investigation for the proposed residential subdivision. The subject site is located at 4103 Old Trace Road in Palo Alto, California.

Our findings indicate that the site is suitable for the proposed development provided the recommendations contained in this report are carefully followed. Our field reconnaissance, drilling, sampling, and laboratory testing of the surface and subsurface material evaluate the suitability of the site. The following report details our investigation, outlines our findings, and presents our conclusions based on those findings.

If you have any questions or require additional information, please feel free to contact our office at your convenience.

Very truly yours,

SILICON VALLEY SOIL ENGINEERING

Sean Deivert
Sean Deivert
Project Manager


Vien Vo, P.E.



SV3029.GI/Copies: 1 to Trace Estates LLC

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INTRODUCTION

Per your authorization, Silicon Valley Soil Engineering (SVSE) conducted a geotechnical investigation. The purpose of this investigation was to determine the nature of the surface and subsurface soil conditions at the subject site through field investigations and laboratory testing. This report presents an explanation of investigative procedures, results of the testing program, our conclusions, and our recommendations for earthwork and foundation design to adapt the proposed development to the existing soil conditions.

PROJECT LOCATION AND DESCRIPTION

The subject site is located at 4103 Old Trace Road in Palo Alto, California (Figure 1 – Vicinity Map). Old Trace Road bounds the subject site to the southwest, Arastradero Road to the northwest, and existing residences to the southeast and northeast. At the time of our investigation, the site is an undeveloped parcel of land. The parcel is slightly sloped to the northwest. Based on the preliminary site plan for the subject site, the proposed improvements will include subdividing the parcel into various lots (6 or 10 lots) and the construction of new single-family residence with basement for each lot, street/driveway and associated improvements. The location of the proposed structures and our exploratory soil borings is shown on Figure 2 – Site Plan.

FIELD INVESTIGATION

After considering the nature of the proposed development and reviewing available data on the area, a field investigation was conducted at the subject site under the direction of our geotechnical engineer. It included a site reconnaissance to detect any unusual surface features, and the drilling of four exploratory test borings to determine the subsurface soil characteristics. The borings were drilled on May 7, 2025 to the depth of 20 feet below the existing ground surface elevation. The

borings were drilled with a truck-mounted drill rig using 6-inch diameter solid stem augers. The approximate location of the borings is shown on Figure 2.

The soils encountered were logged continuously in the field during the drilling operations. Relatively undisturbed soil samples were obtained by hammering a 2.0-inch outside diameter (O.D.) split-tube sampler for a Standard Penetration Test (SPT), ASTM Standard D1586, into the ground at various depths. A 2.5-inch diameter split-tube (Modified California) sampler was utilized to obtain soil sample for direct shear tests at the depths of 1.5 feet to 3 feet. A 140-pound hammer with a free fall of 30 inches was used to drive the sampler 18 inches into the ground. Blow counts were recorded on each 6-inch increment of the sampled interval. The blows required for advancing the sampler the last 12 inches of the 18 inch sampled interval were recorded on the boring log as penetration resistance.

In addition, disturbed bulk samples of the near-surface soil were collected for laboratory analyses. The Exploratory Boring Log(s) contained in the Appendix are a graphic representation of the encountered soil profile; and also show the depths at which the relatively undisturbed soil samples were obtained.

LABORATORY INVESTIGATION

A laboratory-testing program was performed to determine the physical and engineering properties of the soils underlying the site.

1. Water content and dry unit weight tests were performed on the relatively undisturbed soil samples in order to determine soil consistency and the moisture variation throughout the explored soil profile (Table I).
2. The strength parameters of the foundation soils were determined from direct shear tests that were performed on selected relatively undisturbed soil samples (Table I).

3. Atterberg Limits tests were performed on the near-surface and subsurface soil to assist in the classification of the soils and to obtain an evaluation of the expansion and shrinkage potential (Figure 4).
4. Laboratory compaction tests of the native soil material were performed to determine the maximum dry density per the ASTM D1557 test procedure (Figure 5).
5. One R-Value test was performed on a near surface soil sample for pavement section design recommendations (Figure 6).
6. Corrosivity tests (chloride & sulfate) were performed on near surface and basement subgrade soil material (Page 22).

The results of the laboratory-testing program are presented in the Tables and Figures at the end of this report.

SOIL CONDITIONS

In Boring B-1, the surface soil consists of 3 inches of organic material. From the surface to the depth of 5 feet, a grayish brown, moist, very stiff silty clay with some gravel layer was encountered. From the depths of 5 feet to 14.5 feet, the soil became orange and olive brown, moist, very stiff gravelly sandy clay. From the depths of 14.5 feet to 19.5 feet, an olive and olive brown, moist, very stiff, sandy clay layer was encountered. From the depths of 19.5 feet to the end of the boring at 20 feet, the soil became orange and olive, moist, medium stiff gravelly sandy clay. Similar soil profiles were encountered in other borings.

Groundwater was not encountered in the Boring B-1 at a depth of 20 feet after the drilling operation. It should be noted that the groundwater table would fluctuate as a result of seasonal changes and hydrogeologic variations such as groundwater pumping and/or recharging. A detailed description of the soil profiles encountered is presented in Exploratory Boring Log(s) contained in the Appendix.

GENERAL GEOLOGY:

REGIONAL GEOLOGIC SETTING

The site is located within the Coast Ranges geomorphic province of California which extends from the Oregon border nearly to Point Conception. In the San Francisco Bay area, most of the Coast Ranges have developed on a basement of tectonically mixed Cretaceous- and Jurassic-age (70- to 200-million years old) rocks of the Franciscan Complex. Younger sedimentary and volcanic units locally cap these basement rocks. Closer to the bay younger Quaternary surficial deposits cover most of the Coast Ranges. The relatively flat-lying alluvial plain along the western edge of the San Francisco Bay is bounded by the Santa Cruz Mountains on the west and the San Francisco Bay to the east.

The San Andreas Fault system has, over time produced the dominant northwest-oriented structural and topographic patterns present throughout the Coast Ranges today. This pattern reflects the boundary between two of the Earth's major tectonic plates: the North American plate to the east and the Pacific plate to the west. The larger San Andreas Fault system and its major tributary faults is about 40 miles wide in the Bay area and extends from the San Gregorio Fault near the coast to the Central Valley blind thrust at the western edge of the Great Central Valley as shown on the fault map, Figure 3. The San Andreas Fault is capable of producing the highest magnitude earthquakes in the coastal region. Many other subparallel or branch faults within the San Andreas system are equally active and are also as capable of generating large earthquakes. Right-lateral movement dominates on these faults but more recent research conducted throughout the region has revealed that a large amount of thrust faulting results from compression across the system.

REGIONAL SEISMICITY

The San Francisco Bay area is one of the most seismically active areas in the country. Although seismologists cannot predict the frequency and occurrence of specific earthquake events, geologists from the U.S. Geological Survey have provided estimates of probability for earthquakes in the bay area region. The estimated probability of one or more magnitude 6.7 earthquakes (the size of the destructive 1994 Northridge earthquake) expected to occur within the San Francisco Bay Area is 72 percent for the period extending between 2014 to 2043 (Aagaard et al., 2016). The faults in the region with the highest estimated probability of generating damaging earthquakes in this period are the Hayward (33%), Calaveras (26%), and San Andreas Faults (22%). In this 30-year period, the probability of an earthquake of magnitude 6.7 or larger occurring is 22 percent along the San Andreas Fault and 33 percent for the Hayward Fault.

Faults considered capable of generating significant earthquakes are generally associated with the well-defined areas of crustal movement, which trend northwesterly.

FAULTING

Our review of published sources indicates that no faults have been mapped as projecting through the site or immediately adjacent to it (Pampeyan, 1970, 1993; USGS/ICBO 1998; Brabb, Graymer and Jones, 2000; California Geological Survey Fault and Fold Database, 2006; Dibblee Geological Foundation, 2007, and Jennings and Bryant, 2010). Accordingly, the site is not located within a currently state-designated Alquist-Priolo Earthquake Fault Zone (CDMG, 1974), or a county-designated fault hazard zone (SCCO, 2003). The Monte Vista-Shannon, San Andreas, San Gregario faults are approximately 4 km (2.5 miles), 8 km (5 miles), and 22 km (13.7 miles) to the southwest of the site. The Hayward fault is located approximately 24 km (14.9 miles) to the northeast of the site, respectively.

Therefore, in our opinion, there is a low potential for the site to be directly impacted by fault surface rupture hazard and is not a significant geologic hazard at the site. Earthquake probability and faults are shown in Figure 3.

Landsliding

Based on our review of *Palo Alto 7.5-Minute Quadrangle* (2002, USGS), potential landsliding hazard was not identified for the subject site. Evidence of recent active landsliding was not observed on the subject property during our review of air photos, site reconnaissance, or subsurface investigation.

Liquefaction

Liquefaction most commonly occurs during earthquake shaking in loose fine sands and silty sands associated with a high ground water table. Based on the subsurface investigation, the proposed development is underlain by very stiff to hard sandy silty clays to sandy clays. The site is not located in a potential liquefaction zone (CGS).

Ground Subsidence

Ground subsidence may occur when poorly consolidated soils densify as a result of earthquake shaking. The property is underlain by very stiff and hard soils at relatively shallow depth.

Lateral Spreading

Lateral spreading may occur when a weak layer of material, such as a sensitive silt or clay, loses its shear strength as a result of earthquake shaking. Overlying blocks of competent material may be translated laterally towards a free face. The proposed subject site is underlain by very stiff to hard soils with negligible liquefaction potential.

It is our opinion that the potential hazard from liquefaction, ground subsidence, lateral spreading, tsunamis, seiches, or flooding to the proposed development is negligible.

INUNDATION POTENTIAL

The subject site is located at 4103 Old Trace Road in Palo Alto, California. Based on FEMA Flood Map, the subject site is located in shaded Zone "X", "0.2% Annual Chance Flood Hazard".

CONCLUSIONS

1. The site covered by this investigation is suitable for the proposed development provided the recommendations set forth in this report are carefully followed.
2. Based on the laboratory testing results of the near-surface and basement subgrade soil, the soil at the subject site has been found to have a moderate expansion potential when subjected to fluctuations in moisture.
3. The entire area of the subject site should be excavated to a depth of 18 inches since the surface soil is loose. The excavated bottom should be scarified to the depth of 12 inches. The excavated native soil can be reused as fill soil material.
4. The proposed basement structure should be supported with mat slab foundation.
5. The proposed structure at grade should be supported either on continuous conventional spread foundation or mat slab foundation. Any portion of the structure outside of the basement area should be supported with continuous conventional spread foundation.
6. Site walls can be supported either on continuous conventional spread foundation or pier and grade beam foundation.
7. The final exterior grade adjacent to the proposed structures should be such that the surface drainage will flow away from the structures.
8. We recommend that a reference to our report must be stated in the grading and foundation plans including the geotechnical investigation report file number and date.
9. On the basis of the engineering reconnaissance and exploratory borings, it is our opinion that trenches excavated to depths less than 5 feet below the

existing ground surface will not need shoring. However, for trenches or any excavation greater than 5 feet in depth, shoring will be required or excavated in accordance with OSHA guidelines.

10. Specific recommendations are presented in the remainder of this report.
11. All earthworks including grading, backfilling, foundation excavation, pier drilling, and site drainage shall be observed and inspected by a representative from Silicon Valley Soil Engineering (SVSE). Contact our office 48 hours prior to the commencement of any earthwork for inspections.

RECOMMENDATIONS:**GRADING**

1. The placement of fill and control of any grading operations at the site should be performed in accordance with the recommendations of this report. These recommendations set forth the minimum standards to satisfy other requirements of this report.
2. All existing surface and subsurface structures which will not be incorporated in the final improvements shall be removed from the subject site prior to any grading operations.
3. The depressions left by the removal of subsurface structures, if any, should be cleaned of all debris, backfilled and compacted with clean, native soil. This backfill must be engineered fill and should be conducted under the supervision of a SVSE representative.
4. All organic surface material and debris shall be stripped prior to any other grading operations, and transported away from all areas that are to receive structures or structural fills. Soil containing organic material may be stockpiled for later use in landscaping areas only.
5. After removing all the subsurface structures, and after stripping the organic material from the soil, the improved areas should be excavated to a depth of 18 inches and the excavated bottom scarified by machine to a depth of 12 inches and thoroughly cleaned of vegetation and other deleterious matter.
6. After excavation, stripping, scarifying and cleaning operations, surface subgrade soil should be compacted to not less than 90% relative maximum density and 95% for street and driveway area using ASTM D1557 procedure over the entire improved areas including building pad and street/driveway

- area, 5 feet beyond the perimeter of the pads, and 3 feet beyond edge of street/driveway area.
7. All engineered fill and/or imported soil material should be placed in uniform horizontal lifts of not more than 8 to 12 inches in un-compacted thickness, keyed into competent undisturbed grade, and compacted to not less than 90% relative maximum density and 95% for baserock material. This should extend to a minimum of 5 feet beyond the perimeter of the pad. Before compaction begins, the fill shall be brought to a water content that will permit proper compaction by either; 1) aerating the material if it is too wet, or 2) spraying the material with water if it is too dry. Each lift shall be thoroughly mixed before compaction to assure a uniform distribution of water content.
 8. When fill material includes rocks, nesting of rocks will not be allowed and all voids must be carefully filled by proper compaction. Rocks larger than 4 inches in diameter should not be used for the final 2 feet of improved areas.
 9. All imported soil must be approved by SVSE before being brought to the site. Import soil must have a plasticity index no greater than 15, an R-Value greater than 25, and environmentally clean (non-hazardous). Analytical soil testing results should be provided for any potential import soil material and reviewed by our office for approval.
 10. Minimum cut and fill slopes should be greater than 2H:1V.
 11. Unstable (yielding) subgrade should be aerated or moisture conditioned as necessary. Yielding isolated area in the subgrade can be stabilized with an excavation of the subgrade to the depth of 12 to 18 inches, lined with stabilization fabric membrane (Mirafi 500X or equivalent) and backfilled with aggregate base.

12. Street/driveway asphalt pavement section designs are presented in Table II including for fire truck access. Driveway rigid concrete, walkways, patios, and paver pavement section designs are presented in Table III and IV.
13. All grading work shall be observed and approved by a representative from SVSE. The geotechnical engineer shall prepare a final report upon completion of the grading operations.
14. SVSE should be notified at least two days prior to commencement of any grading operations so that our office may coordinate the work in the field with the contractor.

WATER WELLS

15. Water wells to be abandoned on the site shall be capped according to the requirements of Valley Water (Santa Clara Valley Water District). The final elevation of the top of the abandoned well casing must be a minimum of 3 feet below the adjacent grade prior to any grading operation.

BASEMENT FOUNDATION DESIGN CRITERIA

16. The proposed basement should be supported on concrete mat foundation.
17. The concrete mat foundation should have a minimum thickness of 12 inches. Under these conditions, the allowable bearing pressure is 3,000 psf. The modulus of subgrade reaction can be taken as 250 pci in the design of the mat foundation.
18. The above bearing values are for dead plus live loads and may be increased by one-third for short term seismic and wind loads.
19. The bottom of the concrete mat foundation should be waterproofed to prevent any water intrusion with Paraseal LG, Preprufe or equivalent. A total

of 12 inches of clean $\frac{3}{4}$ inch clean crushed rock (recycled crushed rock is not acceptable) should underlain the mat slab. The basement subgrade should be compacted to at least 90% relative maximum density.

20. The project structural engineer responsible for the foundation design shall determine the final design of the foundation and reinforcing required. The design of the structure and the foundation shall meet local building code requirements. We recommend that the foundation plans be reviewed by our office prior to submitting to the appropriate local agency and/or to construction.

