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**AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
TREASURE ISLE HOMEOWNERS' ASSOCIATION**

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**TREASURE ISLE HOMEOWNERS'
ASSOCIATION**

**AMENDED AND RESTATED
DECLARATION**

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**AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS OF
TREASURE ISLE HOMEOWNERS' ASSOCIATION**

This Amended and Restated Declaration of Covenants, Conditions and Restrictions is made on the date hereinafter set forth by TREASURE ISLE HOMEOWNERS' ASSOCIATION, a California nonprofit mutual benefit corporation (formerly known as "Treasure Isle" and hereinafter referred to as the "Association").

RECITALS OF BACKGROUND FACTS; DECLARATIONS

- A. This Amended and Restated Declaration is made with reference to that certain "Amended Declaration of Covenants, Conditions and Restrictions of Treasure Isle Homeowners' Association," recorded April 9, 1999 as Instrument No. 99-063203, Official Records of San Mateo County, State of California (the "1999 Declaration").
- B. An amendment to the 1999 Declaration was recorded on April 14, 2011 as Instrument No. 2011-042512, Official Records of San Mateo County, State of California. The 1999 Declaration together with the instrument enumerated in Recitals Paragraph B is referred to herein as the "1999 Declaration."
- C. The 1999 Declaration establishes certain limitations, easements, covenants, restrictions, conditions, liens, and charges which run with, and are binding upon all parties having or acquiring any right, title, or interest in, that certain real property located in the County of San Mateo, State of California, and more particularly described as follows:

Lots A and B, and Lots 1 through 155 inclusive, as shown on the Map entitled "Tract No. 863, Foster City - Neighborhood No. 1, Unit No. 4, in Unincorporated Territory - San Mateo County, California," filed for record June 29, 1970 in Map Book 71 at pages 13, 14 and 15, in the Office of the County Recorder of San Mateo County, State of California.

- D. THE MEMBERS, constituting at least a sixty percent (60%) of the Total Voting Power of the Association, desire to amend, modify, and otherwise change the 1999 Declaration pursuant to Article 12.1 thereof; and DO HEREBY DECLARE that the 1999 Declaration shall be, and it is hereby, AMENDED AND RESTATED IN ITS ENTIRETY as set forth in the within Amended and Restated Declaration of Covenants, Conditions and Restrictions of Treasure Isle Homeowners' Association.
- E. IT IS FURTHER HEREBY DECLARED that all of the real property described in Recital Paragraph C, above, constitutes a Planned Development within the meaning of Section 4175 of the California *Civil Code*.
- F. IT IS FURTHER HEREBY DECLARED that all of the real property described in Recital Paragraph C, above, is and shall be held, owned, operated, managed, conveyed, hypothecated, encumbered, leased, used, occupied, and improved subject to the following covenants, conditions, and restrictions set forth herein, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving, and enhancing the value, desirability, and attractiveness of the said real property and every part thereof, and of fostering the development, management, improvement, enjoyment, and sale of the said real property and any part thereof.
- G. IT IS FURTHER HEREBY DECLARED that all of the covenants, conditions, and restrictions herein set forth shall constitute enforceable equitable servitudes as provided in California *Civil Code* section 5975, shall constitute covenants that shall run with the said real property, and shall be binding upon and inure to the benefit of each Owner of any portion of the said real property or the owner or holder of any interest or estate therein and their heirs, successors, and assigns.

ARTICLE 1 DEFINITIONS

- 1.1 Additional Charges. "Additional Charges" shall mean all costs, fees, charges, and expenditures, including without limitation, interest, late charges, attorney fees, recording and filing fees, and all other costs actually incurred by the Association in collecting and/or enforcing payment of Assessments, fines, and/or penalties.
- 1.2 Annual Assessments. "Annual Assessments" shall have the meaning set forth in Section 6.7.
- 1.3 Architectural Committee. "Architectural Committee" shall mean the Committee created pursuant to Article 11 ("Architectural Committee") of this Declaration and Article 11 ("Committees") of the Bylaws.

- 1.4 Articles. "Articles" shall mean the Amended and Restated Articles of Incorporation of Treasure Isle Homeowners' Association (formerly known as "Treasure Isle"), as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.
- 1.5 Assessments. "Assessments" shall mean any or all of the following: Annual Assessments, Special Assessments, Reimbursement Assessments, and Enforcement Assessments.
- 1.6 Association. "Association" shall mean Treasure Isle Homeowners' Association (formerly known as "Treasure Isle"), its successors and assigns.
- 1.7 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.
- 1.8 Bylaws. "Bylaws" shall mean the Amended and Restated Bylaws of the Association as they shall be adopted by the Board of Directors and Members and any duly-adopted amendments thereof.
- 1.9 Common Area. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners and Residents of the Development. The Common Area comprises Lot A and Lot B as shown on the Subdivision Map.
- 1.10 Contract Purchaser / Contract Seller. "Contract Purchaser" and "Contract Seller" shall mean the purchaser and the seller, respectively, under an installment land contract in which title to the property is transferred after the final installment payment is made.
- 1.11 County. "County" shall mean the County of San Mateo.
- 1.12 Declaration. "Declaration" shall mean this Amended and Restated Declaration of Covenants, Conditions and Restrictions of Treasure Isle Homeowners' Association (formerly known as "Treasure Isle"), recorded in the Office of the County Recorder of San Mateo County, State of California, and any amendments thereof.
- 1.13 Development. "Development" shall mean all the real property described in the Declaration comprising the Treasure Isle Homeowners' Association planned development, including such additions thereto as may hereafter be brought within the jurisdiction of the Association.

- 1.14 Enforcement Assessment. "Enforcement Assessment" shall have the meaning set forth in Section 6.11.
- 1.15 Governing Documents. "Governing Documents" shall mean the Articles, Bylaws, Declaration, and Rules, and the policies and resolutions duly adopted by the Board and distributed to the Members.
- 1.16 Individual Delivery / Individual Notice. "Individual Delivery" or "Individual Notice" shall mean delivery to a Member or Members by one (1) of the following methods, as provided in *Civil Code* section 4040:
- (a) By first-class mail with postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier, addressed to the recipient at such recipient's address last shown on the books of the Association; or
 - (b) By email, facsimile, or other electronic means if the recipient has consented in writing to that method of delivery. The consent may be revoked, in writing, by the recipient. Delivery by electronic transmission must also comply with *Corporations Code* sections 20 and 21. Among other things, Section 20 of the *Corporations Code* requires the Association to obtain consent from the person to whom the document is transmitted to receive it by means of electronic transmission as well as other technical requirements.
- 1.17 Lot. "Lot" shall mean any plot of land shown upon any recorded subdivision map of the Development upon which a Residence has been constructed, with the exception of the Common Area, being Lots 1 through 155 as shown on the Subdivision Map. There are one hundred fifty-five (155) Lots in the Development.
- 1.18 Maintenance. "Maintenance" shall mean the act of caring for property and keeping it in its existing state, preserving it from failure or deterioration, including painting, caulking, cleaning, and minor, nonstructural upkeep.
- 1.19 Majority of a Quorum. "Majority of a Quorum" shall mean a majority of the votes cast in any lawful vote or election by the Members in which the number of ballots cast equals or exceeds the number required to establish a quorum as provided in the Bylaws.
- 1.20 Member. "Member" shall mean an Owner.
- 1.21 Member in Good Standing. "Member in Good Standing" shall mean a Member of the Association who is current in the payment of all dues, assessments, fines,

penalties, and other charges imposed in accordance with the Governing Documents, and who is in compliance with all of the provisions of the Governing Documents, as more particularly set forth in the Bylaws.

- 1.22 Mortgage. "Mortgage" shall mean a deed of trust as well as a mortgage in the conventional sense.
- 1.23 Mortgagee. "Mortgagee" shall mean a beneficiary under a deed of trust as well as under a Mortgage.
- 1.24 Owner. "Owner" shall mean the record owner, whether one (1) or more persons or entities, of the fee simple title to any Lot which is a part of the Development, including Contract Sellers, but excluding Contract Purchasers and excluding those having such interest merely as security for the performance of an obligation.
- 1.25 Party Wall. "Party Wall" shall have the meaning set forth in Section 2.7 ("Party Walls").
- 1.26 Reimbursement Assessment. "Reimbursement Assessment" shall have the meaning set forth in Section 6.10 ("Reimbursement Assessments").
- 1.27 Repair. "Repair" shall mean the minor restoration of property that is torn, broken, or otherwise damaged, or has sustained wear, tear, or deterioration such that minor restoration is necessary.
- 1.28 Replacement. "Replacement" shall mean substantial reconstruction, restoration, or substitution of the whole or a substantial part of property that has been damaged or destroyed through usage or through hazard or catastrophe such that it is no longer useable or serviceable in its current condition.
- 1.29 Residence. "Residence" shall mean a residential structure located upon a Lot which is designed for human residential use and occupancy.
- 1.30 Resident. "Resident" shall mean any person who resides on a Lot within the Development whether or not such person is an Owner as defined in Section 1.24 ("Owner") above.
- 1.31 Rules. "Rules" shall mean the policies, rules, and regulations governing the administration, management, operation, use, and occupancy of the Development, including the use of the Common Area and facilities, the personal conduct of Owners and Residents, members of their household, pets, tenants, invitees, and guests within the Development, enforcement of the Governing Documents, and any other matter that is within the jurisdiction of the Association,

as adopted, published, or amended by the Board from time to time and subject to applicable law including *Civil Code* section 4340 and following.

- 1.32 Special Assessment. "Special Assessment" shall have the meaning set forth in Section 6.8 ("Special Assessments").
- 1.33 Subdivision Map. "Subdivision Map" or "Map" shall mean that certain Map entitled "Tract No. 863, Foster City – Neighborhood No. 1, Unit No. 4, in Unincorporated Territory – San Mateo County, California," recorded June 29, 1970 in Map Book 71 at Pages 13, 14 and 15, in the Office of the County Recorder of San Mateo County, State of California.
- 1.34 Total Voting Power. "Total Voting Power" shall mean the total number of votes of all Members entitled to vote at a particular time, calculated on the basis of one (1) vote for each Lot, excluding any Lots as to which an Owner is not then a Member in Good Standing.

ARTICLE 2 PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT

- 2.1 No Partition. There shall be no judicial partition of the Development or any part thereof, nor shall any Owner or any person acquiring any interest in the Development or any part thereof seek any judicial partition thereof; *provided, however,* that if any Lot shall be owned by two (2) or more co-tenants as tenants in common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition by sale as between such co-tenants.
- 2.2 Common Area. Subject to the provisions of the Declaration, the Common Area shall be held, maintained, and used to meet the common interests of the Members of the Association, and their families, tenants, Resident Contract Purchasers, and guests as provided in the Governing Documents, and there shall be no use of the Common Area except by such persons.
- 2.3 Owner's Non-exclusive Easements of Enjoyment. Every Owner of a Lot shall have a non-exclusive easement of use of and enjoyment in, to, and throughout the Common Area of the Development; *provided, however,* such non-exclusive easements shall be subordinate to, and shall not interfere in any way with the exclusive easements, if any, appurtenant to Lots over exclusive use Common Area. Each such non-exclusive easement shall be appurtenant to and pass with the title to every Lot, subject to the following rights and restrictions:
- (a) The right of the Board of Directors to establish and enforce reasonable Rules and regulations governing the use of the Common Area and facilities thereon;

- (b) The right of the Board to charge reasonable admission and other fees for the use of any facilities situated upon the Common Area;
- (c) The right of the Board, as more particularly addressed in the Bylaws, to suspend an Owner's right to use the recreational facilities for any period during which any Assessment against such Owner's Lot remains unpaid and/or for infraction of the Governing Documents of the Association;
- (d) The right of the Association, subject to approval of the Members as set forth in Section 5.8 ("Capital Improvements"), to construct capital improvements upon the Common Area;
- (e) The right of the Association, subject to approval of the Members as set forth in Section 5.9 ("Sale Transfer or Dedication of Association's Property"), to sell, transfer or dedicate property owned by the Association;
- (f) The right of the Board, to grant easements, licenses, and rights-of-way in, on, over or under the Common Area to Lot Owners, subject to approval of the Members as set forth in Section 5.11 ("Easements and Licenses to Owners") and further subject to such conditions as may be agreed to by the Board;
- (g) The right of the Board, subject to the approval of the Members as set forth in Section 5.12 ("Mortgage of Association's Real Property") to mortgage, pledge, encumber, or otherwise hypothecate the Common Area and facilities thereon as security for money borrowed by the Association; and
- (h) The right of the Association or its authorized agents, as provided in this Declaration, to perform its obligations under this Declaration, including obligations with respect to construction, Maintenance, Repair, or Replacement for the benefit of the Common Area or the Owners in common.

2.4 Delegation of Use. Any Owner may delegate his rights of use and enjoyment, including easements, in the Development to the members of his family, tenants, Contract Purchasers, guests and invitees, and to such other persons as may be permitted by the Governing Documents and subject to the terms thereof. Upon the leasing or renting of a Lot, or upon occupancy of a Lot by a Contract Purchaser, the Owner shall be deemed to have delegated and assigned all such rights exclusively to the tenants or Contract Purchasers of such Lot. Each Owner shall notify the Secretary of the Association or his or her designee of the names of any tenants or any such Contract Purchasers of such Owner's Lot. Each Owner, tenant, or Contract Purchaser shall also notify the Secretary of the

Association of the names of all members of his or her household to whom such Owner, tenant, or Contract Purchaser has delegated any rights of enjoyment in the Development as provided herein and the relationship which each such person bears to such Owner, tenant, or Contract Purchaser. Any rights of enjoyment delegated pursuant to Section 2.4 are subject to suspension to the same extent that rights of Owners are subject to suspension as provided in the Governing Documents.

2.5 Common Area Construction. Except as may be authorized by the Board, no person or entity, other than the Association or its duly-authorized agents, shall construct, reconstruct, refinish, alter, or maintain any improvement upon the Common Area, or shall make or create any excavation or fill upon the Common Area, or shall change the natural or existing drainage of the Common Area, or shall plant, remove, or destroy any seed, plant material, tree, shrub, or other vegetation upon the Common Area.

