

WHEN RECORDED, MAIL TO:

DEBRA L. SHEPPARD, ESQ.
DEBRA L. SHEPPARD & ASSOCIATES,
A PROFESSIONAL LAW CORPORATION
21243 Ventura Boulevard, Suite 123
Woodland Hills, CA 91364

RESTATED
DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
OF VALENCIA FAIRWAYS HOMEOWNERS' ASSOCIATION, INC.
A CALIFORNIA NON-PROFIT CORPORATION

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A CALIFORNIA NON-PROFIT CORPORATION**

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OF VALENCIA FAIRWAYS HOMEOWNERS' ASSOCIATION, INC.
A California Non-Profit Corporation

This Restated Declaration of Covenants, Conditions and Restrictions of VALENCIA FAIRWAYS HOMEOWNERS' ASSOCIATION, INC. is made this ____ day of _____, 2019, by the undersigned with reference to the following facts:

A. A Declaration of Covenants, Conditions and Restrictions ("Declaration") for the real property was recorded as Instrument Number 3731 on July 27, 1972 in the office of the County Recorder of Los Angeles County.

B. A First Supplementary Declaration was recorded as Instrument No. 2815 on October 13, 1972 in the Office of the County Recorder of Los Angeles County.

C. A Second Supplementary Declaration was recorded as Instrument No. 4103 on May 4, 1973 in the Office of the County Recorder of Los Angeles County.

D. A Third Supplemental Declaration was recorded as Instrument No. 4159 on August 1, 1973 in the Office of the County Recorder of Los Angeles County.

E. The undersigned have confirmed and placed in the records of the Association the signatures representing the necessary voting power of the Owners of the Dwellings covered by the Declaration, reflecting their confirmation and approval to make the Restated Declaration which follows.

F. The undersigned desire to restate and by this Restated Declaration do, in fact, restate said Declaration of Covenants, Conditions and Restrictions in its entirety. This Restated Declaration shall supersede all prior and superseding Declarations and amendments, except as specifically provided otherwise herein.

RECITALS

A. Declarant was the original owner of that certain real property ("Property") located in

Valencia, Los Angeles County, California, which is more particularly described as: Lots 1 through 88 of Tract No. 27565, Lots 1 to 73 Inclusive of Tract No. 27566, Lots 1 to 77 Inclusive of Tract No. 27567, Lots 1 to 74 inclusive of Tract No. 27288 and Common Area Lots 74 and 75 of Tract No. 27566, 78 and 79 of Tract No. 27567, and 75 and 76 of Tract No. 27288.

B. Declarant conveyed the Lots and Common Area within the Property, a Planned Unit Development, subject to certain easements, protective covenants, conditions, restrictions, reservations, liens and charges as set forth in the original Declaration, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of Property and all of which shall run with the Property and be binding on all parties having or acquiring any right, title or interest in the Property, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

ARTICLE I **DEFINITIONS**

1.1 "Articles" means the Articles of Incorporation of VALENCIA FAIRWAYS HOMEOWNERS' ASSOCIATION, INC. filed in the Office of the Secretary of State of the State of California.

1.2 "Assessment" means that portion of the costs of maintaining, improving, repairing, operating, and managing the Project that is to be paid by each Owner as determined by the Association, and includes regular and special assessments. Special Individual Assessment means a charge or expense levied against an individual Owner to reimburse the Association for expenses incurred by the Association to repair the Common Area damaged by the Owner, his/her family, tenants, or guests or to bring the Owner into compliance with the governing documents of the Association.

1.3 "Association" means VALENCIA FAIRWAYS HOMEOWNERS' ASSOCIATION, INC., a California Non-Profit Corporation, its successors and assigns. The Association is an "association" as defined in California Civil Code Section 4080. The Association's Members are the record owners of each of the Dwellings which are located on the Property.

1.4 "Association Rules" means the rules, regulations, guidelines and policies adopted by the Board of Directors of the Association, pursuant to this or a previous Declaration, as the same may be in effect from time to time. The Rules may also be referred to as the "Standards and Guidelines."

1.5 "Board of Directors" or "Board" means the Board of Directors of the Association.

1.6 "Bylaws" means the Bylaws of the Association, as such Bylaws may be amended from time to time.

1.7 "Commercial Vehicles" shall be defined as any vehicle displaying a sign advertising the name and other identifying information for any business entity, any vehicle on which racks,

materials, ladders and/or tools are visible, a vehicle with a body type normally employed as a business vehicle whether or not a sign is displayed thereon, a truck of greater than 3/4 ton capacity or a van other than one used solely as a family passenger van, or a bus. A commercial license plate is indicative but not required to qualify as a commercial vehicle.

1.8 "Common Area" means the entire Property except all Lots. Unless the context clearly indicates a contrary intent, any reference herein to the "Common Areas" shall also include any Common Facilities located thereon.

1.9 "Common Expense" means any use of Common Funds authorized by this Declaration, by law, or by the Bylaws.

1.10 "Common Facilities" means the outdoor Common Area private streets, parking spaces, fences, gates, block walls, signs, walkways, porches, stairs, trees, hedges, pools, spa, office, plants, lawns, shrubs, landscaping, sprinklers, lighting fixtures, pipes in the Common Area, buildings, structures and other facilities constructed or installed, or to be constructed or installed, or located within the Common Area.

1.11 "Dwelling" means the residential building constructed on a Lot designed for the use and occupancy as a single family residence.

1.12 "Lot" means an estate in real property as described in the California Civil Code Sections 783 and 4125 composed of a separate fee interest in a Lot and any other separate interests in the real property as are described in this Declaration, in the Tract Map, or in the deed conveying the Dwelling. Each Lot includes all improvements and fixtures constructed within the space of the Lot, including, but not limited to, the living areas of the Dwelling, the garage, and the patios of said Lot.

1.13 "Declaration" means this instrument, as it may be amended or restated from time to time.

1.14 "Governing Documents" is a collective term that means and refers to this Declaration and to the Articles of Incorporation, the Bylaws, and the Association Rules and Regulations, Election Rules, Guidelines, and Policies.

1.15 "Improvement" includes, without limitation, the construction, installation, alteration, replacement, modification or remodeling of any buildings, walls, fences, gates, patio covers, awnings, window or door replacement, landscaping, landscape structures, antennas, utility lines, or any exterior structure of any kind.

1.16 "Member" means every person or entity who is the record Owner of a Lot and holds a membership in the Association and whose rights as a Member are not suspended pursuant to this Declaration.

1.17 "Mortgage" means any Deed recorded as security for a loan made to the Owner of a

Lot.

1.18 "Owner" or "Owner of Record" and "Member of the Association" mean any person, firm, corporation or other entity in which title to a Dwelling and Lot is vested as shown by the Official Records of the Office of the County Recorder.

1.19 "Project" means the Property and the improvements located thereon which are intended to create a Planned Unit Development as described in California Civil Code Section 4175.

1.20 "Property" means the Planned Unit Development and all buildings, structures, utilities, Common Facilities, and other improvements located thereon, and all appurtenances thereto.

1.21 "Recreational Vehicle" means any recreational vehicle which can be used as sleeping quarters, campers, mobile or motor homes, boats, trailers, all terrain vehicles, jet skiis, dirt bikes, aircraft, or similar vehicles used for recreation.

1.22 "Resident" means any Owner, Tenant, lessee, or other occupant of a Dwelling on a Lot.

1.23 "Residential Use" means the occupation and use of a Dwelling and Lot for living purposes in conformity with this Declaration and the requirements imposed by applicable zoning or other applicable laws or governmental regulations limiting the number of persons who may occupy residential dwellings or the use of the Lot.

1.24 "Streets" means the private streets of Masters Cup Way, Sandwedge Lane, Vista Fairways, Player Drive, and any other streets to be acquired and annexed as private streets.

1.25 "Tenant" means tenant, lessee, guest, contract purchaser, family member or anyone other than the Owner of the Dwelling who is residing in the Dwelling.

1.26 "Walls Out" master insurance policy means insurance that will cover the Dwelling from the drywall outward in the event of an incident unrelated to normal maintenance and repair obligations.

ARTICLE II

PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS

2.1 Elements of Lot. Ownership of each Lot within the Project includes a Dwelling; an undivided 1/310 interest in the Common Area which is specified in the deed to each Owner; a membership in the Association; and any exclusive or nonexclusive easement or easements appurtenant to such Lot over the Common Area as described in the Declaration, the Tract Map and the deed to the Lot.

2.2 Owners' Nonexclusive Easements of Enjoyment. Every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Areas within the Property, including ingress

and egress to and from his or her Lot, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following rights and restrictions:

(a) The right of the Association to assign, rent, lease, license, charge reasonable admission and other fees for, and to otherwise designate and control the use of Common Facilities, including, but not limited to, unassigned parking spaces and to limit the number of guests of Members who may use any recreational Common Facilities.

(b) The right of the Association to adopt Association Rules regulating the use and enjoyment of the Property for the benefit and well-being of the Owners in common, and, in the event of the breach of such rules or any provision of any Governing Document by any Owner, Resident or guest, to temporarily suspend the voting rights and/or right to use the common facilities, other than driveways, by any Owner and/or Resident or guests, after notice and a hearing, as set forth in the Bylaws.

(c) The right of the Association to enter upon and have access to Lots when such access is essential for the maintenance of the Common Area.

2.3 Persons Subject to Governing Documents. All present and future Owners, Residents, tenants, and guests within the Property shall be subject to, and shall comply with, each and every provision of the Governing Documents, as the same or any of them shall be amended from time to time. The acceptance of a deed to any Lot, the entering into a lease, sublease or contract of sale with respect to any Lot, or the occupancy of any Lot shall constitute the consent and agreement of such Owner and Resident that each and all of the provisions of this Declaration, as the same or any of them may be amended from time to time, shall be binding upon said person and that said person will observe and comply with the Governing Documents.

ARTICLE III **HOMEOWNERS ASSOCIATION**

3.1 Association Membership. Every Owner of a Lot shall be a Member of the Association. Each Owner shall hold one membership in the Association for each Lot owned. Membership in the Association shall cease at such time as the Member's ownership in a Lot within the Project ceases. Persons or entities who hold an interest in a Lot merely as security for performance of an obligation are not Members until such time as the security holder comes into title to the Lot through foreclosure or deed in lieu thereof. Occupancy of a Lot does not confer membership unless title is recorded in the occupant's name.

3.2 One Class of Membership. The Association shall have one class of membership and the rights, duties, obligations and privileges of the Members shall be as set forth in the Governing Documents.

3.3 Voting Rights of Members. Each Member of the Association shall be entitled to one vote for each Lot owned by said Member. When more than one person holds an interest in any Lot, all

such persons shall be Members, although in no event shall more than one vote be cast with respect to any Lot. Voting rights may be temporarily suspended pursuant to the provisions of the Governing Documents for non-payment of Assessments and for other violations of the Governing Documents, as set forth in the Bylaws.

3.4 Assessments. The Association shall have the power to establish, fix and levy Assessments against the Owners of Lots within the Property and to enforce payment of such Assessments in accordance with the provisions of this Declaration and the law. Every Owner, by acceptance of a Deed to a Lot, agrees to pay to the Association all assessments established and levied by the Board of Directors against the Members or individually against one Member.

3.5 Powers and Authority of the Association.

(a) Powers Generally. The Association, acting through its duly elected Board of Directors, shall have the responsibility of managing and maintaining the Common Areas and Common Facilities and discharging the other duties and responsibilities imposed on the Association by the Governing Documents. In the discharge of such responsibilities and duties, the Association shall have all of the powers of a non-profit and non-profit mutual benefit corporation organized under the laws of the State of California in the ownership and management of its properties and the discharge of its responsibilities hereunder for the benefit of its Members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. The Association shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under and by virtue of the Governing Documents, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association for the peace, health, comfort, safety or general welfare of the Owners. The specific powers of the Association and the limitations thereon shall be as set forth in the Bylaws.

(b) Association's Right of Entry. The Association, its contractors and/or its agents shall have the right, when necessary, to enter any Lot or Exclusive Use Common Area to perform the Association's obligations under this Declaration. The purposes for which the Association or its contractors or agents may enter a Lot include: (i) to perform maintenance or repair obligations; (ii) to perform obligations to enforce the Governing Documents; (iii) to perform any obligations with respect to construction, maintenance and repair of adjacent Common Facilities; or (iv) after 15 days' written notice to make necessary repairs that an Owner has failed to perform which, if left undone, will pose a threat to, or cause an unreasonable interference with, Association property or the Owners in common.

The Association's rights of entry under this subparagraph (b) shall be immediate in case of an emergency originating in or threatening the Lot where entry is required, or any adjoining Lot or Common Area, and the Association's work may be performed under such circumstances whether or not the Owner or Resident is present. In all non-emergency situations, the Association or its agents shall furnish the Owner or Resident with at least 24 hours written notice of its intent to enter the Lot, specifying the purpose and scheduled time of such entry and shall make every

reasonable effort to perform its work and schedule its entry in a manner that respects the privacy of the persons residing within the Lot. If the Owner or Resident fails or refuses to provide entry to the Association, its contractors and or/its agents after 24 hours' notice or in an emergency situation which could cause damage to the Common Area and Lots, the Association shall have the power to assess, as a Special Assessment, any increased costs of construction and of re-scheduling the work incurred by the Association as a result of the delay in entry and attorneys' fees and costs.

