

THE GROVES HOMES ASSOCIATION

Adopted; December 3, 2019

SOLAR ENERGY SYSTEM INSTALLATION

I. Statement of Purpose

A. These Rules apply to Owners in The Groves Homes Association (“Association”) that want to exercise their rights pursuant to California Civil Code Section 714, and Civil Code Section 714.1 (as modified January 1, 2018, or any comparable successor statutes), to install a rooftop solar energy system for their Lot within the Association’s common interest development (the "Development"), either on the roof of the Owner’s residence dwelling or the roof of the Owner’s assigned carport (“carport”).

B. The purpose of these Rules is to provide procedures and requirements for Owners who wish to install a rooftop solar energy system for their Lot’s household purposes in conformance with Civil Code Section 714.1, or any comparable successor statutes.

II. Application Process

Owners wanting to install rooftop solar energy systems for their Lots’ household purposes must obtain approval from the Association’s Board of Directors (“Board”) prior to any such installation in accordance with the Association’s CC&Rs provisions and rules regarding architectural improvement requests, and upon approval being granted must sign the agreement attached hereto as Exhibit A or a substantially similar agreement.

In order to obtain the above-referenced approval, the requesting Owner must first submit an application for approval of the installation of the rooftop solar energy system to the Association’s Board, and must include the following, among any other information that the application form requests, as set forth on the application form attached hereto as Exhibit B or a substantially similar form.

A. Plans and specifications confirming the specific solar energy system proposed for installation, and the proposed location for the installation of the solar energy system.

B. The proposed energy system installer’s name, contact information, and contractor’s license number, and a certificate of insurance showing the installer maintains insurance for the following: (a) general liability of a minimum of one million dollars (\$1,000,000) per loss, and (b) for workers’ compensation as required by law; and

C. The Owner’s acknowledgment that Owner must sign the above-referenced agreement.

The Board shall review the Owner’s application and send a written response to the requesting Owner approving or denying the request within forty-five (45) days of receipt by the manager of

the submitted application. If the Board fails to deny the application within forty-five (45) days of submission, the application is deemed approved, unless that delay is the result of a reasonable request for additional information. (Civil Code Section 714(e)(2)(A) and (B))

III. Rules for Approval of Solar Energy Systems Installations

A. Solar energy systems installations are limited to those systems approved by the Board, and any installations in the common area will not be approved.

B. Owners may install solar energy systems only upon approval by the Board.

C. Installation of solar energy systems must meet all applicable health and safety standards imposed by the State of California and local permitting authorities.

D. Owners may not cut, trim, remove, or take any action regarding any tree within the Association's common area for the solar energy system installation.

E. Owners must maintain liability insurance on their Lot and Residence and provide evidence of the insurance to the Association within fourteen days of the Association's approval of the application and annually thereafter.

F. Owners shall be aware that penetrations of the roofing for the new solar panel installation or re-installation compromises the warranty for the roofing and owners will be responsible for the cost of any damage to structures on their Lot and the interior of those structures due to leakage caused by said penetrations.

G. Owners must (1) reimburse the Association for any additional costs the Association may incur in maintaining, repairing, replacing or restoring the components of Owner's Lot or Residence and carport upon which the solar energy system is installed, including the roof of the building upon which the solar system is installed and exterior building surfaces, and if necessary the removal and replacement of the solar energy system for purposes of performing the activities, and restoring the components to their original condition after removal, (2) be responsible for the costs for the maintenance, repair, and replacement of the solar energy system until the system has been removed, (3) hold the Association harmless for any damage that arises as a result of the installation and continuing presence of the solar energy system, and/or removal of the system and/or its re-installation, and (4) bear any additional insurance costs that the Association incurs arising from the installation and continuing presence of the solar energy system.

H. Owners must indemnify, defend, hold harmless, and reimburse the Association or its members for loss or damage caused by the installation, maintenance, replacement, removal or use of the solar energy system, including but not limited to restoration of the components of Owner's Lot or Residence and carport upon which the solar system is installed, including the roof of the building upon which the solar system is installed and exterior building surfaces, and must provide a certificate of insurance showing the installer maintains insurance for the following: (1) general liability of a minimum of one million dollars (\$1,000,000) per loss, and

(2) for workers' compensation as required by law.