2.6 Mechanic's Liens. In the event there shall be filed against the Common Area a notice of mechanic's lien for, or purporting to be for, labor or materials alleged to have been furnished or delivered for any Owner within the Development or his or her Lot, such Owner shall forthwith cause such lien to be discharged by payment, bond, or otherwise. If the Owner fails to cause the lien to be discharged, the Board may send written notice to the Owner specifying that unless the Owner causes the lien to be discharged within five (5) days from the date of such notice, the Board may cause the lien to be discharged. Within such five (5) day period, the Owner shall be permitted a hearing before the Board regarding the validity of such lien and any offsets or defenses thereto. At that time, the Board shall determine whether the lien adversely and improperly affects and encumbers the rights and interests of the Association or the other Owners. If the Board of Directors determines that the lien does adversely and improperly affect and encumber such rights and interests and that adequate protection of such rights and interests has not been provided, the Board may cause the lien to be discharged by payment, bond, or otherwise. The Board shall have the right to levy a Reimbursement Assessment against the Owner responsible for causing the lien to be discharged in an amount equal to all amounts paid by the Association together with interest thereon at the legal rate and all costs and expenses paid or incurred in connection therewith, including reasonable attorney fees.

2.7 Party Walls. The following provisions shall govern party walls.

2.7.1 Definition of "Party Wall," General Rules of Law to Apply. A "Party Wall" shall constitute and be defined as each wall which is built as a part of the original construction of the Residences within the Development and placed on the dividing line between the Lots. To the

extent not inconsistent with the provisions of Section 2.7, the general rules of law regarding Party Walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

- 2.7.2 Sharing of Repair and Maintenance. The cost of reasonable maintenance and Repair of a Party Wall shall be shared by the Owners who make use of the wall in proportion to such use.
- 2.7.3 Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.
- 2.7.4 Weatherproofing. Notwithstanding any other provision of Section 2.7, an Owner who by his or her negligent or willful act causes a party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.
- 2.7.5 Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under Section 2.7 shall be appurtenant to and run with the land and shall pass to such Owner's successors in title.
- 2.7.6 Arbitration. If any dispute arises concerning a Party Wall, or under the provisions of Section 2.7, each party shall choose one (1) arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be by a majority of all the arbitrators and shall be binding.

ARTICLE 3 EASEMENTS

- 3.1 Easements in General. In addition to all easements reserved and granted on the Subdivision Map, there are hereby specifically reserved and granted for the benefit of the Lots and Lot Owners in common and for each Lot and Lot Owner severally, and for the Association, as their respective interests shall obtain, the easements, reciprocal negative easements, secondary easements and rights-of-way as particularly identified in Article 3.
- 3.2 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Lot and such portion or portions of the

Common Area adjacent thereto and/or as between adjacent Lots due to the unwillful placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon in accordance with the terms of the Declaration; *provided, however*, that in no event shall an easement for encroachment exist if such encroachment occurred due to willful unauthorized conduct on the part of an Owner, a tenant, or the Association.

In the event that a structure on any Lot is partially or totally destroyed and then repaired or rebuilt in accordance with the provisions of the Declaration, the Owners of each Lot agree that minor encroachments over adjoining Lots and/or Common Area shall be permitted and there shall be easements for the maintenance of said encroachments so long as they shall exist. In addition, each Lot and its Owner are hereby declared to have an easement for retaining walls, footings, roofs, balconies, eaves, and all other encroachments as originally constructed over each adjoining Lot and/or Common Area for the maintenance thereof, together with an easement for the drainage of water from such roofs, gutters, balconies, eaves, and all other encroachments over each such adjoining Lot and/or Common Area.

3.3 Utility Easements. Easements over and under the Development or any portion thereof for the installation, repair, maintenance, and replacement of electric, telephone, water, gas, and sanitary sewer lines and facilities, heating and air-conditioning facilities, cable or master television antenna lines, drainage facilities, walkways, and landscaping as shown on the recorded map or maps of the Development, and as may be hereafter required or needed to service the Development, are reserved by and shall exist in favor of the Association, together with the right to grant and transfer the same. The Association shall maintain all utility installations located in the Common Area except for those installations maintained by utility companies, public, private, or municipal. The Association shall pay all charges for utilities supplied to the Development except those metered or charged separately to the Lots.

3.4 Easements Granted by Association. Subject to the Member approval requirements set forth in Section 5.11 ("Easements and Licenses to Owners") below, the Association shall have the power to grant and convey to any person or entity easements and rights-of-way, in, on, over, or under the Common Area for the purpose of constructing, erecting, operating, or maintaining thereon, therein, or thereunder overhead or underground lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities, and for any other purposes deemed by the Board to be appropriate and not inconsistent with the purposes and interests of the Association, and each purchaser, in accepting a deed to a Lot, expressly

consents thereto; *provided, however*, that no such easements may be granted if such easement would interfere with the use, occupancy, or enjoyment by an Owner or Resident of any Lot and any existing exclusive easements over Common Area appurtenant thereto, if any, without the consent of the Owner(s) affected.

ARTICLE 4 USE RESTRICTIONS

- 4.1 Residential Use. Except as provided in Section 4.4 ("Restriction on Businesses"), Residences shall be occupied and used for residential purposes only.
- 4.2 Rental of Lots. Any leasing or renting of any Residence within the Development shall be subject to all the provisions of the Governing Documents and Section 4.2. Any occupant of a Residence being leased shall be considered a "tenant" for the purposes of this Declaration, unless the context requires otherwise.
- 4.2.1 Owner's Responsibility. Each Owner leasing a Residence shall be strictly responsible and liable to the Association for the actions of such Owner's tenant(s) in or about all Residences and Common Area and for each tenant's compliance with the provisions of all Association Governing Documents. An Owner leasing or renting a Lot shall provide the tenant(s) with copies of the Governing Documents and all subsequent amendments. Each Owner shall notify the Board and the Association's manager in writing within fourteen (14) days of any changes in tenants occupying such Owner's Lot.
- 4.2.2 Association As Third Party Beneficiary. Notwithstanding the failure of an Owner to comply with the requirements of Section 4.2 ("Rental of Lots") and, whether or not it is so stated in a written contract or other agreement between such Owner and such tenant, the Owner and the tenant of any Lot subject to this Declaration shall be conclusively deemed to have agreed that the Association is an intended third party beneficiary to the contract between the Owner and the tenant; that failure of the tenant, members of the tenant's household, tenant's invitees, or guests to comply with applicable provisions of the Governing Documents shall constitute a breach of the terms of the contract between the Owner and the tenant; and that the Association shall have the right but not the obligation to enforce the contract and to pursue every remedy available under the contract, under this Declaration including but not limited to the rights granted pursuant to Section 6.17 ("Assignment of Rents As Security for Payment"), or under the law. The power of the Association as provided in Section

4.2.2 to maintain an eviction action shall arise only in the event that (i) the Association has given notice to the Owner detailing the nature of the infraction and opportunity for a hearing as provided in Article 12 ("Enforcement") and the Owner has had a reasonable opportunity to take corrective action or to appear before the Board to present arguments as to why eviction by the Association is not necessary, and (ii) the Owner has not taken action to prevent and/or correct the actions of the tenant giving rise to the damage or nuisance.

4.2.3 Indemnification Regarding Tenant's Actions. Each Owner leasing or renting a Lot shall be strictly responsible and liable to the Association for the actions of such Owner's tenant(s) in or about all dwellings, Lots, and Common Area and for each tenant's compliance with the provisions of the Governing Documents. No provision of any lease or rental agreement shall relieve the Lot Owner of his or her obligations pursuant to the Governing Documents. To the fullest extent permitted by law, every Owner of a Lot that is occupied by persons other than the Owner pursuant to a rental agreement or lease or otherwise, agrees to and shall indemnify and defend the Association, its officers, directors, employees, and agents and shall hold them harmless from and against any cost, loss, claim, or damages of any kind, arising out of the conduct or presence of the occupants of the Lot upon the Development, including but not limited to attorney fees (including attorney fees incurred to enforce the provisions of Section 4.2 ("Rental of Lots") against the Owner of the Lot or any guest, tenant or other occupant of the Lot), any claims for consequential damages, and any claims arising or alleged to arise out of the enforcement or non-enforcement by the Association of the Governing Documents with respect to such occupants. Any amounts owed pursuant to Section 4.2.3 may be assessed as a Reimbursement Assessment against the responsible Owner and his or her Lot.

4.2.4 Requirements of Written Lease or Rental Agreement. Any lease or rental of any Residence within the Development shall be by written lease or rental agreement, upon request a copy of which shall be furnished to with the Board, which shall expressly provide that its terms are subject to all of the provisions of the Governing Documents, that the tenants and lessees of such Lot shall comply with all provisions of the Governing Documents, and that any violation of any of said provisions of the Governing Documents shall constitute a breach and default of the terms of such lease or rental agreement. In addition to the above requirements, lease and rental agreements shall expressly provide for an initial term of at least six (6) months.

- 4.2.5 One Year Owner-occupancy Requirement. In addition to all other requirements for renting as set forth in the Governing Documents, a Lot must be Owner-occupied for no less than twelve (12) months after it is acquired before it may be rented or leased.
- 4.3 No Transient Rentals. No Owner shall be permitted to lease, rent, or otherwise operate his or her Lot for transient or hotel purposes, which shall include, but is not limited to, rental for any period less than thirty (30) days or any rental (even if the term is longer than thirty days) where the occupant of a Lot is provided customary hotel services such as room service for food and beverage, maid service, periodic furnishing of clean bed linen and towels, laundry service, or bellboy services.
- (a) No Lot or any portion of a Lot shall be leased, subleased, occupied, rented, let, sublet or used for or in connection with any vacation rental plan where occupancy is less than six (6) months.
- 4.4 Restriction on Businesses. No business of any kind shall be established, maintained, operated, permitted, or conducted within the Development except: (i) such professional and administrative professions as may be permitted by applicable governmental ordinances and provided that there shall be no external evidence thereof and (ii) care facilities to the extent specifically authorized by statute, including family day care centers and community care facilities as provided in Sections 4.6 ("Family Day Care Centers") and 4.7 ("Community Care Facilities") below.
- 4.5 Indemnification Regarding Business Activity. To the fullest extent permitted by law, every Owner or Resident who conducts or engages in any business, commercial endeavor, or profession within the Development, or whose tenant does so, agrees to and shall indemnify and defend the Association, its officers, directors, employees, and agents and shall hold them harmless from and against any cost, loss, claim, or damages of any kind, arising out of the conduct or presence of such activity, including but not limited to attorney fees, any claims for consequential damages, and any claims arising or alleged to arise out of the enforcement or non-enforcement by the Association of the Governing Documents, including but not limited to the restriction on business contained in Section 4.5. Any amounts owed pursuant to Section 4.5 may be assessed as a Reimbursement Assessment.
- 4.6 Family Day Care Centers. No family day care center for children shall be permitted within the Development except as specifically authorized by California *Health and Safety Code* section 1597.40 and other applicable state statutes. The owner/operator of any permitted day care facility shall provide the Association with prior written notice as to its operation, and comply with all local

and state laws regarding the licensing and operation of a day care center and, in addition, shall:

- (a) Name the Association as an additional insured on the liability insurance policy or bond carried by the owner/operator of the day care center, as provided under California *Health & Safety Code* section 1597.531. Section 4.6, subparagraph (a) is intended to be and shall be conclusively deemed to be the written notice to the operator or owner from the Association as specified in California *Health and Safety Code* section 1597.231;
- (b) Defend, indemnify and hold the Association harmless from any claim, demand, loss, liability action or cause of action arising out of the existence and operation of the day care center;
- (c) Abide by and comply with all of the Association Rules;
- (d) Supervise and be completely responsible at all times for children for whom day care services are provided while they are within the Development; and
- (e) Cooperate with the Association if the Association's insurance agent or carrier requires proof of insurance, proof of the agreement of the owner or operator of the center to these conditions, or other reasonable requests.

4.7 Community Care Facilities. Except for residential facilities defined as community care facilities under California *Health & Safety Code* section 1502, serving six (6) or fewer persons, no health care facilities operating as a business or charity and serving the sick, elderly, disabled, handicapped or retarded shall be permitted in the Development. The owner/operator of any such community care facility shall comply with all local and state laws regarding the licensing and operating of such a community care facility, and, in addition, to the extent permitted by applicable laws, shall:

- (a) Name the Association as an additional insured on the liability insurance policy or bond carried by the owner/operator of such a community care facility;
- (b) Defend, indemnify and hold the Association harmless from any claim, demand, loss, liability action or cause of action arising out of the existence and operation of such a community care facility;
- (c) Abide by and comply with all of the Association Rules as applied to Residences in the Development in a general manner;

- (d) Supervise and be completely responsible for occupants of such a residential facility at all times while they are within the Development; and
 - (e) Cooperate with the Association if the Association's insurance agent or carrier requires proof of insurance, proof of the agreement of the owner or operator of such a community care facility to these conditions, or other reasonable requests.
- 4.8 Offensive Conduct; Nuisances; Noise. No noxious, harmful, or offensive activities shall be conducted upon or within any part of the Development, nor shall anything be done thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to any Residents of the Development, or which shall in any way interfere with their use of the Common Area and facilities thereon or the use and enjoyment of their Lots or Residences. Without limiting any of the foregoing, no Resident shall permit noise, including but not limited to the barking of dogs, to emanate from the Resident's Lot, which would unreasonably disturb another Resident's enjoyment of his or her Lot or of the Common Area. Each Owner and Resident shall comply with all requirements of all federal, state, and local governmental authorities and all laws, ordinances, regulations and rules applicable to his or her Lot and Residence.
- 4.9 Use of Common Area. All use of Common Area is subject to the Governing Documents. Without limiting the generality of the foregoing, no alterations or additions to the Common Area shall be permitted without the prior written approval of the Board; nothing shall be altered, constructed, placed, kept, stored, parked, planted on, or removed from the Common Area without the prior written consent of the Board; and the Common Area shall be kept free of rubbish, debris, and other unsightly or unsanitary materials. Each Owner shall avoid causing any damage to the Common Area.
- 4.10 Hazards. There shall be no obstruction of any part of the Common Area. Nothing shall be done, placed, or kept within the Development that will increase the rate of insurance or result in the cancellation of insurance under any insurance policy obtained by the Association, or which will be in violation of any governmental statute, ordinance, rule, or regulation. Nothing shall be stored in the Common Area without the prior consent of the Board.
- 4.11 Requirements of Architectural Approval. As addressed in greater detail in Article 11 ("Architectural Committee"), construction, installation, modification, or alteration of buildings, outdoor structures, landscaping, and outdoor lighting are subject to approval of the Architectural Committee.