FOUNDATION DESIGN CRITERIA (ABOVE GRADE)

21. The proposed building structures at grade should be either supported on mat slab foundation or conventional spread foundation. Portion of the structure outside of the basement area should be supported on conventional spread foundation with no isolated spread footings. Any foundation within 10 feet from the basement perimeter retaining wall should be interconnected to the basement wall.
22. Due to the moderate expansive native surface soil, conventional spread foundation must be founded at a minimum depth of 30 inches below finished subgrade pad elevation and/or crawl space grade. Under these conditions, the allowable bearing capacity is 2,500 psf for both continuous perimeter and interior spread foundation. There should not be any isolated spread foundation.
23. For the mat slab foundation, the slab should be a minimum thickness of 12 inches, total thickened edge of 18 inches, and 12 inch wide.
24. The allowable soil bearing pressure is 1,500 psf. The modulus of subgrade reaction can be taken as 110 pci.

-
25. The aforementioned bearing values are for dead plus live loads and may be increased by one-third for short term seismic and wind loads.
 26. We estimated that the total and differential settlements of the proposed structures would be on the order of 0.75 inch and 0.25 inch, respectively, for every 50 linear feet.
 27. Use of a vapor barrier membrane (15-mil) under the mat slab is required. The membrane should be placed between the rock layer and concrete slab. The grade should be moistened prior to vapor barrier placement. The vapor barrier should be taped at the seams and/or mastic sealed at the protrusions.
 28. The excavated footing/thickened edge bottoms should be compacted with jumping jack prior to form work or rebar placement.
 29. Because of the moderate expansion potential of the surface native soil, we recommend the bottom and side walls of any footing excavation should be moistened with water (not overly saturated) periodically daily after footing excavation and until concrete placement - do not allow the bottoms to dry-out and develop cracks.
 30. The project structural engineer responsible for the foundation design shall determine the final design of the foundation and reinforcing required. The design of the structures and the foundation shall meet local building code requirements. We recommend that the foundation plans be reviewed by our office prior to submitting to the appropriate local agency and/or to construction.

2022 CBC SEISMIC VALUES

31. Chapter 16 of the 2022 California Building Code (CBC) outlines the procedure for seismic design. The site categorization and site coefficients are shown in the following table.

Classification/Coefficient*	Design Value
Site Latitude	37.39716° N.
Site Longitude	-122.137232° W.
Site Class (ASCE 7-16)	D
Risk Category	I,II,III
0.2-second Mapped Spectra Acceleration, S_S	2.076g
1-second Mapped Spectra Acceleration, S_I	0.743g
Short-Period Site Coefficient, F_a	1.0
Long-Period Site Coefficient, F_V	1.7
0.2-second Period, Maximum considered Earthquake Spectral Response Acceleration, S_{MS} ($S_{MS} = F_a S_S$)	2.076g
1-second Period, Maximum Considered Earthquake Spectral Response Acceleration, S_{M1} ($S_{M1} = F_V S_I$)	1.263g
0.2-second Period, Designed Spectra Acceleration, S_{DS} ($S_{DS} = 2/3 S_{MS}$)	1.384g
1-second Period, Designed Spectra Acceleration, S_{D1} ($S_{D1} = 2/3 S_{M1}$)	0.842g

*2022 CBC

CONCRETE SLAB-ON-GRADE CONSTRUCTION

32. Based on the laboratory testing results of the near-surface soil, the native soil on the site was found to have a moderate expansion potential when subjected to fluctuation in moisture. Therefore, the concrete slab should not be structurally integrated to perimeter foundation due to moderate expansive surface soil.
33. A minimum of 12 inches of $\frac{3}{4}$ inch crushed rock (recycled crushed asphalt concrete is not acceptable) should be placed on the subgrade soil. The

subgrade soil should be compacted to at least 90% relative maximum density.

34. The interior concrete slab including garage slab should have a minimum thickness of 12 inches and reinforced with No. 4 rebar with maximum spacing of 18 inches on-center both ways. If the concrete slab would receive a floor covering or sealant, a Stego 15-mil vapor barrier should be placed between the rock layer and concrete slab. The vapor barrier membrane should be overlapped, taped at seams and/or mastic applied for protrusions.

RETAINING WALLS

35. The proposed site basement retaining walls, property boundary walls, site retaining walls, if any, should be supported either on conventional continuous spread foundation or supported on skin friction concrete drilled piers and/or grade beam foundation. Basement walls should be supported by mat slab foundation as detailed in foundation design criteria sections.
36. Conventional spread foundation must be founded at a minimum depth of 18 inches below finished subgrade pad elevation. Under these conditions, the allowable bearing capacity is 2,500 psf.
37. Skin friction piers shall have a minimum diameter of 16 inches and penetrate a minimum of 6 feet below adjacent grade. These piers can be designed with an allowable skin friction value of 500 psf.
38. The top one-foot of the pier should be neglected in the calculation of the allowable skin friction force and passive resistance.
39. The bearing and skin friction value for dead plus live loads may be increased by 1/3 for short term seismic and wind loads.

40. The piers should be reinforced with at least four No. 5 rebars, which shall run the entire length of the piers, with the perimeter piers tied at least 6 inches into the grade beam upper section.
41. The grade beams width should be a minimum of 8 inches and embedded a minimum depth of 6 inches below adjacent pad grade. The grade beam should be reinforced with a minimum of two No. 4 rebars, one near the top and one near the bottom and underlain with 4 inch void form.
42. In designing for allowable resistive lateral earth pressure (passive) of 300 pounds equivalent fluid pressure may be used with the resultant acting at the third point with form factor of 2.
43. The excavated footing bottoms should be compacted with jumping jack prior to rebar and form work placement.
44. The basement retaining walls should be designed for seismic loading condition whereas the seismic total force = $10H^2$. H = height of the retaining wall. The seismic total force (inverted triangle) is acting at a point located at a distance $1/3$ of the height from the top and should be added to the active pressure for total loading condition.
45. Retaining walls should be designed for a lateral earth pressure (active) equivalent to 80 pounds equivalent fluid pressure for cantilevered condition with horizontal backfill. If the retaining walls are restrained from free movement at both ends, the walls should be designed for the earth pressure resulting from 90 pounds equivalent fluid pressure, to which should be added surcharge loads. The structural engineer should discuss the surcharge loads with the geotechnical engineer prior to designing the retaining walls.

46. In designing for allowable resistive lateral earth pressure (passive) of 300 pounds equivalent fluid pressure may be used with the resultant acting at the third point. The top foot of subgrade soil should be neglected for computation of passive resistance.
47. A friction coefficient of 0.3 should be used for retaining wall design. This can be increased by 1/3 for short term seismic and wind loads.
48. The aforementioned values assume an un-drained condition. Basement subdrain system and retaining wall drain mat should not be used per City of Palo Alto guidelines.
49. Any site retaining walls above grade with drained condition should be designed for a lateral earth pressure (active) equivalent to 65 pounds equivalent fluid pressure for cantilevered condition with horizontal backfill. If the retaining walls are restrained from free movement at both ends, the walls should be designed for the earth pressure resulting from 75 pounds equivalent fluid pressure, to which should be added surcharge loads. The structural engineer should discuss the surcharge loads with the geotechnical engineer prior to designing the retaining walls.
50. For drained condition, drainage should be provided behind the retaining wall. The drainage system should consist of perforated pipe, Schedule 40 or SDR 35, placed at the base of the retaining wall and surrounded by $\frac{3}{4}$ inch drain rock wrapped in a filter fabric, Mirafi 140N or equivalent. The drain rock wrapped in fabric (subdrain) should be at least 12 inches wide and extend from the base of the wall to within 1.5 feet of the ground surface. The upper 1.5 feet of backfill should consist of compacted native and/or approved import soil material. The retaining wall drainage system should drain to an appropriate discharge facility.

51. As an alternative to the drain rock and fabric, Miradrain 2000, 6000, or approved equivalent drain mat may be used behind the retaining wall. The drain mat should extend from the base of the wall to the ground surface. A perforated pipe (subdrain system) should be placed at the base of the wall in direct contact with the drain mat. The retaining wall drainage system should drain to an appropriate discharge facility.
52. Any retaining walls associated with the residence including pipe protrusion, sump and elevator pits should be waterproofed to prevent water intrusion with Paraseal LG, Preprufe, or equivalent. The waterproofing should extend to bottom of slab to above finished ground surface. Site retaining walls can be waterproofed to prevent efflorescence.

EXCAVATION & GROUNDWATER

53. It is our understanding that the excavation for the basement will be approximately 10 feet to 12 feet below the existing ground elevation. No difficulties due to soil conditions are anticipated in excavating the on-site material. Conventional earth moving equipment will be adequate for this project.
54. Any vertical cuts deeper than 5 feet must be properly shored or excavated in accordance with OSHA guidelines. The minimum cut slope for excavation to the desired elevation is one horizontal to one vertical (1H:1V). The cut slope should be increased to 2H:1V if the excavation is conducted during the rainy season or when the soil is highly saturated with water.
55. The bottom subgrade of the basement structure will be approximately 10 to 12 feet below ground surface elevation. Groundwater was not encountered in exploratory borings to the explored depth of 20 feet below existing ground surface. Based on the State guidelines and CGS Seismic Hazard Zone Report 111 [Seismic Hazard Evaluation of the Palo Alto 7.5–

Minute Quadrangle, San Mateo and Santa Clara Counties, California. 2006 (Preliminary Release 04/18/06). Department of Conservation. Division of Mines and Geology], the highest expected groundwater level exceeds 50 feet below ground elevation. Based on Valley Water Historical Groundwater Elevation Data, the groundwater can range from 20 to 30 feet below existing ground surface. Therefore, dewatering is not required during basement excavation. If localized seepage water is encountered, contact our office for recommendations.

SHORING FOR THE BASEMENT EXCAVATION

56. If there are space constraints or cannot excavate per OSHA guidelines, shoring would be required during the excavation of the basement adjacent to the property boundary and/or any neighbor's structure.
57. The basement would be excavated to the approximate depth of 10 to 12 feet below existing ground surface. Therefore, the excavation should be supported with steel "H" beams and a 3 x 12 wood lagging or equivalent. Prior to any excavation, the steel "H" beams should be placed in pre-drilled minimum 12-inch diameter holes to a minimum depth of 22 feet. The "H" beams should be placed a maximum distance of 8 feet apart.
58. The holes should be filled with concrete to one foot below the bottom of the excavation. At this point, excavation can begin. As the excavation operation proceeds, the 3 x 12 wood lagging should be placed between the steel "H" beams.
59. There should be no voids between the soil wall excavation and wood lagging. However, if a void occurs, the void should be filled with sand slurry or pressure grouted.

60. Proper attention should be considered during the construction. The introduction of any heavy equipment on the top of the vertical cut may damage the excavated slope.
61. The lateral soil pressure acting on the shoring system is 55 pounds equivalent fluid pressure. The passive pressure of 300 pounds equivalent fluid pressure can be used for short term shoring purposes.
62. The shoring should be designed by the structural engineer or shoring design engineer and our office should review the shoring plan for approval. We recommend a thorough review by our office of all designs pertaining to facilities retaining a soil mass.
63. Alternately, temporary stitch piers can support the basement excavation including along the property line or adjacent structures. Piers should be founded at a minimum depth of 22 feet at 24 inch diameter and 4 feet on-center. Stitch pier shoring should not be used for blind-sided shoring construction.
64. The piers can be designed with an allowable skin friction value of 800 psf. This value is for dead plus live loads and may be increased by 1/3 for short term seismic and wind loads.

DRAINAGE

65. It is considered essential that positive drainage be provided during construction and be maintained throughout the life of the proposed structures.
66. The final exterior grade adjacent to the structures should be such that the surface drainage will flow away from the structures.

67. Rainwater discharge at downspouts should be directed onto pavement sections and/or to hard-walled pipes and drain to acceptable drainage facilities which will prevent water from collecting in the soil adjacent to the foundation.
68. Utility lines that cross under or through perimeter footings should be completely sealed to prevent moisture intrusion into the areas under the slab and/or thickened edges. The utility trench backfill should be of impervious material and this material should be placed at least 4 feet on either side of the exterior footings.
69. Consideration should be given to collection and diversion of roof runoff and the elimination of planted areas or other surfaces which could retain water in areas adjoining the building. The landscape grade adjacent to the perimeter foundation should be at a minimum slope of 5 percent away from structures.
70. Perimeter subdrain system should be installed around any crawl space or portion of structures embedded near existing ground elevation at a minimum of 4 feet horizontal distance from the foundation to a minimum depth of 3 feet below the existing ground surface. The pipe should drain to an appropriate discharge facility.
71. Bioretention systems should not be located within 10 feet from building foundation or 5 feet from driveway/parking edge and should not undermine parking curbs. If the bioretentions are no more than 5 feet from foundation and 3 feet from driveway/parking curb, the bioretention should be lined with impermeable liner (15 mil plastic or thicker) to above the overflow elevation and waterproofed if adjacent to building. Reinforced concrete curbs adjacent to bioretentions shall be deepened for proper support to bottom elevation

of the bioretention gravel. Biosoil mix and gravel should not be used for calculation to support curbs.

72. Based on laboratory test results of the near surface soil at the subject site, we estimated that the infiltration rate is approximately 0.25 inch per hour ($K_{SAT} = 1.76 \times 10^{-4}$ cm/sec). This rate can be used in the design of the bioretention system for on-site storm drainage.

ON-SITE UTILITY TRENCHING

73. Utility trenches within the public right-of-way should be excavated, bedded, and backfilled in accordance with local or governing jurisdiction requirements.
74. All utility lines including plumbing should be bedded with at least 6 inches over the pipe or conduit with 1/4, 3/8 or 3/4 inch crushed rock or well graded sand conforming to pipe manufacture's requirements. Sand and gravel should be compacted in-place.
75. The remaining excavated area should be backfilled with native on-site material or imported fill and compacted to at least 90% relative maximum density and 95% for the upper 12 inches in the street and driveway area. Backfill should be placed in uniform 8 to 12 inch lifts and compacted. Jetting of trench backfill is not recommended. An engineer from our firm should be notified at least 48 hours before the start of any utility trench backfilling operations.
76. The utility trenches running parallel to the building foundation should not be located in an influence zone that will undermine the stability of the foundation. The influence zone is defined as the imaginary line extending at the outer edge of the footing at a downward slope of 1H:1V (one unit horizontal distance to one unit vertical distance). If the utility trenches were

encroaching the influence zone, the encroached area should be stabilized with cement sand slurry (75 psi minimum compressive strength).

77. If utility trench excavation is to encounter groundwater, our office should be notified for dewatering recommendations.

PAVEMENT DESIGN

78. Due to the uniformity of the near-surface soil at the site, one R-Value Test was performed on a representative bulk sample. The result of the R-Value test is enclosed in this report. The following alternate sections are based on our laboratory resistance R-Value test of near-surface soil samples and traffic indices (T.I.) of 4.5 for parking stalls and 6.0 for street/driveway (travel way) for fire truck access.
79. Alternate asphalt concrete pavement section designs, which satisfy the State of California Standard Design Criteria, and above traffic indices, are presented in Table II. Driveway rigid concrete, walkways, patios and paver pavement section designs are presented in Table III and IV.

CORROSIVITY ANALYSIS

80. Two soil samples were collected on May 7, 2025 at the depths of 1.5 feet for sample Bag A and 9.5 feet for sample 4-3 below existing ground surface. Samples were submitted to Cooper Testing Lab and analyzed for Chloride and Sulfate potential.
- The chloride ion concentrations for the surface and subsurface soil are 2 and 8 mg/kg. Because the chloride concentrations are less than 300 mg/kg, it is determined to be insufficient to attack steel embedded in a concrete mortar coating.

