

CARDINAL PROPERTY MANAGEMENT, INC.
825 N. Park Center Dr., Suite 101, Santa Ana, CA 92705

Date: March 12, 2020

**To: Galerie Homeowners Association
Adopted Solar Panel Guidelines**

Dear Homeowner(s),

Please be advised the Board of Directors of the Galerie Homeowners Association has adopted the proposed Solar Panel Guidelines at the February 19, 2020 Board Meeting. Please be reminded this change is effective immediately.

The adopted Solar Panel Guidelines are posted on the Association Bulletin Board, in accordance with the Associations ANNUAL POLICY STATEMENT. If you should have any questions or concerns, please feel free to contact this office at (714) 779-1300

GALERIE HOMEOWNERS ASSOCIATION

SOLAR ENERGY SYSTEMS POLICY (Civil Code Sections 714 and 714.1)

I. Permissible Types of Solar Energy Systems.

For the purposes of this Policy, the term "solar energy system" is defined in California *Civil Code* § 801.5(a)(1) and (2) and includes any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage, and distribution of solar energy for (a) space heating or cooling, (b) electric generation, or (c) water heating. Other solar energy devices are not permitted.

II. Architectural Review Procedures.

- 1) Written Request, Plans and Specifications; Prior Approval. Prior to installing a solar energy system, an owner must submit an application and plans to the Association's Architectural Review Committee ("ARC") in the same manner and containing the same information as an application for approval of any other architectural modification, addition, or alteration pursuant to the CC&Rs and other Association rules/guidelines, in addition to all other information required in this policy. The Association may request additional information and specifications from the applicant, as needed.
- 2) Decisions in Writing. Any Association decision regarding a solar energy system application shall be in writing.
- 3) Approval may be Conditional. The Association may require as a condition of its approval that the owner install the solar energy system in a different location than originally proposed and/or in a different manner and comply with any other reasonable restrictions, as long as the Association's requirements do not exceed the cost and efficiency parameters specified in Section III of this Policy. The Association may also require the installation of a different solar energy system of comparable cost, efficiency, and energy conservation benefits.
- 4) Later Modifications by Association Permissible. After the solar energy system has been installed, the Association reserves the right to require post-installation modifications to the system to address health and safety issues, as well as glare, and other nuisance issues raised after installation.

III. Restrictions on Placement of System and Manner of Installation.

- 1) Location. Solar energy systems must be installed in the least obtrusive location possible that does not significantly increase the cost of the system or significantly decrease its efficiency or specified performance. "Least obtrusive location" means a location where the solar energy system is the least visible and produces the least glare that may be seen from common area.
 - a) For solar water heating systems, a significant increase in cost means an amount exceeding 10% of the cost of the originally proposed system; a

significant decrease in the system's performance or efficiency means the efficiency of the originally proposed system is reduced by more than 10%.

- b) For solar electricity generation (photovoltaic) systems, a significant increase in cost means \$1,000 more than the cost of the originally proposed system; a significant decrease in the system's performance or efficiency means the efficiency of the originally proposed system is reduced by more than 10%.

2) Restrictions. The Association requires the following:

- a) Least Obtrusive. The solar energy system shall be (i) flat mounted on the roof (as opposed to raised or angle-mounted), and (ii) mounted on the portion of the roof that faces away from streets, as long as efficiency is not unreasonably reduced.
- b) Ancillary Equipment. To the maximum extent possible, all wiring, piping, lines, and other associated equipment must be installed so as to be the least visible from common area. The Association may require that such components be painted to blend in with the background color of the surface to which they are attached or placed.

3) Compliance with Governmental Requirements. All solar energy systems must be installed in accordance with applicable health and safety, building, fire, electrical, plumbing, and related codes and any other applicable governmental requirements. The owner shall obtain all required state and/or local permits and other required approvals prior to installation. If the state and/or local authorities require modifications to the plans and specifications previously approved by the ARC, the owner shall submit such modifications to the ARC, for the ARC's review and approval. The ARC reserves the right to impose further conditions on any such modifications which are not inconsistent with the requirements imposed by the local and/or state authorities.

4) Professional Installation. The solar energy system shall be installed by a licensed and insured contractor qualified in the installation and maintenance of solar energy systems. The contractor's insurance policies must contain an endorsement providing coverage of claims arising from work performed in multi-family residential buildings.

5) Ownership. The solar energy system shall at all times be owned by and remain the property of the record owner of the respective lot and any such owner of record of the lot will be responsible for the installation, maintenance, repair, replacement, and removal of the solar energy system and all related costs and expenses during the owner's period of record ownership. Alternatively, the owner may lease a solar energy system under the following conditions: (a) the party holding title to the solar energy system shall be subject to all of the provisions hereof until the lease is legally terminated; (b) prior to installation of the solar energy system, the lot owner must provide the Association with a copy of the lease agreement, warranty, insurance policy, and the license and insurance policy of the contractor who will perform the installation of the solar energy system; (c) the party holding title to the solar energy system must indemnify, defend and hold the Association harmless against any violations of the lease agreement by the lot owner.

- 6) No Removals. The solar energy system application must not require any common area trees or structures to be moved or removed and no such removal will be allowed or required, now or in the future.
- 7) Rooftop Installations. In addition to all other restrictions of this Policy, a proposed installation on the roof of a dwelling unit shall satisfy the following:
 - a) Owner shall be responsible for all costs of repairing damage to the roof resulting from the installation maintenance, repair, removal or replacement of Owner's solar energy system.
 - b) Owner shall be responsible for all costs of maintenance, repair and replacement of the solar energy system until it is removed and for the restoration of the roof after removal.
 - c) Owner shall be responsible for any additional costs for the Association to maintain, repair, and/or replace that portion of the roof upon which any portion of the solar energy system is installed or any other area that could be affected by the solar energy system. This includes the roof framing, covering, shingles, eaves, gutters, and any other part of the building or structure that may be penetrated or otherwise affected by any activity or component related to the solar energy system, including any water leaks or mold that may develop as a result of those leaks, any fires or other property damage or personal injury that may be caused by the solar energy system or by the installation or use of it, and any other damage or loss caused directly or indirectly by the solar energy system. Such responsibility shall include the Association's cost to inspect the roof for any damage and water test for any leaks at all points where the solar energy system is attached to the roof with such inspection occurring annually or as determined by the Association. Any damage or leaks, or damage caused by the leaks, resulting from the installation, maintenance, repair, replacement, removal, use or presence of the solar energy system will be repaired by the Owner and the Owner shall be responsible for the cost.
 - d) Owner shall disclose to prospective buyers of his/her lot the existence of any solar energy system of the owner and the related responsibilities of the owner under this Policy and governing law, including (at the time this Policy is adopted) Section 714.1 of the California Civil Code.
 - e) At such times that Association is required to conduct major roof repairs or replacement, Owner shall remove the solar energy system at Owner's cost.
 - f) Owner must submit a written request to the Board of Directors and receive architectural approval prior to the replacement, material alteration, expansion or removal of the solar energy system.
 - g) Owner shall enter into a recordable improvement agreement with the Association setting forth the aforementioned provisions, which agreement

shall be recorded against owner's property and bind successor owners, the cost of which shall be paid for by the owner.

- h) The installer of the solar energy system shall enter into an indemnity agreement with the Association at Owner's sole cost and expense.