4.12 Sports Apparatus. No basketball standards or fixed sports apparatus shall be attached to any Lot, Residence or garage.

4.13 Mailboxes and Exterior Newspaper Tubes. Mailboxes shall comply with all applicable postal regulations. There shall be no free-standing exterior newspaper tubes.

4.14 Antennas. No outside mast, tower, pole, antennae, or satellite dish shall be erected, constructed, or maintained on the Common Area, including the outside of any building on the Development or upon any Lot, except (i) those erected, constructed, or maintained by the Association, (ii) those expressly approved by the Board and based on the recommendation of the Architectural Committee, (iii) those initially installed during the construction of the buildings, or (iv) as specifically permitted by law. Antennas shall not be attached to any roof.

4.15 Animals.

4.15.1 Limitation on Pets. No dogs, cats, birds, or other animals of any kind shall be kept, maintained, or bred in any Residence or upon any Lot or elsewhere within the Development except that domestic dogs, cats and other customary household pets may be kept in reasonable numbers and size, subject to the Rules and any local ordinance, provided they are not kept, bred, or raised for commercial purposes. While in Common Areas each dog must be restrained on a leash held by a responsible person capable of controlling it.

4.15.2 Owner's Responsibility for Pets. The owner of each pet shall be responsible for immediately removing and disposing of any waste introduced to any portion of the Development by such pet. Each Owner, Resident, and any person bringing or keeping an animal within the Development shall be absolutely liable to the Association and all other persons for any injury or damage to persons or property caused by the animal brought upon or kept upon the Development by such person or by members of his or her family, tenants, guests, or invitees. The Owner shall indemnify the Association and its officers, directors, and agents against any and all claims, damages, losses, demands, liabilities, and expenses, including but not limited to attorney fees, arising out of or resulting from the presence or conduct of any animal brought upon or kept within the Development by the Owner, members of his or her family, guests, tenants, or invitees.

4.15.3 Pet Rules. The Board may adopt and enforce Pet Rules in addition to the provisions of Section 4.15 ("Animals"). The Association shall have the right to prohibit the keeping of any animal which constitutes, in the

sole and exclusive opinion of the Board, a nuisance to any other person.

- 4.16 Trash Disposal. Trash, garbage, accumulated waste plant material, or other waste and refuse shall be deposited only in covered sanitary containers located in an appropriate area upon each Lot and concealed from view. No Owner or Resident shall permit or cause any garbage, trash, or other waste or refuse to be kept upon any portion of any Lot or elsewhere in the Development, except in such containers. Containers shall be placed outside no earlier than the day before the day of collection and shall be removed no later than the day of collection. Spillages shall be cleaned on the day of collection.
- 4.17 Construction Materials; Construction Debris. No portion of the Development shall be used for the storage of building materials other than in connection with approved construction. All construction debris shall be picked up and deposited daily in an appropriate container.
- 4.18 Machinery and Equipment. Except as approved by the Board, no machinery or equipment of any kind shall be maintained or operated upon a Lot except as is customary and necessary in connection with approved construction.
- 4.19 Signs. No sign of any kind shall be displayed to the public view from any portion of the Development except that this limitation shall not apply to:
- (a) Such signs as may be required by legal proceedings;
 - (b) Signs which by law cannot be prohibited;
 - (c) A single identification sign which has been approved by the Architectural Committee located on a Lot identifying the number or address of the Lot and/or the names of the occupants;
 - (d) One window sign and one small sign of customary and reasonable dimension and design, complying with the provisions of any applicable ordinance and reasonably located on a Lot advertising a Lot for sale or rent (four-by-four (4x4) "yard arm" signs are deemed not to be of "customary and reasonable dimension and design");
 - (e) Signs approved by the Association located at or near any entrance to the Development identifying the Development;
 - (f) Signs required for traffic control and regulation of streets or open areas within the Development; and

- (g) Signs on the Common Area as approved by the Board for a purpose reasonably related to the affairs of the Association.

4.20 Vehicles and Parking. No trailer, camper, mobile home, boat, recreational vehicle or similar equipment or any commercial vehicle or truck other than a private passenger vehicle or a standard size pickup truck, and no dilapidated, inoperable, or abandoned vehicle shall be parked, kept, stored, or permitted to remain upon any area within the Development, other than temporarily in accordance with the Rules, unless placed or maintained within an enclosed garage, or in an area designated by the Board for that purpose. The term "commercial vehicles" shall not include sedans or standard size pickup trucks which are used for both business and personal uses, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board in its sole discretion. No unreasonably noisy and no vehicles emitting foul smelling or offensive exhaust fumes shall be operated within the Development. Vehicles that do not display current and valid registration information shall not be parked, kept, stored, or permitted to remain upon any area within the Common Area. No overhaul, repair or maintenance work on any motor vehicle, boat trailer, or other vehicle, shall be permitted upon any portion of the Development, except for emergency repairs thereto and then only to the extent necessary to enable movement thereof to a proper repair facility.

4.21 Parking Enforcement. In addition to the provisions of Section 4.20 ("Vehicles and Parking") above, the Board shall have the power and authority to adopt, promulgate, and enforce parking Rules and the power to impose fines and other sanctions for violations of provisions of the Governing Documents relating to vehicles and parking. Subject to the provisions of applicable law, including California *Vehicle Code* section 22658, the Board shall have the power and authority to cause the towing, at the vehicle owner's expense, of vehicles that are parked within the Development in violation of any of the provisions of the Governing Documents. Costs incurred by the Association relating to the towing and/or storage of any vehicle parked in violation of any provision of the Governing Documents shall be assessed as a Reimbursement Assessment against the Owner responsible or whose household member, Contract Purchaser, tenant, invitee, or guest is responsible for the presence of such vehicle.

4.22 Garages. Each Owner and Resident shall keep his or her garage in a clean and safe condition. Each garage door shall remain closed except during ingress or egress or when necessary to provide ventilation for individuals working in the garage area. In no event shall any garage be used as a Residence or for residential purposes, either temporarily or permanently.

- 4.23 Window Coverings. Drapes, window shades, and other window coverings shall be installed in the windows of any Residence and shall comply with any Rules adopted by the Board.
- 4.24 Outbuildings. No outbuilding, tent, shack, trailer, shed, or temporary building of any kind shall be located within the Development, except in strict compliance with the provisions of this Declaration, including Article 11 ("Architectural Committee") concerning approval by the Architectural Committee. In no event shall any such structure or any garage be used as a residence or for residential purposes, either temporarily or permanently.

ARTICLE 5 HOMEOWNERS ASSOCIATION

- 5.1 Management and Operation. The Association shall manage and operate the Development in accordance with the applicable provisions of the Governing Documents and the applicable provisions of California law including provisions of law applicable to a nonprofit mutual benefit corporation and to a common interest development. The Association shall have all of the powers set forth in the Governing Documents together with general power to do any and all things that a nonprofit mutual benefit corporation may lawfully do under the laws of the State of California, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.
- 5.2 Legal Standing. To the fullest extent permitted by law, including *Civil Code* section 5980, the Association shall have standing to institute, defend, settle, or intervene in litigation, arbitration, mediation, or administrative proceedings in its own name as a real party in interest, and without joining with it the Owners, in matters pertaining to the following:
- (a) Enforcement of the Governing Documents,
 - (b) Damage to the Common Area,
 - (c) Damage to the separate interests that the Association is obligated to maintain, repair, or replace,
 - (d) Damage to a separate interest that arises out of, or is integrally related to, damage to the Common Area or separate interests that the Association is obligated to maintain, repair, or replace.
- 5.3 Membership. Every Owner of a Lot within the Development shall be a Member of the Association and shall remain a Member thereof until such time as his or her Lot ownership ceases for any reason. Membership shall be appurtenant to

and may not be separated from ownership of a Lot and shall not be transferred, encumbered, pledged, alienated, or otherwise hypothecated in any way, except in connection with the sale or encumbrance of the Lot to which it is appurtenant.

- 5.4 Voting. Only Members in Good Standing shall be entitled to vote, and only one (1) vote shall be cast for each Lot, as more particularly set forth in the Bylaws.
- 5.5 Board of Directors. The affairs of the Association shall be managed by or under the direction of a Board of Directors. The number and qualifications of directors shall be as established in the Bylaws, and the members of the Board shall be elected as provided in the Bylaws. The Board of Directors shall have all of the powers and duties set forth in any provision of the Governing Documents, including without limitation such powers and duties as may be expressly set forth in this Declaration.
- 5.6 Association Rules. The Board of Directors shall have the power and the authority to establish, promulgate, amend, repeal, and enforce such Rules as the Board deems necessary for the management and operation of the Development and the conduct of business and affairs of the Association. Such Rules may concern, but need not be limited to, matters pertaining to use of the Common Area; pets; signs; collection and disposal of refuse; minimum standards for maintenance of property; use of recreational facilities; parking and traffic regulations; rental or leasing of Lots within the Development; collection of Assessments; nuisances, and any other subject matter within the jurisdiction of the Association as provided in the Governing Documents or by law.
- 5.7 Manager and Other Personnel. The Board of Directors shall have the power and authority to employ a manager and such other persons or entities as the Board shall deem appropriate to assist it in managing the Development and conducting the business and affairs of the Association, as more particularly set forth in the Bylaws; however, the Board shall not delegate to any manager its authority to levy Enforcement Assessments, hold hearings, or impose discipline.
- 5.8 Capital Improvements. The Board of Directors shall have the power and authority, to provide for the construction, installation, or acquisition of capital improvements upon the Common Area, provided that in any fiscal year expenditures for capital improvements (as distinguished from the reconstruction or replacement of an existing capital improvement) shall not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year except upon the approval of at least sixty percent (60%) of the Total Voting Power of the Association.
- 5.9 Sale, Transfer or Dedication of Association's Property. Except as provided in Section 3.4 ("Easements Granted by Association"), the Board of Directors shall

not in any fiscal year sell, transfer or dedicate property owned by the Association having a value in excess of five percent (5%) of the budgeted gross expenses for that fiscal year without approval of at least sixty percent (60%) of the Total Voting Power of the Association.

- 5.10 Acquisition of Property. The Board acting on behalf of the Association shall have the power to acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, and maintain real or personal property in connection with the affairs of the Association.
- 5.11 Easements and Licenses to Owners. Notwithstanding any other provisions of the Governing Documents, upon approval of at least sixty percent (60%) of the Total Voting Power of the Association, the Board shall have the power to grant and convey easements, licenses for use and rights-of-way in, over, or under the Common Area or any portion thereof to Lot Owners, for such purposes as the Board deems to be appropriate and not inconsistent with the purposes and interests of the Association.
- 5.12 Mortgage of Association's Real Property. Upon approval of at least sixty percent (60%) of the Total Voting Power of the Association, the Board acting on behalf of the Association shall have the power and authority to mortgage, pledge, encumber, or otherwise hypothecate the Common Area and facilities thereon as security for money borrowed by the Association.
- 5.13 Access. The Board and its duly-authorized agents or representatives shall have the right, after reasonable notice to the Owner thereof, to enter any Lot for the purpose of performing the maintenance authorized herein or for any other purpose reasonably related to the performance by the Association or the Board of their responsibilities.

ARTICLE 6 ASSESSMENTS AND LIENS

6.1 Covenant of Owner. Each Owner of a Lot within the Development, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to pay to the Association: (i) Annual Assessments, (ii) Special Assessments, (iii) Reimbursement Assessments, and (iv) Enforcement Assessments levied by the Association as hereinafter provided, together with all Additional Charges.

6.1.1 Association's Power to Collect. Such deed or conveyance shall be deemed to vest in the Association the right and power to initiate all actions and procedures as the Board shall deem necessary or

appropriate for the collection of such Assessments and Additional Charges and for the enforcement of the liens hereinafter provided for.

- 6.1.2 Assessments Are a Personal Obligation. Assessments levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a personal debt and obligation of the Owner against whom they are assessed, and shall bind his or her heirs, devisees, personal representatives, successors, and assigns.
- 6.1.3 Obligation Runs with the Land. The obligation to pay Assessments and Additional Charges and the right and power of the Association to initiate all actions and procedures for collection shall run with the land, so that each successive Owner or Owners of any Lot shall, in turn, become liable to pay all such Assessments and Additional Charges assessed that become due and payable during the time he or she is Owner of such Lot.
- 6.1.4 Owner's Liability After Transfer. After an Owner transfers of record his or her interest in any Lot, he or she shall not be liable for any Assessments levied thereafter with respect to such Lot. Such Owner shall remain personally liable, however, for all unpaid amounts due and owing at the time of transfer, together with Additional Charges accruing until time of collection. No assumption of personal liability by a successor Owner shall relieve any Owner from personal liability for delinquent Assessments. A Contract Seller of any Lot shall continue to be liable for all Assessments and Additional Charges until a conveyance by deed of such Lot is recorded in the Office of the County Recorder.
- 6.2 Creation of Lien. Each Assessment levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a charge upon the land and upon levy shall be secured by a continuing lien upon the property against which such Assessment is levied. The Association shall have a separate lien and a separate lien is hereby created upon each Lot to secure the payment of any such Assessments and Additional Charges as may be levied under this Declaration.
- 6.2.1 Lien Is Continuing. The lien provided for herein shall continue to secure all Assessments and Additional Charges levied upon any Lot notwithstanding the transfer of record title to such Lot, and any such transfer shall be subject to the Association's lien, provided that, prior to such transfer, a notice of delinquent assessment has been recorded as provided in the Declaration and by law.