I. Owners shall be solely responsible for obtaining all necessary government building permits prior to commencing installation of the solar energy system and shall provide all necessary government building permits to the Association prior to commencing installation of the solar energy system.

J. Owners shall release, indemnify, defend, and hold harmless the Association and the members of its board of directors and their agents, employees, members and independent contractors, from any and all liabilities, claims, demands, causes of actions, or other expenses in any way arising from, connected with or related to the installation, continuing presence, removal and/or removal and replacement of the solar energy system.

K. Each successive Owner of Owner's Lot shall have the same responsibilities as the installing Owner as set forth above, and Owner agrees and is required to disclose to prospective buyers the existence of any solar energy system of Owner and the related responsibilities of the Owner as stated herein.

L. As part of the approval, Owner and the Association shall be required to execute the attached or a substantially similar Maintenance Responsibility Agreement Affecting Real Property containing the terms herein to be recorded at the Sutter County Recorder's office, which shall be binding on all subsequent Owners of Owner's Lot.

CERTIFICATE OF ADOPTION OF RULE

I hereby certify that I am the Secretary of The Groves Homes Association and further certify that these Rules were adopted by the Board of Directors on _____, 2019.

Executed _____, 2019.

By: _____
(sign name)

(print name)

EXHIBIT A

MAINTENANCE RESPONSIBILITY AGREEMENT AFFECTING REAL PROPERTY

This Maintenance Responsibility Agreement Affecting Real Property (the "Agreement") is entered into

between The Grove Homes Association, a California nonprofit mutual benefit corporation (the "Association"), and _____, ("Owner").

A. Owner is the owner of that certain property located in Sutter County, California, commonly known as _____, Yuba City, CA (the "Home") and with the following legal description:

[Insert legal description]

B. The Home is a part of the community development located in Sutter County, California commonly known as The Grove Homes Association (the "Development"), and as such is subject to the First Restated Declaration of Covenants, Conditions and Restrictions of The Grove Homes Association, recorded on September 14, 1994, as Document 16913 in the official records of Sutter County, California (the "Declaration").

C. Association is the owners' association formed to manage and maintain the common area (as that term is defined in the Declaration) and all of its facilities and to provide exterior maintenance for each Lot and Residence as specified in Article VI, Section 2 of the Declaration, which includes the painting of exterior walls and the replacement of roofs and carports for the Lots in accordance with the provisions of the Declaration.

D. Article V, Section 2, of the Declaration requires owners to obtain approval from the Association's Board of Directors ("Board") prior to commencing construction or installing any improvements to their Lot:

Approval of Improvements. Prior to commencement of construction or installation of any structural improvement to any Lot, or any improvement of any kind to any Lot which will be visible from the Common Area, or any adjacent Lot, and prior to changing, modifying or altering the appearance, color or design of any exterior surface or door to any Residence, the Owner planning such improvement or change must submit to the Board or to the Architectural Advisory Committee, if one is designated by the Board, a written request for approval of such change or improvement, together with the fee, if any, established by the Board for the review of such request. Such Owner 's request shall include any structural plans, specifications and plot plans showing the nature, color, kind, shape, height, materials and location of any such improvement or other change. Approval or disapproval of such Owner's request shall be made by the Board, based on a finding as to whether the proposed improvement: (a) conforms with the Governing Documents and the guidelines, if any, of the Board; (b) would be in harmony with the external color scheme and harmony of design of the structures, and/or the harmony and design of the landscaping within the Property; and (c) would interfere with the reasonable enjoyment by any other Owner of such Owner's Lot, including without limitation the right to scenic and solar access free of unreasonable obstructions. Where an Architectural Advisory Committee has been appointed, it shall submit its report and recommendation on any such request to the Board in advance of the Board's decision with respect to such request, and the Board shall consider such report and recommendation in ruling on such request.

E. Civil Code Section 714.1 provides that the Association may impose reasonable restrictions on the Owners' installation of solar energy systems, which (a) provide for the maintenance, repair, or replacement of roofs or other building components, and (b) require installers of solar energy systems to indemnify or reimburse the association or its members for loss or damage caused by the installation, maintenance, or use of the solar energy system.