- The sulfate ion concentrations for the surface and subsurface soil are 79 to 101 mg/kg which is less than 1,000 mg/kg. Therefore, the sulfate ion concentrations in the soil are determined to be insufficient to damage reinforced concrete structures and cement mortar-coated steel at the site.
- The type of cement for construction: Evaluation of soluble sulfate content of soil samples considered representative of the predominate material types on-site suggests that no special type cement is a requirement for use in construction.

81. The corrosive potential for each soil characteristic is summarized on the following table. The results of the corrosivity laboratory test results are enclosed at the end of this report.

CORROSIVE POTENTIAL*

Soil Characteristics	Range	Soil Sample Bag A at 0 – 1.5 feet	Soil Sample 4-3 at 9.5 – 10 feet	Corrosive Potential
Chloride (mg/kg)	<300	2	8	Non-corrosive
Sulfate (mg/kg)	<1,000	79	101	Non-corrosive

*For additional testing and corrosion recommendations contact corrosion engineer.

LIMITATIONS AND UNIFORMITY OF CONDITIONS

1. The recommendations presented herein are based on the soil conditions revealed by our test boring(s) and evaluated for the proposed construction planned at the present time. If any unusual soil conditions are encountered during the construction, or if the proposed construction will differ from that planned at the present time, Silicon Valley Soil Engineering (SVSE) should be notified for supplemental recommendations.
2. This report is issued with the understanding that it is the responsibility of the owner, or his representative, to ensure that the necessary steps are taken to see that the contractor carries out the recommendations of this report in the field.
3. The findings of this report are valid, as of the present time. However, the passing of time will change the conditions of the existing property due to natural processes, works of man, from legislation or the broadening of knowledge. Therefore, this report is subjected to review and should not be relied upon after a period of three years.
4. The conclusions and recommendations presented in this report are professional opinions derived from current standards of geotechnical practice and no warranty is intended, expressed, or implied, is made or should be inferred.
5. The area of the boring(s) is very small compared to the site area. As a result, buried structures such as septic tanks, storage tanks, abandoned utilities, or etc. may not be revealed in the boring(s) during our field investigation. Therefore, if buried structures are encountered during grading or construction, our office should be notified immediately for proper disposal recommendations.

6. Standard maintenance should be expected after the initial construction has been completed. Should ownership of this property change hands, the prospective owner should be informed of this report and recommendations so as not to change the grading or block drainage facilities of this subject site.
7. Variations in groundwater levels reflect many contributing factors including seasonal fluctuation, human activities and other factors.
8. Stormwater management, planting, landscaping, irrigation or soil management for water efficient landscape ordinance (WELO), structure, foundation design, and calculations are not part of our investigation or scope.
9. This report has been prepared solely for the purpose of geotechnical investigation and does not include investigations for toxic contamination studies of soil or groundwater of any type.
10. Any work related to grading and/or foundation operations during construction performed without direct observation from SVSE personnel will invalidate the recommendations of this report and, furthermore, if we are not retained for observation services during construction, SVSE will cease to be the Geotechnical Engineer of Record for this subject site.

REFERENCES

Aagaard, B.T., Blair, J.L., Boatwright, J., Garcia, S.H., Harris, R.A., Michael, A.J., Schwartz, D.P., and DiLeo, J.S., 2016, Earthquake outlook for the San Francisco Bay region 2014–2043 (ver. 1.1, August 2016): U.S. Geological Survey Fact Sheet 2016–3020, 6 p., <http://dx.doi.org/10.3133/fs20163020>.

Department of Homeland Security, FEMA Flood Map, <https://msc.fema.gov/portal/home>.

OSHPD, U.S. Seismic Design Maps, <https://seismicmaps.org>.

USGS (2002). CGS Seismic Hazard Zone Report 111 [*Seismic Hazard Evaluation for Palo Alto 7.5–Minute Quadrangle, San Mateo and Santa Clara Counties, California*]. Open-File Report (Preliminary Release 04/18/06). Department of Conservation. Division of Mines and Geology].

2022 (CBC) California Building Code, Title 24, Part 2.

TABLES

TABLE I – SUMMARY OF LABORATORY TESTS

TABLE II – PROPOSED ASPHALT PAVEMENT SECTIONS

TABLE III – PROPOSED CONCRETE PAVEMENT SECTIONS

TABLE IV – PROPOSED PAVER PAVEMENT SECTIONS

TABLE I**SUMMARY OF LABORATORY TESTS**

Sample No.	Depth (Ft.)	In-Place Conditions		Direct Shear Testing			
		Water Content (% Dry Wt.)	Dry Unit Weight (pcf)	Unit Cohesion (ksf)	Internal Friction Angle (Degrees)		
1-1	3	20.8	106.1	1.6	22		
1-2	5	21.1	103.2				
1-3	10	22.6	104.4	1.4	19		
1-4	15	23.3	101.9				
1-5	20	19.5	106.3				
2-1	3	17.2	112.1				
2-2	5	17.1	112.9				
2-3	10	20.8	108.4				
2-4	15	24.5	107.0				
2-5	20	25.3	97.5				
3-1	3	13.9	119.1	1.5	23		
3-2	5	19.3	104.8				
3-3	10	20.9	105.0	1.4	20		
3-4	15	17.1	120.8				
3-5	20	22.6	109.7				
4-1	3	16.9	105.5				
4-2	5	23.5	103.3				
4-3	10	14.9	112.1				
4-4	15	11.2	121.1				
4-5	20	16.4	113.3				

TABLE II

PROPOSED ASPHALT PAVEMENT SECTIONS

Location: Proposed Residential Subdivision
 4103 Old Trace Road
 Palo Alto, California

	<u>PARKING STALLS</u>			<u>DRIVEWAY/STREET*</u>		
Design R-Value	6.0			6.0		
Traffic Index	4.5			6.0		
Gravel Equivalent	17.0			21.0		
Recommended Alternate Pavement Sections:	<u>1A</u>	<u>1B</u>	<u>1C</u>	<u>2A</u>	<u>2B</u>	<u>2C</u>
Asphalt Concrete	3.0"	3.5"	4.0"	3.0"	3.5"	4.0"
Class II Baserock (R=78 min.) compacted to at least 95% relative maximum density	9.0"	8.0"	7.0"	12.0"	11.0"	10.0"
Subgrade soil scarified & compacted to at least 95% relative maximum density	12.0"	12.0"	12.0"	12.0"	12.0"	12.0"

*Pavement section can support 75,000 pound fire apparatus

TABLE III

PROPOSED CONCRETE PAVEMENT SECTIONS

Location: Proposed Residential Subdivision
 4103 Old Trace Road
 Palo Alto, California

	<u>DRIVEWAY/STREET*</u>	<u>WALKWAY/PATIO**</u>
Recommended Rigid Pavement Sections:		
P.C. Concrete	6.0"	4.0"
Class II Baserock (R=78 min.) compacted to at least 95% relative maximum density	10.0"	6.0"
Subgrade soil scarified and compacted to at least 95% relative maximum density	12.0"	12.0"

* Including trash enclosures, stress pads, and valley gutters. Rebar No. 4 at 18" maximum spacing on-center both ways. Maximum control joints at 10' by 10'. Vertical curbs should be keyed at least 3 inches into pavement subgrade. Curbs should be deepened adjacent to bioretentions.

** Reinforcement: Rebar No. 3 at 18" on-center maximum spacing, both ways with 5' by 5' maximum control joints.

TABLE IV

PROPOSED PAVER PAVEMENT SECTIONS

Location: Proposed Residential Subdivision
 4103 Old Trace Road
 Palo Alto, California

	<u>DRIVEWAY/STREET*</u>			
Recommended Paver Pavement Sections:	1A	1B	2A**	2B**
Vehicular Rated Pavers	Min. 3.25" ± Permeable Paver with Subdrain	Min. 3.25" ± Permeable Paver without Subdrain	Min. 3.25" ± Permeable Paver with Subdrain	Min. 3.25" ± Permeable Paver without Subdrain
ASTM No. 8 Bedding Course & Paver Filler	2.0"	2.0"	2.0"	2.0"
3/4" Clean Crushed Rock (ASTM No. 57 Stone)	10.0" +	4.0"	16.0"	4.0"
ASTM No. 2 Stone	---	12.0"	---	16.0"
Subgrade soil scarified and compacted to at least 90% relative maximum density	12.0"	12.0"	12.0"	12.0"

* The subgrade should be lined with a Tensar BX1100 Geogrid or equivalent. The subgrade should be sloped at a minimum of 2% towards the subdrain system away from the building foundation.

The subdrain system should consist of a 4-inch diameter perforated pipe surrounded by ¾ inch drain rock wrapped in a filter fabric. The drain rock wrapped in fabric should be at least 12 inches wide and 12 inches below the finished subgrade elevation. The drainage system should be sloped to a discharge facility.

+ Class II Permeable Baserock compacted to at least 92% relative maximum density

** The pavers should be bordered with a concrete curb/band. Typically, minor maintenance would be required during the life of the pavers.

^ Paver section can support 75,000 pound fire apparatus.