(c) Repair of Common Area. For any work for which the cost will exceed \$10,000.00, the Board shall interview and obtain bids from a minimum of three (3) licensed and insured contractors who are familiar with the work to be done and who regularly perform work for community associations. The Board shall verify the contractors' licenses with the Contractors State License Board to ensure they are in good standing. The Board shall contact references for any contractor being considered for the first time to ensure that the contractor is qualified and reliable and has worked on similar projects. The Board shall ensure that the contractor selected maintains liability insurance of at least \$2,000,000.00 and Workers' Compensation in a statutory amount. The contractor shall be required to name the Association as an additional insured on its insurance during the time the work is being done. The Board may, in its discretion, require the contractor to furnish a completion bond, assuring completion of the work and payment of all labor and materials bills for which a lien on the Common Area or any Lot could be claimed. The Board shall enter into a written contract defining the scope of the work, the start and completion dates, the payment schedule, the requirement of providing Mechanic's lien releases, the procedure for submitting applications for payment, the term of warranty for labor and materials, and a ten percent retention on all payments until completion of the project.

3.6 Association Rules.

(a) Rule-Making Power. The Board may, from time to time and subject to the provisions of this Declaration and Civil Code Section 4370, by a majority vote of the Board, propose, enact and amend rules and regulations of general application to the Owners, Residents, and guests of Owners and Residents of Lots within the Property. Except for rules which are adopted to address an imminent threat to public health or safety or risk of substantial economic loss, the Board must provide 30 days' written notice of changes in or the adoption of rules concerning the use of the Common Area and Exclusive Use Common Area, the use of a Lot, member discipline, payment plans standards for delinquent assessments, procedures adopted for resolution of disputes, architectural standards and guidelines for modifications to Lots and the Exclusive Use Common Area, and procedures for the resolution of assessment disputes. The Notice must be accompanied by the text of the proposed rule, the purpose of the rule, and the effect of the rule.

Notwithstanding the foregoing grant of authority, the Association Rules shall not be inconsistent with or materially alter any provision of the other Governing Documents. In the event of any material conflict between any Association Rule and any provision of the other Governing Documents, the provisions contained in the other Governing Documents shall be deemed to prevail.

(b) Distribution of Rules. A copy of the Association Rules, as they may from time

to time be adopted, amended or repealed, shall be mailed or otherwise delivered to each Owner within 15 days of adoption.

(c) Adoption and Amendment of Rules. Any duly adopted rule or amendment to the Rules shall become effective upon distribution to the Owners.

3.7 Breach of Rules or Restrictions.

Any breach of the Association Rules or of any other Governing Document provision shall give rise to the rights and remedies set forth in this Declaration.

3.8 Limitation on Liability of Association's Directors and Officers.

(a) Claims Regarding Breach of Duty. No director, officer or agent of the Association shall be personally liable to any of the Association's Members, or to any other person, for any error or omission in the discharge of their duties and responsibilities or for their failure to provide any service required hereunder or under the Bylaws, provided that such director or officer has, upon the basis of such information as may be possessed by the director or officer, acted in good faith, in a manner that such person believes to be in the best interests of the Association and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

(b) Other Claims Involving Tortious Acts. No person who suffers bodily injury (including, without limitation, emotional distress or wrongful death) as a result of the tortious act or omission of a volunteer member of the Board or volunteer officer of the Association shall recover damages from such Board member or officer if all of the following conditions are satisfied:

(i) The act or omission was performed within the scope of the volunteer Board member's or officer's Association duties;

(ii) The act or omission was performed in good faith;

(iii) The act or omission was not willful, wanton, or grossly negligent;

(iv) The Association maintained and had in effect at the time the act or omission occurred and at the time a claim was made one or more policies of insurance that include coverage for general liability of the Association in a sum not less than \$2,000,000 or such larger amount set by statute and individual liability of the officers and directors of the Association for negligent acts or omissions in their official capacities, with minimum coverage of insurance being not less than One Million Dollars (\$1,000,000) or such larger amount as set by statute.

The payment of actual expenses incurred by a Board member or officer in the execution of that person's Association duties shall not affect that person's status as a volunteer Board member or officer for the purposes of this section.

The provisions of this subparagraph (b) are intended to reflect the protections provided to volunteer directors and officers of community associations under Civil Code §5800. In the event that Civil Code section is amended or superseded by another, similar provision of the California statutes, this subparagraph (b) shall be deemed amended, without the necessity of further Member approval, to correspond to the amended or successor Civil Code provision.

(c) Claims Involving Property Damage. No director, officer, nor agent shall be liable to any Owner or Resident, or their family members or guests for damages due to theft of personal property from within a Lot, patio or balcony, or from the Common Area.

ARTICLE IV **ASSESSMENTS**

4.1 Establishment of Assessments; Membership Approval Requirements. The total annual expenses estimated in the Association's budget (less projected income from sources other than assessments) shall become the aggregate Regular Assessment for the next succeeding fiscal year, provided that, the Board of Directors may not impose a Regular Assessment that is more than 20 percent greater than the Regular Assessment for the Association's immediately preceding fiscal year without the vote or written assent of Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Association.

4.2 Mailing Notice of Assessment. The Board of Directors shall mail to each Owner at the street address of the Owner's Lot, or at such other address as the Owner may from time to time designate in writing to the Association, notice of any increase or decrease in the amount of the Regular Assessments for the next succeeding fiscal year or notice of a Special Assessment no less than 30 days nor more than 60 days prior to the assessment becoming due.

4.3 Failure to Make Estimate. If, for any reason, the Board of Directors fails to make an estimate of the Common Expenses for any fiscal year, then the Regular Assessment made for the preceding fiscal year shall be assessed against each Owner and his or her Lot for the fiscal year for which no estimate of common expenses has been made, and installment payments based upon such automatic Assessment shall be payable on the regular payment dates established by the Association.

4.4 Installment Payment of Assessments. The Regular Assessment levied against each Owner and his or her Lot shall be due and payable in advance to the Association in equal monthly installments on the first day of each month. Installments of Regular Assessments shall be delinquent if not paid by the 15th day of the month in which the Assessment is due. If Regular Assessments, Special or Emergency Assessments are delinquent, the Board may assess the delinquent Owner with late charges, interest, collection costs, and legal fees and costs.

4.5 Method of Determining Assessments. The Regular Assessment and any Special Assessments levied upon all Owners shall be allocated among, assessed against, and charged to each Owner equally.

4.6 Assessments to Address Emergency Situations. The requirement of a membership vote to approve Regular Assessment increases in excess of 20 percent of the previous year's Regular Assessment shall not apply to assessment increases necessary to address emergency situations, as defined in Civil Code Section 5610.

4.7 Special Assessments.

(a) Purposes for Which Special Assessments May Be Levied. Subject to the membership approval requirements set forth in subparagraph (b) below, the Board of Directors shall have the authority to levy Special Assessments against the Owners and their Lots for the following purposes:

(i) Regular Assessment Insufficient in Amount. If, at any time, the Regular Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in the budget prepared for said fiscal year, then the Board of Directors shall levy and collect a Special Assessment. The Special Assessment may be payable over such period of time as the Board shall determine is in the best interests of the Association's members, for the purpose of defraying, in whole or in part, any deficit which the Association may incur in the performance of its duties and the discharge of its obligations hereunder.

(ii) Capital Improvements. The Board may also levy Special Assessments for additional capital improvements within the Common Area (i.e., improvements not in existence on the date of this Declaration that are unrelated to repairs for damage to, or destruction of, the existing Common Facilities) .

(iii) Loan Repayments. The Board may levy Special Assessments to repay disaster loans or loans obtained for the purpose of repairing Common Area facilities or financing litigation, subject to the vote or written assent of a majority of a quorum of the Owners. Any Special Assessment levied to repay the Small Business Administration (SBA) or any other long-term loan shall be payable monthly or as otherwise determined by the Board. Upon voluntary sale of a Lot, either the total balance of the Special Assessment shall be paid at the close of escrow or the buyer shall assume the monthly payments. In the case of a foreclosure, the foreclosing lender shall be responsible for monthly payments from the date of foreclosure until re-sale of the Lot and shall require as a condition of escrow that the purchaser assume the monthly payments.

(iv) Damage to Common Area or Common Facilities. The Board may levy a Special Assessment to pay for repairs to the Common Area or Common Facilities resulting from construction defects or other damage for which there is no or insufficient insurance coverage.

(v) Special Individual Assessment. The Board of Directors may levy a Special Individual Assessment to reimburse the Association for expenses, including attorneys fees and costs, incurred by the Association due to the failure of an Owner to comply with the Governing Documents, as set forth below. If the Special Individual Assessment is to reimburse the Association for damage to the Common Area, the Board shall not levy the Special Individual Assessment until

after notice and a hearing.

(b) Special Assessments Requiring Owner Approval. No Special Assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year in which the Special Assessment(s) is levied shall be made without the vote or written assent of Owners, constituting a quorum, casting a majority of the votes at a meeting or election of the Association.

(c) Allocation and Payment of Special Assessments. When levied by the Board or approved by the Owners as provided above, the Special Assessment shall be divided among, assessed against and charged to each Owner and his or her Lot equally.

(d) Special Assessments for purposes described in this Section shall be due as a personal debt of the Owner and a lien against his or her Lot.

4.8 Special Individual Assessments.

(a) Circumstances Giving Rise to Special Individual Assessments. In addition to the Special Assessments levied against all Owners in accordance with Section 4.7, above, the Board of Directors may impose Special Individual Assessments against an Owner in any of the following circumstances:

(i) Damage to Common Area or Common Facilities. In the event that any damage to, or destruction of, any portion of the Common Area or the Common Facilities, including any portion of a Lot which the Association is obligated to repair and maintain is caused by the willful misconduct or negligent act or omission of any Owner, any Resident, any member of his or her family, or any of his or her tenants, guests, servants, employees, licensees or invitees, the Board shall cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith shall be assessed and charged solely to and against such Owner as a Special Individual Assessment or Reimbursement Assessment following notice and the opportunity for a hearing.

(ii) Expenses Incurred in Gaining Member Compliance. In the event that the Association incurs any costs or expenses, to accomplish (A) any repair, maintenance or replacement to any portion of the Property that the Owner is responsible to maintain under the Governing Documents but has failed to undertake or complete after 15 days' written notice or (B) to otherwise bring the Owner and/or his or her Lot into compliance with any provision of the Governing Documents, the amount incurred by the Association (including reasonable attorneys' fees, but excluding fines) shall be assessed and charged solely to and against such Owner as a Reimbursement Assessment following notice and the opportunity for a hearing.

(b) Levy of Special Individual Assessment and Payment. Once a Special Individual Assessment has been levied against an Owner for any reason described, notice of such Special Individual Assessment shall be mailed to the affected Owner and the Special Individual Assessment shall thereafter be due as a separate debt of the Owner payable in full to the Association within 30

days after the mailing of notice of the Assessment, or within such other time period as the Board may determine. The Board may record a lien should the Owner not pay the Special Individual Assessment within the time period determined by the Board. The Board may pursue all remedies available to collect a Special Individual Assessment as if it were any other assessment.

4.9 Maintenance of Assessment Funds. All sums received or collected by the Association from Assessments, together with any interest or late charges thereon, shall be promptly deposited into one or more insured checking, savings or money market accounts in a bank or savings and loan association selected by the Board of Directors which has offices located within the State of California, County of Los Angeles. In addition, the Board shall be entitled to make prudent investment of reserve funds in insured certificates of deposit, money market funds or similar investments consistent with the investment standards normally observed by trustees.

4.10 Collection of Assessments; Enforcement of Liens.

(a) Delinquent Assessments. If any installment payment of a Regular Assessment or lump sum or installment payment of any Special Assessment or Special Individual Assessment or Emergency Assessment assessed to any Owner is not paid within 15 days after the same becomes due, such payment shall be delinquent and may, at the Board's election, bear interest at the rate of twelve percent (12%) per annum beginning 30 days after the due date until the same is paid. In addition to the accrual of interest, the Board of Directors is authorized and empowered to impose a late charge for any delinquent Assessments not exceeding ten percent (10%) of the delinquent assessment or ten dollars (\$10.00), whichever is greater.

(b) Effect of Nonpayment of Assessments.

(i) Creation and Imposition of a Lien for Delinquent Assessments. As more particularly provided in California Civil Code Section 5675 or comparable superseding statute, the amount of any delinquent Regular, Special, Special Individual, or Emergency Assessment, together with any late charges, interest and collection costs (including reasonable attorneys' fees) shall become a lien upon the Lot of the Owner so assessed only when the Association causes to be recorded in the Office of the County Recorder of the County, a Notice of Delinquent Assessment executed by an authorized agent or representative of the Association. At least thirty (30) days prior to recording an assessment lien, the Association shall follow all pre-lien procedures set forth in California Civil Code Section 5660, as may be amended from time to time, including sending a pre-lien letter by certified mail to the delinquent Owner and providing the Owner with all legally-required notifications of an Owner's rights. The decision to record a lien shall be made by the Board at an open meeting. Upon payment in full of the sums specified in the assessment lien, and such sums as may become due and be charged up to the date of payment, the Association shall cause to be recorded a release of the assessment lien.