F. Owner wishes to install a solar energy system for Owner's household purposes for Owner's Home on the roof of Owner's Home (residence or assigned carport). Owner's plans and specifications call for the solar energy system to be physically installed on the roof. Because Association is responsible for maintaining, repairing and replacing the roofs and exterior building surfaces of Owner's residence or assigned carport, and because the installed solar energy system components might compromise the integrity of the waterproof barrier of the roofs and exterior building surfaces, and might lead to other maintenance challenges with the roofs and exterior building surfaces, Association is willing to approve the solar energy system installation only if the requesting Owner agrees to (1) assume full and complete responsibility for the costs for the maintenance, repair and replacement of the solar energy system until the system has been removed, (2) assume full and complete financial responsibility for any damage to the roofs and exterior building surfaces of Owner's Residence and assigned carport that is caused by the solar energy system, including but not limited to damages arising from the installation, repairs, maintenance, removal, restoration, or damage to the solar energy system, for so long as the solar energy system is installed on the roofs and exterior building surfaces; (3) reimburse Association for any additional costs Association may incur in replacing the roofs and exterior building surfaces of Owner's Residence and assigned carport due to the existence of the solar energy system; (4) assume full and complete physical and financial responsibility for the removal of the solar energy system; (5) release and hold Association harmless for any claims related to the installation or existence of the solar energy system, and (6) bear any additional insurance costs that the Association incurs arising from the installation and continuing presence of the solar energy system.

G. Association shall continue to provide exterior maintenance for each Lot and Residence as specified in Article VI, Section 2 of the Declaration, which includes paint, stain, repair, replace and care for the exterior building surfaces of all Residences including roofs within the Development for residences and assigned carports in accordance with the provisions of the Declaration.

H. Association and Owner wish to enter into this Agreement to memorialize in writing the terms of their Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other valuable consideration, receipt of which is hereby acknowledged, the Association and Owner hereby agree as follows:

1. Assumption of Financial Responsibility for damage to roof and exterior building surfaces caused by solar energy system. Notwithstanding any provision of the Declaration, Owner, on behalf of himself or herself and his or her agents, successors and assigns, hereby (a) assumes full and complete responsibility for the costs for the maintenance, repair and replacement of the solar energy system until the system has been removed, (b) assumes full and complete financial responsibility for any damage to the roofs and exterior building surfaces of Owner's Residence and assigned carport that is caused by the solar energy system, including but not limited to damages arising from the installation, repairs, maintenance, removal, restoration or damage to the solar energy system, for so long as the solar energy system is installed on the roofs and exterior building surfaces of Owner's Residence and assigned carport; (c) agrees to reimburse Association for any additional costs Association may incur in replacing the roofs and exterior building surfaces of Owner's Residence and assigned carport due to the existence of the solar energy system; (d) assumes full and complete physical and financial responsibility for the removal of the solar energy system; (e) assumes full and complete responsibility for the maintenance, repair and replacement of the solar energy system, (5) releases and holds Association harmless for any claims related to the installation or existence of the solar energy system, and (6) agrees to bear any additional insurance costs that the Association incurs arising from the installation and continuing presence of the solar energy system.

2. Removal and Modifications of Solar Energy System.

A. Owner shall be fully responsible, at Owner's sole expense and labor, for the removal of the solar energy system when Association determines, in its sole discretion, to repair or replace the roof or exterior building surfaces on Owner's Residence and assigned carport pursuant to Association's roof and exterior building surfaces maintenance obligations in the Declaration. The Association shall provide to Owner a minimum of 45 days' notice to remove the Solar Panels prior to any repair or replacement activities.

B. Owner agrees to not remove the solar system installation from the roofs of Owner's Residence or assigned carport or make any modifications or improvements to the solar energy system without the prior written approval of the Board.

3. Payment of Additional Costs. Notwithstanding any provision of the Declaration, Owner shall reimburse Association for any additional costs Association may incur in replacing any portion of the roof or exterior building surfaces, due to the installation or existence of the solar energy system. Owner agrees to reimburse Association for any such additional costs within thirty days following written request therefore, and if not paid within such period, any such amounts shall be, and shall be treated as, a Supplement Special Assessment. Association shall not be liable in any way to Owner or any other party for any damage that might occur to the solar energy system during the roof maintenance activities.