FIGURES

FIGURE 1 – VICINITY MAP

FIGURE 2 – SITE PLAN

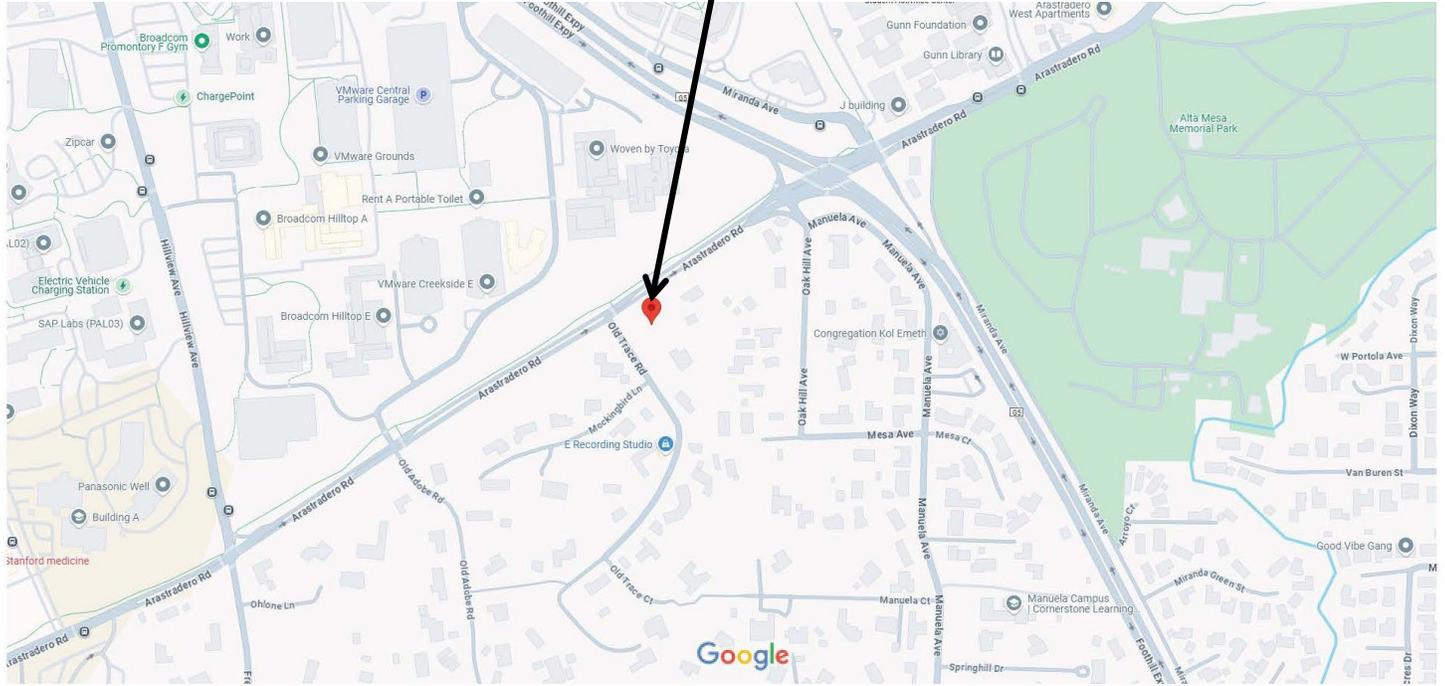
FIGURE 3 – EARTHQUAKE PROBABILITY AND FAULT MAP

FIGURE 4 – PLASTICITY INDEX

FIGURE 5 – COMPACTION TEST A

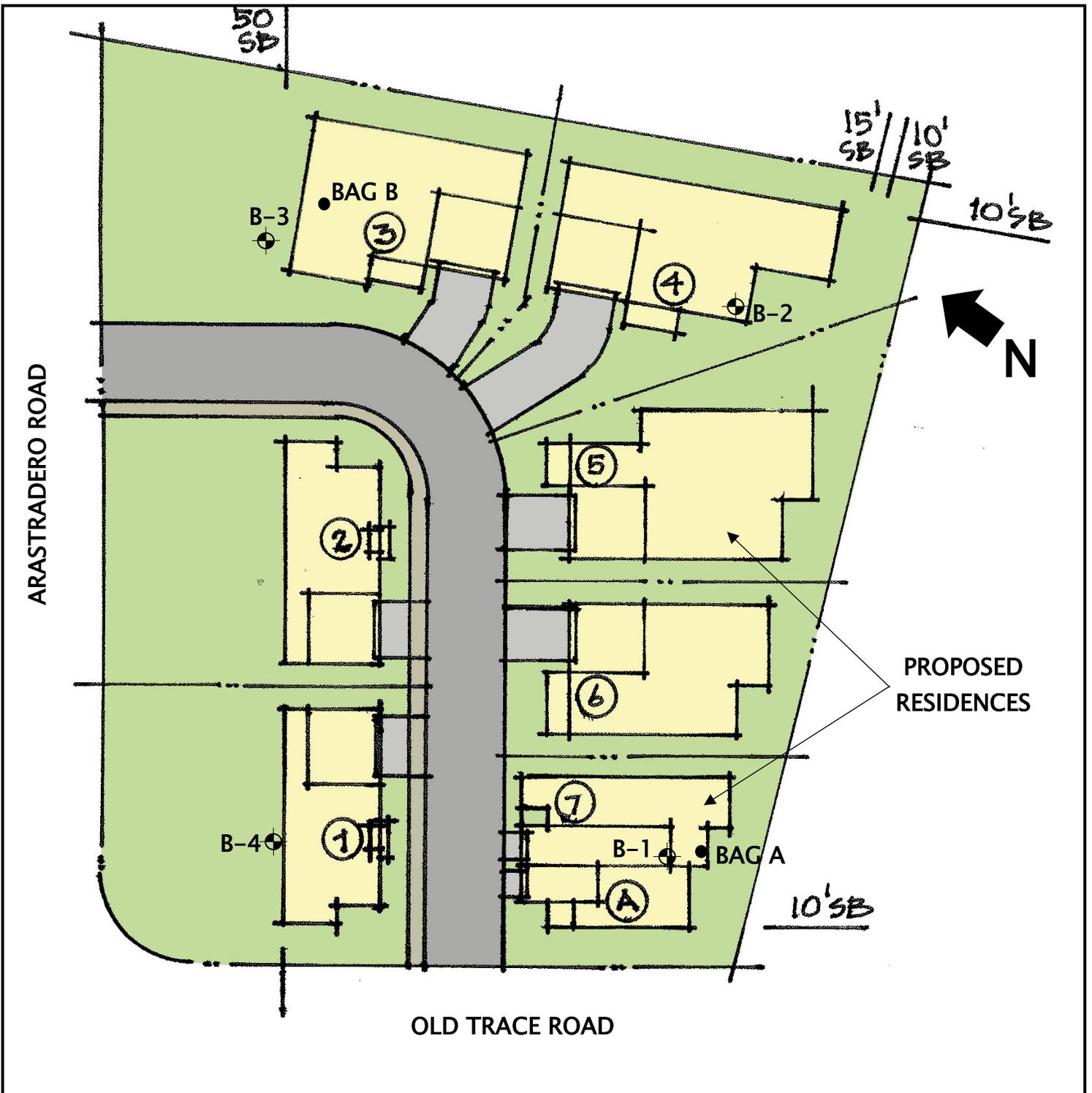
FIGURE 6 – R-VALUE TEST

SITE



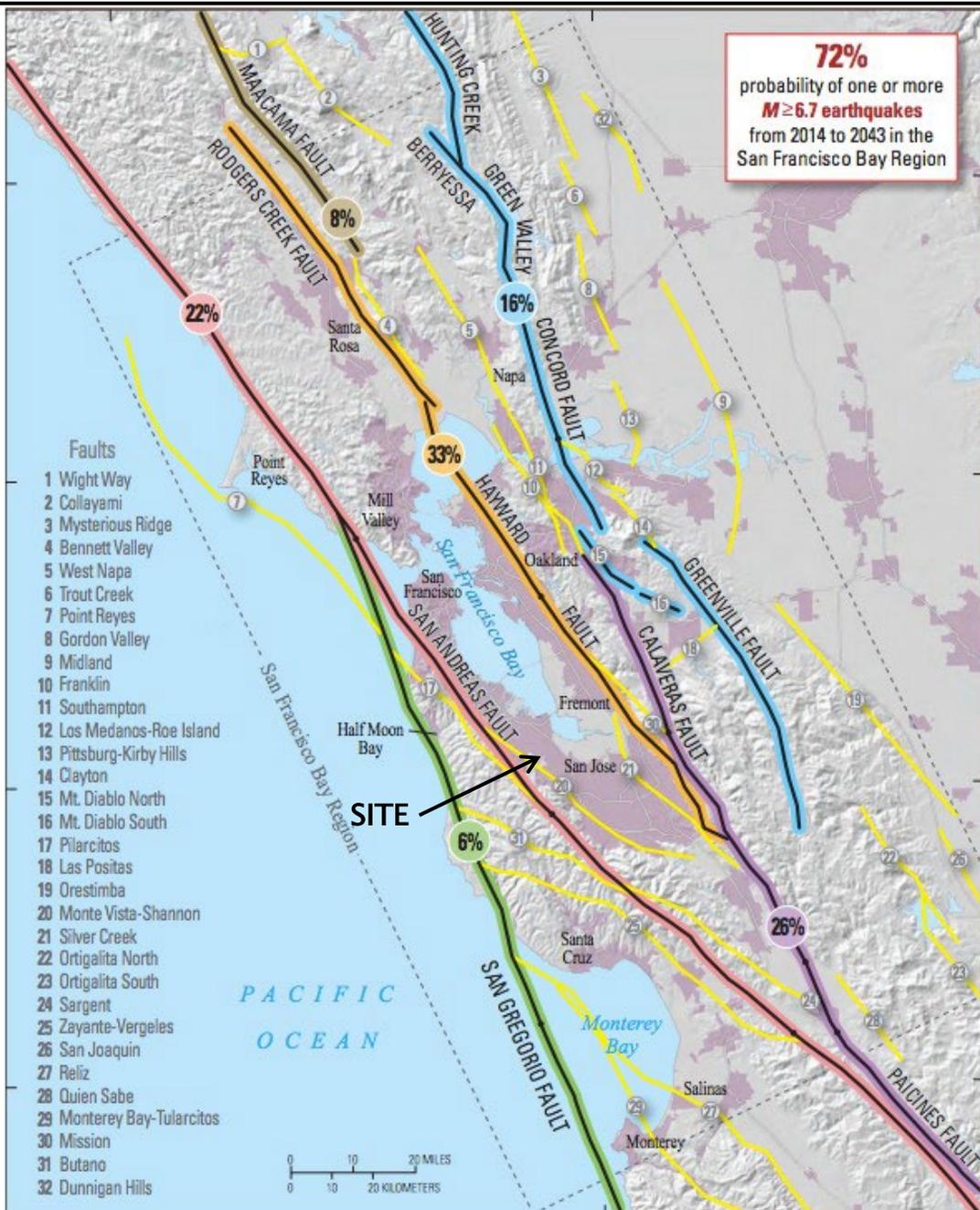
Map data ©2025 Google 200 ft

Silicon Valley Soil Engineering 1916 O'Toole Way San Jose, CA 95131 (408) 324-1400	VICINITY MAP Proposed Residential Subdivision 4103 Old Trace Road Palo Alto, California	File No.: SV3029	FIGURE
		Drawn by: V.V.	1
		Scale: NOT TO SCALE	May 2025



NOTE: ⊕ DENOTES APPROXIMATE EXPLORATORY BORING LOCATION
 ● DENOTES APPROXIMATE EXPLORATORY BAG SAMPLE LOCATION

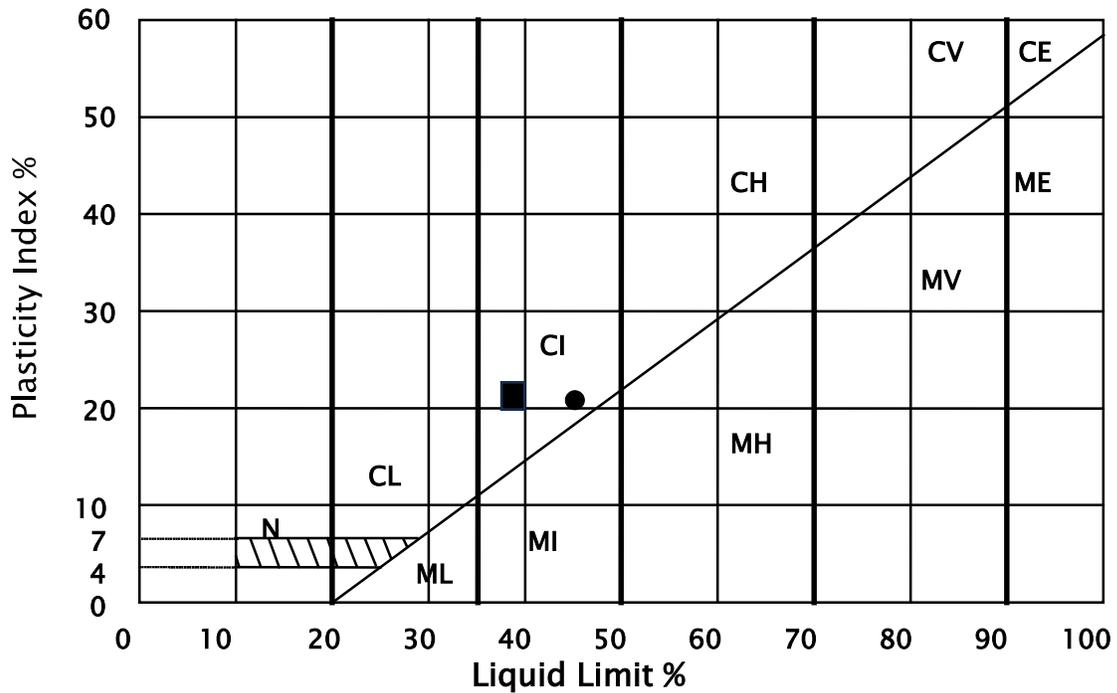
Silicon Valley Soil Engineering 1916 O'Toole Way San Jose, CA 95131 (408) 324-1400	SITE PLAN Proposed Residential Subdivision 4103 Old Trace Road Palo Alto, California	File No.: SV3029	FIGURE
		Drawn by: V.V.	2
		Scale: NOT TO SCALE	May 2025



Earthquake probabilities for the Bay Area. The USGS estimates that there is a 72% chance that a $M=6.7+$ will strike the region by 2043. Such a quake poses significant threats to the San Francisco Seawall. (Figure from 2016 USGS Fact Sheet on the "Earthquake Outlook for the San Francisco Bay Region 2014-2043")

Silicon Valley Soil Engineering 1916 O'Toole Way San Jose, CA 95131 (408) 324-1400	EARTHQUAKE PROBABILITY AND FAULT MAP Proposed Residential Subdivision 4103 Old Trace Road Palo Alto, California	File No.: SV3029	FIGURE
		Drawn by: V.V.	3
		Scale: NOT TO SCALE	May 2025

PLASTICITY CHART

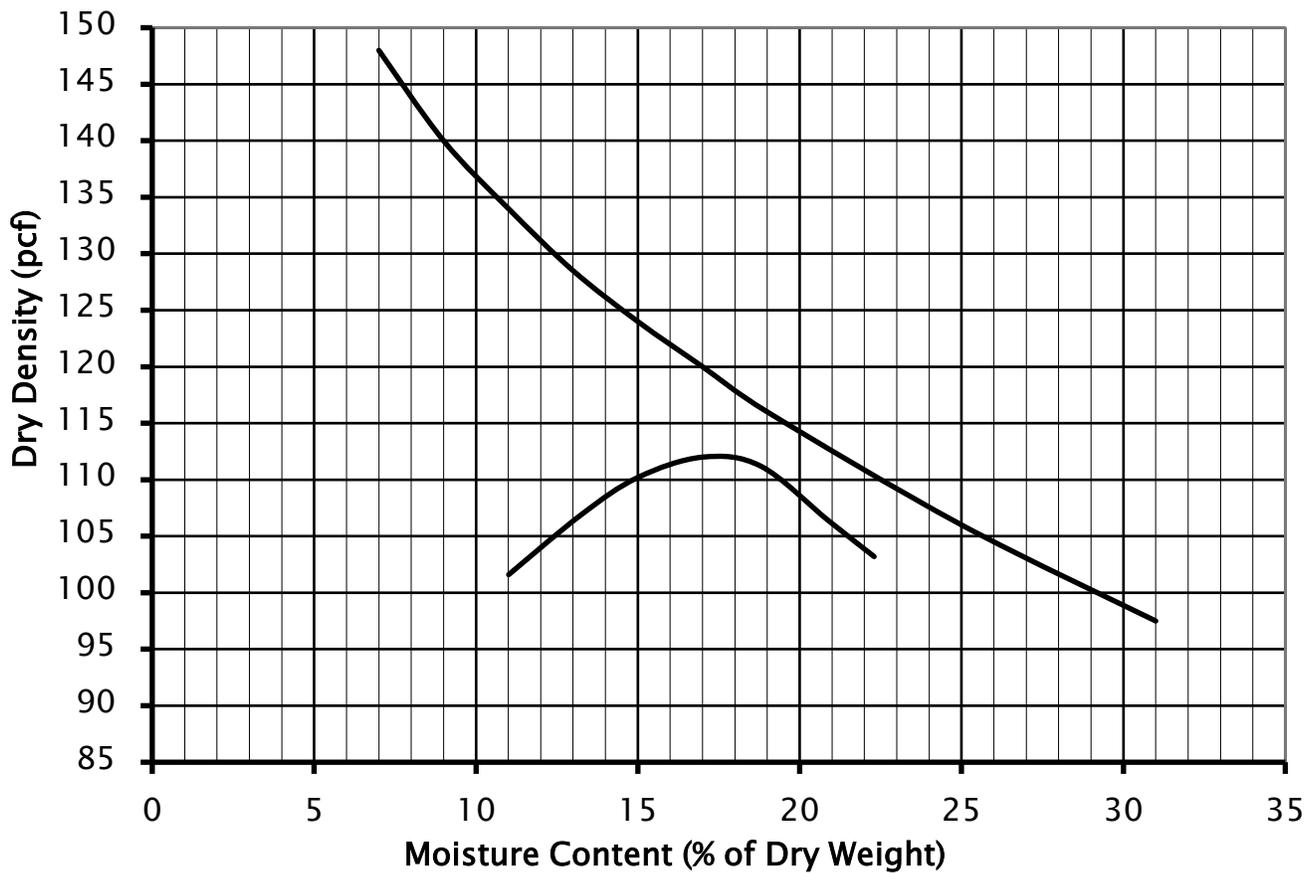


PLASTICITY DATA

Key Symbol	Sample No.	Depth (ft.)	Liquid Limit %	Plasticity Index %	Unified Soil Classification Symbol *
●	BAG A	0-1.5	45	21	CI
■	4-3	9.5-10	39	21	CI

*Soil type classification Based on British suggested revisions to Unified Soil Classification System

Silicon Valley Soil Engineering 1916 O'Toole Way San Jose, CA 95131 (408) 324-1400	PLASTICITY INDEX	File No.: SV3029	FIGURE 4
	Proposed Residential Subdivision	Drawn by: V.V.	
	4103 Old Trace Road Palo Alto, California	Scale: NOT TO SCALE	May 2025



SAMPLE: A

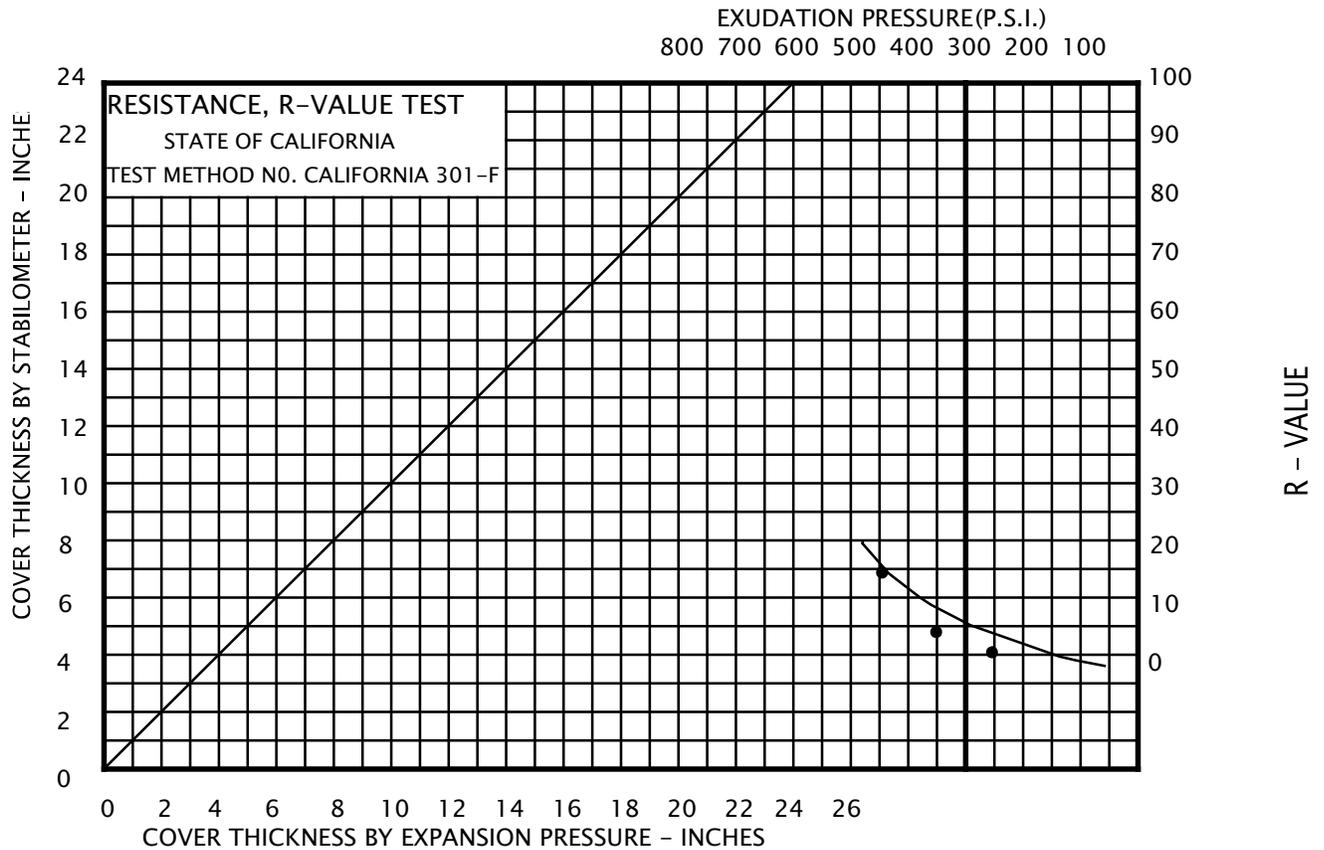
DESCRIPTION: Grayish Brown Silty CLAY

LABORATORY TEST PROCEDURE: ASTM D1557

MAXIMUM DRY DENSITY: 112.0 pcf

OPTIMUM MOISTURE CONTENT: 17.0 %

Silicon Valley Soil Engineering 1916 O'Toole Way San Jose, CA 95131 (408) 324-1400	COMPACTION TEST A Proposed Residential Subdivision 4103 Old Trace Road Palo Alto, California	File No. SV3029	FIGURE 5
		Drawn by: V.V.	
		Scale: NOT TO SCALE	May 2025