(ii) Remedies Available to the Association to Collect Assessments. After the expiration of thirty (30) days following the recording of an assessment lien and, if all legal requirements are met, the Association may initiate a legal action against the Owner personally

obligated to pay the delinquent Assessment for a money judgment and/or foreclose its lien against the Owner's Lot. In order for the Association to initiate foreclosure of its assessment lien, the Owner must be delinquent in the payment of assessments for twelve (12) months or in the sum of at least \$1,800 in assessments. The Association may, alternatively, file an action in Small Claims Court for a money judgment without waiting for assessments to reach \$1,800 or for twelve months to pass without payment. The Association may accept a deed in lieu of foreclosure. Foreclosure by the Association of its lien may be by judicial foreclosure or by non-judicial foreclosure.

4.11 Assignment of Rents. Each Owner does hereby presently assign to the Association, absolutely and regardless of possession of the property, all rents and other monies now due or hereafter to become due under any lease of a Lot within the project for the purpose of collecting all Assessments due the Association which are in default. The Association hereby confers on each Owner the authority to collect and retain the rents and other monies derived from any such lease as they become due and payable, provided that the Association in its sole discretion, may revoke such authority at any time, upon written notice to the Owner of a default in the payment of any Assessment. Upon revocation of such authority the Association may collect and retain such monies, whether past due and unpaid or current.

4.12 Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law of California in effect at the time any Assessment becomes delinquent or any lien is imposed against the Owner's Lot.

4.13 Prohibition on Avoidance of Obligations. No Owner may, by non-use of the Common Area or Common Facilities, abandonment of the Owner's Lot or otherwise, avoid the burdens and obligations imposed on such Owner by the Governing Documents, including, without limitation, the payment of Assessments levied against the Owner and his or her Lot pursuant to this Declaration. There shall be no offsets asserted against assessments for any reason.

4.14 Termination of Obligations. Upon the conveyance, sale, assignment or other bona fide transfer of a Lot to a new Owner, the transferor-Owner shall not be liable for any Assessments levied with respect to such Lot which become due after the date of recording of the deed evidencing said transfer and, upon such recording, all Association membership rights possessed by the transferor by virtue of the ownership of said Lot shall cease. In a voluntary conveyance of a Lot or transfer of the Owner's interest by Quitclaim Deed, the grantee of same shall be jointly and severally liable with the grantor for all unpaid assessments up to the time of transfer of title.

4.15 Priority of Mortgage. No breach of any provision herein contained nor the enforcement of any assessment lien as provided herein shall defeat or render invalid the lien of any mortgage or deed of trust made in good faith and for value, but all of the provisions shall be binding upon and shall be effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

The lien or charge of any first mortgage of record (meaning any recorded mortgage

or trust deed) made in good faith and for value shall have priority over the lien for the maintenance assessment provided herein.

4.16 Personal Obligation. All assessments, late charges, interest, collection costs and attorneys fees and costs shall be a debt and personal obligation of the person or entity who was the Owner of the Lot at the time the assessment was levied. In a voluntary conveyance of a Lot by a Member, the buyer shall be jointly and severally liable with the seller for all unpaid assessments, late charges, interest, costs, and penalties up to the time of the grant or conveyance, without prejudice to the buyer's right to recover from the seller the amounts paid by the buyer. All Members owning a partial interest in a Lot shall be personally liable, jointly and severally, for the entire amount of any and all assessments against such Lot. Every Owner shall, pursuant to this Declaration, assume the monthly payments of any unpaid long-term special assessment the purpose of which is to repay a loan, whether SBA, private, or other government loan, obtained by the Association.

ARTICLE V

DAMAGE OR DESTRUCTION OF IMPROVEMENTS

5.1 Destruction; Proceeds Exceed 85 Percent of Reconstruction Costs. If there is a total or partial destruction of the improvements in the Project, and if the available proceeds of the insurance carried are sufficient to cover at least 85 percent of the costs of repair and reconstruction, the improvements shall be promptly rebuilt. The Association shall solicit and obtain bids from at least three (3) reputable and qualified contractors to repair and reconstruct the improvements in accordance with the original plans and shall present this information to the Owners at a meeting.

5.2 Destruction; Proceeds Less Than 85 Percent of Reconstruction Costs. If the proceeds of insurance are less than 85 percent of the costs of repair and reconstruction, the improvements shall not be rebuilt unless, at a duly constituted meeting or by written ballot, at least 51% of the owners shall determine that repair and reconstruction shall take place. The Association shall solicit and obtain bids from at least three (3) reputable and qualified contractors to repair and reconstruct the improvements in accordance with the original plans and shall present this information to the Owners at the meeting.

5.3 Apportionment of Assessments. If the Owners determine to rebuild, each Owner shall be obligated to contribute a share of the cost of reconstruction or restoration over and above the available insurance proceeds according to the square footage of his or her unit. If any Owner fails or refuses to pay his or her proportionate share, the Association may levy a Special Assessment against the Lot of such Owner, which may be enforced under the lien provisions provided in this Declaration.

5.4 Rebuilding Contract. If the Owners determine to rebuild, the Board or its authorized representative shall, after obtaining bids from at least three (3) reputable and qualified contractors, award the repair and reconstruction work to the contractor the Board or Committee considers the most qualified. It shall be the obligation of the Association to take all steps necessary to assure the

commencement and completion of authorized repair and reconstruction at the earliest possible date. The property shall be reconstructed in accordance with the original plans of construction unless changes recommended by the Board of Directors shall have been approved by 51% of the voting owners and by all holders of record of encumbrances upon the Lots. The Board shall have the authority to require owners and residents to vacate their Lots in order to accomplish repairs and reconstruction upon at least thirty (30) days' notice.

5.5 Rebuilding Not Authorized. If the Owners determine not to rebuild, then, any insurance proceeds then available for such rebuilding and all net proceeds of sale shall be distributed to each Owner according to the square footage of each unit to the total square footage of all units, after payment to the Mortgagees of any balance due upon any valid encumbrance of record. The square footage of each shall be determined by the County Assessor's tax roll. The Association shall have the duty, within 120 days from the date of destruction, to execute, acknowledge, and record in the office of the County Recorder of the County, a certificate declaring the intention of the Owners not to rebuild.

5.6 Owners May Not Repair Common Area. No Owners shall repair, modify or change in any way Common Area without the written permission of the Board. Any violation of this provision will subject the Owner to a fine, after Notice and a Hearing, pursuant to the Fine Schedule adopted by the Board.

5.7 Damage to Lot. Each Owner, at the Owner's sole expense, shall repair and restore damage to the Owner's Lot, including, but not limited to, those items which the Owner is required to maintain, repair and replace in accordance with this Declaration and Exhibit "A". The work shall be completed promptly following the repair or replacement of the Common Area portions of the building by the Association in the event of partial or total destruction and a determination to rebuild.

ARTICLE VI

ARCHITECTURAL CONTROL

6.1 Improvements in General. No "Improvement" (as defined in Article I) of any kind shall be commenced, modified, constructed, installed, erected or maintained within the Property, nor shall any exterior addition to or change or alteration be made in or to any portion of the Common Area, any Common Facilities, the exterior of a Lot, or any Exclusive Use Common Area until the plans and specifications showing the nature, color, kind, shape, height (including front, side and rear elevations), materials, and location of the same shall have been submitted to and approved in writing by the Board as to quality of workmanship and materials and harmony of external design and location in relation to surrounding structures. The Owner shall provide to the Board a copy of any building permits required by the City for the work to be done. No modification to the electrical wiring or plumbing in the Common Area or any other component shared with other Owners or any structural modification to the roofs, walls, foundation, garage, etc. shall be made. An exception will be modifications required to accommodate a disability, in which case the Owner of the Lot shall obtain the prior written approval of the Board and bear the expense of the modifications and of returning the Common Area to its original condition upon selling or vacating the Lot.

6.2 Skylights and Solar Tubes. Skylights and solar tubes are prohibited, except that those skylights and solar tubes which presently exist may remain, subject to the Owner of the Dwelling being responsible for all repairs, replacements, leaks, and damages to the Dwelling, a neighboring Dwelling or the Common Area. The Owners of all currently existing skylights and solar tubes shall execute a Covenant Running with the Land to ensure that purchasers and successors in interest in the Lot remain responsible for the maintenance, repair and replacement, as well as damages caused by the skylight and/or solar tube.

6.3 Submission of Plans; Action by Board. Plans and specifications for the proposed Improvement shall be submitted to the Board of Directors by personal delivery or certified mail to as directed by the Board of Directors. For any Improvements requiring a building permit, a copy of the building permit shall be submitted to the Board of Directors with the plans and specifications.

6.4 Approval or Disapproval. The Board may inspect the area where the work is proposed to be done and reserves the right to inspect the work after it has been completed to ensure that it complies with approved plans. Approval of the Board may contain conditions or requests for modification of particular aspects of the Owner's plans and specifications. Approval or denial of plans shall be communicated in writing within Forty Five (45) days of submission of all plans, specifications and materials required by the Committee. If the application for approval is not granted in writing within Forty Five (45) days, the application shall be deemed denied, subject to the Owner's right to re-submit the application.

6.5 Reconsideration by the Board. If a proposed modification or change is disapproved in writing, the Owner is entitled to reconsideration by the Board at an open meeting of the Board.

6.6 Architectural Rules. The Board may, subject to Civil Code Section 4355, adopt, amend and repeal rules and regulations to be known as "Architectural Rules." Said rules shall interpret and implement the provisions of this Declaration by setting forth the standards and procedures for the review and approval of proposed Improvements and guidelines for architectural design, placement of any work of Improvement or color schemes, exterior finishes and materials and similar features which are recommended for use within the Property, provided that said rules shall not be in derogation of the minimum standards required by this Declaration. In the event of any conflict between the Architectural Rules and this Declaration, the Declaration shall prevail.

6.7 Non-Complying Improvements. Failure to comply with the Architectural provisions of this Declaration, the rules and regulations of the Association, building codes, any law or ordinance, or the terms and conditions of the Board's approval, may result in the Board requiring the removal of the Improvement and restoration of the area of the building to its pre-modified condition, or the modification of the Improvement to make it conform to the Board's conditions of approval. The removal or modification of the Improvement shall be made by the Owner, at his/her expense, within 30 days of notification to the Owner by the Board or within such shorter time as the Board may determine is necessary for safety reasons or such longer time as the Board may determine is necessary. If the Owner fails to remove or modify the Improvement within the time specified, the Board may do so and assess a Special Individual Assessment against the Owner to pay for the

expenses incurred by the Association.

6.8 Variances. The Board may grant a reasonable variance, if requested by an Owner prior to constructing the Improvement, in order to prevent unnecessary hardship or expense or to avoid impractical requirements, provided the variance does not violate the provisions of this Declaration, does not amount to a material deviation from the overall plan and scheme of development, does not detrimentally affect or create a nuisance to any other Lot or the Common Area, and does not violate any government order, code or law.

ARTICLE VII

RESTRICTIONS ON USE OF LOTS AND COMMON AREA

In addition to the restrictions established by law and Association Rules, which are not inconsistent with this Declaration, the following restrictions are hereby imposed upon the use of Lots, Common Areas, and Exclusive Use Common Area within the Property.

7.1 Residential Use. The use of each Lot within the Property is hereby restricted to Residential Use, as defined in Article I hereof.

7.2 Interior Improvements. Any interior Improvement to a Lot involving structural components of the building structure such as the roof, walls, foundation, etc. shall require prior written architectural approval from the Board, shall be in compliance with the governing documents, and shall require a permit, when required by law. Work requiring approval shall include, but not be limited to, window replacement, electrical re-wiring, air conditioner installation, the alteration or replacement of pergolas and patio covers, the replacement of garage doors and entry doors, the alteration of any load bearing walls, and any alterations or replacements that can be seen from the Common Area or affect other Lots. Under no circumstances shall any Owner undertake any activity or work with respect to the Owner's Lot that will impair the structural soundness or integrity of another Lot, any Common Area or impair any easement. All work performed within a Lot which requires approval by the Board shall be done by a licensed and insured contractor and a permit shall be obtained by the Owner, if necessary. A copy of the contractor's certificates of insurance and State contractor's license shall be included with the application to the Board. The Owner is responsible for all work done by a contractor hired by the Owner and the Board's approval of an application shall not make the Association responsible if the work is not performed to Code, not carried out with the necessary skills, or not carried out with required permits.

7.3 Use of and Damage to Common Area. No Owner, Resident, invitee, or guest may make any improvement, alteration or modification to the Common Area or Common Area Facilities, or remove, add or alter any furnishings, structures or landscaping materials without the prior written consent of the Board. Nothing shall be attached to the exterior of the building by any Owner, unless approved in writing by the Association prior to attachment or unless specifically permitted by law. No holes shall be made in the stucco. No potted plants are permitted to be placed on the patio walls. The Common Area shall not be obstructed by any person or object. Each Owner shall be liable to the Association for any damage to the Common Area and Common Facilities that may be sustained

by reason of the negligent or intentional conduct of the Owner or Resident, that Owner's or Resident's family members, contract purchasers, contractors, tenants, guests, or invitees and the Association shall have the right, after notice and a hearing, to levy a Reimbursement Assessment for damage to the Common Area and Common Facilities. No Owner or occupant shall have the right to exclusive use of the Recreational Facilities in a manner that would preclude another Owner or occupant from using the facilities. Each Owner, by acceptance of his or her deed, agrees personally and for family members, contractors, contract purchasers, tenants, guests, and invitees, to indemnify the Association, and to hold the Association harmless from, and to defend it against, any claim of any person for personal injury or property damage occurring within the Lot of the Owner, including the patios and garage. Indemnification of the Association is not required in the event (i) that such injury or damage is covered by liability insurance carried by the Owner in whose Lot the injury or damage occurred, or (ii) the injury or damage occurred by reason of the willful or negligent act or omission of the Association.