- 6.2.2 Priority of Association's Assessment Liens. The priority of all such liens on each Lot shall be in inverse order so that upon the foreclosure of the lien for any particular charge on any Lot, any sale of such Lot pursuant to foreclosure of the lien will be made subject to all liens securing Assessments and Additional Charges on such Lot that become due and payable subsequent to the lien being foreclosed upon.
- 6.3 Purpose of Assessments. The Assessments levied by the Board shall be used exclusively to pay for the costs of management and operation of the Development, of conducting the business and affairs of the Association, to promote the recreation, health, safety, welfare, benefit, and interests of the Owners and Residents in the Development, and for the improvement and maintenance of the Common Area and, to the extent provided for in the Governing Documents or by law, of the Lots situated within the Development or which, in the opinion of the Board, shall be deemed to be necessary or proper for the management of the Development or of the affairs of the Association, or the benefit of the Lot Owners, or for the enforcement of the Governing Documents.
- 6.4 Association's Funds. Unless otherwise determined by the Board, the Association shall maintain at least two (2) separate accounts in one (1) or more banks or other depositories selected by the Board, which accounts shall be clearly designated Treasure Isle Homeowners' Association operating account and Treasure Isle Homeowners' Association reserve account. The Assessments collected by the Association shall be properly deposited into such accounts. The Assessments collected by the Association shall be held in trust by the Association for and on behalf of each Owner and shall be used for the purposes set forth in Section 6.3 ("Purpose of Assessments"). The Board shall allocate a portion of said funds as collected for the annual maintenance and operation of the Development and another portion of said funds as collected as reserves for contingencies, replacement, and deferred maintenance of the capital improvements of the Development, as specified in the annual budget. Upon sale or transfer of any Lot by any Owner, the Owner's interest in the funds held in trust by the Association shall terminate and shall be deemed automatically transferred to the successor-transferee of such Owner.
- 6.5 Funds Held in Trust for Owners. The Assessments collected by the Association shall be held in trust by the Association for and on behalf of each Owner. Upon sale or transfer of any Lot by any Owner, the Owner's interest in the funds held in trust by the Association shall terminate and shall be deemed automatically transferred to the successor-transferee of such Owner.

- 6.6 Authority of the Board. The Board shall have the power and the duty to levy Annual and Special Assessments sufficient to meet the Association's obligations under the Governing Documents and applicable law.
- 6.7 Annual Assessments.
- 6.7.1 Calculation of Estimated Requirement. Not later than forty-five (45) days prior to the beginning of each fiscal year, the Board shall complete and distribute to all Owners an estimate of the net funds required by the Association for such fiscal year, including a reasonable amount allocated to contingencies and to a reserve fund for restoration, repair, and/or replacement of those components for which the Association is responsible and which must be repaired or replaced on a periodic basis; to manage, administer, operate, and maintain the Development; to conduct the affairs of the Association; and to perform all of its duties in accordance with this Declaration.
- 6.7.2 Allocation of Annual Assessment. The Board shall allocate and assess the amount of estimated required funds equally among the Lots by dividing the amount by the number of Lots within the Development.
- 6.7.3 Payment of Annual Assessment. Unless the Board shall designate otherwise, Annual Assessments shall be levied on an annual basis and shall be paid in twelve (12) equal monthly installments during the fiscal year, and each installment shall be due and payable on the first day of each month.
- 6.7.4 Notice of Annual Assessment. Not less than thirty (30) days and not more than ninety (90) days prior to the beginning of each fiscal year, the Board shall send to each Owner a notice of the amount of the Annual Assessment allocated to his or her Lot, except that if there is an increase in the Annual Assessment over the previous year, in compliance with *Civil Code* section 5615, the notice shall be provided by Individual Delivery to the Owner not less than thirty (30) days and not more than sixty (60) days before the due date of the increased Annual Assessment.
- 6.7.5 Permitted Increase in Annual Assessment. Pursuant to *Civil Code* section 5605(b), except as otherwise provided by law, the Board shall not increase the Annual Assessment for any fiscal year above the amount of the Annual Assessment for the preceding fiscal year by more than twenty percent (20%) (or such other limitation on the increase as may be imposed by law), except upon the affirmative vote or written consent of a majority of Members voting on such increase,

provided that a quorum has been established. For purposes of the preceding sentence and to the extent required pursuant to *Civil Code* section 5605(c), a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.

6.7.6 Revised Annual Assessment. Subject to the provisions of Section 6.7.5 ("Permitted Increase in Annual Assessment") or as otherwise permitted by law, if at any time during the course of any year, the Board determines the amount of the Annual Assessment to be inadequate, by reason of a revision of its estimate of either expenses or income or otherwise, the Board shall have the right, at a regular or special meeting of the Board, to revise the Annual Assessment for the balance of the fiscal year. To the extent required by *Civil Code* section 5615, notice of any such increase shall be given to the Members by Individual Delivery and such revised Annual Assessment shall become effective on the first day of the next month that is at least thirty (30) days and not more than sixty (60) days after the date of such notice.

6.7.7 Failure to Fix Assessments. The failure or omission by the Board to fix or levy any Annual Assessment provided for by the terms of this Declaration before the expiration of any fiscal year, for that fiscal year or the next fiscal year, shall not be deemed either a waiver or a modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay Assessments or any installment thereof for that or any subsequent year, but the amount of the Annual Assessment fixed for the preceding fiscal year shall be the amount of the Annual Assessment for the ensuing fiscal year until a new Annual Assessment is levied.

6.8 Special Assessments.

6.8.1 Purpose of Special Assessments. If at any time during any fiscal year the Annual Assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof or the unexpected repair, replacement, or reconstruction of improvements located in the Development, or if funds are otherwise required for any authorized activity of the Association, the Board may levy a Special Assessment in the amount of such actual or estimated inadequacy or cost.

6.8.2 Allocation of Special Assessments. Special Assessments shall be allocated and assessed among the Lots in the same manner as Annual Assessments.

- 6.8.3 Permitted Amount of Special Assessments. Except in the case of an emergency situation as defined in section 5610 of the *Civil Code*, in any fiscal year the Board may not levy Special Assessments which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except upon the affirmative vote or written consent of at least a majority of the Members voting on any such Special Assessment, provided a quorum is established. For purposes of the preceding sentence and to the extent required pursuant to *Civil Code* section 5605(c), a quorum shall mean more than fifty percent (50%) of the Members of the Association, notwithstanding any lower quorum requirement which may be set forth in the Bylaws.
- 6.8.4 Notice of Special Assessment. Upon the imposition of a Special Assessment or an increase in a Special Assessment, in compliance with *Civil Code* section 5615, notice thereof shall be given to each Owner by Individual Delivery not less than thirty (30) days and not more than sixty (60) days prior to the due date of the Special Assessment.
- 6.8.5 Payment of Special Assessments; Cost of Payment Plans. Special Assessments shall be payable in a lump sum or in installments as may be determined by the Board with regard to each Special Assessment when it is imposed. If the Association incurs additional expenses because of a payment method selected by an Owner (for example, but not limited to, paying a Special Assessment in installments instead of in a lump sum), the Association may charge such expense to the Owner as an Additional Charge or as a Reimbursement Assessment. Nothing in Section 6.8 shall be deemed to obligate the Association to offer or permit alternate payment plans.
- 6.9 Application of Surplus Funds (IRS Resolution). If, as of the end of any fiscal year, there is an excess of membership income over membership expenses as defined in Internal Revenue Code section 277 for the year ended, the Board shall determine, without the need for a Member vote, whether such excess shall be applied to reserves and deposited in the Association's reserve account or shall be applied against the subsequent tax year's Member Assessments as provided in Internal Revenue Service Revenue Ruling 70-604. If the Board does not determine to so apply such excess membership income to reserves or to the subsequent year's Member Assessments, any other lawful disposition of such excess income shall be as determined by the vote of the Members.
- 6.10 Reimbursement Assessments. The Board, after notice and a hearing as provided for in Section 12.11 ("Notices: Content, Delivery") and Section 12.12

("Hearing Called by the Board; Executive Session; Open Meeting"), may levy a Reimbursement Assessment against an Owner and his or her Lot:

- (a) To reimburse the Association for costs incurred to maintain, repair, or replace property (including property within a Lot) when such damage is due to the act or neglect of such Owner, his or her Contract Purchaser, or member of his or her household, pet, tenant, invitee, or guest, or as otherwise provided in the Governing Documents;
- (b) If the failure of such Owner, his or her Contract Purchaser, or member of his or her household, pet, tenant, invitee, or guest to comply with any provision of the Governing Documents has necessitated or resulted in an expenditure of funds by the Association to deal with such lack of compliance or to bring such person or the Lot into compliance;
- (c) To reimburse the Association for any costs of collecting from an Owner any amount the Owner is obligated to pay the Association.

Without limiting the generality of the foregoing, and to the fullest extent permitted by law, all costs including attorney fees, incurred by the Association to enforce Section 4.4 ("Restriction on Businesses"), Section 4.15 ("Animals"), Section 4.2.2 ("Association As Third Party Beneficiary"), Section 4.2.3 ("Indemnification Regarding Tenant's Actions"), Section 6.17 ("Assignment of Rents As Security for Payment"), and Section 12.6 ("Injunctions"), or to defend any claim arising or alleged to arise from any of the foregoing sections, shall be reimbursed to the Association as a Reimbursement Assessment. Any Reimbursement Assessment shall be due and payable to the Association when levied.

6.11 Enforcement Assessments. The Board may levy an Enforcement Assessment (and any fine imposed by the Board in accordance with the provisions of the Governing Documents shall be deemed to be such an Enforcement Assessment), for violation of any of the provisions of the Governing Documents. Any Enforcement Assessment shall include any costs, including attorney fees, incurred by the Association in connection with such violation and shall be due and payable to the Association when levied.

6.12 No Offsets. All Assessments levied by the Board shall be payable in the full amount specified, including any Additional Charges imposed as provided by the terms of this Declaration, and no offsets against any such amounts shall be permitted for any reason whatsoever, including without limitation a claim that the Association has failed to properly exercise its duties of maintenance or enforcement.

- 6.13 Bad Checks. An Owner who writes a check to the Association on insufficient funds shall be charged a service fee in the amount permitted by *Civil Code* section 1719 and may be liable for damages to the Association in an amount equal to three (3) times the amount of the bad check, as provided by statute.
- 6.14 Delinquent Assessments; Acceleration in the Event of Delinquency. Any installment or other portion of an Assessment, as well as all other Additional Charges, not paid within thirty (30) days after the due date shall be delinquent and, to the fullest extent permitted by law including *Civil Code* section 5650(b), shall be subject to interest and late charges not to exceed the maximum rate permitted by law. If any monthly installment of the Annual Assessment or any installment of a Special Assessment that has been levied or is permitted to be paid on an installment basis is delinquent for a period of sixty (60) days, the Association may, but shall not be obligated to, declare the entire balance of the Annual Assessment or the Special Assessment immediately due and payable together with all other delinquent amounts.
- 6.15 Enforcement by Action at Law or Foreclosure. The Board, on behalf of the Association, may enforce the payment of any delinquent Assessment plus Additional Charges by bringing an action at law against any Owner personally obligated to pay the same, or by foreclosing the lien against the Owner's Lot by judicial or non-judicial foreclosure, to the fullest extent permitted by law. To the extent prohibited by *Civil Code* section 5725(b), the amount of an Enforcement Assessment may not become a lien that is enforceable by non-judicial foreclosure.
- 6.15.1 Pre-lien Notice. At least thirty (30) days prior to recording a notice of delinquent assessment against a Lot to collect a debt that is past due, the Association shall provide written notice to the Owner(s) of the Lot, as required by *Civil Code* section 5660 ("Pre-lien Notice").
- 6.15.2 Prior to Recording a Lien. Prior to recording a notice of delinquent assessment, the Association shall comply with all applicable requirements imposed by law, including offering to participate in internal dispute resolution (Section 12.16 of this Declaration) or alternative dispute resolution (Section 12.17 of this Declaration) to the extent required pursuant to *Civil Code* section 5670 and making the decision to record a lien for delinquent Assessments at an open meeting of the Board, to the extent required pursuant to *Civil Code* section 5673.
- 6.15.3 Owner's Right to Discuss Payment Plan. To the extent provided in *Civil Code* section 5665, an Owner may submit to the Board a written request to discuss a payment plan for a debt noticed in a pre-lien

notice. If the Owner's written request is mailed to the Board (as evidenced by a postmark or receipt of mailing) within fifteen (15) days after the postmark on the pre-lien notice, the Board shall meet with the Owner within forty-five (45) days of the postmark date of the Owner's written request, unless there is not a regularly scheduled Board meeting within the period, in which case the Board, in its discretion, may hold a special meeting in executive session to meet with the Owner or may designate a committee of one (1) or more Board members to meet with the Owner.

- 6.15.4 Notice of Delinquent Assessment. The amount of the past due debt noticed in the pre-lien notice shall be a lien from and after the recording of a notice of delinquent assessment. No later than ten (10) days after recordation, a copy of the notice of delinquent assessment shall be mailed by certified mail in compliance with *Civil Code* section 5675 to every person whose name is shown as an Owner of the Lot in the Association records or in such manner and to such persons as may be required by applicable law.
- 6.15.5 Delinquent Assessments of Less Than \$1,800. To the extent provided in *Civil Code* section 5720(b), delinquent Assessments totaling less than One Thousand Eight Hundred Dollars (\$1,800) that are less than twelve (12) months delinquent may not be collected by judicial or non-judicial foreclosure, but may be collected in any other manner provided by law including a civil action in small claims court to the extent provided in *Civil Code* section 5720(b)(1) or recording a lien as provided in *Civil Code* section 5720(b)(2). Prior to recording such a lien the Association shall offer to participate in internal dispute resolution (Section 12.16 of this Declaration) to the extent required by *Civil Code* section 5720(b)(2).
- 6.15.6 Initiating Foreclosure. As provided in *Civil Code* section 5700(a), no procedures shall be initiated to foreclose the lien securing any noticed past due debt under Article 6 ("Assessment and Liens") until after the expiration of thirty (30) days following the recording of a notice of delinquent assessment. To the extent required pursuant to *Civil Code* section 5705(b), the Association shall offer to participate in internal dispute resolution (Section 12.16 of this Declaration) or alternative dispute resolution (Section 12.17 of this Declaration). To the extent required by *Civil Code* section 5705(c), a decision to initiate foreclosure shall be made only by the Board in an executive session meeting.