SAMPLE: A
DESCRIPTION: Grayish Brown Silty CLAY

SPECIMEN	A	B	C
EXUDATION PRESSURE (P.S.I.)	149.0	251.0	449.0
EXPANSION DIAL (.0001")	9.0	14.0	20.0
EXPANSION PRESSURE (P.S.F.)	45.0	76.0	94.0
RESISTANCE VALUE, "R"	1.0	4.0	15.0
% MOISTURE AT TEST	20.7	18.0	17.6
DRY DENSITY AT TEST (P.C.F.)	106.7	108.5	111.2
R-VALUE AT 300 P.S.I. EXUDATION PRESSURE	= (6)		

<p>Silicon Valley Soil Engineering</p> <p>1916 O'Toole Way San Jose, CA 95131 (408) 324-1400</p>	<p>R-VALUE TEST</p> <p>Proposed Residential Subdivision</p> <p>4103 Old Trace Road Palo Alto, California</p>	File No.: SV3029	FIGURE
		Drawn by: E.F.	6
		Scale: N/A	May 2025

APPENDICES

MODIFIED MERCALLI SCALE

METHOD OF SOIL CLASSIFICATION

KEY TO LOG OF BORING

EXPLORATORY BORING LOGS (B-1 THROUGH B-4)

CORROSIVITY TESTS SUMMARY

**GENERAL COMPARISON BETWEEN EARTHQUAKE MAGNITUDE
AND THE EARTHQUAKE EFFECTS DUE TO GROUND SHAKING**

Earthquake Category	Richter Magnitude	Modified Mercalli Intensity Scale* (After Housner, 1970)	Damage to Structure
		I – Detected only by sensitive instruments.	
	2.0	II – Felt by few persons at rest, especially on upper floors; delicate suspended objects may swing.	
	3.0	III – Felt noticeably indoors, but not always recognized as an earthquake; standing cars rock slightly, vibration like passing truck.	No Damage
Minor		IV – Felt indoors by many, outdoors by a few; at night some awaken; dishes, windows, doors disturbed; cars rock noticeably.	
	4.0	V – Felt by most people; some breakage of dishes, windows, and plaster; disturbance of tall objects.	Architectural Damage
		VI – Felt by all; many are frightened and run outdoors; falling plaster and chimneys; damage small.	
5.3	5.0	VII – Everybody runs outdoors. Damage to building varies, depending on quality of construction; noticed by drivers of cars.	
Moderate	6.0	VIII – Panel walls thrown out of frames; fall of walls, monuments, chimneys; sand and mud ejected; drivers of cars disturbed.	
6.9		IX – Buildings shifted off foundations, cracked, thrown out of plumb; ground cracked, underground pipes broken; serious damage to reservoirs and embankments.	Structural Damage
Major	7.0	X – Most masonry and frame structures destroyed; ground cracked; rail bent slightly; landslides.	
7.7		XI – Few structures remain standing; bridges destroyed; fissures in ground; pipes broken; landslides; rails bent.	
Great	8.0	XII – Damage total; waves seen on ground surface; lines of sight and level distorted; objects thrown into the air; large rock masses displaced.	Near Total Destruction

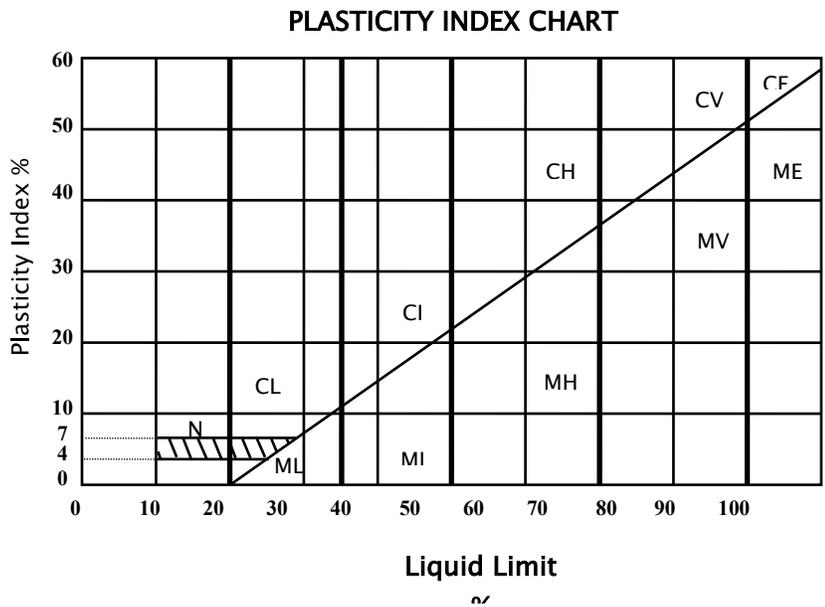
*Intensity is a subject measure of the effect of the ground shaking, and is not engineering measure of the ground acceleration.

METHOD OF SOIL CLASSIFICATION CHART

MAJOR DIVISIONS		SYMBOL		TYPICAL NAMES
COARSE GRAINED SOILS (More than 1/2 of soil > no. 200 sieve size)	<u>GRAVELS</u>	GW		Well graded gravel or gravel-sand mixtures, little or no fines
	(More than 1/2 of coarse fraction > no. 4 sieve size)	GP		Poorly graded gravel or gravel-sand mixtures, little or no fines
		GM		Silty gravels, gravel-sand-silt mixtures
		GC		Clayey Gravels, gravel-sand-clay mixtures
	<u>SANDS</u>	SW		Well graded sands or gravelly sands, no fines
	(More than 1/2 of coarse fraction < no. 4 sieve size)	SP		Poorly graded sands or gravelly sands, no fines
		SM		Silty sands, sand-silt mixtures
		SC		Clayey sands, sand-clay mixtures
FINE GRAINED SOILS (More than 1/2 of soil < no. 200 sieve size)	<u>SILTS & CLAYS</u>	ML		Inorganic silts and very fine sand, rock, flour, silty or clayey fine sand or clayey silt/slight plasticity
	<u>LL < 50</u>	CL		Inorganic clay of low to medium plasticity, gravelly clays, sandy clay, silty clay, lean clays
		OL		Organic silts and organic silty clay of low plasticity
	<u>SILTS & CLAYS</u>	MH		Inorganic silts, micaceous or diatocaceous fine sandy, or silty soils, elastic silt
	<u>LL > 50</u>	CH		Inorganic clays of high plasticity, fat clays
		OH		Organic clays of medium to high plasticity, organic silty clays, organic silts
<u>HIGHLY ORGANIC SOIL</u>		PT		Peat and other highly organic soils

CLASSIFICATION CHART – UNIFIED SOIL CLASSIFICATION SYSTEM

CLASSIFICATION	RANGE OF GRAIN SIZES	
	U.S. Standard Sieve Size	Grain Size In Millimeters
BOULDERS	Above 12"	Above 305
COBBLES	12" to 3"	305 to 76.2
GRAVELS Coarse Fine	3" to No. 4	76.2 to 4.76
	3" to 3/4"	76.2 to 19.1
	3/4" to No. 4	19.1 to 4.76
SAND Coarse Medium Fine	No. 4 to No. 200	4.76 to 0.074
	No. 4 to No. 10	4.76 to 2.00
	No.10 to No. 40	2.00 to 0.420
	No.40 to No. 200	0.420 to 0.074
SILT AND CLAY	Below No. 200	Below 0.074



Project: **Proposed Residential
Subdivision**
 Project Location: **4103 Old Trace Road
Palo Alto, CA**
 Project Number: **SV3029**

Silicon Valley Soil Engineering
1916 O'Toole Way
San Jose, CA 95131
(408) 324-1400

Key to Log of Boring
Sheet 1 of 1

Depth (feet)	Sample Type	Sample Number	Sampling Resistance, blows/ft	Material Type	Graphic Log	MATERIAL DESCRIPTION	Water Content, %	Dry Unit Weight, pcf	Direct Shear Test - Cohesion in ksf	Direct Shear Test - Internal Friction Angle in degrees
1	2	3	4	5	6	7	8	9	10	11

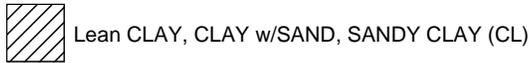
COLUMN DESCRIPTIONS

- 1** Depth (feet): Depth in feet below the ground surface.
- 2** Sample Type: Type of soil sample collected at the depth interval shown.
- 3** Sample Number: Sample identification number.
- 4** Sampling Resistance, blows/ft: Number of blows to advance driven sampler one foot (or distance shown) beyond seating interval using the hammer identified on the boring log.
- 5** Material Type: Type of material encountered.
- 6** Graphic Log: Graphic depiction of the subsurface material encountered.
- 7** MATERIAL DESCRIPTION: Description of material encountered. May include consistency, moisture, color, and other descriptive text.
- 8** Water Content, %: Water content of the soil sample, expressed as percentage of dry weight of sample.
- 9** Dry Unit Weight, pcf: Dry weight per unit volume of soil sample measured in laboratory, in pounds per cubic foot.
- 10** Direct Shear Test - Cohesion in ksf:
- 11** Direct Shear Test - Internal Friction Angle in degrees:

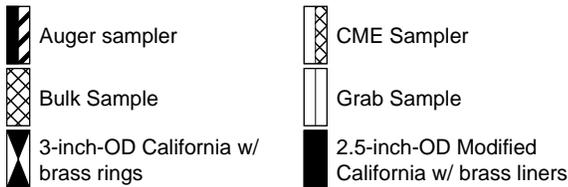
FIELD AND LABORATORY TEST ABBREVIATIONS

- CHEM: Chemical tests to assess corrosivity
- COMP: Compaction test
- CONS: One-dimensional consolidation test
- LL: Liquid Limit, percent
- PI: Plasticity Index, percent
- SA: Sieve analysis (percent passing No. 200 Sieve)
- UC: Unconfined compressive strength test, Qu, in ksf
- WA: Wash sieve (percent passing No. 200 Sieve)

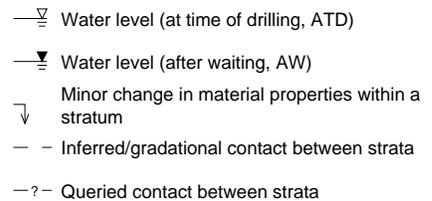
MATERIAL GRAPHIC SYMBOLS



TYPICAL SAMPLER GRAPHIC SYMBOLS



OTHER GRAPHIC SYMBOLS



GENERAL NOTES

- 1: Soil classifications are based on the Unified Soil Classification System. Descriptions and stratum lines are interpretive, and actual lithologic changes may be gradual. Field descriptions may have been modified to reflect results of lab tests.
- 2: Descriptions on these logs apply only at the specific boring locations and at the time the borings were advanced. They are not warranted to be representative of subsurface conditions at other locations or times.

UTILITY ANALYSIS REPORT

The Oaks
Subdivision

4103 Old Trace Road
Palo Alto, CA 94306
APN: 175-020-178

11/03/2025

Prepared For:

City of Palo Alto, California

Prepared By:

Steel Bridge Homes Palo Alto, LP

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Appendix

City of Palo Alto Stormwater DMA Worksheets

List of References.....	
1: SCVURPPP C.3 Design Manual.....	
3: Green Infrastructure Ordinance.....	

1. Introduction and Background

The Oaks Subdivision is located at the corner of Arastradero Road and Old Trace Road; specifically, 4103 Old Trace Road. The project proposes to subdivide a one-acre+ green field parcel into seven (7) buildable lots and one (1) private street parcel. A single building will be constructed on each lot, and each building will consist of a single-family residence (SFR) and a junior accessory dwelling unit (JADU); the exception is the Lot 5, which consists of SFR, ADU and a JADU in a single structure. There is a total of 15 units. The private street will provide vehicular access to the buildings from Old Trace Road through to Arastradero Road. The private street will also provide space for the underground public utility infrastructure that connects Old Trace Road and Arastradero Road.

2. Existing Utilities

The project is a corner lot that fronts on Old Trace Road and Arastradero Road. Existing utilities include 15" sewer, 8" ACP Water, 12" Storm Drain, as well as natural gas, electric and communication ducts, A detailed depiction is shown in "Figure 1 - Existing Topographic Map". Points of connection for the new sewer, storm drain, and joint trench infrastructure are anticipated to be within Arastradero Road.