7.4 Prohibition of Offensive Activities. No illegal, noxious or offensive activities shall be carried on or conducted upon any Lot or Common Area nor shall anything be done within the Property which is or could become an unreasonable annoyance or nuisance to other Owners or Residents. Without limiting the foregoing, no Owner or Resident shall cause or permit unreasonable noise, including, but not limited to, barking dogs, the operation of excessively noisy air conditioners, stereo amplifier systems, television systems, motor vehicles or power tools, or excessively loud talking or yelling, to emanate from an Owner's Lot or from activities within the Common Area, which would unreasonably disturb any other Owner's or Resident's enjoyment of his or her Lot or the Common Area. No horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of a Lot and its contents, shall be placed or used on any Lot. The Board of Directors of the Association shall have the right to determine if any noise, odor, or activity producing such noise or activity constitutes a nuisance and impose fines in accordance with the Association's Fine Schedule, after notice and a hearing.

7.5 Household Pets.

(a) No animals, livestock, reptiles, fish, insects, birds, or poultry shall be kept in any Lot, except usual and ordinary domestic dogs, cats, fish, and birds inside bird cages may be kept as household pets provided that they are not kept, bred, or raised for commercial purposes or in unreasonable quantities ("unreasonable quantities" shall mean more than 4 animals, birds, or pets.) Dogs and cats must be licensed and spayed or neutered.

(b) All pets shall be kept within the Lot or carried or kept on a leash by a person capable of controlling the pet (including cats) during ingress and egress through the Common Area. No pet is permitted to roam the Common Area. No pet is permitted in the Common Area without a leash. No pets are permitted in the pool or spa areas.

(c) Each person bringing or keeping a pet on the Property shall be solely responsible for the conduct of the person's pets and injury or damage, if any, caused by the pets. The Association, its Board, officers, employees and agents shall have no liability to any Owners,

Residents, their family members, guests, invitees, tenants and contract purchasers for any damage or injury to persons or property caused by any pet. No dangerous or threatening pets are permitted.

(d) Each pet owner shall clean up after such pet. An Owner shall not permit a pet to relieve itself on the Common Area and shall clean up after the pet if the pet relieves itself in the Common Area. If the pet relieves itself on the Lot's patio, then the Owner shall promptly remove the waste. Pet owners shall comply with City ordinances. A pet shall not be kept on the patio in the Owner's absence, nor tethered, tied or chained in exterior Exclusive Use Common Area or the Common Area.

(e) The Board of Directors shall have the right to establish and enforce rules and regulations for the reasonable control and keeping of household pets in, upon and around the Property to ensure that the same do not interfere with the quiet and peaceful enjoyment of the Property by other Owners and Residents. The Board of Directors shall have the right to ask an Owner or Resident or guest of either to remove a pet from the Property permanently if the pet is determined to be a nuisance or considered dangerous.

7.6 Signs. No advertising signs or billboards shall be displayed on any building or posted within or upon any portion of the Common Area, except as permitted by law. Owners may display one sign in plain view of the public which advertises their Lot "For Rent", "For Lease", "For Sale", or "For Exchange" within the patio space bounded by the patio walls or in such other place as may be designated by the Board. The sign shall be no larger than 18" by 30" in size and of reasonable design. Owners may display non-commercial signs, posters, flags and banners on or in their Lots only in accordance with Civil Code Section 4710. This provision does not apply to signs posted by the Board of Directors on Common Area.

7.7 Business Activities. No business or commercial activities of any kind whatsoever shall be conducted in any Lot, Dwelling, patio or garage without the prior written approval of the Board. No restrictions contained in this Section shall be construed in such a manner so as to prohibit any Owner from maintaining a home office, unless other Residents are disturbed by an unreasonable number of visitors to the Property, excessive noise, or additional traffic. This restriction shall not prohibit leasing of a Lot, subject to Article VIII of this Declaration.

7.8 Garbage. No rubbish, trash, or garbage shall be allowed to accumulate within or outside of any Lot or in the Common Area or Exclusive Use Common Area. No Owner or Resident shall allow an accumulation of trash, debris, paper, or other items which would create a fire or health hazard or invite infestation of termites and other pests. Any extraordinary accumulation of rubbish, trash, garbage or debris (such as debris generated upon vacating of premises or during the construction of modifications and Improvements) shall promptly be removed from the Property to a public dump or trash collection area by the Owner or Resident at his or her expense. Trash cans shall be stored out of sight, except for 24 hours prior to and following trash pickup. No large or bulky items such as mattresses, furniture, small or large appliances, or other such large items shall be placed within the bin or trash bin enclosure. Owners shall be required to call management and arrange for a pick up of the large items at the expense of the Owner or occupant.

7.9 Clotheslines. No exterior clothesline shall be erected or maintained and there shall be no drying or laundering of clothes or any article in a manner which is visible from any neighboring Lot, the street or the Common Area.

7.10 Antennas and Similar Devices. No Owner or Resident shall place or maintain any objects, such as wires, masts, towers, poles, television and radio antennas, or television satellite reception dishes on or about the exterior of any building, the roof, or on any Common Area within the Property, except on the fascia of the building within the patio area or as may be permitted by law. Objects must not encroach upon any common elements or any other Owner's individual Lot. The Board of Directors may adopt guidelines for the placement of satellite dishes, and other similar devices, within the Property. The Owner of the satellite dish shall be responsible for removing any birds' nests which may exist on the wiring for the satellite dish under the eaves. Each Owner is responsible for removing any satellite dish that is not in use.

7.11 Machinery and Equipment. No machinery or equipment of any kind shall be placed, installed, operated or maintained upon or adjacent to any Lot, Exclusive Use Common Area, or the Common Area, except such machinery or equipment as is usual or customary in connection with the use, maintenance or repair of a Lot or appurtenant structures within the Property. No carpenter shops which create an unreasonable disturbance to neighbors are permitted on the Property. Air conditioning units may be maintained on the patio or on the ground adjacent to the Lot, subject to AC approval.

7.12 Parking and Vehicle Restrictions. The following parking and vehicle restrictions shall apply within the Property:

(a) All Owners and Residents shall park at least one of their vehicles within their garage.

(b) Parking is restricted on Association-owned streets and alleys. A parking sticker must be displayed by Owners and Residents on their authorized vehicles parked on the street. Only one guest parking space per Lot shall be used by a guest of an Owner. The only vehicles permitted to be parked within the parking spaces are standard passenger automobiles, passenger vans, trucks and motorcycles which fit between the lines of the parking space and do not protrude into a driveway. No vehicle may park in more than one parking space. No Recreational Vehicles, Commercial Vehicles, as defined herein, or vehicles deemed a nuisance by the Board are permitted to be parked in the Common Area parking spaces or anywhere on the Common Area, except as otherwise provided herein. The Board may designate a portion of Master Cup for oversize Commercial Vehicles. Commercial Vehicles may park within guest parking spaces only during the period of time that a delivery is being made to a Lot or during the period of time that work is being done to a Lot. Unauthorized vehicles may be towed.

(c) Vehicles leaking gasoline, oil or other fluids are prohibited from parking in the Common Area parking spaces. Any costs related to the cleanup or damage caused by the leakage of fluids shall be assessed to the Owner of a Lot who causes or whose guest causes the damage. A

Reimbursement Assessment may be levied following notice and a hearing.

(d) No portion of a garage parking space shall be sold, transferred, assigned or rented to any person nor shall any portion of a garage be retained in the ownership of a non-Owner, except in connection with the permitted rental or lease of a Lot.

(e) All vehicles must be operated at a safe and slow speed and in a quiet manner at all times within the private driveways.

(f) No vehicle shall park so as to block traffic, entrances, driveways, sidewalks, fire lanes, garages, or other vehicles. All private streets and alleys are designated fire lanes, except those portions which are designated parking spaces. Parking is prohibited within 15 feet of a fire hydrant. The Association has the authority to enter into an agreement with a licensed and bonded towing company pursuant to California Vehicle Code Section 22658.2(c) or any successor statute to remove any vehicle which is stopped, parked, or left unattended or which encroaches into any fire lane.

(g) No vehicle maintenance, repairs or restorations shall be performed within the Project, except for emergency repairs necessary to move the vehicle to a repair facility or maintenance and repairs performed wholly within a garage which are not a nuisance to other Residents.

(h) In the event a Resident damages a building or other Common Area with a vehicle, the damage shall be reported promptly to the Board. In the event of damage to another person's vehicle or personal property, the damage should be reported promptly to the owner of the vehicle or property.

(i) Any person who causes damage to the Common Area shall be financially responsible to reimburse the Board for the repair. The Board shall have the authority to levy a Special Individual Assessment, after notice and a hearing, against any Resident who causes or whose guests cause such damage. Owners are responsible for damage caused by their Tenants and guests. Owners and Residents are responsible for advising their Tenants and guests of the parking rules.

(j) All dilapidated and inoperable vehicles shall be stored within the garage or off the Property. 'Inoperable' shall mean any vehicle which lacks an engine, transmission, wheels, tires, doors, windshield, or any other major part or equipment necessary to operate safely on the highways. It also means any vehicle which lacks license plates or does not have a current state license registration displayed on its license plate and vehicles with flat tires. 'Dilapidated' means any vehicle which is not clean or otherwise properly maintained in good condition. This includes vehicles with chipped paint, no paint, primer, or various colors of paint which are not applied by the original manufacturer.

(k) No vehicle parked within a garage or on the Common Area street parking spaces shall be used as living quarters.

(l) Neither the Association, the Board nor management shall be responsible for the maintenance, insurance, liability, theft, vandalism or any damage to a vehicle or to any personal property within the vehicle.

(m) Parking passes for Residents and Guests shall be plainly displayed on every vehicle within the Project as required by the Rules. Parking passes for guest parking, along with the use of other Common Facilities such as swimming pools and the tennis court, may be suspended by the Board, after notice and a hearing, based upon a delinquency in the payment of assessments and other charges.

(n) The Board shall have the authority to promulgate reasonable rules and restrictions of uniform application regarding parking and vehicles within the Property as may be deemed prudent and appropriate, including establishing speed limits and posting signs and establishing a permit system in which permits for Resident and guest parking shall be displayed.

7.13 Activities Affecting Insurance. Nothing shall be done or kept within any Lot or within the Common Area which will increase the rate of insurance on any policy maintained by the Association without the prior written consent of the Association and no Owner or Resident shall permit anything to be done or kept within his or her Lot or within the Common Area which would cause any Improvements to be uninsurable against loss by fire or casualty or result in the cancellation of insurance on any Lot or any part of the Common Area.

7.14 Windows and Doors. Windows may only be covered by drapes, shades, shutters, or blinds, and may not be painted or covered with foil, cardboard, sheets, towels, or other materials which are not customarily used to cover windows. The exterior facing side of window coverings facing the Common Area shall blend in with the color scheme of the building. Exterior shades, shutters, or canopies are prohibited without the prior written approval of the AC. All window coverings must be maintained in good condition and appearance by the Owner. Windows shall have screens which are maintained in good condition. Screen doors shall not be propped open or left open except when entering or exiting the Lot.

7.15 Garage. Each Owner or Resident shall park at least one vehicle in the garage located on the Lot. No Owner or Resident shall store anything within the garage, including, but not limited to, hazardous items, propane tanks, gas cans, chemicals, explosive items, or other items which could cause a fire or explosion or pest infestation. Garage doors shall remain closed at all times, except during entry and exit and for reasonable periods of time while using the garage space for activities other than parking. Garage sales are not permitted within the Project, unless the Board authorizes a community garage sale.

7.16 Air Conditioners. No air conditioner shall be installed or maintained which shall become a nuisance to neighboring Owners due to noise. Air conditioners shall be maintained by Owners. The installation of any air conditioner shall require the prior written approval of the Board. No air conditioner shall be installed in a window or wall. Any replacement air conditioner must be located in the same location as the existing or previous air conditioner.

7.17 Basketball Standards. No basketball standards or other sports equipment shall be permitted within the Property except as authorized in writing by the Board for common use.

7.18 Storage. No person shall store or leave personal property within the Common Area, including but not limited to the walkways and pool and spa areas. No Resident shall leave towels, shoes, furniture or mats in the Common Area driveways or walkway, pool or spa areas.

7.19 Burning. No person shall start or maintain any exterior fires except for barbeque fires for cooking food within barbeques or areas designed for this purpose.

7.20 Smoking. No Owner, Resident or guest shall smoke cigarettes, cigars, marijuana, e-cigarettes or other similar items in the Common Area, including the pool area. Owners and Residents who smoke within their Lots, including on the patio, shall take all reasonable measures to prevent smoke from escaping from their Lot into other Lots or the Common Area, including keeping windows and doors closed. Smoking is prohibited on the patios if it becomes a nuisance to other Owners or Residents.