- 6.15.7 Amount Due and Payable. Except with respect to the amount of any Enforcement Assessment, upon the recording of the notice of delinquent assessment referred to above, the Association may, at its option, declare the entire balance of all sums then due or to become due from the Owner, immediately due and payable, which total sum may then be included in any suit, action, or other procedure initiated to collect said sums, including all Additional Charges.
- 6.15.8 Notice of Initiating Foreclosure. To the extent required pursuant to *Civil Code* section 5705(d), the Association shall provide written notice of initiating foreclosure to the record Owner of the Lot, including notice by personal service to any resident Owner.
- 6.16 Power of Sale. Each Owner does hereby appoint the Association as trustee to enforce and to foreclose any lien which is established pursuant to the terms of this Declaration, by private power of sale, as provided in Division III, Part 4, Title 14, Chapter 2, Article 1, of the *Civil Code* of the State of California, and does further grant to the Board of Directors, on behalf of the Association, the authority and power to sell the Lot of such Owner in the event of any default in payment of any Assessments or Additional Charges levied against such Lot, for lawful money of the United States, to the highest bidder, to satisfy said lien. The Association, as trustee for the remaining Owners, or any other Owner, may purchase the Lot at said sale.
- 6.17 Assignment of Rents As Security for Payment. As security for the payment of all liens provided for under this Declaration, each Owner hereby gives to and confers upon the Association the right, power, and authority during the continuance of such ownership to collect the rents, issues, and profits of the Owner's Lot, reserving unto the Owner the right, prior to any default by such Owner in performance of that Owner's obligations under the Governing Documents in payment of any indebtedness to the Association, to collect and retain such rents, issues, and profits as they become due and payable. Upon any such default, the Association may (i) instruct the tenant to pay rent to the Association as and when such rents become due or (ii) at any time upon ten (10) days' written notice to such Owner (either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for such indebtedness) in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and in either event apply the same, less costs and expenses of operation and collection, including reasonable attorney fees, upon any such indebtedness, and in such order as the Association may determine or as required by applicable law. Owner waives the giving of any and all notices required by the laws of the State of California in order for the Association to exercise the rights provided by Section 6.17. The collection of such rents, issues, and profits, and the application thereof as

aforesaid, shall not cure or waive any default under the Governing Documents or invalidate any act done pursuant to this Declaration. The assignment of rents and powers described in Section 6.17 shall not affect, but shall in all respects be subordinate to, the rights and power of the holder of any First Mortgage on any Lot, or any part thereof, to do the same or similar acts.

- 6.18 Remedies Are Cumulative. The Board may commence any procedure for the collection of delinquent Assessments upon its own decision. The remedies provided in this Declaration for collection of delinquent Assessments shall be cumulative and not exclusive; that is, the Association may use one (1) or more or all of the available remedies to collect delinquent Assessments to the fullest extent permitted by law.
- 6.19 Partial Payments. The Association's acceptance of a partial payment, whether involuntary or voluntary, shall not prevent the Association from pursuing any or all of its available collection remedies.
- 6.20 Right of Redemption. To the extent provided pursuant to *Civil Code* section 5715(b), a non-judicial foreclosure to collect delinquent Assessments shall be subject to a right of redemption.
- 6.21 Certificate of Satisfaction and Release of Lien. Upon payment in full of a delinquent Assessment, including any Additional Charges, or the satisfaction thereof, the Board shall cause to be recorded, in the same manner as the notice of delinquent assessment, a further certificate stating the satisfaction thereof and the release of the lien.
- 6.22 Priority. Except as otherwise expressly provided by law, the lien securing each of the Assessments provided for under Article 6 ("Assessments and Liens") shall have priority as of the date of recording of the original Declaration applicable to the Development over all other liens and encumbrances applicable to the Lots; *provided, however*, that such Assessment lien shall be subordinate to the lien of any first Mortgage or deed of trust recorded against the Lot; and *provided, further*, that such subordination shall apply only to the Assessments which have become due and payable prior to the sale of such property pursuant to a decree of foreclosure of any such Mortgage or first deed of trust, or pursuant to a power of sale contained in any such Mortgage. Such foreclosure sale shall not relieve such property from liability for any Assessments and Additional Charges thereafter becoming due, nor from the lien of any subsequent Assessment.
- 6.23 Waiver of Exemption. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to Article 6 ("Assessments and Liens"), the benefit of any homestead or exemption laws of the State of California

in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed pursuant to the terms of Article 6.

6.24 Property Exempt from Assessments. The following property subject to this Declaration shall be exempt from the Assessments, Additional Charges, and liens created herein:

- (a) All property dedicated to and accepted by the County or other local public authority and devoted to public use; and
- (b) Any Lot which is owned by the Association as a result of the Association having acquired such Lot through foreclosure; *provided, however*, that such exemption shall be applicable only during the period in which the Association is record owner of such Lot; and
- (c) All Common Area.

ARTICLE 7 INSURANCE

7.1 Insurance, Generally. The Association shall procure and maintain, as a common expense of all Owners, the types of insurance described in Section 7.2 ("Hazard Insurance to Be Maintained by Association"), Section 7.3 ("General Liability Insurance to Be Maintained by Association"), and Section 7.4 ("Other Insurance to Be Maintained by Association"), if and to the extent such insurance, with the coverages described below, is available at a reasonable premium cost.

7.2 Hazard Insurance to Be Maintained by Association; Owner's Obligation to Maintain Insurance.

7.2.1 Common Area Hazard Insurance. The Association shall maintain a policy commercial property insurance covering for at least the basic form perils of fire, extended coverage and vandalism for the full insurable replacement value of the Common Area with extended coverage, in the name of the Association for the benefit of all Owners.

7.2.2 Association's Authority to Obtain Master Hazard Insurance Insuring Both Common Area and Lots/Residences. The Board, on behalf of the Association, shall have the authority and the obligation, if economically feasible in the Board's opinion, to procure a master policy of insurance protecting the interests of the Association and its Members, covering all of the Residences and other fixtures, equipment or improvements located on Lots within the Development, including without limitation, fire insurance covering the full insurable replacement value of such

Residences, and other fixtures, equipment or improvements located on Lots within the Development.

7.2.3 Owner's Insurance Obligations.

- (i) Owner's Obligation – Association Obtains Common Area Only Coverage. When the Association only insures the Common Area and does not maintain an Association master policy (as set forth in Section 7.2.1 (“Common Area Hazard Insurance”), the insurance policies carried by the Association are not intended to cover the Lots or the Residences or liability incident to an Owner's negligence upon the Common Area. In such case, each Owner shall procure and maintain hazard insurance covering the full replacement costs of the Residence and improvements and other structures on the Owner's Lot, insurance against Owner liability incident to ownership or use of the Owner's Lot or Residence, liability incidence to an Owner's negligence upon the Common Area, insurance on the contents of a Dwelling; and such other insurance as the Owner shall determine is adequate to cover such other risks as the Owner shall determine, including, but not limited to, loss of use, additional living expenses, loss of rental income, and loss assessment coverage. An Owner renting his or her Lot may require his or her tenant to carry renter's insurance (called an HO-4).

- (ii) Unit Owner's Obligation – Association Obtains Master Policy. In the event the Board acquires a master policy as described in Section 7.2.2 (“Association's Authority to Obtain Master Hazard Insurance Insuring Both Common Area and Lots/Residences”), Owners shall acquire and maintain an “HO-6 Owner's Policy” or the equivalent (including a Landlord's Policy if the Owner rents out his or her Residence) covering the Owner's individual liability for damage to property or injury to person or others occurring within the Lot, property damage to contents and personal property within the Owner's Lot, loss of use, and such other insurance as the Owner shall determine is adequate to cover such other risks as the Owner shall determine, including, but not limited to, loss assessment coverage, loss of rents, insurance to pay the deductible under the master insurance policy carried by the Association, and coverage for Owner upgrades, betterments and improvements added to the Residence since the time of original sale to the extent such costs are not covered by the master property insurance policy.

An Owner renting his or her Lot may require his or her tenant to carry renter's insurance (called an HO-4).

- (iii) No Overlapping Coverage. No Owner shall obtain or maintain any policy of insurance that reduces the amount of coverage under any policy obtained or maintained by the Association. If any Owner violates this provision, any diminution in insurance proceeds otherwise payable to the Association that results from the existence of such other insurance will be chargeable to the Owner who acquired such other insurance and each Owner hereby assigns to the Association the proceeds of any such policy to the extent any such decrease in proceeds in fact occurs (such proceeds to be applied pursuant to the Declaration as if produced by the Association's coverage). Such Owner will be liable to the Association to the extent of any diminution and the Association shall levy a Reimbursement Assessment against such Owner in the amount of such diminution.
- (iv) Notification of Cancellation, Evidence of Coverage; No Obligation of the Association. Owners shall take steps to ensure that the Board is notified of changes in or cancellation of insurance coverage, including naming the Association as an additional insured on the Owner's policy. If an Owner fails to obtain or maintain any insurance he or she is obligated or permitted to obtain pursuant to this Declaration, nothing in this Declaration shall be construed to impose any obligation whatsoever on the Association to insure that which the Owner does not insure. If requested by the Association (including, but not limited to, a Rule requiring the same), the Owner shall provide the Board with proof of insurance (for example, a copy of the certificate of insurance) meeting the above requirements. The right of the Board to request evidence of insurance that an Owner is obligated to carry pursuant to this Declaration shall not be deemed to impose a duty on the Board or Association to request such evidence of insurance or impose on the Association any liability to any person arising or claimed to arise out of any action or inaction by the Board, the Association or anyone acting on the Association's or the Board's behalf with respect to verifying any Owner's compliance with the Owner's obligation to carry insurance.

7.3 General Liability Insurance to Be Maintained by Association. The Association shall maintain commercial general liability insurance insuring the Association, its officers and directors, and the Owners against any liability incident to ownership,

maintenance, and repair of the Common Area, but excluding the liability of an Owner incident to personal bodily injury and property damage occurring within that Owner's Lot or in any other Lot or upon the Common Area resulting from the negligence of that Owner. The limits of liability shall be set by the Board but in no event shall be less than those set forth in *Civil Code* section 5800, and such limits and coverage shall be reviewed by the Board at least annually and increased or decreased in its discretion.

7.4 Other Insurance to Be Maintained by Association.

7.4.1 Workers' Compensation Insurance. The Association shall maintain workers' compensation insurance to the extent necessary to comply with any applicable laws and may carry such insurance at any time as determined by the Board.

7.4.2 Fidelity Bond. The Association shall maintain a standard fidelity bond covering dishonest acts on the part of officers and directors of the Association, the manager, and any employees or volunteers who are responsible to handle funds of the Association. Such bond shall name the Association as obligee, shall be written in an amount which shall be determined by the Board, and shall contain a waiver of any defense based on the exclusion of persons serving without compensation.

7.4.3 Directors' and Officers' Insurance. The Association shall maintain directors' and officers' liability insurance (sometimes referred to as "D&O Insurance" or "Errors & Omissions Insurance") with limits of liability to be set by the Board but in no event less than those set forth in *Civil Code* section 5800.

7.4.4 Other Insurance. The Association may maintain at any time and from time to time any other insurance, including but not limited to earthquake and/or flood insurance, and bonds as the Board may from time to time deem necessary or desirable.

7.5 Coverage Not Available; Disclaimer. In the event any insurance policy or any endorsement listed in Section 7.2 ("Hazard Insurance to Be Maintained by Association"), Section 7.3 ("General Liability Insurance to Be Maintained by Association"), and Section 7.4 ("Other Insurance to Be Maintained by Association") 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 Association, and its directors and officers, shall have no liability to any Lot Owner or Mortgagee if, after good faith effort, it is unable to obtain or maintain the insurance required pursuant to Section 7.2, Section 7.3, and Section 7.4

because the insurance is no longer available or, if available, can be obtained or maintained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the Members fail to approve any Special Assessment or increase in the Annual Assessment needed to fund the insurance premiums. In accordance with *Civil Code* section 5810, as soon as reasonably practicable, the Association shall notify the Members by Individual Notice if the Association insurance policies have lapsed or been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible for any of those policies. If the Association receives a notice of non-renewal of an Association policy and replacement coverage will not be in effect by the date the existing coverage will lapse, the Association shall notify the Members by Individual Notice.

- 7.6 Premiums. The premiums for any insurance obtained by the Association, including, without limitation, any master policy of insurance procured by the Board on behalf of the Association under subsection (vi), above, shall be a common expense of the Association and shall be paid for out of the operating fund of the Association; *provided, however,* that the amount of any deductible relating to any insurance obtained by the Association shall be borne by the Owner (or Owners) of any property affected by any loss covered by such insurance, and if it is not possible to identify an Owner (or Owners) of any property affected by any loss, then any deductible paid shall be a common expense of the Association and shall be paid for out of the operating fund of the Association.

**ARTICLE 8 DAMAGE OR DESTRUCTION OF BUILDINGS;
 CONDEMNATION**

- 8.1 Emergency Repairs. Without waiting to obtain insurance settlements or bids, the Board may undertake such emergency repair work after a casualty to the Common Area or Common Area improvements as it may deem necessary or desirable under the circumstances including but not limited to mitigating or removing dangerous conditions and other actions that may be necessary to comply with applicable laws, ordinances, and regulations; and the Board may charge the operating account for the costs thereof.
- 8.2 Replacement or Repair of Association's Property. In the event of damage to or destruction of the Common Area or other property of the Association or any part thereof, the Association shall Repair or replace the same from the insurance proceeds payable to it by reason of such damage or destruction.