3. Sanitary Sewer

The proposed subdivision will be serviced by a new 6-inch sewer main with 4-inch laterals that connect the main with each of the seven buildings. See "Figure 2 - Utility Plan" **The estimated Design Flow (DF) is between 7000 gpd.** See "Figure 3 - CoPA Sanitary Sewer & Water Design Flow worksheet"

4. Domestic Water

The proposed subdivision will be serviced by a new 6-inch water main that loops from Old Trace Road under the Private Road and ties back into Arastradero Road. **The estimated Domestic Average Base Water Flow (ABFW) 6000 gpd.** See "Figure 3 - CoPA Sanitary Sewer and Water Design Flows"

5. Storm Drainage

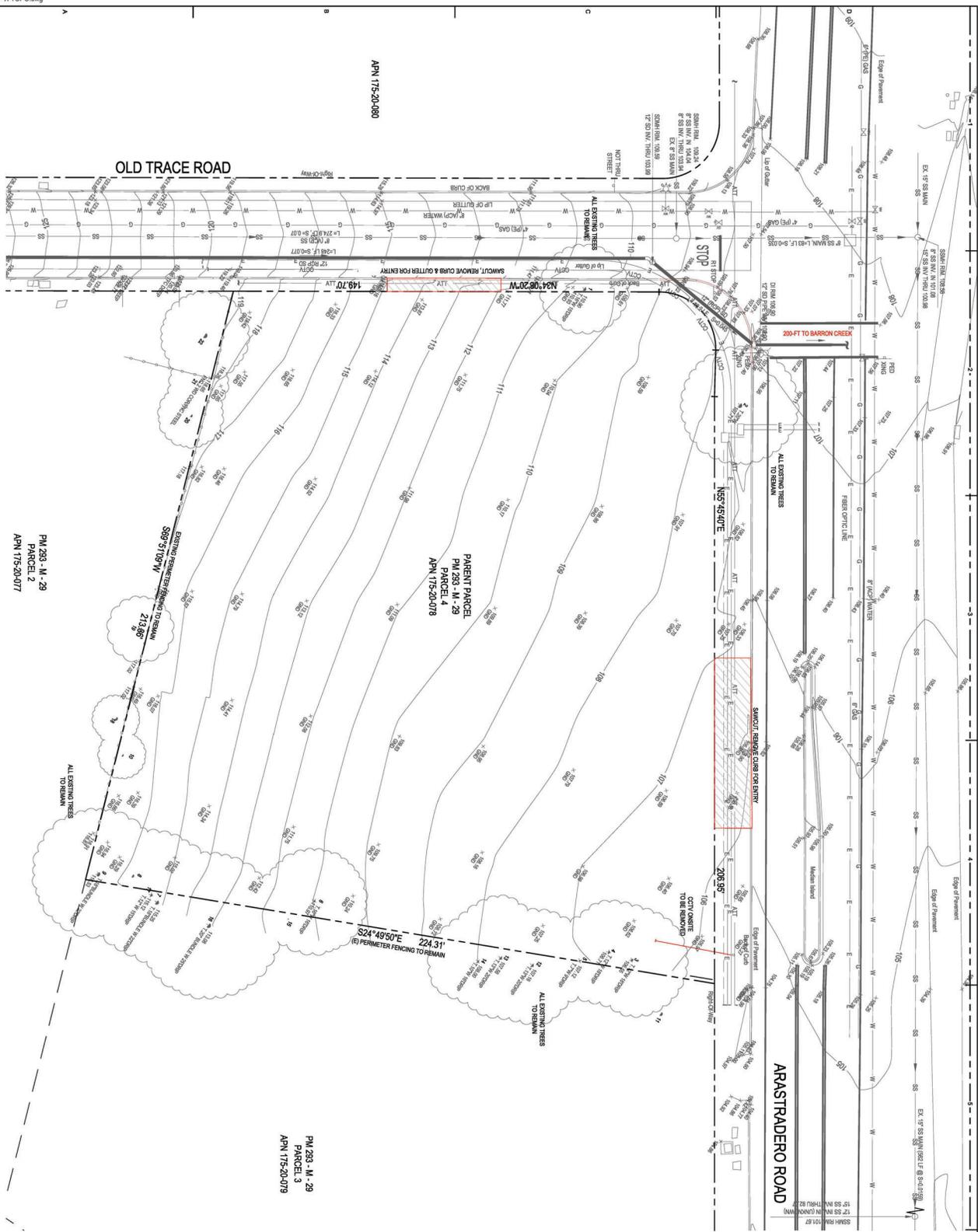
This project is required to comply with Santa Clara Valley Urban Runoff Pollution Prevention Requirements as well as Palo Alto's local guidelines. Based on project parameters input into "Figure 4 - County's C3 Data Form" we **assumed that there are no hydromodification requirements for the Barron Creek watershed;** however, we anticipate that the proposed development may ultimately require that post development peak flows match pre-development peak flow rates and that all paved surfaces will require treatment

To accomplish treatment of all runoff from impervious surfaces we are proposing five treatment regimes from the SCVURPPP Handbook. Flow through Planters and Tree Well filters are sized to treat all runoff from Lot 8 - Private Street. The individual lot areas will be treated through the use of Biofiltration Planters, Rain Barrels, and Self-Retaining landscape areas and/or Infiltration trenches (Lot 6 and 7).

"Figure 5 - Stormwater Management Plan" quantifies the impervious surfaces within each of the eight designated Drainage Management Areas (DMA) as well as depicts the treatment types and sizes. City of Palo Alto DMA worksheets were used to calculate the proposed sizes and are included in the Appendix .

6. Electrical Loads

There are 7-lots (seven buildings) with 15 units total. There are 7 SFRs and 8 JADU's each with a 400A electrical panel that will support both a SFR and a JADU. A standalone 200A panel will support the ADU (the fifteenth unit). For this portion of the Utility analysis we have applied a general NEC Calculation that is shown in "Figure 6- General NEC Electrical Calculation". **The total project electrical load is estimated at 434 kVA**



PM 233 - M - 29
PARCEL 2
APN 175-20-077

PARENT PARCEL
PM 233 - M - 29
PARCEL 4
APN 175-20-078

PM 233 - M - 29
PARCEL 3
APN 175-20-079



PROJECT DATUMS :

BASIS OF BEARINGS:
N 89° 51' 16" E BETWEEN THE OFFSET MONUMENT AT THE
SOUTH END OF TRACT 5163, TRACT 5150 DID NOT THE MON
LNE WITH THE MONUMENT AT THE BILL CENTER AT THE
SOUTH END OF MOONBIRD LANE, AS SHOWN ON THE MAP
OF TRACT 5163, BOOK 395 OF MAPS AT PAGE 12, S.C.C.R.
VERTICAL DATUM:
NAVD 88, SCWID BM085, ELEVATION 99.98 FEET

NOTE:
DIRECT PARCELS MAP BOOK 395 OF MAPS, AT PAGE 20 IS
SENIOR TO SAID 5163, TRACT 5150 DID NOT THE MON
PRESS FROM SAID PARCEL MAP. THIS SURVEY HELD THE
FOUND FROM PRESS ON THE LINE OF OLD TRACE ROAD
AS PER PARCEL MAP, BOOK 233 OF MAPS AT PAGE 29

Figure 1

<p>C1.1</p>	<p>THE OAKS SUBDIVISION BY STEEL BRIDGE HOMES PALO ALTO, LP 4103 Old Trace Road, City of Palo Alto, CA Assessor Parcel Number : 175 - 020 - 178</p>		<p>STEEL BRIDGE HOMES 206 GARDEN HILL DRIVE LOS GATOS, CA 95032 Cellular 415-286-1088</p>
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SANITARY SEWER & WATER DESIGN FLOW WORKSHEET

Project Address:
4103 OLD TRACE ROAD

Suite/Unit #:

Permit Application #:

Date:
3 November 2025

INSTRUCTIONS

Text User inputs value
Text Calculation Results

STEP 1) ABWF CALCULATION

Landuse	Land Use Desi	Qty	Unit	Rate	Flow Rate
Residential					
Single Family	SF	15	Dwelling Units	x 220	= 3300
Multi-Family	MF		Dwelling Units	x 160	=
Transit-Oriented	CC		Dwelling Units	x 160	=
Commercial	CS,CN,CH		Building Sq.ft	x 0.15	=
Research/Office Park	RO		Building Sq.ft	x 0.1	=
Light Industrial	LI		Building Sq.ft	x 0.1	=
Major Institutional	MISP		Building Sq.ft	x 0.15	=
School	S		Students	x 15	=
TOTAL ABWF					3300 gpd
					0.0033 MGD

Table 1-1 Unit Flow Rates for ABWF, GWI, and RDI*

Land Use Category	Land Use Designation**	Unit	Unit Flow Rate (gpd/unit)
Residential			
Single Family	SF	Dwelling Unit	220
Multi-Family	MF	Dwelling Unit	160
Transit-Oriented	CC	Dwelling Unit	160
Commercial	CS, CN, CH	Building Sq. Ft.	0.15
Research/Office Park	RO	Building Sq. Ft.	0.10
Light Industrial	LI	Building Sq. Ft.	0.10
Major Institutional	MISP	Building Sq. Ft.	0.15
School	S	Student	15

Groundwater Infiltration (GWI) = 500 gpd/acre
Rainfall-Dependent Inflow (RDI) = 1,900 gpd/acre

STEP 2) PEAKING FACTOR AND PBWF CALCULATIONS

Peaking Factor = Unitless

PBWF CALCULATION
PBWF = MGD

$PBWF = ABWF \times Peaking Factor$
 $Peaking Factor = 3.15 \times ABWF^{-0.104}$

where ABWF is in million gallons per day (mgd). The Peaking Factor has a maximum of 4.0 and a minimum of 1.0.

STEP 3) DESIGN FLOW CALCULATIONS

Design **METHOD 1** $DF_1 = (PBWF \times 0.75) + GWI + RDI$

Property Acre(s) =

(Property Acres x 500) GWI = MGD/acre

(Property Acres x 1,900) RDI = MGD/acre

$DF_1 =$ MGD

Design **METHOD 2** $DF_2 = PBWF + GWI$

(Property Acres x 500) GWI = MGD/acre

$DF_2 =$ MGD

Design: Sewer segments shall be designed for a design flow 20 years from the current year. The Design Flow (DF) for a sewer segment is composed of three components: Peak Base Wastewater Flow (PBWF), Groundwater Infiltration (GWI), and Rainfall-Dependent Inflow (RDI). The Design Flow shall be based on the greater of the following two formulas:

$DF = (PBWF \times 0.75) + GWI + RDI$
 $DF = PBWF + GWI$

Exception: If the wastewater flow is pumped, design flows downstream of the pump station shall be based on the maximum capacity of the pump(s).

FINAL DESIGN FLOW

Use for Design Flow = MGD = GPD = GPM

Water Design Flow

Assuming Sewer has a 95% return from water use

Water flow = Sewer ABWF ÷ 0.95

AVERAGE Water Domestic Design Flow = MGD
 gpd = MGD/1000000
 gpm = gpd/(24*60)

Figure 4.1



Santa Clara Valley
Urban Runoff
Pollution Prevention Program

Date Form Completed: 10/10/2025
Completed by: Brian Ballerini, PE

Provision C.3 Data Form

Which Projects Must Comply with Stormwater Requirements?

Effective July 1, 2023, the following projects must comply with Stormwater Requirements:

- All development/redevelopment projects (except single-family home projects) that create and/or replace 5,000 sq. ft. or more of impervious surface on the project site must fill out this worksheet and submit it with the development project application.
- All large single-family home projects that create and/or replace 10,000 sq. ft. or more of impervious surface on the project site must also fill out this worksheet.

These projects are called **Regulated Projects**. The Regulated Project area includes portions of the public right-of-way that are developed or redeveloped as part of the Regulated Project.

Excluded Projects - Interior remodeling projects, routine maintenance or repair projects such as re-roofing and re-surfacing, and smaller single-family homes that are not part of a larger plan of development are **NOT** required to complete this worksheet.

What is an Impervious Surface?

An impervious surface is a surface covering or pavement that prevents the land's natural ability to absorb and infiltrate rainfall/stormwater. Impervious surfaces include, but are not limited to rooftops, walkways, paved patios, driveways, parking lots, storage areas, impervious concrete and asphalt, gravel surfaces, and any other continuous watertight pavement or covering.

Pervious pavement, underlain with pervious soil and pervious storage material (e.g., drain rock), that infiltrates rainfall at a rate equal to or greater than surrounding unpaved areas OR that stores and infiltrates the water quality design volume specified in Provision C.3.d of the Municipal Regional Stormwater Permit (MRP), is not considered an impervious surface.

For More Information

The SCVURPPP [C.3 Stormwater Handbook](#) provides more information on selection of site design, source control, and treatment measures for a development project as well as guidance on preparing a stormwater control plan.

1. Project Information

Project Name: Old Trace Road Subdivision APN # 175-20-078

Project Address: 4103 Old Trace Road

Cross Streets: Arastradero Road

Applicant/Developer Name: Steel Bridge Homes Palo Alto, LP

Project Phase(s): 1 of 1 Engineer: Brian A. Ballerini, PE

Project Type (Check all that apply): New Development Redevelopment

Private Public Large Detached Single-Family Home

Residential Commercial Industrial Mixed Use Institutional

Other _____

Project Description: 7-Lot Subdivision plus a private street parcel.

Project Watershed/Receiving Water (creek, river or bay): Barron Creek

2. Project Size

a. Total Site Area: <u>44,462</u> (ft ²)		b. Total Land Area Disturbed During Construction: <u>44,462</u> (ft ²) (including clearing, grading, stockpiling, or excavating)			
Project Totals	Total Existing (Pre-project) Area (ft ²)	Existing Area Retained ¹ (ft ²)	Existing Area Replaced ² (ft ²)	New Area Created ² (ft ²)	Total Post-Project Area (ft ²)
Impervious Area (IA)					
c. Total on-site IA	0	0	0	26,000	26,000
d. Total off-site IA ³	0		0	2,350	2,350
e. Total project IA	0	0	0	28,350	28,350
f. Total new and replaced IA			28,350		
Pervious Area (PA)⁴					
g. Total on-site PA	44,462				0
h. Total off-site PA ³	2,350				0
i. Total project PA	46,812				0
j. Total Project Area (2.e.+2.i.)	46,812				28,350
k. Percent Replacement of IA in Redevelopment Projects: (Total Existing IA Replaced ÷ Total Existing IA) x 100% <u> </u> %					

¹“Retained” means to leave existing IA in place. An IA that receives surface treatment (e.g., pavement resurfacing/slurry seal/grind) only is considered “retained”. This category does not apply to off-site areas.

²The “new” and “replaced” IA are based on the total project area and not specific locations within the project. Constructed IA on a project that does not exceed the total pre-project IA will be considered “replaced” IA. A project will have “new” IA only if the total post-project IA exceeds the total pre-project IA (total post-project IA – total pre-project IA = New IA).

³ Off-site areas include sidewalks and other parts of the public right-of-way (e.g., roads, bike lanes, curbs, ramps, park strip) that are being reconstructed as part of the project footprint. Do not include frontage areas that are not being reconstructed as part of the project. Note that gravel is considered an impervious surface.

⁴ Include bioretention areas, infiltration areas, green roofs, and pervious pavement in PA calculations.

3. State Construction General Permit Applicability:

a. Is #2.b. equal to 43,560 ft² (1 acre) or more?

Yes, applicant must obtain coverage under the State Construction General Permit (see https://www.waterboards.ca.gov/water_issues/programs/stormwater/construction.html)

No, applicant does not need coverage under the State Construction General Permit.

4. MRP Provision C.3 Applicability:

a. Is #2.f. equal to 5,000 ft² or more, or 10,000 ft² for single family homes?

Yes, C.3. source control, site design and treatment requirements apply

No, C.3. source control and site design requirements may apply – check with local agency

b. For redevelopment projects, is #2.k. equal to 50% or more?

Yes, C.3. requirements (site design and source control, as appropriate, and stormwater treatment) apply to the entire on-site area

No, C.3. requirements only apply to the impervious area created and/or replaced

5. Hydromodification Management (HM) Applicability:

a. Does the project create and/or replace one acre or more of impervious surface AND is the total post-project impervious area greater than the pre-project (existing) impervious area?

Yes (continue)

No – exempt from HM, go to page 3

b. Is the project located in an area of HM applicability (green area) on the HM Applicability Map? www.scvurppp.org/hmp-map

Yes the project must implement HM requirements

No, the project is exempt from HM requirements

6. Selection of Specific Stormwater Control Measures:

Site Design Measures

- Minimize land disturbed (e.g., protect trees and soil)
- Minimize impervious surfaces (e.g., reduction in post-project impervious surface)
- Minimum-impact street or parking lot design (e.g., parking on top of or under buildings)
- Cluster structures/ pavement
- Disconnected downspouts (direct runoff from roofs, sidewalks, patios to landscaped areas)
- Pervious pavement⁵
- Green roof
- Other self-treating⁵ area (e.g., landscaped areas)
- Self-retaining⁵ area
- Rainwater harvesting and use (e.g., rain barrel, cistern for designated use)⁶
- Preserved open space
- Protected riparian and wetland areas/buffers
- Other _____

Source Control Measures

- Wash area/racks, drain to sanitary sewer⁷
- Covered dumpster area, drain to sanitary sewer⁷
- Sanitary sewer connection or accessible cleanout for swimming pool/spa/fountain⁷
- Beneficial landscaping (minimize irrigation, runoff, pesticides and fertilizers; promotes treatment)
- Outdoor material storage protection
- Covers, drains for loading docks, maintenance bays, fueling areas
- Maintenance (pavement sweeping, catch basin cleaning, good housekeeping)
- Storm drain labeling
- Other _____

Treatment Measures

- None (all impervious surface drains to self-retaining areas)
- Alternative compliance (treatment offsite or in-lieu)

LID Treatment (onsite & offsite)

- Bioretention area
- Flow-through planter
- Tree Well Filter or Trench with bioretention soils
- Rainwater harvest/use (e.g., cistern for designated use, sized for C.3.d treatment)
- Pervious pavement, sized for C.3.d treatment
- Infiltration trench
- Infiltration well/dry well
- Subsurface Infiltration System (e.g. vault or large diameter conduit over drain rock)
- Other _____

Non-LID Treatment Methods

- Proprietary high flow rate tree box filter⁸
- Proprietary high flow media filter (sand, compost, or proprietary media)⁸
- Vegetated filter strip⁹
- Extended detention basin⁹
- Vegetated swale⁹
- Other _____

Flow Duration Controls for Hydromodification Management (HM)

- Extended Detention basin
- Underground tank or vault
- Bioretention with outlet control
- Other _____

⁵ See SCVURPPP [C.3 Stormwater Handbook](#) for definitions. Pervious pavement areas should be sized per C.3.d treatment requirements.