7.21 Marijuana/Cannabis Use and Cultivation. The Association has the authority to regulate all activities in the Common Area and within the Lots, including the garages and patios, which have the ability to become a hazard or nuisance to other residents. Whenever the word marijuana is used herein, it shall also be construed to include cannabis. The outdoor and indoor cultivation of marijuana within the project is expressly prohibited, whether for personal or commercial use or distribution. The consumption, possession or use of marijuana in the Common Area is also prohibited. The consumption or use of marijuana within a Lot, if the smoke or odor drifts into other residents' Lots or Common Area is also prohibited in order to protect the health and safety of residents from odor, gases, smoke, mold and moisture, risk of fire and electrocution from high intensity lights, risk of explosion from chemical and solvents, and chemical contamination from the use of pesticides and fertilizers and the threat of burglary and robbery. The delivery of marijuana to Lots or the Common Area of the project is also prohibited, as well as the profit or nonprofit nonmedicinal uses, operations and activities.

7.22 Water Conservation. Every Owner and Resident shall comply with any governmental drought regulations.

7.23 Exterior Decorations or Objects. Nothing shall be placed on, attached to, or affixed to the doors, windows, patio walls, or exterior of the building so as to be visible from the exterior of the building. Exceptions to this provision shall be tasteful decorations for holidays and special occasions. The Board has the authority to adopt rules regarding tasteful decorations and their duration of display. Holiday decorations may only be displayed on the patio. No cords or decorations shall be placed in the Common Area, including, but not limited to, the lawn areas, bushes, trees, sidewalks, or on the outside of the patio walls.

7.24 Solar Energy Systems and Panels. No solar energy system or panels shall be installed

on the roofs of the Lots until the Owner applies to the Architectural Control Committee for approval. An applicant Owner shall submit a solar site survey to determine usable solar roof area and an equitable allocation of the usable solar roof area among all owners sharing the same roof and the Owner shall reimburse the Association for the cost of an expert to review the solar site survey prior to the solar energy system being considered for approval. Approval shall be conditioned upon the Owner notifying each other Owner of a Lot within the building of the application to install a solar energy system, require the Owner doing the installation to maintain a homeowner liability insurance policy with policy limits of a minimum of One Million Dollars (\$1,000,000) at all times and provide the Architectural Control Committee with a certificate of insurance within 14 days of approval of the application and annually thereafter. An Owner and each successive Owner of a solar energy system shall be responsible for the costs of damage to the Common Area or Lots resulting from the installation, use, maintenance, repair, removal or replacement of the solar energy system, any roof warranty becoming void due to the solar energy system, the costs for the maintenance, repair and replacement of the solar energy system, and the costs for restoration of the Common Area or Lots. The conduit for the solar energy system shall not be visible from the exterior of the building. An Owner of a solar energy system is responsible for ensuring that the system does not cause noise or become too hot so that it poses a danger to the building. The Owner is responsible for removing and replacing the solar energy system when the Association re-roofs the building. An Owner is responsible for reimbursing the Association for the cost of trimming any trees in the Common Area that may interfere with the solar energy system's operation. An Owner has no authority to require another Owner to trim a tree to accommodate the solar energy system's performance. An Owner of a solar energy system is prohibited from selling energy to other Lots' Owners.

7.25 Patios. Each Owner shall maintain his or her patios in a clean and neat condition. Trees planted in the patio area shall not grow higher than the gutters of the building. Each Owner shall cultivate and care for the plants, trees and other vegetation on his or her patios.

7.26 Views. There are no protected views within the Project. Any view may be altered or impaired by construction or landscaping and by accepting a Deed to the Lot, each Owner consents to such alteration or impairment.

7.27 Drainage. No Owner or Resident shall interfere with the drainage established at the time the Project was developed.

7.28 Variances. Upon application by any Owner or Resident, the Board of Directors shall be authorized and empowered to grant reasonable variances from the property use restrictions set forth in this Article, if specific application of the restriction will, in the sole discretion of the Board, either cause an undue hardship to the affected Owner or Resident or fail to further or preserve the common plan and scheme of development contemplated by this Declaration.

7.29 Solicitation. All solicitation is prohibited within the development, except for campaigning for Association elections.

ARTICLE VIII
LEASING OF LOTS

8.1 Restrictions on Rental Lots.

(a) Occupancy Limits. No more than two (2) persons per bedroom plus one additional person shall occupy a Lot. The Dwellings on the Lots range in size from Two bedrooms to Four bedrooms. The Board has the authority to investigate the number of persons living in a Dwelling and may discipline any Owner who exceeds the allowed number of persons. Occupants may request a variance from the Board by written application explaining how many persons are requested to occupy the Unit, the names of the occupants, the occupants' ages, and the reason for the request for the variance. If such a variance would cause an unreasonable number of persons to occupy a Lot, the Board may refuse to grant the variance. This restriction is not intended to discriminate against families with children, disabled persons, or other protected classes of persons. The purpose of this restriction is to prevent over-use of the Association's resources, including water paid for by the Association, the sewer system, parking spaces, and other facilities and to reduce noise. The restriction is to prevent an excessive number of persons from occupying a Lot. The Board shall be authorized to levy an additional assessment against any Owner in violation of this provision in order to pay for water and additional resources used by the persons occupying the Lot.

(b) Restriction on the Number of Rentals.

(1) Number of Rentals. In order to limit the number of rental units to comply with lender's guidelines, prevent transient tenancy, and to avoid increased insurance premiums, any person who acquires title to a Lot on or after the effective date of this Section may lease or rent the entire Lot for a period of not less than twelve (12) months to the same tenant, provided that the percentage of Lots occupied by tenants may not exceed Seventy Eight (78) Lots, which is Twenty Five Percent (25%) of the Three Hundred Ten (310) total Lots.

(2) Number of Rental Dwellings on the Effective Date of this Provision. All Lots owned and rented at the time this provision goes into effect are permissible rental units ("Existing Owners"). None of the Existing Owners of Lots shall lose their right to rent unless they sell their Lot or otherwise no longer own the Lot. The ability to rent a Lot may not and shall not be transferred by the Owner of a Lot to a purchaser or other person who acquires title to the Lot after the effective date of this Section. The Association shall establish a waiting list for persons who acquire title to a Lot after the effective date of this provision, if the number of Lots rented is Seventy Eight (78) or more.

(3) Owners Subject to this Provision. Any Owner who acquires title after this provision is effective ("Subsequent Owner") and rents his/her Lot ("rental unit") in compliance with this Section may continue to rent his/her Lot until title to the Lot is transferred, sold, conveyed, foreclosed, decreed, or changes title in any other manner, provided the number of existing Lots rented is less than Seventy Eight (78) Lots in the development.

(4) Definition of Rental Unit. A Lot shall be considered a rental unit whenever it is occupied solely by someone other than the Owner, whether as the result of the payment of rent or otherwise. "Tenant" as used herein refers to any person, other than the Owner, who occupies the Dwelling, whether as the result of the payment of rent or otherwise.

(5) Waiting List. Once the number of rental units reaches Seventy Eight (78) Lots, the Board shall establish a waiting list to permit other Owners who have a genuine intent to rent their Lots to have the opportunity to rent their Lots. Once a rental unit is sold by an Existing Owner and the total number of Existing Rental Units is below Seventy Eight (78) Lots, then Owners on the waiting list shall be entitled to priority on a first-come, first-served basis, unless an Owner is unable to occupy his or her Lot due to a hardship, in which event the Board shall hold a hearing in order to verify the exception and authorize the Owner to rent his/her Lot prior to Owners before him/her on the waiting list. Even though there may be Seventy Eight (78) rental units, the Board may grant an exception to an Owner or the Owner's heirs and representatives based upon a hardship. All exceptions shall be documented in a written Resolution by the Board. Upon sale or any transfer of title to a Lot, the Lot shall cease to be considered a rental unit and the Owner whose name is next on the waiting list shall be permitted to rent his/her Lot if the sale or transfer places the number of rental units below Seventy Eight (78).

(c) Discipline of Lessees. The Board is authorized to inspect a Lot for health hazards or security issues, after providing reasonable notice, if the Board has reason to believe that there is a health hazard or security issue present based upon complaints of concerned Residents or due to observation by the Board from the Common Area. Subject to Section (e), in the event that any Tenant fails to honor the provisions of any Governing Document, the Association may, but shall not be obligated, to take such corrective action as it deems necessary or appropriate under the circumstances, which may include suspension of the Tenant's privileges to use any recreational Common Facilities, or the imposition of fines and penalties against the Owner and/or Tenant.

Any fine or penalty levied pursuant to this section may not be enforced by foreclosure of a lien. If a fine or penalty is imposed as a result of the conduct of a Tenant, the Tenant agrees to be personally obligated for the payment of such fine or penalty in the event the Owner fails to pay the fine or penalty prior to the delinquency date. This provision, however, shall not be construed to release the Owner from any obligation, including the obligation to pay any duly imposed fine or penalty for which such Owner would otherwise be responsible.

(d) Owner's Duty to Notify Association of Tenants and Contract Purchasers. Prior to any Tenant moving into an Owner's Lot, the Owner shall notify the Secretary of the Association or the Association's property manager, if any, of the name, e-mail address, and phone numbers of each Tenant, along with the year, make, model, vehicle identification number, and license plate number of any vehicle belonging to the Tenant. Each Owner and Tenant shall also notify the Secretary of the Association of the names of all persons to whom such Owner or Tenant has delegated any rights to use and enjoy the Property and the relationship that each such person bears to the Owner or Tenant.

8.2 Lease Subject to CC&Rs and Rules and Regulations. No Lot may be leased without a written rental agreement, a copy of which shall be provided to the Board of Directors. Any lease or rental agreement must be in writing and must be subject to the requirements of this Declaration and the Rules and Regulations of the Association. The rental agreement shall specify the names of all tenants intending to occupy the Lot and no other tenants shall occupy the Lot. Each adult Tenant shall acknowledge in writing his or her agreement to comply with the CC&Rs and Rules and Regulations and a copy of this Acknowledgment presented to the Board.

8.3 Prohibited Rentals. No Owner may rent his or her Lot for a period of less than twelve (12) consecutive months to the same tenant to be used as living quarters. No Lot may be rented for use as business premises or for business purposes. No Lot may be rented as a time share, a vacation rental, or for any other transient use. No Lot may be advertised for rent or rented for a period of less than twelve (12) consecutive months through Air BNB, Home Away, Craigs List, Vacationrentals.com, Tripping.com, VRBO.com, or through any other rental agency or service, management company, or by Owner or Owner's agent. Any lease of a Lot for less than twelve (12) consecutive months or pursuant to which the Owner provides any services normally provided by a hotel or motel, including providing a furnished Lot, shall be prohibited. No Lot may be sub-leased by the tenant to another tenant or tenants not included in the original lease with the owner of the Lot. No Tenant shall sublease rooms within the Lot to other persons or entities.

8.4 Delegation of Use and Leasing of Lots. Each Owner-lessor shall be responsible for compliance by the Tenant with all of the provisions of the Governing Documents during the Tenant's occupancy and use of the Lot. Any Owner may delegate the Owner's rights to use and enjoy the Common Area and Common Facilities to a Tenant, provided that any rental or lease may only be for residential use and for a term not less than twelve (12) consecutive months, except as otherwise provided herein.

During any period when a Lot has been rented or leased, the Owner, his or her family, guests and invitees shall not be entitled to use and enjoy the Common Areas or Common Facilities of the Properties, except to the extent reasonably necessary to perform the Owner's responsibilities as the Owner of the Lot.

8.5 Discipline and Due Process Requirements for Disciplinary Action. In the event that any Tenant fails to honor the provisions of any Governing Document, the Association may, but shall not be obligated, to take such corrective action as it deems necessary or appropriate under the circumstances, which may include suspension of the Tenant's privileges to use any recreational Common Facilities, including but not limited to the pools, tennis courts and Common Area street parking, or the imposition of fines and penalties against the Owner and/or Tenant. Any fine or penalty levied pursuant to this section may not be enforced by foreclosure of a lien. Except for circumstances in which immediate corrective action is necessary to prevent damage or destruction to the Property or to preserve the rights of quiet enjoyment of other Owners, the Association shall have no right to initiate disciplinary action against an Owner or Tenant on account of the misconduct of a Tenant or a guest of the Owner or Tenant unless and until the following conditions have been satisfied: (i) The Owner has received written notice from the Board or the Association's property

manager or authorized representative detailing the nature of the Tenant's alleged infraction or misconduct and advising the Owner of his or her right to a hearing on the matter; (ii) the Owner has been given a reasonable opportunity to take corrective action on a voluntary basis or to appear at a hearing, if one is requested by the Owner; and (iii) the Owner has failed to prevent or correct the Tenant's objectionable actions or misconduct or evict the Tenant. Such written notice shall be deemed satisfied by sending it via first-class mail to the Owner's last known address.

8.6 Association's Power to Evict.

(a) Any violation of this Article shall provide the Association with the right to initiate an eviction, provided, the Association first gives the Owner notice and the opportunity for a hearing and the opportunity to correct the non-compliance with this Article, if it can be corrected.