- (a) If any such damage or destruction was insured against and the insurance proceeds are insufficient to cover the costs of Repair or replacement of the property damaged or destroyed, the Association may levy a Special Assessment against the Members of the Association as provided in this Declaration to cover the additional cost of the Repair or replacement not covered by the insurance proceeds.
 - (b) The Members may elect not to cause such replacement or Repair by the vote or written consent of sixty percent (60%) of the Total Voting Power of the Association.
 - (c) If there is an election not to rebuild or Repair, the applicable insurance proceeds shall be distributed by the Association to the Members pro rata or otherwise made use of as determined by the vote of the Members.
- 8.3 Rebuilding or Repair of Improvements on Lots Where Insurance Is Not Maintained by the Association. If any Lot is damaged or destroyed by fire or other casualty not covered by insurance maintained by the Association, the Owner(s) of any such Lot shall Repair or rebuild the structures upon such Lot and restore such Lot to its condition prior to the damage or destruction, or to such other condition as shall have been approved in advance by the Architectural Committee. Repair or rebuilding shall be commenced within a reasonable time, which shall in no event exceed one (1) year after the occurrence of the damage or destruction.
- 8.4 Rebuilding or Repair of Improvement Where Insurance Is Maintained by the Association.
- 8.4.1 Damage to Single Lot. If a single Lot is damaged or destroyed by fire or other casualty, and insurance coverage is maintained by the Association, the available insurance proceeds shall be paid to the Owner or Owners of such Lot, or the Mortgagee thereof, as their respective interests appear, and such Owner(s) or Mortgagee shall use the same to rebuild or Repair such Lot to its condition prior to the damage or destruction, or to such other condition as shall have been approved in advance by the Architectural Committee. In the event the insurance proceeds are insufficient to complete such work, the Lot Owner(s) shall pay such additional sums as may be necessary to complete such rebuilding and Repair. Repair or rebuilding shall be commenced within a reasonable time, which shall in no event exceed one (1) year after the occurrence of the damage or destruction.
 - 8.4.2 Damage to Two or More Lots. If two (2) or more Lots are damaged or destroyed by fire or other casualty, and insurance coverage is

maintained by the Association, the amount of available insurance proceeds shall be paid to the Association, and the Board shall thereupon contract to Repair or rebuild the damaged portions of the Lots to their condition prior to the damage or destruction, or to such other condition as shall have been approved in advance by the Architectural Committee. In the event the insurance proceeds are insufficient to pay all of the costs of Repairing and or rebuilding, the Board shall levy a Special Assessment against all affected Lot Owners pursuant to Section 6.6 ("Authority of the Board") hereof.

8.5 Condemnation of Common Area. If at any time all or any portion of any Common Area, or any interest therein, shall be taken for any public or quasi-public use, under any statute, by right of eminent domain, or by private purchase in lieu of eminent domain, the entire compensation or award in condemnation, to the extent such award is not apportioned among the Owners by court judgment or by agreement between the condemning authority and each of the affected Owners in the Development, shall be paid to the Association and shall be used in the manner determined by the Board, provided that such use shall not be inconsistent with the purposes of the Association. The Association shall represent the interests of all Owners in any proceedings relating to such condemnation to the extent such Owners have any interest in the Common Area.

8.6 Condemnation of Lots. If an entire Residence or Lot, or so much thereof as to render the remainder unfit for use as a residence, is condemned or taken for a public or quasi-public use, pursuant to any statute, by right of eminent domain, or by private purchase in lieu of eminent domain, the Owner's membership in the Association shall terminate as of the last day of the month in which the condemnor obtains the right to possession, or upon the Owner vacating the premises, whichever occurs last. If only a portion of such Residence or Lot is taken and the remainder is fit for use as a residence, the Owner shall continue to be a Member of the Association. In any condemnation action involving an Owner's Residence or Lot, the Association shall have the right to seek compensation for any damages incurred by the Association.

ARTICLE 9 MAINTENANCE OF PROPERTY

9.1 Association's Responsibility.

9.1.1 Common Area Maintenance. The Association shall provide Maintenance, Repair, and Replacement of the Common Area and all facilities, improvements, and landscaping thereon, including, without limitation, the following: (i) private lanes, streets or walks, (ii) utility facilities (except for those utility facilities which are maintained by

public or private utility companies or agencies), and (iii) all other real and/or personal property that may be acquired by the Association. The Association shall further be responsible for providing lighting, landscaping, gardening (including periodic replacement, as the Board deems necessary, of trees, shrubs, and other plants upon the Common Area), and janitorial services for the Common Area, as needed, and shall cause any and all other acts to be done which may be necessary to assure the Maintenance of the Common Area in good condition and repair, including painting of the exterior surfaces of the Common Area building(s) and such other portions of the Common Area as the Board, in its discretion, determines to be necessary.

9.1.2 Maintenance of Lots. The Association shall provide Maintenance, Repair, and Replacement of the following located upon each Lot, which is subject to Assessment hereunder as follows: (i) roof covers; (ii) gutters, downspouts and extended downspouts inside rear patios; (iii) exterior wood siding and all associated parts of the wood siding such as wood window and door trim, stucco and all the vent screens including those in the eaves, garage wall and soffit over the sliding glass kitchen door and kitchen window; (iv) fencing; and (v) exterior painting of Residences and garages located on Lots; (vi) all sidewalks inside and out front fenced areas including front steps and porches. The Association shall provide Replacement only (including standard hardware) of the following located upon each Lot, which is subject to Assessment hereunder as follows: (i) exterior doors and door frames including front doors and front door window, patio/garage doors and utility doors on end Lots (excluding sliding glass doors and frames), factory installed weather stripping attached to the bottom of the front door; and (ii) sectional, overhead garage doors and frames including factory installed rubber weather stripping at side and bottom of door.

9.2 Authority for Entry of Lot. The Association or its agents may enter any Lot whenever such entry is necessary, in the Board's sole discretion, in connection with the performance of any Maintenance, Repair, construction, or Replacement for which the Board is responsible or which it is authorized to perform. Such entry shall be made with as little inconvenience to the Residents as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except in emergency situations.

9.3 Association's Liability. Except as specifically provided in Section 9.1.2 ("Maintenance of Lots"), the Association shall not be responsible or liable for any Maintenance, Repair, or Replacement of a Lot or any improvement thereon, except to the extent that the need for such Maintenance, Repair, or Replacement

results from the negligence or fault of the Association, its employees, contractors, or agents.

9.4 Owner's Responsibility.

9.4.1 Maintenance of Lots. Except to the extent that Maintenance, Repair, or Replacement of any improvement on a Lot is expressly and clearly made the responsibility of the Association, each Owner shall be responsible for the Maintenance, Repair, and Replacement of his or her Lot and all improvements thereon in good condition, including, without limitation, the following: (i) fireplace flues, chutes and chimneys; (ii) skylights and sun tunnels; (iii) decks, patios and patio drains; (iv) air-conditioning, heating equipment, water heater and water heater drain, dryer vent and stove/oven vent; (v) solar devices; (vi) all glass, including window panes and frames and sliding glass doors and their frames; (vii) roof framing; (viii) properly secured door and window screens, door locks, deadbolt locks, strike plates; (ix) interiors of garages; (x) automatic garage door openers; (xi) trees, shrubs and other landscaping in rear yards, front and side patio areas; (xii) sewer laterals running under the Common Area connecting to the six inch (6") sewer main and sump pumps; and (xiii) water pipes running under the Common Area connecting to the water meter including the angle valve connected to the front or commercial side of water meter.

9.4.2 Compliance with Architectural Provisions. An Owner's right and responsibility for Maintaining, Repairing, or Replacing any portions of his or her Lot shall be subject to any applicable provisions of the Governing Documents relating to landscaping and architectural control, including Article 11 ("Architectural Committee").

9.5 Board's Discretion. The Board shall have the absolute discretion to determine whether any Maintenance, Repair, or Replacement, which is the responsibility of an Owner, is necessary to preserve the appearance and value of the property within the Development or any portion thereof and may notify an Owner of the work the Board deems necessary. In the event an Owner fails to perform such work within sixty (60) days after notification by the Board to the Owner, the Board may, after written notice to the Owner and the right of a hearing before the Board, cause such work to be done and charge the cost thereof to the Owner as a Reimbursement Assessment.

9.6 Owner's Liability. In the event the need for any Maintenance, Repair, or Replacement is caused by the willful or negligent act or omission of an Owner or an Owner's family, tenants, Contract Purchaser, guests, invitees, or household pets, the cost of such Maintenance, Repair, or Replacement, including the cost of

materials, labor, supplies, and services shall be charged to, and paid by, such Owner in the form of a Reimbursement Assessment.

ARTICLE 10 RIGHTS OF MORTGAGEES

10.1 Mortgage Permitted. Any Owner may encumber his or her Lot with a Mortgage.

10.2 Subordination.

(a) No breach of the covenants, conditions or restrictions herein contained nor the enforcement of any lien provided in Article 6 ("Assessments and Liens") hereof shall defeat or render invalid the lien of any Mortgage made in good faith and for value, but all of said covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure, trustee's sale or otherwise.

(b) Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any recorded first Mortgage (meaning a Mortgage with first priority over other Mortgages) encumbering the Lot encumbered by such lien therein, made in good faith and for value, and no such lien shall in any way defeat, invalidate or impair the obligation or priority of such Mortgage unless the Mortgagee thereunder shall expressly in writing subordinate its interest to such lien.

10.3 Amendment. No amendment to this Article 10 ("Rights of Mortgagees") shall affect the rights of the holder of any Mortgage recorded prior to recordation of such amendment who has not consented to such amendment.

10.4 Subordination Agreement. By subordination agreement executed by a majority of the Board, the benefits of Section 10.2 ("Subordination") and Section 10.3 ("Amendment") above may be extended to Mortgages not otherwise entitled thereto.

10.5 Payments by Mortgagees. Nothing contained in the provisions of this Declaration shall be construed or deemed to in any way, limit the rights of a first Mortgagee to require or demand the payment of impounds to said Mortgagee for the purpose of paying property taxes, insurance premiums or other expenses in accordance with the terms and provisions of said Mortgage.

ARTICLE 11 ARCHITECTURAL COMMITTEE

- 11.1 Submission of Plans and Specifications. Except for improvements made or constructed by or on behalf of the Association, no building, fence, wall obstruction, balcony, screen, patio cover, tent, awning, poles, standards, banners, flags (except for the American Flag in compliance with California *Government Code* section 434.5), improvement or other structure of any kind or any landscaping shall be commenced, erected, painted, or maintained within the development, nor shall any exterior addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, color, height, size, materials, and location of the same shall have been submitted to and approved in writing by the Architectural Committee as to quality of workmanship and design, harmony of external design and location in relation to surrounding structures, topography, and finished grade elevation.
- 11.2 Establishment. The Board shall appoint an Architectural Committee consisting of three (3) Members of the Association at least one (1) of whom shall be a director. The Board may also appoint one (1) alternate Committee member who may be designated by the Committee to act as substitute on the Committee in the event of absence or disability of any Committee member. In the event of death or resignation of any member of the Committee, the Board shall have the full authority to designate a successor. If at any time there shall not be a duly-constituted Architectural Committee, the Board shall exercise the functions of the Architectural Committee in accordance with the terms of Article 11 ("Architectural Committee").
- 11.3 Duties. It shall be the duty of the Architectural Committee to consider, evaluate and make recommendations to the Board on proposals or plans submitted to it pursuant to the terms of Article 11 ("Architectural Committee") to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration.
- 11.4 Meetings. The Architectural Committee shall meet as necessary to properly perform its duties hereunder. The vote or written consent of a majority of the members shall constitute an act by the Committee. The Committee shall keep and maintain a record of all actions taken by it at such meetings or otherwise. The Architectural Committee and its members shall be entitled to reimbursement for reasonable out-of-pocket expenses incurred by them in the performance of any Architectural Committee function.
- 11.5 Architectural Rules. The Architectural Committee may, from time to time, and subject to the Board's approval, adopt, amend, and repeal Rules and regulations to be known as "Architectural Rules." Said Rules shall interpret and implement the provisions of Article 11 ("Architectural Committee") hereof by setting forth the

standards and procedures for Architectural Committee review and guidelines for architectural design, placement of buildings and other structures, and landscaping, color schemes, exterior finishes and materials, and similar features which are recommended for use in the Development; *provided, however*, that said Architectural Rules shall not be in derogation of the minimum standards required by this Declaration.

- 11.6. Application. Any Owner proposing to perform any work of any kind whatever, which requires prior approval pursuant to Article 11 ("Architectural Committee"), shall apply for approval by notifying the Association, in writing, of the nature of the proposed work and furnishing such information and documentation as the Committee or Board may require.
- 11.7. Meetings. An Owner's request for approval shall be considered by the Committee at a Committee meeting. The Owner and, in the Committee's discretion, other interested persons, may present information relevant to the requested approval.
- 11.8. Basis for Decisions; Good Faith. The Committee's decisions shall be made in good faith and shall not be unreasonable, arbitrary, or capricious. It is recognized and intended that the Committee will employ subjective criteria and judgments in its review of and determination concerning plans and proposals submitted to it. The Committee shall make its decisions from the perspective of the interest of the Development as a whole in the fostering of the coherence, value, attractiveness and aesthetic compatibility of all architectural designs and features in the Development, after consideration of such factors the Committee reasonably determines to be relevant and after reasonable investigation consistent with the scope and circumstances of the proposal submitted to the Committee. The vote or written consent of a majority of the Committee members shall constitute an act by the Committee. The Committee shall grant the requested approval only if:
- (a) The Owner has submitted a complete application;
 - (b) The Committee finds that the plans and specifications conform to this Declaration and to the Architectural Rules in effect at the time such plans were submitted to the Committee. The Committee shall disapprove any application involving a request for or a need for a variance;
 - (c) The Committee finds that the proposed work will, if approved, be consistent and compatible with the architectural and aesthetic standards prevailing within the Development and will be in harmony with the external design and appearance of other existing structures and improvements

within the Development, and as to location with respect to topography and finished grade elevations; and

- (d) The Committee determines that the proposed work would be consistent with the standards of the Development and the purposes of this Declaration as to quality of workmanship and materials.
- 11.9 Form of Approval: All Committee recommendations for approval and rejection of requests for approval shall be in writing; *provided, however*, that any request for approval which has not been acted upon within forty-five (45) days from the date of submission thereof to the Architectural Committee shall be deemed approved.
- 11.10 Disapproval by Committee Due to Variance Issue. An application that has been disapproved by the Committee due to a variance issue (as provided in clause (b) of Section 11.8 ("Basis for Decisions; Good Faith")) may be re-submitted to the Board by the Owner or upon the Owner's request may be referred by the Committee to the Board. The Board, but not the Architectural Committee, may, but is not obligated to, grant variances or adjustments in its discretion if necessary to overcome practical difficulties due to topography or other conditions unique to a particular Lot, avoid unnecessary expense, or prevent unnecessary hardship in the application of the provisions of the Declaration; *provided, however*, that such variance or adjustment does not violate the purpose or purposes intended to be served by the standard or criteria being waived in each instance and is in conformity with the intent and purposes of the Declaration; and *provided, further*, that no such variance shall constitute a waiver of such provision with respect to any future application whether for the same Lot or any other Lot. Any variance granted by the Board shall be noted in the written approval of the proposed work and may be required by the Board to be recorded in the County records.
- 11.11 Board's Action. The Committee shall submit a copy of its findings and recommendations to the Board; which at an open meeting of the Board shall review and approve or disapprove those recommendations. The Board action will be noted on the application, a copy of which shall be returned to the requester. The Board action will also be recorded in the minutes for the Board meeting where those Committee recommendations were acted on by the Board.
- 11.12 Commencement: Upon receipt of approval pursuant to Section 11.9 ("Form of Approval"), the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all construction, reconstruction, refinishing, alterations, and excavations pursuant to said approval, said commencement to occur, in all cases, within ninety (90) days from the date of such approval. If the Owner shall fail to comply with Section 11.12, any approval previously given shall be deemed revoked unless the

Board, upon written request of the Owner made prior to the expiration of said ninety (90) day period, extends the time for such commencement. No such extension shall be granted except upon a finding by the Board that there has been no change in the circumstances upon which the original approval was granted.