⁶ Optional site design measure; does not have to be sized to comply with Provision C.3.d treatment requirements.

⁷ Subject to sanitary sewer authority requirements.

⁸ These treatment measures are only allowed if the project qualifies as a "Special Project".

⁹ These treatment measures are only allowed as part of a multi-step treatment process (i.e., for pretreatment).

7. Stormwater Treatment Measure (STM) Sizing for Projects with Treatment Requirements

Stormwater Treatment Measure (STM)	Hydraulic Sizing Criteria Used*
Bioretention lined w/ underdrain	2c
Flow-through planter concrete lined w/ underdrain	2c
Tree filter w/ bioretention soil	2c
Infiltration trench	2c

- *Key: 1a: Volume – WEF Method
 1b: Volume – CASQA BMP Handbook Method
 2a: Flow – Factored Flood Flow Method
 2b: Flow – CASQA BMP Handbook Method
 2c: Flow – Uniform Intensity Method
 3: Combination Flow and Volume Design Basis

8. Does the project install 3,000 sf or more of pervious pavement (not including private-use patios at residences)?

- Yes
 No

9. Additional Stormwater Treatment of Non-Regulated Areas - Is the project providing stormwater treatment for non-regulated impervious area that is not included in Item 2 Project Size? For example, stormwater treatment of right-of-way areas that are outside the project footprint, or treatment measures that are treating more right-of-way impervious area quantities than required.

- Yes, complete the table below
 No

Additional Stormwater Treatment of Non-Regulated Areas

Non-Regulated Area Draining to Treatment Measure			Treatment Measures	Hydraulic Sizing Criteria
Impervious Area Treated (ft ²)	Pervious Area Treated (ft ²)	Total Area Treated (ft ²)		
			Choose from list	Choose from list
			Choose from list	Choose from list
			Choose from list	Choose from list
			Choose from list	Choose from list
			Choose from list	Choose from list
			Choose from list	Choose from list
			Choose from list	Choose from list
			Choose from list	Choose from list

10. Alternative Certification: Was the treatment system sizing and design reviewed by a qualified third-party professional that is not a member of the project team or agency staff?

- Yes No Name of Third-party Reviewer _____

11. Alternative Compliance: Is the Regulated Project using alternative compliance (AC) for stormwater treatment, i.e., is stormwater treatment provided at an off-site location?

- Yes. Complete the table below. No

Offsite Project Name and Address	
Offsite Project Description	
Offsite Project Reference # (if applicable)	
Offsite Project Watershed	
Offsite Project Construction Status	
Offsite Project Owner	
Total Regulated Project Impervious Area Requiring AC (ft ²)	
Impervious Area Treated at Offsite Project for AC (ft ²)	
Treatment Measure Used at Offsite Project to Provide AC	Choose from list
Hydraulic Sizing Criteria for Treatment Measure at Offsite Project	Choose from list
O&M Responsibility Mechanism for Offsite Project	

12. Operation & Maintenance Information

- A. Property Owner’s Name: Steel Bridge Homes Palo Alto, LP
- B. Responsible Party for Stormwater Treatment/Hydromodification Control O&M:
- a. Name: Melanie Griswold
 - b. Address: 206 Garden Hill Drive; Los Gatos, CA 95032
 - c. Phone/E-mail: 415-265-1086 / mg@steelbridgecap.com

This section to be completed by Municipal staff.

O&M Responsibility Mechanism

Indicate how responsibility for O&M is assured. Check all that apply:

- O&M Agreement
- Other mechanism that assigns responsibility (describe below):

This section to be completed by Municipal staff (Note: This is an optional section that agencies should modify per their internal review and tracking process.)

Reviewed:

Community Development Department

- Planning Division
- Building Division

Public Works Department

- Engineering
- Other (Specify)

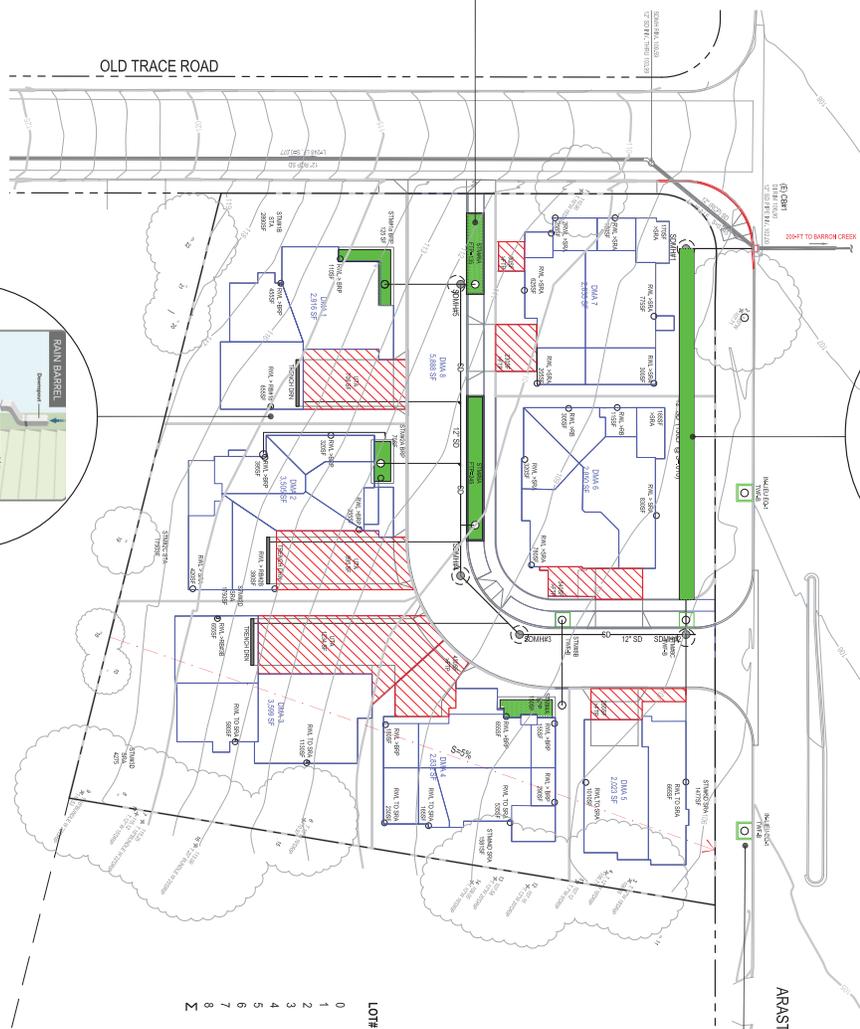
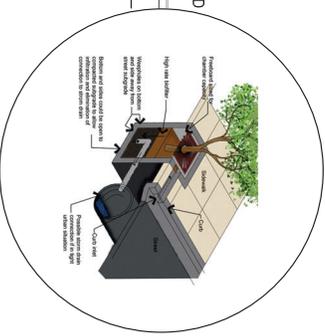
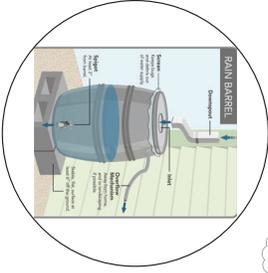
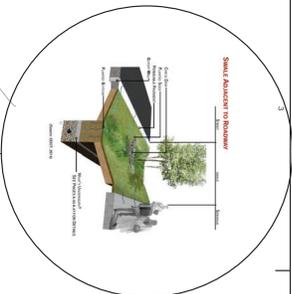
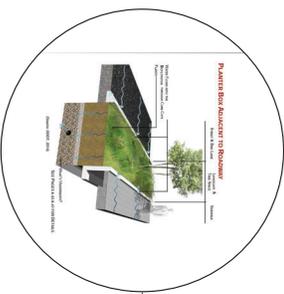
Return form to: _____

Data entry performed by: _____

Figure 4.5

LEGEND / NOTES:

- STORM DRAIN MAIN LINES
- SEWER/STORM MANHOLE
- SEWER/STORM LATERAL
- BICKETENTION-PLANTER
- FTF
- FLOW THROUGH PLANTER
- SELF-RETAINING/TREATING
- TRE-4
- TRE-5
- UTR
- UNTREATED IMPERVIOUS
- LOWEST OVERLAND FLOW (EL. 117'-100) / ZD-PT > 5-5%
- 5% SLOPE
- TYPE SOILS
- OW (PART BISS)
- NO EXISTING HYDROLOGIC FEATURES FOUND ON SITE
- WATERSHED DESIGNATION



STORMWATER SUMMARY TABLE

LOT#	AREA	IMPERVIOUS	PERVIOUS	C3 (4%)	STIM	DESCRIP
0	44462 SF	0	44462 SF	0		PRE-DEV.
1	5806 SF	2916 SF	2890 SF	120 SF	BFP	
2	5558 SF	3505 SF	2053 SF	140 SF	BFP	
3	7874 SF	3589 SF	4275 SF	145 SF	BFP	
4	4413 SF	2832 SF	1581 SF	115 SF	BFP	
5	3500 SF	2023 SF	1477 SF	80 SF	SPA	
6	5133 SF	2850 SF	2283 SF	110 SF	SPA	
7	5148 SF	2835 SF	2313 SF	115 SF	SPA	
8	7030 SF	5893 SF	1141 SF	235 SF	FTF/TWF	STREET
Z	44462 SF	5893 SF	1141 SF	235 SF	FTF/TWF	STREET
		26474 SF		1080 SF		PS/DEV.



Figure 5

THE OAKS SUBDIVISION
 BY STEEL BRIDGE HOMES PALO ALTO, LP
 4103 Old Trace Road, City of Palo Alto, CA
 Assessor Parcel Number : 175 - 020 - 178



STEEL BRIDGE HOMES
 206 GARDEN HILL DRIVE
 LOS GATOS, CA 95032
 Cellular 415-265-1086

25 PLAN - 00XXXX

No.	Description	Date

3/1/2025
 VESTING TENTATIVE MAP
 STORMWATER MANAGEMENT PLAN

C14

FIGURE 6

**NEC Optional Method
ELECTRICAL LOAD CALCS**

Base Load = House SF x 3VA			Lot 1	Lot 2	Lot 3	Lot 4	Lot 5	Lot 6	Lot 7
square footages			4300	4300	4300	3200	2000	3200	3200
3VA/SF			12900	12900	12900	9600	6000	9600	9600
	plus small appliance branch circuit (4550 VA)		17400	17400	17400	14100	10500	14100	14100
	plus one laundry branch circuit (1500 VA)		18900	18900	18900	15600	12000	15600	15600
	Total General Connected Load		18900	18900	18900	15600	12000	15600	15600
	Demand Factors 100%		10000	10000	10000	10000	10000	10000	10000
	Demand Factor 40%		3560	3560	3560	2240	800	2240	2240
	Total Adjusted General Load		13560	13560	13560	12240	10800	12240	12240
Specific Appliances			Number						
	Electric Range/Cooktop	8000	2	16000	16000	16000	16000	16000	16000
	Electric Water Heater	4000	1	4000	4000	4000	4000	4000	4000
	Clothes Dryer	5000	2	10000	10000	10000	10000	10000	10000
	Dishwasher	1200	2	2400	2400	2400	2400	2400	2400
	Garbage disposal	600	2	1200	1200	1200	1200	1200	1200
	Microwave	1000	2	2000	2000	2000	2000	2000	2000
	Refrigerator	900	2	1800	1800	1800	1800	1800	1800
Heating/Cooling Load			Number						
	Heating	6000	2	12000	12000	12000	12000	12000	12000
	TOTAL CALCULATED LOAD		62960	62960	62960	61640	60200	61640	61640
	Panel Size		260	260	260	260	250	260	260

APPENDICIES

STORMWATER TREATMENT CONTROL MEASURE SUMMARY TABLE

DMA #	STM #	Location1	Treatment Type2	LID or Non-LID	Sizing Method	Drainage Area (s.f.)	Impervious Area4 (s.f.)	Pervious Area (Permeable Pavement) (s.f.)	Pervious Area (Other) (s.f.)	% Onsite Area Treated by LID or Non-LID TCM	Bioretention		Self Retaining / Treating6		Comments
											Bioretention Area Provided (s.f.)	Bioretention Area Required (s.f.)	Storage Depth Required (ft)	Storage Depth Provided (ft)	
3		Onsite	Untreated	N/A	N/A	7,874	3,599	0	4,275						
3a	3a	Onsite	Bioretention lined w/ underdrain	LID	2C, Flow: 4% Method **	0	0	0	0	0.00%	0	0	0	0	
3b	3b	Onsite	Rainwater harvest/use system	LID	N/A	655	655	0	0	9.86%	26				
3c	3c	Onsite	Self-treating areas (landscaped)	LID	N/A	0	0	0	0	0.00%					
3d	3d	Onsite	Self-retaining areas (landscaped)	LID	2C, Flow: I = 0.2	5,985	1,710	0	4,275	90.14%					Being equivalently treated at 2:1 ratio
3e	3e	Onsite	Untreated	N/A	N/A	1,234	1,234	0	0	-					Being equivalently treated by EQ-1
						Totals:	6,640	2,365	0	4,275	100.00%				

Footnotes:

- 1 Per the Municipal Regional Stormwater Permit, sidewalks and other parts of the right-of-way should be included in the new and/or replaced impervious surface calculation and treated as required
- 2 "Lined" refers to an impermeable liner placed on the bottom of a bioretention basin or a concrete flow-through planter, such that no infiltration into native soil occurs.
- 3 2C, Flow: 4% Method - Sizing for Bioretention Area Required calculated using the 4% Method (Impervious Area x 0.04)
- 4 Gravel layers are considered impervious, excluding gravel layers included in pervious pavement systems.
- 5 DMA XX is not being treated but will be treated by Equivalent Treatment Area EQ-1. Area EQ-1 is equal to or greater than the required treatment area of DMA XX. EQ-1 is not required to be treated as it is [insert reason here]
- 6 Treatment type of Self-Treating or Self-Retaining should only be used with landscape based treatment. If pervious pavement is proposed for Self-Treating or Retaining, use the Pervious Pavement selection.



Memorandum

Date: November 5, 2025

To: Ms. Melanie Griswold, Trace Estates, LLC

From: Gary Black
Daniel Choi

Subject: VMT Screening Analysis for a Residential Development at 4103 Old Trace Road in Palo Alto, California

Hexagon Transportation Consultants, Inc. has completed Vehicle Miles Traveled (VMT) screening analysis for the proposed residential development located at 4103 Old Trace Road in Palo Alto, California. The project site location is shown on Figure 1. The project site plan is shown on Figure 2. The project proposes to construct seven detached homes (six of which would contain a junior accessory dwelling unit (JADU) and one would contain a JADU and an ADU) on a vacant lot.

