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## **Section VII**

# **MASTER MANAGEMENT DOCUMENTS**

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Those developers who know they will have similar common interest subdivision filings with the Department in the future or those attorneys who know they will be submitting essentially the same legal documentation on several projects in the future, should give strong consideration to the use of master management documents (MMDs).

This system provides for approval *now* of proposed articles of incorporation, covenants, conditions, and restrictions (CC&Rs), bylaws, etc. to be used in future subdivision filings. After approval by the Department, the MMDs may be used in any number of offerings of that type without the necessity of extensive DRE review.

Many developers and attorneys have found this to be a practical method of expediting the processing of their projects by DRE. However, it is required that a member of the California State Bar certify that the proposed documents submitted for MMD approval were prepared by the attorney or under their direct supervision.

### **A. How to Apply**

To apply, complete Master Management Document Application (RE 616A). Attach to the proposed management documents and submit to the proper DRE District Office indicated on the application.

After DRE review and upon determination that the MMDs comply with DRE regulations and relevant statutes, the District Office Manager or Senior Deputy Commissioner will sign the RE 616C, enter the date and an MMD approval number. A copy of the approved RE 616C will be sent to you for use in future filings.

Do NOT submit proposed MMDs with a filing. Master management documents MUST be pre-approved by DRE before they can be submitted with a subdivision public report application.

### **B. Classification of MMDs**

The current classifications for MMDs are:

- Condominium - Single Phase
- Condominium - Multi-Phase
- Planned Development - Single Phase
- Planned Development - Multi-Phase

A single set of MMDs can be used for equal or prorated homeowners monthly assessments. If the assessment method for a particular project is different from the approved MMDs, the change must be red-lined or clearly highlighted when the documents are submitted with a filing (see How to Use Approved MMDs below).

MMDs *cannot be used* for master planned developments.

### **C. When to Update**

MMDs expire upon notification by the DRE.

DRE recognizes that it is difficult to immediately revise management documents when regulations and laws change. Therefore, we allow a reasonable “grace period”. During this period, the previously approved MMDs can be used for filings-in-progress provided the MMDs are revised to comply with the appropriately changed law and the revisions are red-lined or clearly highlighted (see How to Use Approved MMDs).

Should your MMDs be deleted from the approved list for failure to renew when notified, you will be required to submit a new application for approval of MMDs and the previously approved documents will not be

accepted as MMDs until DRE has approved the new application.

#### **D. How to Use Approved MMDs**

1. When MMDs are used, please take care that the documents apply to the individual needs of that project. Make sure the documents are submitted for the same type of project for which they were approved. For example, do not submit MMDs approved for a single-phase condominium with a filing for a multi-phase condominium.
2. Clearly *highlight* all variables (i.e. name of association, number of units, tract number, etc.) and *highlight* all changes from the originally-approved documents. MMDs with substantial changes will not be accepted until they are submitted for re-approval by the DRE.

To highlight, you must underline the additions and line-out the deletions with a red pen or use computer editing features to identify all changes. DO NOT ELIMINATE any of the originally-approved language. Do not change the order of the paragraphs.

If the homeowners monthly assessment method is different from that in the approved MMDs, be sure to *highlight* the change in the manner described above.

3. Complete and sign Declaration of MMDs (RE 616B). The 616B must include the *original* (not photocopied) signature of the person who prepared the management documents.
4. Submit the original RE 616B, a copy of RE 616C as approved by DRE, and the *highlighted* MMDs to the single responsible party for the project. The single responsible party will include these documents in the Notice of Intention filing package submitted to DRE.
5. ALTERNATE METHOD OF HANDLING DELETIONS IN APPROVED MMDs
  - a. Attach the *original* MMD to the back of the proposed set for the new application.
    - 1) *In the original MMD*, clearly highlight the words to be deleted in the proposed set for the new application.
    - 2) Clearly write “deletion material” in the left margin by the underlined words.
    - 3) Give a separate alphabet letter or number to each continuous body of words or paragraphs to be deleted.
  - b. In the proposed set:
    - 1) Highlight by a caret (^) at the exact place where any deletion has occurred.
    - 2) In the left margin directly across from the (deletion) caret, highlighted, write the same alphabet letter that corresponds to the alphabet letter used at that deleted-material section in the original MMD.
    - 3) Give the page number of the MMD where the original language has been highlighted.
    - 4) Highlight any language being added.