11.13 Completion. The Owner shall, in any event, complete the construction, reconstruction, refinishing, or alteration of any such improvement within one (1) year after commencing construction thereof, except and for as long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the Owner or his agents. If an Owner fails to comply with Section 11.13, the Architectural Committee shall notify the Board of such failure, and the Board shall proceed in accordance with the provisions of Sections 11.12 ("Commencement") and Sections 11.16 ("Non-waiver") below, as though the failure to complete the improvements was a non-compliance with approved plans.

11.14 Inspection. Inspection of work and correction of defects therein shall proceed as follows:

- (a) Upon the completion of any construction, reconstruction, alteration, or refinishing of the exterior of any improvements, or upon the completion of any other work for which approved plans are required under Article 11 ("Architectural Committee"), the Owner shall give written notice thereof to the Architectural Committee.
- (b) Within sixty (60) days thereafter, the Committee, or its duly-authorized representative, may inspect such improvement to determine whether it was constructed, reconstructed, altered, or refinished in substantial compliance with the approved plans. If the Committee finds that such construction, reconstruction, alteration, or refinishing was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such non-compliance within such sixty (60) day period, specifying particulars of non-compliance and shall require the Owner to remedy such non-compliance.
- (c) If the Owner shall have failed to remedy such non-compliance upon the expiration of thirty (30) days from the date of such notification, the Committee shall notify the Board in writing of such failure. The Board shall then set a date on which a hearing before the Board shall be held regarding the alleged non-compliance. The hearing date shall be not more than thirty (30) nor less than fifteen (15) days after notice of the non-compliance is given to the Board by the Architectural Committee. Notice

of the hearing date shall be given at least ten (10) days in advance thereof by the Board to the Owner, to the Architectural Committee and, in the discretion of the Board, to any other interested party.

- (d) At the hearing the Owner, the Architectural Committee and, in the Board's discretion, any other interested person, may present information relevant to the question of the alleged non-compliance. After considering all such information, the Board shall determine whether there is a non-compliance, and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a non-compliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than forty-five (45) days from the date of the Board's ruling. If the Owner does not comply with the Board's ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board, at its option, may either remove the non-complying improvement or remedy the non-compliance and all expenses incurred in connection therewith shall be assessed against the Owner as a Reimbursement Assessment.
- (e) If, for any reason, the Architectural Committee fails to notify the Owner of any non-compliance within sixty (60) days after receipt of a notice of completion from the Owner, the improvement shall be deemed to be in accordance with the approved plans.

11.15 Preliminary Approval. Any Owner proposing to construct improvements requiring the prior approval of the Architectural Committee and Board may apply to the Association for preliminary approval by submission of preliminary drawings of the proposed improvements in accordance with the Architectural Rules. The purpose of the preliminary approval procedure is to allow an Owner proposing to make substantial improvements an opportunity to obtain guidance concerning design considerations before expending substantial sums for plans and other exhibits required to apply for final approval. Application for preliminary approval shall be considered and disposed of as follows:

- (a) Within forty-five (45) days after proper application for preliminary approval, the Architectural Committee shall consider and act upon such request. The Committee shall grant the approval only if the proposed improvement, to the extent its nature and characteristics are shown by the preliminary application, would be entitled to a final approval on the basis of a full and complete application. In granting or denying a request for preliminary approval, the Committee may give the applicant such directions concerning the form and substance of the final application for approval as it may deem proper or desirable for the guidance of the applicant.

- (b) Any preliminary approval granted by the Board shall be effective for a period of ninety (90) days from the date of the issuance thereof. During said period, any application for final approval which consists of proposed improvements in accordance with the provisions of the preliminary approval, and is otherwise acceptable under the terms of this Declaration, shall be approved by the Architectural Committee.
- (c) In no event shall any preliminary approval be deemed to be an approval authorizing construction of the subject improvements.
- 11.16 Non-waiver. The approval by the Architectural Committee of any plans, drawings, or specifications for any work done or proposed, or for any other matter requiring the approval of the Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification, or matter subsequently submitted for approval.
- 11.17 Estoppel Certificate. Within thirty (30) days after written demand is delivered to the Association by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Board), the Board shall cause to be recorded an estoppel certificate, certifying (with respect to any Lot of said Owner) that as of the date thereof, either: (i) all improvements made and other work completed by said Owner comply with this Declaration, or (ii) such improvements or work do not so comply, in which event the certificate shall also identify the non-complying improvements or work and set forth with particularity the basis of such non-compliance. Any purchaser from the Owner, or from anyone deriving any interest in a Lot through him, shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Association and all Owners and such persons deriving any interest through them.
- 11.18 Notice of Non-compliance. If any improvements are installed within the Development that are not in compliance with this Declaration, the Board is authorized to record or cause to be recorded against the Owner's Lot a notice of non-compliance which shall provide: (i) a legal description of the Lot affected, (ii) the name of the record Owner, as most recently reported to the Association and (iii) a description of the general nature of the non-compliance. If and when such Lot is brought into compliance with this Declaration, as determined by the Board or the Architectural Committee, the Association shall record or cause to be recorded an Estoppel Certificate in accordance with Section 11.15 ("Preliminary Approval").
- 11.19 Liability. Neither the Architectural Committee, the Board nor any member thereof shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed on account of: (i) the approval or disapproval of

any plans, drawings, and specifications, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (iii) the development of any property within the Development; or (iv) the execution and filing of an estoppel certificate pursuant to Section 11.17 ("Estoppel Certificate"), whether or not the facts therein are correct; *provided, however*, that the Architectural Committee, the Board or such member has acted in good faith on the basis of such information as may be possessed by it or him. Without in any way limiting the generality of the foregoing, the Architectural Committee, the Board or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the Architectural Committee.

- 11.20 Compliance with Governmental Requirements. The application to the Association and the review and approval of any proposals, plans, or other submittals shall in no way be deemed to be satisfaction of or compliance with any building permit process or any other governmental requirements, the responsibility for which lies solely with the respective Owner.

ARTICLE 12 ENFORCEMENT

- 12.1 Violations As Nuisance. Every act or omission constituting or resulting in a violation of any of the provisions of the Governing Documents shall be deemed to constitute a nuisance and, in addition to any other remedies which may be available, such nuisance may be abated or enjoined by the Association or its officers or Board of Directors or by any Owner; *provided, however*, that the Board shall not be obligated to take action to abate or enjoin a particular violation if, in the exercise of its discretion, the Board determines that acting to abate or enjoin such violation is not likely to foster or protect the interests of the Association and its Members as a whole. Notwithstanding the preceding sentence and without limiting the generality of the proviso therein, nothing in the Governing Documents shall be deemed to impose upon the Association, the Board, or the officers, employees, or agents of the Association a duty to intervene in any physical dispute or altercation or any criminal or alleged criminal activity other than to notify law enforcement officials.
- 12.2 Violation of Law Is a Violation of the Declaration. Any violation of a state, municipal, or local law, ordinance or regulation pertaining to the ownership, occupancy, or use of any property within the Development is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures set forth herein.

- 12.3 Owner's Responsibility for Conduct and Damages. Each Owner shall be fully responsible for informing members of his or her household, contract purchasers, tenants, invitees, and guests of the provisions of the Governing Documents, and shall be fully responsible for the conduct, activities, and any Governing Document violation of any of them, and for any damage to the Development or the Association resulting from the negligent or intentional conduct of any of them or the conduct of any pet belonging to any of them. If a Lot is owned jointly by two (2) or more persons, the liability of each Owner in connection with the obligations imposed by the Governing Documents shall be joint and several; that is, each co-Owner individually shall be fully liable and responsible and all co-Owners collectively shall be fully liable and responsible. The foregoing provisions of Section 12.3 are in addition to and shall not limit the generality of the provisions of Section 4.5 ("Indemnification Regarding Business Activity"), Section 4.6 ("Family Day Care Homes"), Section 4.7 ("Community Care Facilities"), Section 4.15 ("Animals"), Section 4.2.2 ("Association As Third Party Beneficiary"), and Section 4.2.3 ("Indemnification Regarding Tenant's Actions").
- 12.4 No Avoidance. No Owner may avoid the burdens or obligations imposed by the Governing Documents through non-use of any Common Area facilities or by abandonment of his or her Lot.
- 12.5 Enforcement Rights Are Cumulative. To the fullest extent permitted by law, including *Civil Code* section 5975, the Association, its directors, officers, or agents, and any Owner shall have the right to enforce any and all provisions of the Governing Documents by any proceeding at law or in equity, or, with respect to action by the Association, through the use of such other remedies (including self-help remedies that do not breach the peace or otherwise violate applicable law or this Declaration) as are available and deemed appropriate by the Board. Each remedy provided is cumulative and not exclusive.
- 12.6 Injunctions. Except for the nonpayment of any Assessment levied pursuant to the provisions of this Declaration, it is hereby declared that a remedy at law to recover damages for a default in the performance of any of the terms and provisions of any of the Governing Documents or for the breach or violation of any such provisions is inadequate and that the failure of any Owner, Contract Purchaser, member of his or her household, tenant, invitee, guest, or household pets or any other occupant or user of any of the property within the Development to comply with any provision of the Governing Documents may be enjoined in any judicial proceedings initiated by the Association, its officers or Board of Directors, or by any Owner or by their respective successors in interest.
- 12.7 Limitation on Association's Disciplinary Rights. The Association shall not have the power and authority to cause a forfeiture or abridgment of an Owner's right to the full use and occupancy of his or her Lot as the result of the failure by such

Owner, members of his or her household, Contract Purchaser, tenants, invitees, guests or pets to comply with any provision of the Governing Documents, except where such forfeiture or abridgement is the result of the judgment of a court of competent jurisdiction, a decision arising out of an arbitration proceeding, or a foreclosure or sale under private power of sale for failure of such Owner to pay Assessments levied by the Association pursuant to this Declaration. The provisions of Section 12.7 shall not affect the Association's right to impose other sanctions including imposing Enforcement Assessments as provided in Section 12.8 ("Imposing Sanctions").

12.8 Imposing Sanctions. Upon an explicit finding and for reasons specified by the Board following a hearing called by the Board and conducted in accordance with Article 12 ("Enforcement"), the Board shall have the power to impose sanctions on a Member who is in default in the payment of any Assessment or Additional Charge levied by the Board or is found to be in violation of any provision of the Governing Documents. Sanctions may include loss of Good Standing, suspension of other rights, and/or monetary penalties (fines), as described below.

12.8.1 Loss of Good Standing. The Board may suspend a Member's Good Standing for so long as the Member remains in default of such payment or until the violation is remedied. When a Member is not in Good Standing, his or her Association voting rights shall be suspended and the Member shall be disqualified from serving on the Board.

12.8.2 Suspension of Other Rights. The Board may suspend a Member's or a Resident's right to use Common Area recreational facilities for so long as a Member remains in default of such payment, or for such period as may be specified by the Board if the violation involves misbehavior related to Common Area recreational facilities.

12.8.3 Monetary Penalties (Fines). The Board may adopt a policy imposing monetary penalties or fines (which shall constitute Enforcement Assessments) pursuant to *Civil Code* section 5850. Such policy, if adopted, which shall be distributed to the Member in the annual policy statement pursuant to *Civil Code* section 5310. Multiple fines may be imposed for multiple violations. The schedule of fines may be changed by the Board by a Rule change pursuant to *Civil Code* section 4360 and following.

12.8.4 Monthly Sanctions For Continuing Violations. In the case of a continuing violation, such as an uncorrected architectural violation, where an Owner fails to remedy the violation after notice from the Board to do so, the Board may impose sanctions, including monetary

penalties, such sanctions to remain in effect for a period of one (1) month or until the continuing violation is remedied, whichever occurs sooner. (By way of example and not limitation, a violation in the nature of parking every day in a prohibited parking space would *not* constitute a "continuing violation" but each instance would constitute a separate violation.) If the continuing violation has not been remedied within the one-month period, the Board may impose separate and successive sanctions for the continuing violation, provided the Board conducts a separate hearing, not more frequently than once a month, before imposing each successive sanction. The Board may limit the scope of such hearing to facts and circumstances occurring subsequent to the previous hearing relating to the subject continuing violation.

- 12.8.5 Reimbursement Assessment Not a Sanction. The imposition of a Reimbursement Assessment pursuant to the Declaration does not constitute and shall not be deemed to be a sanction.
- 12.9 Investigation of Complaints. Upon receipt of a written complaint from an Owner or a Resident, the Board shall conduct an investigation of the allegations in the complaint and shall make relevant findings upon which the Board shall base a decision to pursue or not pursue the matter. If the Board decides not to pursue a matter, it shall notify the complaining party in writing stating the reason(s) for its decision.
- 12.10 Written Notice of Violation. If the Board determines, whether on its own initiative or pursuant to a written complaint, that a violation of the Governing Documents exists or has occurred, it shall notify the responsible Owner(s) by written notice in compliance with Section 12.11 ("Notices: Content, Delivery").
- 12.11 Notices: Content, Delivery. Any notice of violation required or given under Article 12 ("Enforcement") shall be in writing and shall comply with *Civil Code* section 5855 as to content and time of service and with *Civil Code* section 4040 as to method of service.
- 12.11.1 Content of Notice of Violation. Any notice given by the Association to a Member shall comply with *Civil Code* section 5855 and shall, at a minimum, set forth a brief description of the act or omission constituting the alleged violation of the Governing Documents; a reference to the specific Governing Document provision or provisions alleged to have been violated; if applicable, a statement that the Member may request a hearing by the Board; the date, time, and location of any hearing called by the Board; and any sanction, disciplinary action, or other enforcement action being contemplated by the Board.