Nothing herein shall be interpreted or construed as requiring the Association to reinstall the solar energy system if the Association causes it to be removed during its activities, and the Association shall not be liable in any way to Owner or anyone else for any damage that might occur to the solar energy system during such activities, except for such damage that arises out of the sole gross negligence of the Association.

4. Assumption of Full Responsibility for the Solar Energy System. Notwithstanding any provision of the Declaration, Owner shall be completely responsible, at Owner's sole expense, for all maintenance, repair and replacement of the solar energy system in perpetuity. Owner agrees to maintain the solar energy system in good repair and in neat and orderly appearance. In the event that Owner fails to fulfill the requirements of this paragraph, Association shall have the right, but not the obligation, to perform Owner's responsibilities on Owner's behalf and shall be entitled to reimbursement of all costs (including attorneys' fees) incurred in performing such work. Owner agrees to reimburse Association for any such costs within thirty days following written request therefore, and if not paid within such period, any such amounts shall be, and shall be treated as, a Supplement Special Assessment. Association shall not be liable in any way to Owner or anyone else for any damage that might occur to the solar energy system during Association's maintenance and repair activities affecting the solar energy system.

5. Indemnification and Release of Association. Owner, on behalf of himself or herself and his or her agents, successors and assigns, hereby agrees to release, indemnify, defend and hold harmless Association and the members of its Board of directors and their agents, employees, members and independent contractors, from all liabilities, claims, demands, causes of action and all other expenses (the "Claims") in any way relating to, connected with or arising from the installation, use, maintenance, repair, replacement, restoration, continuing presence, or removal of the solar energy system, and/or this Agreement, including, without limitation, those Claims arising from other owners in the Development and attorneys' fees and costs related to the enforcement of this Agreement and including restoration of the common area in the event of removal of the solar energy system and regardless of whether the company that installs the solar energy system goes out of business, lacks insurance, or becomes bankrupt. Without limiting the foregoing, this obligation shall extend to the costs of repairing any property damage to any Common Area or to property of other Owners within the Development caused in whole or part by, or in

any way arising from, connected with or related to the installation, use, maintenance, repair, replacement, restoration or removal of the solar energy system, whether such damage occurred at the time of installation of the solar energy system, or at any future time.

In providing such release, Owner waives, and understands and acknowledges the significance and consequences of waiving, the provisions of California Civil Code Section 1542 which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

6. Trees. Owner may not cut, trim, remove, or take any action regarding any tree within the Association's common area.

7. Permits. Owner shall be solely responsible for obtaining all necessary governmental building permits prior to commencing installation of the solar energy system and shall provide all necessary governmental building permits to the Association prior to commencing installation of the solar energy system.

8. Owner's Contractor's Insurance, Bonds and County Building Permits. Owner shall provide to the Association a certificate of insurance covering the contractor installing the solar energy system showing proof of insurance for the following: (a) general liability of a minimum of one million dollars (\$1,000,000) per loss, and the certificate shall name the Association as "additional insured"; and (b) for workers' compensation as required by law. Owner shall provide the certificates to the Association before installation of the solar energy system and the insurance must cover the duration of the contract for installation. Owner shall provide to the Association proof of the contractors' bond at the Association's discretion. Owner's shall ensure that contractors installing the solar energy systems provide the Association with mechanics' lien releases.

9. Owner's Insurance. Owner shall provide to the Association a certificate of insurance covering the solar system installation, including but not limited to the Owner's unit, for at least one million dollars (\$1,000,000) in casualty and property damage, and at least one million dollars (\$1,000,000) in liability for property damage and personal injury. Owner shall provide the certificate upon signing this Agreement and annually thereafter.

10. Grant of Approval. In consideration of Owner entering into this Agreement, Association grants to Owner approval for the installation of the solar energy system.

11. Legal and Recordation Fees. Owner agrees to reimburse the Association for its legal and county recorder's fees to prepare and record this Agreement.

12. Attorneys' Fees. In the event a dispute arises under or is related to this Agreement, and whether or not a lawsuit is filed or commenced, the prevailing party shall be entitled to all fees and costs, including attorneys' fees.