(b) Whether or not such right is stated in any rental agreement, every Owner who rents his or her Lot automatically grants to the Association the right to determine a Tenant's default under the Governing Documents and of terminating the tenancy and evicting the Tenant for such default. If the Board takes such eviction action, either in its own name or in the Owner's name, the Owner shall be responsible for all costs thereof either as part of the Judgment obtained by the Association or as a Special Individual Assessment, including reasonable pre-litigation attorney's fees and costs. The Owner shall reimburse the Association within 30 days of notice of the amount of such costs. Each Owner shall also pay to the Association costs incurred in bringing the Tenant into compliance with the provisions of the Governing Documents by restraining order or otherwise, including pre-litigation attorneys' fees and attorneys' fees incurred in litigation. If the Owner refuses to make such reimbursement, the sums may be levied as a Special Individual Assessment against the Owner of the Lot and enforceable by lien and foreclosure or otherwise.

(c) The Association's right to maintain an eviction action hereunder is derived from Section 1160 of the California Code of Civil Procedure and Section 5980 of the California Civil Code and shall arise if the Tenant's conduct involves damage to or destruction of Common Areas, improvements or personal property of the Association, or constitutes a nuisance or unreasonable interference with the quiet enjoyment of other Tenants, or if such Tenant has occupied the premises without Owner's permission and consent or without a written lease agreement entered into between an Owner and Tenant, or if the Tenant is occupying the Lot in violation of the rental limit imposed by Sections (a) and (b) hereof.

(d) Any fine or penalty levied pursuant to this section shall not become a lien against the Owner's Lot. If a fine is imposed as a result of the conduct of a Tenant, the Owner and the Tenant shall be jointly and severally liable for the payment of such fine. Any Tenant charged with a violation of the Governing Documents is entitled to the same notice and hearing rights to which the Owner is entitled if the fine or penalty is to be levied against the Tenant.

8.7 Administrative Fees. The Association shall have the authority to charge a reasonable fee to Owners of Lots that are rented for the purpose of administering changes in occupancy and any additional time required to handle rentals which is not required for Owner-occupied Lots. The

Board may promulgate Rules and/or a Schedule of Fees.

ARTICLE IX
MAINTENANCE AND REPAIR RESPONSIBILITIES

9.1 Association's Responsibilities. The Association shall be solely responsible for all maintenance, repair, upkeep and replacement of the Common Area and Common Facilities as set forth in *Exhibit "A"* attached hereto and incorporated herein by reference and below. In the event of a conflict between *Exhibit "A"* and this Declaration, this Declaration shall prevail.

(a) Generally. The Association shall paint, maintain, repair and replace (as necessary due to normal wear and tear, deterioration or damage or destruction other than by the conduct or omission of an Owner or Resident, their family members, or guests) roofs, perimeter and bearing walls, vertical supports, posts, floors, garages, foundations, gutters, down spouts, stairs, equipment/storage rooms, the playground, tennis court(s), the office, common area walkways, private streets, Common Area parking spaces, and exterior building surfaces, including the stucco and trim of the Residence exteriors. The Association shall also maintain and replace the landscaping, including, but not limited to, the trees, shrubs, grass, planters, parks, greenbelts, and walks within the Common Area, except for trees, plants and shrubs on the patios.

(b) Plumbing. The Association shall maintain, repair and replace all water pipes within the Common Area only. This includes water and sewer pipes from the Dwelling to the street. The Association shall not be responsible for plumbing which serves one Lot or which is located within a Lot, such as sewer pipes.

(c) Windows and Doors. The Association shall not be responsible to maintain, paint, repair or replace the windows or doors of a Lot.

(d) Walkways, Private Streets and Common Area Parking Spaces. The Association shall repair and replace Common Area structures, such as the walkways, private streets and Common Area parking spaces, which in the discretion of the Board need to be repaired or replaced due to wear and tear and deterioration or damage.

(e) Electrical Lines. The Association shall maintain, repair and replace electrical lines which are located within the Common Area, as the Board determines is necessary or appropriate.

(f) Pool, Spa and Storage Room. The Association shall be responsible for maintaining, repairing and replacing the pools, spa and pool area office owned by the Association's Members in common.

(g) Patios. The Association shall be responsible for the repair and replacement of the patio walls and fences, as well as gates, as deemed appropriate by the Board due to normal wear and tear, deterioration and damage not caused by the Owner or Resident.

(h) Water Intrusion. The Association shall repair all damage caused by water intrusion into the Lots from a Common Area source or component, except for the interior of the Dwelling. The Association shall not be responsible for loss of use of the Lot by the Owner or Resident of the Lot or for damage to personal property. The Owner or occupant shall notify the Association immediately upon discovery of any damages caused by water, but in no event more than 24 hours from the date of the water intrusion into the interior of the Lot. The Owner or Resident shall be responsible to turn off the water to the Lot in the event of a leak within the Lot to ensure that the water does not travel to other Lots. If the Board determines that an Owner, negligently or intentionally, caused the water damage, then the Board shall provide notice to the Owner of the costs and expenses incurred by the Association in making the repairs and/or mold remediation and the Owner shall have thirty (30) days from the date of notice to reimburse the Association. If the Owner does not reimburse the Association, after notice and a hearing, the Board may levy a Special Assessment against the Owner responsible for the damage for all costs and expenses, including but not limited to attorneys fees and repair costs.

(i) Pest Control. The Association shall be responsible for termite inspections of the Common Area and for the eradication of termites in building components maintained and repaired by the Association, including the repair and replacement of wood damaged by termites or other wood-destroying pests or organisms. The Owner shall be responsible if the Owner creates a condition which encourages the infestation of termites. Each Owner shall make his/her Lot available for termite inspection upon reasonable notice. The Association shall be responsible for the eradication of other pests, i.e. ants, bees, cockroaches, in the Common Areas. The Board of Directors shall make the determination as to the best method for eliminating the pests and no Owner shall have the right to interfere with the decision to eradicate the pests in the manner deemed best by the Board for the Owners and Residents.

(j) Relocation. The Association shall not be responsible for temporary accommodations of Owners, Residents or their Tenants or family members in the event that repairs to or replacement of the Common Area makes temporary relocation necessary. The Association shall not be responsible for rental income lost by the Owner of a rental Lot if the Lot becomes uninhabitable due to Common Area repairs or replacement.

9.2 Owner Maintenance, Repair and Replacement Responsibilities.

(a) Generally. Each Owner of a Lot shall be responsible for maintaining, repairing and replacing components within the airspace of his or her Lot, patios and garage, including the betterments, improvements, equipment, fixtures, utility improvements such as electrical, plumbing, sewer pipes, telephone wiring, gas lines, cable lines, furniture, furnishings, carpeting, hardwood floors, floor and wall tile, bathroom fixtures, sinks and tubs, shower stalls, toilets, air conditioning and heating equipment, hot water heater, water pressure regulator, refrigerators, washers, faucets, counter-tops, appliances, lighting fixtures, and the interior surfaces of the perimeter walls, ceilings and floors, and partition walls of the Lot, and anything within the airspace of the Lot, patios and garage in a clean, safe, attractive and workable condition. No structural alterations shall be made to the interior of any Dwelling or Lot and no alterations, painting, or changes visible from the

exterior of the Lots shall be made by any Owner without the prior written consent of the Board. Structural repairs are defined as any work requiring a building permit, modifying any perimeter or load-bearing wall, the roof, the foundation, modifying or making any changes to the electrical system or plumbing, or any other work which could affect the Common Area or an adjoining Lot.

(b) Entry Doors to Lot. Each Owner shall be responsible for the maintenance, repair and replacement of the interior and exterior entry doors to the Lot, including the cleaning, hardware, hinges, locks, kick plates, weather proofing, frame and glass, if any. Changes to exterior doors shall require the prior written consent of the Board. Each Owner shall be responsible for re-keying the entry door hardware for his/her Lot, if necessary.

(c) Windows, Sliding Glass Doors and Screens. Each Owner shall be responsible for the maintenance, repair, and replacement of the windows and sliding glass doors and all components of the windows and sliding glass doors of his or her Lot. Changes to exterior windows and sliding doors shall require the prior written approval of the Board. Any Owner making changes to the original windows or sliding doors of the Lot shall be responsible to the Association and any other Owner for any damage caused by a leak in or around the window. An Owner shall be responsible for cleaning and replacing the windows and glass of his or her Lot, both exterior and interior. Each Owner is also responsible for the maintenance and repair of window and door screens. Each Owner shall also be responsible for weather stripping, caulking, painting, staining, and sealing of the windows and sliding doors of his or her Lot.

(d) Air Conditioning and Heating Systems. If an Owner wishes to install an air conditioning system, the Owner may do so after receiving prior written approval by the Board. If an air conditioning system is approved by the Board, the Owner shall be responsible for the maintenance, repair and replacement of any air conditioning and heating systems serving his/her Lot, including, but not limited to, the compressor, pad and condensation lines. The Board shall have the right to adopt Rules and Regulations relating to requests for installation of and the use of air conditioning units.

(e) Plumbing and Electrical. Each Owner shall be responsible for the maintenance, repair and replacement of the plumbing pipes and plumbing fixtures, faucets, toilets, plumbing pipes and lines located within and serving the Lot, including but not limited to water lines on or to appliances such as air conditioners and refrigerators, sewer pipes, and electrical lines which are located within the Lot. The pipes to be maintained, repaired and replaced by Owners shall include pipes within the walls of the dwelling. Each Owner shall maintain his or her toilets in good repair, including, but not limited to, the angle stops and valves so as not to cause water intrusion to flow outside of the Lot. Each Owner shall be responsible for the maintenance, repair and replacement of drain pipes from the showers, tubs, sinks and toilets. Each Owner is responsible for the outdoor water fixtures from the shut-off valve to the Residence, including hose bibs outside the garage and patio. Each Owner shall maintain the sewer and water pipes exclusively serving his or her Lot in an open and unobstructed condition between the point at which said pipes enter the Lot and the point at which the pipes join other sewer and water pipes serving other Lots. Each Owner shall be responsible for the maintenance, repair and proper operation of washers, dryers and refrigerators so

as not to cause damage to the Common Area or other Lots. Every Owner shall cooperate with the Association and other Owners in the maintenance, repair and replacement of sewer and water pipes. If an Owner must obtain access through the exterior of the building to make repairs, the Owner shall obtain the prior written approval of the Board of Directors and shall restore the exterior surface of the building to its pre-repair condition at his/her own cost.

(f) Pest Control. Each Owner shall be responsible for pest control within their Lots, including in the attic and in the studs.

(g) Patios. Each Owner is responsible for maintaining, repairing and replacing all improvements inside the patio walls, including but not limited to, including but not limited to, the patio pergolas and covers, patio slab, tiles, or other flooring surface, trees and plants, sprinklers, any gate, and the hose bib. The Owner shall also be responsible for maintaining, repairing and replacing any sidewalk within his or her Lot. The replacement or installation of any wrought iron gate or anything which is visible from the Common Area requires Architectural Committee approval. The Association shall be responsible for repairing or replacing the patio walls due to normal wear and tear, deterioration, or damage not caused by Owner, Resident, family or guests, or another Owner, Resident, family or guests, or some other person or entity responsible for the damage due to negligence or intentional misconduct. An Owner is responsible for obtaining the prior written approval of the Board for any changes, modifications or replacement of patio components.

(h) Garages. Each Owner is responsible for maintaining, painting, repairing and replacing the garage door serving his or her Lot, including the weather stripping, pursuant to the Association's Architectural Guidelines. Each Owner shall use the Association's designated painter at his or her own expense to paint the garage door to ensure conformity with other garage doors. Each Owner is also responsible for all hardware, mechanical and electrical systems associated with the garage door and door opener. Each Owner is responsible for maintaining the garage in a clean and neat condition so as not to attract rodents, termites and other pests which may damage the structure.

(i) Stove and Dryer Vents. Each Owner is required to maintain and clean all stove vents and dryer vents every six months to ensure safe operation.

(j) Electric Panel Box. Each Owner is required to maintain, repair and replace the electric panel box servicing only his/her Lot.

(k) Exterior Light Fixtures. Each Owner is responsible for maintaining, repairing and replacing light fixtures affixed to the building exteriors. An Owner shall obtain the prior written approval of the Board when replacing any light fixtures. Owners are responsible for replacing light bulbs.

(l) Contractors. Each Owner shall use only licensed and insured California contractors to perform any plumbing, electrical or structural work to the Lot and such Owner shall be responsible for obtaining any required permit.

(m) Mailboxes. The Owner shall be responsible for maintaining, repairing and replacing the mailbox for the Lot. An Owner shall obtain prior written approval from the Board prior to replacing a mailbox and shall repair any damage to the Common Area resulting from installation, maintenance, repair or replacement.

9.3 Party Walls. The rights and duties of the Owners of Lots with respect to party walls shall be governed by the following:

(a) General Rules of Law Apply. Each wall which is constructed as part of the original construction on the Property and any part of which is placed on the dividing line between separate lots, shall constitute a party wall, and with respect to such wall, each of the adjoining owners shall assume the burdens and be subject to an easement for that portion of the party wall on his land, and be entitled to the benefits of these restrictive covenants and, to the extent not inconsistent herewith, the general rule of law with regard to party walls set forth in California Civil Code Section 841 and of liability for property damage due to negligence or willful acts or omissions, shall apply thereto.