Project Trip Generation

Through empirical research, data have been collected that indicate the amount of traffic that can be expected to be generated by common land uses. Project trip generation was estimated by applying to the size and uses of the development the appropriate trip generation rates. The average trip generation rates for Single-Family Detached Housing (Land Use 210) and Multifamily Housing (Low-Rise) (Land Use 220) as published in the Institute of Transportation Engineers (ITE) *Trip Generation Manual, 12th Edition (2025)* were applied to the proposed project. The JADUs are not expected to generate any trips on their own. They are part of the main house and are typically used by family members or guests instead of long-term tenants. Multifamily Housing (Low-Rise) is used for the ADU unit since there could be a long-term tenant living in the unit.

Based on the trip generation rates, it is estimated that the project would generate 70 daily trips, with 5 trips in the AM peak hour and 8 trips in the PM peak hour. The City's Local Transportation Analysis (LTA) Policy requires an LTA for projects that generate more than 50 peak hour trips. Since the project would generate fewer than 50 peak-hour trips, an LTA analysis is not required.

Table 1
Trip Generation

Land Use	Size	Daily		AM Peak Hour						PM Peak Hour					
		Rate	Trips	Split			Trips			Split			Trips		
				Rate	In	Out	In	Out	Total	Rate	In	Out	In	Out	Total
Proposed Project															
#210 - Single-Family Detached Housing	7 Dwelling Units	9.09	64	0.70	27%	73%	1	4	5	0.93	62%	38%	4	3	7
#220 - Multifamily Housing (Low-Rise)	1 Dwelling Units	6.21	6	0.41	24%	76%	0	0	0	0.52	62%	38%	1	0	1
Total Project Trips			70				1	4	5				5	3	8

Source: ITE Trip Generation Manual (12th Edition, 2025)
 Trip generation rate for the proposed residential uses are based on average rates found in the ITE's *Trip Generation Manual, 12th Edition* rates for Land Use Code 210 "Single-Family Detached Housing - General Urban/Suburban and for Land Use Code 220 "Multifamily Housing (Low-Rise) - Not Close to Rail Transit.



Figure 1
Site Location

Vehicles Miles Traveled

The City of Palo Alto provides screening criteria to determine whether a development project would be required to conduct a VMT analysis. Projects that meet the screening criteria would be presumed to have a less than significant impact on VMT and would not be required to conduct a detailed VMT analysis. The city has the following screening criteria for development projects:

- Small Developments (projects that generate fewer than 110 trips per day)
- Projects in Low-VMT Areas (projects located in low-VMT areas that have similar features to existing developments)
- Projects in Proximity to Major Transit Stops (projects located within ½ mile of an existing or planned high quality transit corridor or major transit stop)
- Affordable Housing (100% affordable housing projects in infill locations)
- Local-Serving Retail (retail projects of 10,000 s.f. or less)
- Transportation Projects (roadway, transit, bicycle, and pedestrian projects that do not lead to a measurable increase in vehicle travel)

Since the project is anticipated to generate 70 daily trips, the project would meet the small development screening criterion and can be presumed to have a less than significant impact on VMT.

Palo Alto Comprehensive Plan and Housing Element Update

The project site is included in the City's 2030 Comprehensive Plan. The 2030 Comprehensive Plan included 13 additional housing units within the project's zone. The City adopted their new Housing Element in May 2023, for which an environmental impact report (EIR) was prepared. The Housing Element was approved as an addendum to the Comprehensive Plan. Therefore, projects that are consistent with the Comprehensive Plan are presumed to have their transportation impacts included in the analysis conducted for the Housing Element Update.

The proposed project's 8 units (seven single-family residences and one ADU unit) is within number of units included in the Comprehensive Plan and would not change the conclusions of the findings of the EIR prepared for the Housing Element Update.

From: [Fire](#)
To: [Melanie Griswold](#); [Fire](#); [Palo Alto Fire Permits](#)
Cc: [Sterling Consultants](#); [Espinoza, Danielle](#)
Subject: RE: Fire Flow for New Residential Subdivision
Date: Wednesday, April 9, 2025 9:59:46 AM
Attachments: [image003.png](#)
[image006.png](#)

My apologies. Here is the flow test results:

Hydrant located at corner of Old Trace and Arastadero Rd.
Static- 110psi
Residual- 69psi
Pitot- 53
Diameter- 2.5
Hydrant Flowing- 1222gpm

Please confirm with our plans examiner Danielle Espinoza that this data is acceptable for your project. I've included her on this email.

Respectfully,



Shannon Ford | Administrative Associate

Fire Department
Palo Alto, CA 94301
D: 650.617.3184 | E: shannon.ford@cityofpaloalto.org

Please think of the environment before printing this email – Thank you!

This message contains information that may be confidential and privileged. Unless you are the addressee, you may not use, copy or disclose the message or any information contained in the message. If you received the message in error, please notify the sender and delete the message.

From: Melanie Griswold <mg@hestia-re.com>
Sent: Monday, April 7, 2025 9:51 AM
To: Fire <fire@cityofpaloalto.org>; Palo Alto Fire Permits <Firepermits@CityofPaloAlto.org>
Cc: Sterling Consultants <1sterlingconsultants@gmail.com>
Subject: RE: Fire Flow for New Residential Subdivision

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Good morning,

I am checking in on the fire flow tests. I also wanted to connect about the baseline requirements for each unit. Is there a time we can do a zoom to discuss the standards that will be applied to the subdivision?

Thank you,

Melanie Griswold

DRE: #0260412 | SBN #234917
415.265.1086 | mg@hestia-re.com

From: Melanie Griswold
Sent: Tuesday, April 1, 2025 12:33 PM
To: Fire <fire@cityofpaloalto.org>; Palo Alto Fire Permits <Firepermits@CityofPaloAlto.org>
Cc: Sterling Consultants <1sterlingconsultants@gmail.com>
Subject: RE: Fire Flow for New Residential Subdivision

Thank you!

Melanie Griswold

DRE: #0260412 | SBN #234917
415.265.1086 | mg@hestia-re.com

From: Fire <fire@cityofpaloalto.org>
Sent: Tuesday, April 1, 2025 12:20 PM
To: Melanie Griswold <mg@hestia-re.com>; Palo Alto Fire Permits <Firepermits@CityofPaloAlto.org>; Fire <fire@cityofpaloalto.org>
Cc: Sterling Consultants <1sterlingconsultants@gmail.com>
Subject: RE: Fire Flow for New Residential Subdivision

The flow tests are usually completed within a week. I will email you the results.

Respectfully,



Shannon Ford | Administrative Associate

Fire Department
Palo Alto, CA 94301
D: 650.617.3184 | E: shannon.ford@cityofpaloalto.org

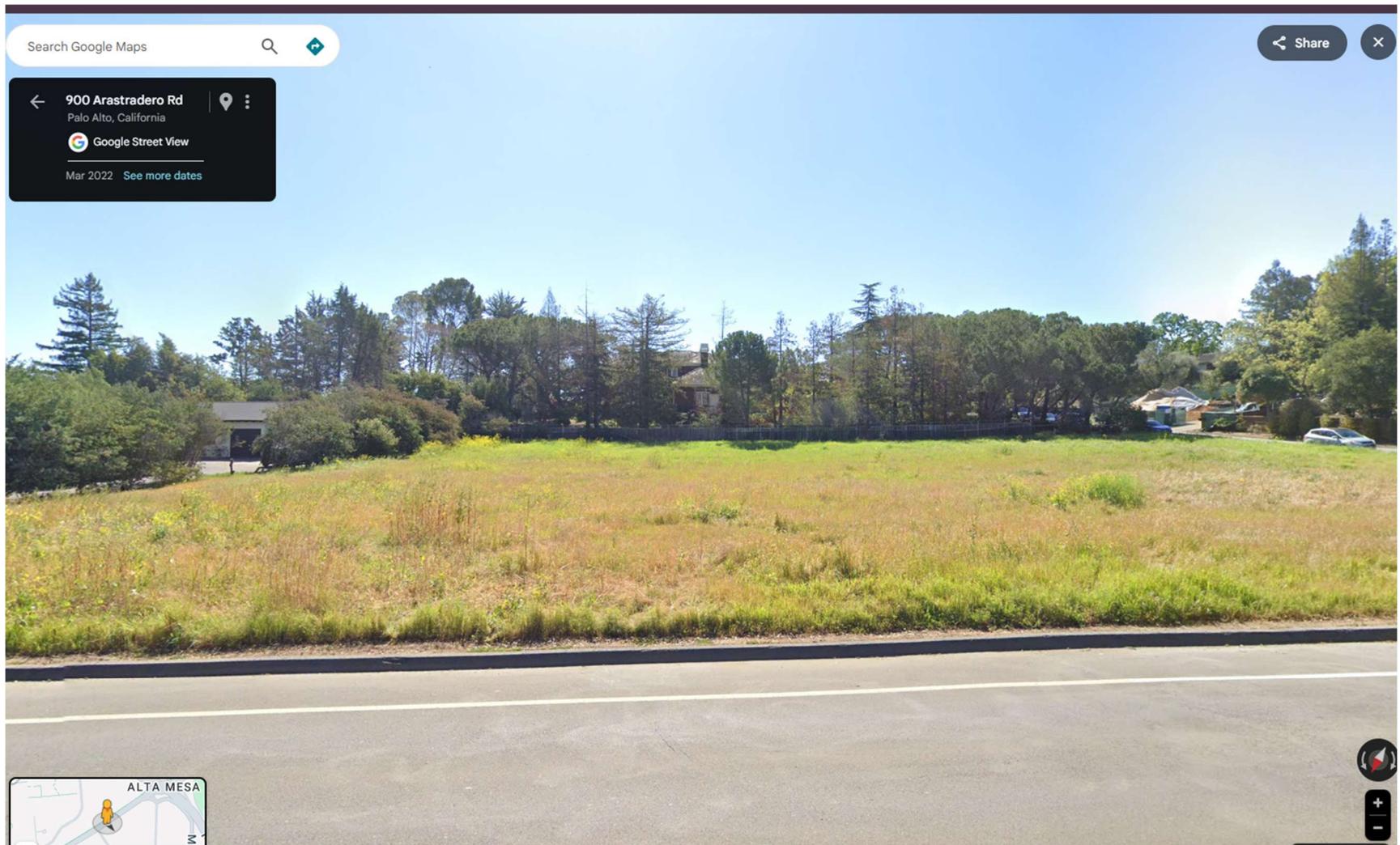
Please think of the environment before printing this email – Thank you!

This message contains information that may be confidential and privileged. Unless you are the addressee, you may not use, copy or disclose the message or any information contained in the message. If you received the message in error, please notify the sender and delete the message.

From: Melanie Griswold <mg@hestia-re.com>
Sent: Tuesday, April 1, 2025 10:11 AM
To: Palo Alto Fire Permits <Firepermits@CityofPaloAlto.org>; Fire <fire@cityofpaloalto.org>
Cc: Sterling Consultants <1sterlingconsultants@gmail.com>



VIEW FROM CORNER OF ARASTREDERO & OLD TRACE ROAD



VIEW FROM ARASTREDERO ROAD



AERIAL VIEW

HOUSING PROJECTS - *Affordable Housing Plan Specifications*

Project Address: 4103 Old Trace Road, Palo Alto, CA

All housing development projects that require or include affordable residential units shall submit an Affordable Housing Plan (AHP) document in conformance with PAMC [Chapter 16.65](#) specifying the manner in which affordable units will be provided in conformance with this chapter. The AHP shall include the project-specific details listed below and be provided at the time of application submittal.

1) Project Overview

- Provide summary of overall project proposal and indicate the number of existing and proposed residential units, the BMR requirements and proposed unit mixes.

		Existing Units		0	
		Total Proposed Unit in Project		15	
		BMR Required Units		1.2	
		<i>15% for ≤ 5 acres, 20% for ≥ 5 acres, and 25% for condo conversion</i>			
Unit Type	Number of Units	Unit Square Footage	Number of BMR Units	Designated Income Level	Plan Sheet
			<i>For ownership, 66% for 80-100% AMI; 33% for 100-120% AMI. For condo conversion 25% for lower incomes as defined by HCD</i>		
Studio	7		1	80% of AMI	A3.1
1 Bedroom	1	Ranges - see Project	1	80% of AMI	A3.1
2 Bedroom	1		1	120% of AMI	A3.1
3 Bedroom	1	Data A1.1 and A3.1 for Details			
4+ Bedrooms	5		0		
TOTAL	15		3		

- If applicable, description of the request for Density Bonus and concessions i.e. a detailed letter detailing density bonus concessions request and how each concession relates to the affordability of the project

[See Project Letter accompanying submittal.](#)

2) Plans

- Site plan and floor plans that include location of each BMR unit clearly identified on the site plan equally distributed on the project site [Only 1 unit \(1.2\) is required for compliance with PAMC BMR requirements, which, by definition, cannot be dispersed.](#)

3) Affordability

- Detailed description and chart of each BMR unit's: tenure, size, type, relative to total number of units

4) If Density Bonus, Financial documentation

[See Project Letter accompanying submittal.](#)

- Financial justification of each specific development concession and how it clearly demonstrates how grant will reduce the cost of the project in accordance with the findings in PAMC 18.15.

[See Project Letter accompanying submittal.](#)

5) Relocation and Displacement

- Does the project require relocation and displacement? If so, as part of Affordable Housing Plan, state how the project will mitigate, relocate and prevent displacement. [Lot is vacant and has never been tenant-occupied.](#)

Conditions below are acknowledged. No phasing is proposed. Note that an incentive is sought to reduce the level of finishes within the interior of the BMR units to a "good quality" but not luxury finish.

6) Timeline for completion

- ✕ If applicable, an alternative phasing plan may be approved as part of the approval, otherwise all BMR units to be completed with the same Under provision PAMC 16.65.075, all BMR units constructed under this condition shall be in conformance and shall be comparable in exterior appearance and overall quality of construction to market-rate units in the same housing development. Interior finishes and amenities must equal those provided in the base model market-rate units.
- ✕ BMR Completion 60-Day Advance Notice or "Notice of Intent to Sell" to the Planning Department of each BMR unit(s) to provide in the development at least sixty (60) days (but no more than ninety (90) days) prior to the request for a certificate of occupancy or receipt of a DRE report for the unit, whichever is later.
- ✕ Upon receipt of this Notice, the Senior Planner will inform the applicant of the current maximum BMR sales price applicable to the unit in coordination with Alta Housing, which administers the City's BMR program.
- N/A If applicable, the applicant can propose to dedicate vacant land suitable for affordable housing or to construct affordable units on another site. Two or more applicants may also jointly propose the provision of vacant land suitable for affordable housing or the construction of off-site affordable units on a single site.
 - If so, the dedicate of qualifying land must include parcel APN(s), general plan and zoning designation, preliminary title report showing the applicant as owner, recent land survey and current environmental report(s), fair market value appraisal, schedule of transfer
- ✕ Proposal to mitigate the affordable housing impacts of the non-residential and residential rental portions of the development through any of the options listed above or through on-site provision of affordable units conforming with applicable provisions of PAMC 16.15.

If yes, the required Affordable Housing Plan document must list the projected unit yield as determined in the Housing Element (see Parcel Report for details) and discuss the project's compliance with this unit yield.

If yes, include in the project description details of what is proposed for the project and how the project would qualify for all requested density increases and/or concessions. When requesting concessions, clearly describe which ones are being requested for the project. Please complete following table and include in Affordable Housing Plan document.

Total Units Prior to Density Bonus	8	
Proposed % Density Bonus Request	87.5%	
Number of Restricted BMR Units Proposed	3	
Income Level of Restricted BMR Units	80-120%	
Total Units with Density Bonus	15	
Number of Concessions Allowed	3	
Number of Concessions Requested	1	