13. Modification of this Agreement. No modification of this Agreement shall be made or effective unless and until such modification is executed by Association and Owner, or Owner's successors or assigns, and subsequently recorded.

14. Binding Effect / Covenant Running with Property / Notice to Prospective Buyers. This Agreement

shall run with the land and shall be binding on all parties having or acquiring any right, title, or interest in the Home, or any part thereof, and their heirs, successors and assigns.

Owner shall disclose to any prospective buyer of Owner's Lot the existence of the solar energy system, this Agreement and the related responsibilities of the Owner as stated herein.

15. Legal Counsel; Ambiguities. Each party acknowledges that it has had the opportunity to have this Agreement reviewed by legal counsel prior to executing the Agreement, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

16. Definition of Terms and Severability. Except as expressly provided herein to the contrary, all terms used in this Agreement which are defined in the Declaration shall have the same meaning as in the Declaration. Invalidation of any provision contained in this Agreement by judgment, court order, or otherwise, shall in no way affect any other provision contained herein, or in the Declaration, which shall remain in full force and effect.

17. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

18. Recitals. The recitals are hereby incorporated into and made a part of this Agreement.

19. Complete Agreement. This Agreement represents the complete and total understanding of the parties with respect to its subject matter. With the exception of the Governing Documents, any prior correspondence, memoranda or agreements are replaced in total by this Agreement.

20. Authority to Execute this Agreement. Owner hereby represents and warrants that Owner is the Owner of Record of the Property and has the authority to enter into this Agreement.

21. Effective Date. This Agreement has been executed to be effective as of the date the Agreement is recorded in the official records of Sutter County, California.

THE GROVES HOMES ASSOCIATION

By President: _____ Owner: _____
(sign name) (sign name)

(print name) (date) (date) (print name)

EXHIBIT B
THE GROVE HOMES ASSOCIATION
APPLICATION FOR ARCHITECTURAL APPROVAL REQUEST
SOLAR ENERGY SYSTEMS

Name _____

Lot Address _____

U.S.Mailing Address _____

Home Phone _____ **WorkPhone** _____

Email _____

1. Applicant must submit this form and the following.
 - (a) A set of plans and specifications identifying the specific solar energy system proposed for installation, and the proposed location for the installation of the solar energy system.
 - (b) Installation of solar energy systems are preferred to be installed without penetrating the roof covering systems, and any installation that proposes to penetrate the roof covering system must specifically identify the location and depth of the proposed penetration, the materials to be used in affixing the system to the roof, and the sealing process to be used for the points of penetration.
2. This installation or construction must be made by a licensed contractor and a copy of his/her certificate of insurance must accompany this application.
3. Processing of this application may take up to forty-five (45) days. You may not begin work until the request is approved.
4. The purpose of this application is to provide compatibility and harmony in construction throughout the community.
5. Approved requests will be valid for 12 months from the date of approval.

Proposed Start Date _____ **Proposed Completion Date** _____

Building Permit Required? ___ Yes ___ No

Guarantee/Warranty Terms _____

General Description of Proposed Work (Attach additional sheets if necessary):

(Attach plans, specifications, pictures, brochure, etc.)

I hereby request authorization to make the above noted modification or addition to my residence. I understand and agree to the following, if the request is approved:

- a. All proposed changes must conform to building codes, if applicable.
- b. Owner accepts complete responsibility for painting, upkeep and maintenance of said improvements including any necessary repairs to the exterior of the building as a result of said installation, hereafter.
- c. If applicable, owner may be required to obtain a building permit for this architectural modification.
- d. If applicable, owner will submit a copy City/County final inspection approval to the Association.
- e. Owner will assume all responsibility for any damage that occurs to the building, or other structures in connection with this architectural change.
- f. Owner acknowledges that a Maintenance Responsibility Agreement Affecting Real Property will be required to be signed by the parties once the solar energy system installation is approved, and to then be recorded at the Sutter County Recorder's office.

Applicant Signature

Date

- - - - -
- - - - -

Board of Director's Action: Approved Denied

Comments: _____

Board of Director's Member
(Signature)

Date: _____

(Printed Name)