(b) Sharing of Maintenance and Repair. If any such party wall is damaged or destroyed through the act of one adjoining Owner or any of his agents or guests or members of his family (whether or not such act is negligent or otherwise culpable) so as to deprive the other adjoining owner of the full use and enjoyment of such wall, then it is the responsibility of the Owner who caused such damage to rebuild and repair same to as good condition as it was originally, without cost to the adjoining Owner.

(c) Destruction by Fire or Other Casualty. If any such party wall is damaged or destroyed by fire or other casualty or by some cause other than the act of one of the adjoining Owners, his agents or family (including ordinary wear and tear and deterioration from lapse of time), then both adjoining Owners shall rebuild or repair the wall to as good condition as it was before, at their joint and equal expense.

(d) Other Changes. In addition to meeting other requirements of these restrictive covenants and of any building code or similar regulations or ordinances, any Owner proposing to modify, make additions to or rebuild his or her Dwelling in any manner which requires the extension or other alteration of any party wall, shall obtain the prior written consent of the adjoining Owner.

(e) Right to Contribution Runs with the Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title.

(f) Dispute. In the event of a dispute between Owners with respect to the maintenance, repair or replacement of a party wall or with respect to the sharing of the cost thereof, the Board, upon receiving the written request of one of the Owners, shall decide the dispute and the decision of the Board shall be final and conclusive upon the parties.

9.4 Damage to other Lots or Common Area. Owners are required to have their own insurance policy covering their Lot and its fixtures such as plumbing, sewers, cabinets, appliances, improvements, furnishings and furniture and for damage caused by components within their Lot which is their repair responsibility. In the event that damage is caused to a Lot, another Lot or the Common Area as the result of a plumbing leak, fire or other casualty originating from within an Owner's Lot, that Owner shall be responsible for paying for the reasonable repair and/or replacement cost of items damaged within the Owner's Lot, another Lot, and the Common Area. If the responsible Owner does not have the required insurance for the repairs, the Board may make the repairs to the Common Area and another Lot and provide notice to the Owner of the costs and expenses incurred by the Association in making the repairs to the Common Area and/or another Lot and the Owner shall have thirty (30) days, or such longer period of time as the Board may determine, to reimburse the Association, after notice and a hearing. If the Owner does not reimburse the Association, the Board may levy a Special Assessment against the Owner responsible for the damage for all costs and expenses, including but not limited to attorneys fees and repair costs, after notice and a hearing. The Association shall not be responsible for handling damage claims by one Owner against another. The Association's licensed plumber or other qualified professional building consultant shall make the determination as to the source of the damage and the determination shall be binding on the Owners affected by any leaks.

9.5 Obligation To Permit Entry by Association and Adjacent Owners. Each Owner shall be obligated to permit the Association, its representatives and contractors, and adjacent Owners and contractors to enter the Owner's Lot for purposes of performing installations, alterations, maintenance or repairs which are reasonably necessary for the use and enjoyment of the Common Area. Requests for entry shall be made at least 24 hours in advance at a mutually convenient time.

9.6 Cooperative Maintenance Obligations. To the extent necessary or desirable to accomplish the Association's maintenance and repair obligations hereunder, individual Owners shall cooperate with the Association and its agents and maintenance personnel in the prosecution of the Association's work. An Owner shall also cooperate with other Owners and Residents who require access to the Owner's Lot for the purpose of making repairs. Each Owner who is affected by Association repairs shall be responsible for his/her own relocation expenses or the expenses of his or her Tenant should the Owner or Tenant choose to or be required to vacate the Lot for repairs.

ARTICLE X **INSURANCE**

10.1. Fire, Casualty and Earthquake Insurance. The Association shall obtain and maintain a "walls out" master or blanket policy of fire and casualty insurance, for the full insurable value (replacement cost) of the Dwelling structures on the Lots, furniture, fixtures, facilities and personal property commonly owned by the Owners collectively. The policy shall exclude the interiors of the Lots, the improvements, betterments, fixtures, and personal property of the Lot Owners. The policy shall cover from the studs of the Dwelling out and no drywall shall be covered. The insurance policy shall be used in the discretion of the Board only for major events such as fire or water damage causing damage to more than one Dwelling. The Association may additionally obtain and maintain

a policy of earthquake insurance, for whatever value is affordable in the Board's discretion, for all the commonly owned buildings, facilities, fixtures and personal property commonly owned by all of the Owners as tenants in common. If available, the policies shall include demolition, increased cost of construction, code upgrade and contingent liability coverage for the proper limits in the event of destruction. The insurance shall be kept in full force and effect at all times and the full replacement value of the insured property shall be redetermined on an annual basis. Any insurance proceeds received from a claim under the Association's master policy shall be used as determined by the Board. Only the Board may make claims against the Association's master policy of insurance, and the Owner who causes the claim is responsible for paying the deductible.

If the Board refuses to either repair damage caused by a Common Area source out of Association funds or file an insurance claim for any damage caused by a Common Area source or component so that a Lot can be repaired, the Association shall be liable to the Owner for the reimbursement of the expense of repairing the damage.

10.2 Public Liability and Property Damage Insurance. The Association shall obtain and maintain a policy of comprehensive public liability and property damage insurance in a sum not less than Three Million Dollars (\$3,000,000) naming as parties insured the Association, each member of the Association Board of Directors, any manager, the Owners of all Lots, and such other persons as the Board may determine. The policy shall insure each named party against liability incident to the ownership, maintenance, and use of the Common Area and any other Association-owned or maintained real or personal property.

10.3 Directors and Officers Liability Insurance. The Association shall obtain and maintain Directors and Officers Liability Insurance in a minimum amount of One Million Dollars (\$1,000,000) covering prior acts in order to ensure that past Board Members are protected for decisions made during their term of service. The policy shall name as insureds not only the current Board Members but also volunteer committee members.

10.4 Fidelity Bond and Other Insurance.

(a) The Board may, in its discretion, obtain and maintain fidelity bonds or insurance in an amount equal to three (3) months assessments plus all reserve funds.

(b) To the extent such insurance is reasonably obtainable or required by any institutional First Mortgagee, the Association may also purchase with Common Funds such additional insurance and bonds as it may, from time to time, determine to be necessary or desirable, including, without limitation, demolition insurance, flood insurance, worker's compensation, commercial umbrella coverage, and boiler and machinery coverage.

10.5 Coverage Not Available. If any insurance policy or endorsement required herein is for any reason not available, then the Association shall obtain such other or substitute policy or endorsement as may be available which provides, as nearly as possible, the coverage described above. The Board shall also notify the Lot owners of any material adverse changes in the

Association's insurance coverage.

10.6 Copies of Policies. Copies of all insurance policies shall be retained by the Association and shall be available for inspection by any Lot Owner at any reasonable time.

10.7 Lot Owners Coverage.

(a) Each Owner shall carry the following insurance (any premises liability and property damage insurance policy shall include a waiver of subrogation clause as to the Association, other Owners, and any institutional First Mortgagee of such Unit):

(1) Lot Owners Insurance Coverage. Coverage on everything within the Owner's Lot from the bare walls and bare ceiling and floor inward, including, but not limited to, betterments and improvements, drywall, fixtures, equipment, furniture, furnishings, carpeting, hardwood floors, floor and wall tile, bathroom fixtures, sinks, tubs, built-in cabinets, counter tops, appliances, lighting fixtures, the patio slab, upgrades to the Lot, etc. The policy shall include coverage for drywall repair or replacement. The limits of the insurance shall be sufficient to repair and replace the items within the Lot. The Owner's insurance coverage shall be primary in the event of damage or loss to the Owner's Lot, the Common Area, or another Owner's Lot, the source of which is a component within the Lot which the Owner is required to maintain, repair or replace, including, but not limited to, plumbing within the walls, sewer, a faucet, toilet, refrigerator hose, washer, dishwasher, air conditioner, or shower valve. Any Owner filing a claim against the Association's master policy for damage caused by a source that the Owner is obligated to maintain, repair and replace shall be fined after notice and a hearing and shall pay the deductible for the claim. The Association shall be entitled to levy a Special Assessment for the deductible if the Owner fails to pay within 30 days of notification.

(2) Loss of use coverage or additional living expenses coverage for living expenses.

(3) Personal property coverage for clothing and other personal property.

(4) Personal liability coverage for accidental bodily injury or property damage to other person's property and medical payments. The Association shall not be responsible for any personal injury, death or damage to property of others which occurs within an Owner's Lot or patios, unless an act or omission by the Association is the sole and direct cause of the injury, death or damage to property of others.

(5) Optional property coverages including special perils or all risk coverage to insure all losses not specifically excluded, higher limit coverage for valuables, coverage for other structures such as the patio.

(6) Lots Regularly Rented to Others coverage, if the Owner rents his/her Lot, to cover losses to the tenant's personal property, liability for injury or death to the tenant, and

medical payments to the tenant.

(b) Each Owner shall obtain and maintain loss assessment coverage and deductible assessment coverage for fire and other casualties, including earthquake, in an amount sufficient to cover the Owner's portion of the deductible and any shortfall in coverage under the Association's master policy. A policy amount of at least \$50,000 is recommended. In the event of fire or other casualty which results in each Owner becoming responsible for the payment of a special or emergency assessment, each Owner with Assessment Loss Coverage shall instruct the insurance carrier to pay the proceeds directly to the Treasurer of the Association to pay for services, labor and materials provided by the Association for repair and/or reconstruction or to replenish reserve funds. Owners who do not comply with this provision will be specially assessed in the event of a fire or other casualty and the Association may foreclose the Assessment Lien if payment is not made.

(c) Each Owner shall provide a declaration of coverage every year for all required insurance and, if the Owner fails to do so, the Owner may be fined, after notice and a hearing.

(d) Each Owner may obtain and maintain an earthquake insurance policy to cover all walls, plumbing, furniture, furnishings, cabinets, and everything else within the Dwelling.

10.8 Trustee. All insurance proceeds payable pursuant to policies maintained by the Association may, in the discretion of the Board of Directors, be paid to a trustee to be held and expended for the benefit of the Owners, Mortgagees and others, as their respective interests appear. Said trustee shall be a commercial bank or other institution with trust powers within the County that agrees in writing to accept such trust.

10.9 Adjustment of Losses. The Board is appointed attorney-in-fact by each Owner to negotiate and agree on the value and extent of any loss under any policy carried by the Association. The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

10.10 Annual Review. The Board shall annually review the Association's insurance policies in order to determine whether the Association is adequately insured.

10.11 Deductible. The Board shall levy an emergency assessment against all Owners for their proportionate share of the deductible following a fire, earthquake, or other casualty or event covered by the Association's insurance. If any Owner fails to pay the deductible, the Association shall levy a Special Assessment against the Owner. If any Owner fails to pay the deductible for a claim wrongfully made against the Association's master policy by the Owner, the Board shall levy a Special Individual Assessment.

ARTICLE XI **EASEMENTS**

11.1 Easements. The ownership interests of the Owners in their Lots are subject to (a) all

easements granted by the developer, whether by separately recorded instrument or the Project Map or any Lot Plan, for the installation and/or maintenance of utilities, sewer lines, storm drains, detention basins, pollution control devices, any Offsite Maintenance Areas, landscaping and appurtenant systems that are necessary for the Project, (b) easements granted and reserved, each of which were established upon the recording of the original Declaration and shall be included within the definition of Protective Covenants and shall run with the land that comprises the Project from time to time for the use of the Owners and their Lots and each of which shall be superior to all other encumbrances applies against or in favor of any portion of the Project. Individual grant deeds to Lots may, but shall not be required to, set forth the easements specified in this Article.

11.2 Encroachment Easements. If any portion of the Common Area encroaches on any Lot or if any portion of a Lot encroaches on the Common Area, regardless of the cause, a valid easement exists for such encroachment and for the maintenance of it as long as it remains, and all Lots and the Common Area are made subject to such easements.

11.3 Blanket Utility Easement. There is hereby created a blanket easement upon, across, over and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephones, drainage and electricity and the master television antenna or cable television system, if any. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment and underground facilities on the Common Area. Notwithstanding the foregoing, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on said Property except as initially designed and approved by the Declarant or thereafter approved by the Association's Board of Directors. The easements provided for in this Section shall in no way effect any other recorded easement on the Property. The Board shall have the authority to grant additional easements to governmental entities, utility companies or private communications and entertainment companies for access, ingress, and the right to install equipment for the benefit of the Owners and Residents.

11.4 Easements on Lot Plan. The Common Area and Lots are subject to the easements and rights of way shown on the Project Map or Tract Map.

11.5 Access Easements. Subject to the rights, restrictions and other provisions of the Declaration, the Bylaws, Rules and Regulations and Architectural Guidelines, every Owner shall have for himself or herself and his/her Invitees, a nonexclusive easement of vehicular and pedestrian access, ingress, egress, use and enjoyment of, in, to and over the Common Area and such portions of all other Lots that are outside of the Dwelling Areas, garage and patios, and such easement shall be appurtenant to and shall pass with title to every Lot within the Project.

11.6 Drainage Easements. There are easements for drainage created, granted and reserved over the Common Area and Project Lots in the original Declaration in accordance with the original plan of drainage established during the development of the Project. No Owner shall change, modify, alter, or otherwise interfere with the established drainage.

11.7 Easements for Lighting and Landscaping. Easements were reserved by the Declarant for the benefit of the Association over Common Area and the exterior portions of the Lots for the maintenance of and access to the Association Improvements thereon, including the lighting and landscaping and irrigation system.

11.8 Easements and Entry by Association. The Association and its contractors and agent shall have an easement with right of entry at all times over, upon, under and through all of those areas of each Lot situated outside of a building in order to perform its maintenance and repair responsibilities, together with the right to enter upon and into a Lot to the extent necessary to perform maintenance and repair obligations following reasonable notice to the Owner. In the case of an emergency, no notice shall be required.

ARTICLE XII **CONDEMNATION**

12.1 Sale by Unanimous Consent or Taking. If an action for condemnation of all or a portion of the Property is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the Owners and all institutional Mortgagees, the Property, or a portion thereof may be sold and conveyed to the condemning authority by the Board or its designees acting as the attorney-in-fact of all Owners under an irrevocable power of attorney, which each Owner by accepting a deed to a Lot in the Property hereby grants and which shall be coupled with the interest of all other Owners, for a price deemed fair and equitable by a majority of three appraisers hired by the Board. If the requisite number of Owners or institutional Mortgagees do not consent to a sale of all or a portion of the Property, and the condemning authority institutes condemnation proceedings, the court shall fix and determine the condemnation award. All reserve funds shall remain the property of the Lot Owners and shall not be considered a part of the condemned property.

12.2 Distribution and Sale Proceeds of Condemnation Award.

(a) Total Sale or Taking. A total sale or taking of the Property is a sale or taking that (i) renders more than 50 percent of the Lots uninhabitable (such determination to be made by the Board in the case of a sale and by the court in the case of a taking) or (ii) renders the Property as a whole uneconomical as determined by the vote or written consent of 66-2/3 percent of those Owners whose Lots will remain habitable after the taking. However, any determination that a sale or taking is total must be made before the proceeds from any sale or award are distributed. The proceeds of any such total sale or taking of the Property, after payment of all expenses relating to the sale or taking, shall be paid to all Owners and to their respective Mortgagees in the proportion that the total square footage of each Lot bears to the total square footage of all Lots on the Property.

(b) Partial Sale or Taking. In the event of a partial sale or taking of the Properties, meaning a sale or taking that is not a total taking, as determined in section 2(a), above, the proceeds from the sale or taking shall be paid or applied in the following order of priority and any judgments of condemnation shall include the following provisions as part of its terms:

(i) To the payment of expenses of the Association in performing the sale or to any prevailing party in any condemnation action to whom such expenses are awarded by the Court to be paid from the amount awarded; then

(ii) To Owners and to their respective Mortgagees, as their interests may appear, of Lots on the Property whose Lots have been sold or taken, an amount representing the ratio that the Lot's square footage bears to the total square footage of all Lots on the Property, as determined by the court in the condemnation proceeding or by an appraiser, less such Owners' share of expenses paid pursuant to section 2(b)(i) (which share shall be in proportion to the ratio that the square footage of each Owner's Lot bears to the square footage of all Lots on the Property. The Los Angeles County Assessor's records shall determine the square footage of each Lot.

(iii) To any remaining Owner(s) and to his or her Mortgagees, as their interests may appear, whose Lot has been diminished in value as a result of the sale or taking disproportionate to any diminution in value of all Lots, as determined by the Court in the condemnation proceeding or by an appraiser, an amount up to the total diminution in value; then

(iv) To all remaining Owners and to their respective Mortgagees, as their interests may appear, the balance of the sale proceeds or award in proportion to the ratio that the square footage of each remaining Owner's Lot bears to the square footage of all remaining Owners' Lots as of a date immediately prior to commencement of condemnation proceedings, as determined by the Court in the condemnation proceeding.

ARTICLE XIII **PARTITION OF COMMON AREA**

13.1 Suspension of Right of Partition. Except as expressly provided in this Article, an Owner shall have no right to partition or divide his or her ownership of the Common Area. Partition of the Common Area can be had on a showing that the conditions to such partition as stated in Article V (relating to damage or destruction) or in Article XII (relating to condemnation) or in California Civil Code Section 4610 have been met. Nothing in this Declaration shall prevent partition of a co-tenancy in a Lot.

13.2 Distribution of Proceeds Upon Partition. Proceeds of property resulting from a partition shall be distributed to and among the respective Owners and their Mortgagees as provided herein, depending upon the cause for the partition.

13.3 Power of Attorney. Each of the Owners irrevocably appoints the Association as attorney-in-fact and irrevocably grants to the Association full power in the name and stead of such Owner to sell the entire Project, and to execute deeds and conveyances to it, in one or more transactions, for the benefit of all Owners when partition of the Project may be had under Civil Code Section 4610 and under the circumstances authorizing partition under this Declaration. The power of attorney shall (a) be binding on all Owners, whether they assume the obligations under this

Declaration or not; (b) be exercisable by a majority of the Board acting on behalf of the Association, subject to obtaining the prior approval by vote or written consent of 66-2/3 percent of the Owners and all institutional first Mortgagees; and (c) be exercisable only after recordation with the County Recorder of a certificate executed by those who have power to exercise the power of attorney that the power of attorney is properly exercisable under Civil Code Section 4610. This certificate shall be conclusive evidence of proper exercise in favor of any person relying on it in good faith.

ARTICLE XIV **ENFORCEMENT**

14.1 Remedy at Law Inadequate. Except for the nonpayment of any Assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration are inadequate and that the failure of any Owner or Resident of any Lot or their guest to comply with any provision of the Governing Documents may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers or Board of Directors, or by their respective successors in interest.

14.2 Nuisance. Without limiting the generality of the foregoing section (a), the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

14.3 Costs and Attorneys' Fees. If any Owner defaults in making payment of Assessments or in the performance or observance of any provision of this Declaration or otherwise causes the Association to obtain the services of an attorney related to a particular Owner or his/her Lot, the Owner covenants and agrees to pay the Association any costs or fees incurred by the Association, including reasonable attorneys' fees, regardless of whether legal proceedings are instituted. The fees and costs may be specially assessed to the Owner. In case a suit is instituted, the prevailing party shall recover the cost of the suit, in addition to the aforesaid costs and fees.

14.4 Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

14.5 Failure Not a Waiver. The failure of any Owner, the Board of Directors, the Association or its officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter.

14.6 Rights and Remedies of the Association.

(a) Rights Generally. In the event of a breach or violation of any Association Rule or of any of the restrictions contained in any Governing Document by an Owner, Resident, his or her family, guests, employees, or invitees, the Board, for and on behalf of all other Owners, may enforce the obligations of each Owner to obey such Rules, covenants, or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, the suspension of the Owner's right to use recreational Common Facilities and/or suspension of the Owner's voting rights as a Member of the Association. In the event the Board determines not to take action, any Owner shall have the right to enforce the governing documents pursuant to Civil Code Section 5975.

(b) Schedule of Fines. The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate (such as fines for illegally parked vehicles). Such fines may not be levied unless the Board first provides (i) a written warning to the Owner of the first violation, and (ii) after the first violation, notice of the violation to the Owner and a hearing before the Board. No penalty or temporary suspension of rights shall be imposed pursuant to this Section unless the Owner alleged to be in violation is given at least 10 days prior notice of the proposed penalty or temporary suspension and a hearing is conducted before the Board of Directors.

14.7 Notice and Hearing Procedures.

(a) Actions prior to hearing. Any officer, Member of the Board, or agent of the Association, including a property manager, has the authority to informally request, orally or in writing, that an Owner bring himself/herself into compliance with the Governing Documents.

(b) Written Complaint. If the actions described above prove unsuccessful, a written complaint by any officer or Member of the Board, or by the property manager containing a written statement of all allegations of non-compliance shall be served on the Owner, along with notice of a hearing by any of the following means: (1) personal delivery or (2) by registered or certified mail, return receipt requested, and addressed to the Owner, at the address appearing on the books of the ASSOCIATION. Service by mailing shall be deemed delivered and effective two (2) days after such mailing in a regular depository of the Loted States mail.

(c) Notice of Hearing. Along with service of the complaint, the Board or property manager shall notify the Owner by personal delivery or first-class mail at least ten (10) days prior to the hearing. The notice to the Owner shall be substantially in the following form but may include other information:

"You are hereby notified that a hearing will be held in executive session before the Board at ____ on the _ day of __, 20 __, at the hour of __, upon the charges made in the complaint served upon you. You may but need not be present at the hearing,

may but need not be represented by counsel, may present any relevant evidence and you will be given full opportunity to cross-examine all witnesses testifying against you. You are entitled to compel the attendance of witnesses and the production of books, documents or other items by applying to the Board."

If any of the parties can, within twenty-four hours, show good cause as to why they cannot attend the hearing on the set date and indicate times and dates on which they would be available, the Board may reset the time and date of hearing and promptly deliver notice of the new hearing date.

(d) Notice of Defense. The Owner may respond to the Complaint in writing or attend the hearing to present a defense.

(e) Hearing.

(1) Each party shall have these rights: to call and examine witnesses; to introduce exhibits; to cross-examine opposing witnesses; and to rebut the evidence against him. Even if the Owner does not testify in his own behalf he may be called and examined as if under cross-examination.

(2) The hearing need not be conducted according to technical rules relating to evidence and witnesses. Generally, any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence shall not be sufficient in itself to support a finding.

(3) The accusing party must appear at the hearing for purposes of examination. The hearing shall be conducted in executive session.

(f) Decision. After all testimony and documentary evidence has been presented to the Board, the Board shall vote upon the matter, with a majority of the entire Board controlling. The Board shall notify the Owner of its decision by personal delivery or by first-class mail within fifteen (15) days of the decision. There is no right of appeal.

14.8 Emergency Situations. Under circumstances involving conduct that constitutes:

(a) an immediate and unreasonable infringement of, or threat to, the safety or quiet enjoyment of neighboring Owners;

(b) a traffic or fire hazard;

(c) a threat of material damage to, or destruction of, the Common Area or Common

Facilities;

(d) interference with the Association's management or maintenance and repair of the Common Area, or

(e) a violation of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether a violation has occurred (such as parking violations), the Board of Directors or its duly authorized agents may undertake immediate corrective or disciplinary action and, upon request of the offending Owner, or on its own initiative, conduct a hearing as soon thereafter as reasonably possible.

14.9 Prerequisites to Court Actions. Court actions to enforce the governing documents, the Davis-Stirling Act, or the non-profit or non-profit mutual benefit sections of the Corporations Code, may only be initiated on behalf of the Association as follows:

(a) Upon approval of the Board;

(b) Prior to filing suit, the Board or any Owner must comply with the pre-litigation alternative dispute resolution procedures set forth in Civil Code Sections 5900, et seq. (Internal Dispute Resolution) and 5925, et seq. (Alternate Dispute Resolution), unless the suit is for non-payment of assessments or involves an immediate threat to safety of Owners and Residents or the Property, or a temporary restraining order is required.

14.10 Violation. A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the violation continues for additional days, discipline imposed by the Board may, in its discretion, include an additional fine for each day the violation continues but only after notice and the opportunity for a hearing is provided to the Owner of the Lot whose Owner or Resident is responsible for the violation.

ARTICLE XV **MORTGAGEE PROTECTIONS**

(LENDERS RIGHTS AS SET FORTH IN ARTICLE XII, SECTION 6, OF THE ORIGINAL DECLARATION RECORDED ON JULY 27, 1972 AS INSTRUMENT NO. 3731 ARE INCORPORATED HEREIN BY THIS REFERENCE)

ARTICLE XVI **AMENDMENT OF DECLARATION**

16.1 Amendment in General.

(a) The record Owners of SIXTY SEVEN PERCENT (67%) of all the Lots may at any time modify, amend, augment, or delete any of the provisions of the Declaration.

(b) A certificate, signed and sworn to by the President and Secretary or such other Officers as the Board shall designate, that the record Owners of SIXTY SEVEN PERCENT (67%) of the Lots have voted for any amendment adopted as above provided, when recorded, shall be conclusive evidence of such fact. The Board of Directors shall maintain in its files the record of all such votes or written consents.

ARTICLE XVII
GENERAL PROVISIONS

17.1 Term. The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges and equitable servitudes contained in this Declaration shall run with, and shall benefit and burden the Lots and the Common Area as herein provided, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors, and its officers and agents, and their respective successors in interest, for a term of 60 years from the date of the recording of this Declaration, after which time the same shall be automatically extended for successive periods of 10 years each unless, within 6 months prior to the expiration of the initial 60-year term or any such 10-year extension period, a recordable written instrument, approved by all Owners terminating the effectiveness of this Declaration shall be filed for recording in the Office of the County Recorder of Los Angeles County, California.

17.2 Construction of Declaration.

(a) Restrictions Construed Together. All of the covenants, conditions, and restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in the Recitals of this Declaration.

(b) Restrictions Severable. Notwithstanding the provisions of subparagraph (a) above, the covenants, conditions, and restrictions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or ability to enforce any other provision.

IN WITNESS WHEREOF, the undersigned have executed this Restated Declaration on this _____ day of _____, 2019.

VALENCIA FAIRWAYSHOMEOWNERS
ASSOCIATION
A California Non-Profit Mutual Benefit Corporation

By: _____
BILL HUTTEN, President

By: _____,
Secretary