- 12.11.2 Delivery of Notice. Any notice may be given by any method provided for in *Civil Code* section 4040; *provided, however*, that (i) if notice is given by mail, it shall be sent postage prepaid by United States first-class mail and/or by certified mail, return-receipt requested; and (ii) if given by the Association to a Member, it shall be sent to the most recent address for the affected Member as shown on the records of the Association. Pursuant to *Civil Code* section 4050(b), if sent by United States mail, delivery of such is deemed complete upon deposit in the United States mail, postage prepaid. Pursuant to *Civil Code* section 4050(c), if such notice is sent by electronic means, delivery is deemed complete at the time of transmission.
- 12.11.3 Address for Notice. It shall be each Owner's responsibility to notify the Association in writing of any change in the Owner's address for the purpose of receiving notices from the Association. The fact that a different address appears on correspondence to the Association from an Owner shall not constitute such written notice, unless it is expressly stated that such address is a change of address for the purpose of receiving notice from the Association. Upon transfer of title to a Lot, the transferee shall be responsible for notifying the Association of such transfer. The notification shall set forth the address of the Lot, the names of the transferee and the transferor, and the date of sale or other transfer. Prior to receipt of such notification, any and all communications required or permitted to be given by the Association or the Board to the Lot Owner shall be deemed to be duly made and given to the transferee if duly and timely made and given to the person shown as the Owner of the Lot and at the address in the Association's records.
- 12.11.4 Notice to Co-Owners or Occupants. Unless otherwise provided by law, when a Lot is owned by two (2) or more co-Owners or is occupied by two or more Occupants, notice to one (1) Owner or to one Occupant shall be deemed notice to all Owners or to all Occupants, as the case may be.
- 12.12 Hearing Called by the Board; Executive Session; Open Meeting. To the extent required by *Civil Code* section 5855, whenever the Board determines to conduct a hearing, it shall notify the affected Owner(s) and/or Resident(s) in writing by Individual Delivery at least ten (10) days before the Board meeting at which the matter will be considered. If the matter concerns Member discipline or the imposition of sanctions, the Board shall meet in executive session if requested by the Member, unless (and then only to the extent) applicable law requires that certain actions by the Board be conducted at an open meeting of the Board, such as *Civil Code* section 5673 concerning a decision to record a lien for delinquent

Assessments. If the matter concerns compliance with architectural approval requirements, the hearing shall be conducted in open meeting pursuant to *Civil Code* section 4765. In the Board's discretion, other interested person(s) may attend a hearing and may present information relevant to the subject matter of the hearing. If a notified Owner or Resident fails to attend a noticed hearing, the Board may nevertheless conduct its deliberations and make a determination based on its own investigation and any other information supplied to it that the Board deems reasonably reliable.

12.13 Owner's Request for Hearing. An Owner who has received a notice of violation sent pursuant to Section 12.10 ("Written Notice of Violation") or a notice of corrective action sent pursuant to Section 12.15 ("Enforcement by Association in Emergency Situations") or as otherwise provided in the Governing Documents, may request a hearing before the Board by submitting a written request to the Board. If an Owner is requesting a meeting to discuss a payment plan for a past due debt owed to the Association, the meeting shall be scheduled and conducted as provided in *Civil Code* section 1367.1(c)(3). If the Owner is requesting a hearing concerning a notice of violation sent pursuant to Section 12.10 ("Written Notice of Violation") or a notice of corrective action sent pursuant to Section 12.15 ("Enforcement by Association in Emergency Situations"), the request for hearing must be submitted within ten (10) days after the date of such notice. The Board shall schedule a hearing at its next regular meeting that is at least five (5) days after its receipt of an Owner's request for hearing or, in the Board's discretion, at another time agreed by the Board and the Owner. Hearings shall be conducted in executive session or at an open meeting as provided in Section 12.12 ("Hearing Called by the Board; Executive Session; Open Meeting").

12.14 Notice of Hearing Decisions. Within fifteen (15) days after a hearing is conducted, the Board shall notify the Owner or Resident in writing as to its decision. If the Board decides to impose sanctions, the notice shall describe the sanctions imposed and, if applicable, their effective dates.

12.15 Enforcement by Association in Emergency Situations.

12.15.1 Definition of Emergency Situation. For purposes of Section 12.15 ("Enforcement by Association in Emergency Situations"), the following shall constitute emergency situations: (i) an immediate and unreasonable infringement of or threat to the safety or peaceful enjoyment of Residents of the Development, (ii) a traffic or fire hazard, (iii) a threat of material damage to or destruction of the Development or any portion thereof, (iv) a violation of any provision of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether the violation has occurred (such as parking violations).

12.15.2 Immediate Corrective Action. Notwithstanding any other provisions of the Governing Documents, under circumstances that constitute an emergency, the Board or its duly-authorized agents may undertake immediate corrective action. The Board shall promptly thereafter send written notice of corrective action to the affected Owner including notice of any Reimbursement Assessment assessed to the Owner for costs incurred by the Association in connection therewith. If the Owner requests a hearing pursuant to Section 12.13 ("Owner's Request for Hearing"), enforcement of any Reimbursement Assessment imposed by the Board shall be held in abeyance and shall be pursued only if affirmed by the Board at the hearing.

12.16 Internal Dispute Resolution.

12.16.1 Fair, Reasonable, and Expeditious Procedure. The provisions of Article 11 ("Architectural Committee") and of Section 12.9 ("Investigation of Complaints") through Section 12.15 ("Enforcement by Association in Emergency Situations") are intended to provide a fair, reasonable, and expeditious procedure for resolving disputes between the Association and any Member that are subject to *Civil Code* section 5900 through 5920 (which apply to, among other things, enforcement of applicable provisions of the *Corporations Code* and enforcement of the Governing Documents). The above-referenced provisions of the Declaration shall constitute the Association's "internal dispute resolution" process as required by *Civil Code* section 5905.

12.16.2 Statutory Default Procedures. If the Association shall fail to comply with the Association's internal dispute resolution process, then the Association and the affected Member shall abide by the statutory default procedures provided in *Civil Code* section 5915, or successor statute. Any resolution so agreed upon by the parties thereto, that is not in conflict with the law or the Governing Documents, shall bind the parties and shall be judicially enforceable as provided in *Civil Code* section 5910.

12.16.3 Alternative Dispute Resolution May Also Apply. If (a) the subject matter of the dispute (including, among other things, enforcement of applicable provisions of the *Corporations Code* and enforcement of the Governing Documents) and the remedy sought (including certain kinds of declaratory, injunctive, or writ relief, which may be in conjunction with certain limited monetary relief, but excluding small claims actions and excluding Assessment disputes) are subject to *Civil Code* section 1369.510 *et seq.* and (b) the Association and the affected Member do

not agree on a resolution through the foregoing internal dispute resolution process provided for in Section 12.16.1 ("Fair, Reasonable, and Expeditious Procedure"), then no party to the dispute may pursue a civil remedy that is subject to *Civil Code* section 1369.510 *et seq.*, without first complying with the "alternative dispute resolution" (hereinafter "ADR") procedures set forth in that statute and referenced in Section 12.17 ("Alternative Dispute Resolution Before Initiating Lawsuit").

- 12.16.4 Annual Description of Internal Dispute Resolution Process. The Association shall annually provide the Members with a description of the internal dispute resolution process required by *Civil Code* section 5920 as part of the annual policy statement prepared pursuant to *Civil Code* section 5310. Such description may consist of a copy of Article 11 ("Architectural Committee") and Section 12.9 ("Investigation of Complaints") through Section 12.16 ("Internal Dispute Resolution").

12.17 Alternative Dispute Resolution Before Initiating Lawsuit.

- 12.17.1 When ADR Applies. The requirements of Section 12.17 ("Alternative Dispute Resolution Before Initiating Lawsuit") apply to civil action or proceedings as defined in *Civil Code* section 5925(b) when the remedy sought is solely for declaratory, injunctive, or writ relief or if for the foregoing relief in conjunction with monetary damages not in excess of the jurisdictional amount for a small claims action as stated in *California Code of Civil Procedure* sections 116.220 and 116.221, all as provided in *Civil Code* section 5930(b). *Civil Code* sections 5925 through 5965 apply to disputes between Members as well as to disputes between the Association and a Member. The ADR requirements of Section 12.17 do not apply to Assessment disputes or to an action in small claims court.
- 12.17.2 Statutory ADR Process. In accordance with *Civil Code* sections 5925 through 5965, the Association or a Member may not file an "enforcement action" as defined in the statute unless the parties have endeavored to submit their dispute to "alternative dispute resolution" as the term is defined in *Civil Code* section 5925(a) and as the process is specified in *Civil Code* sections 5935, 5940, and 5945.
- 12.17.3 Annual Disclosure of ADR Process. As provided in *Civil Code* section 5965, the Association shall annually provide to its Members a summary of the provisions concerning ADR contained in *Civil Code* sections 5925 through 5965 as part of the annual policy statement prepared pursuant to *Civil Code* section 5310. Such summary may

consist of a copy of Section 12.17 ("Alternative Dispute Resolution Before Initiating Lawsuit"). Such summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the *Civil Code* may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

12.18 Non-waiver of Enforcement. Failure to enforce any provision of the Governing Documents at any time shall not be deemed a waiver of the right to do so thereafter with respect to the same or any other violation of any provision of the Governing Documents.

12.19 Costs and Attorney fees. In the event the Association shall take any action to enforce any of the provisions of the Governing Documents or shall determine that any Owner or Resident, Contract Purchaser, member of his or her household, tenant, invitee, guest, or pet has violated any provision of the Governing Documents, and whether or not legal or judicial proceedings are initiated, the Association shall, to the fullest extent permitted by law, be entitled to recover the full amount of all costs including attorney fees incurred by the Association in responding to such violation and/or in enforcing any Governing Document provision. Without limiting the generality of the foregoing, in the event an Owner pursuant to *Civil Code* section 4605 brings a civil action for violation of *Civil Code* section 4600 (concerning the granting of exclusive use of a portion of the Common Area to a Member) or pursuant to *Civil Code* section 4955 a civil action for violation of the Common Interest Open Meeting Act (*Civil Code* section 4900 through 4955) if the Association shall prevail in any such action, the Association shall be entitled to recover reasonable attorney fees except to the extent prohibited by law. In awarding attorney fees, the court shall not be bound by any court fee schedule, but shall, if it is in the interest of justice to do so, award the full amount of costs, expenses, and attorney fees paid or incurred in good faith. The remedies of the Association to recover the amount of such costs, expenses, and attorney fees shall include, but shall not necessarily be limited to, the imposition of a Reimbursement Assessment.

ARTICLE 13 AMENDMENT

13.1 Required Approval. Subject to any applicable requirements of Article 10 ("Rights of Mortgagees") this Declaration may be amended by the affirmative vote of Members representing at least a Majority of a Quorum of the Members; *provided, however,* that, upon advice of legal counsel licensed to practice law in the State

of California including the drafting by legal counsel of appropriate amendatory provisions, the Board shall have the authority without the requirement of Member approval to amend any provision of the Declaration (i) to resolve any conflict between the Declaration and applicable law which may arise due to the enactment or amendment of a statute or due to a development in applicable case law or (ii) to conform the provisions of the Declaration to changes in applicable statutory law that impose requirements that are non-discretionary in nature.

- 13.2 Amendment Must be Recorded. Any amendment of the Declaration shall be signed and acknowledged by the duly-authorized officer(s) of the Association and recorded in the Office of the County Recorder.
- 13.3 Presumption of Validity. There will be a presumption subsequent to the recording of an amendment to this Declaration pursuant to Section 13.2 ("Amendment Must Be Recorded") that all votes and consents required to pass the same pursuant to Section 13.1 ("Required Approval") were duly obtained in accordance with the Governing Documents and applicable law. Such presumption may be rebutted by an action commenced within one (1) year from the date the amendment is recorded. In the absence of any such action, such presumption shall thereafter become conclusive.

ARTICLE 14 GENERAL PROVISIONS

- 14.1 Headings. The headings used in this Declaration are for convenience only and are not to be used in interpreting the meaning of any of the provisions of this Declaration, or otherwise.
- 14.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision hereof shall not invalidate any other provisions hereof.
- 14.3 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of fostering a plan of community ownership and occupancy and of management of the Development for the benefit of the community.
- 14.4 Presumption of Reasonableness. Each of the provisions of the Governing Documents shall be presumed to be reasonable; provided that such presumption of reasonableness may be overcome by a preponderance of competent evidence.

- 14.5 Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires.
- 14.6 Easements Reserved and Granted. Any and all easements referred to herein shall be deemed reserved or granted, or both reserved and granted, as appropriate, by reference to this Declaration in a deed to any Lot.
- 14.7 Power of Attorney. To the extent necessary to carry out and enforce the provisions of this Declaration, an irrevocable power of attorney coupled with an interest is granted to the Association by the Owners and each of them.
- 14.8 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 all of the real property subject to this Declaration, including without limitation, the Lots and Common Areas, and shall inure to the benefit of and be binding upon the Owners, the Association, the Board of Directors, officers and agents, and their respective successors in interest, until April 8, 2029 and thereafter the term shall be automatically extended for successive periods of ten (10) years each unless, within six (6) months prior to the expiration of the initial thirty (30) year term or any such ten-year extension period, a written instrument, approved by Owners entitled to vote and holding at least a majority of the Total Voting Power of the Association, terminating the effectiveness of this Declaration shall be recorded in the Office of the County Recorder of San Mateo County, State of California.

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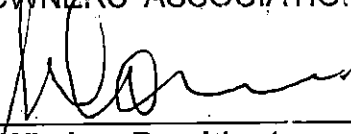
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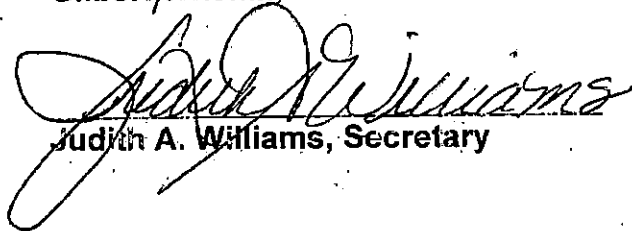
IN WITNESS WHEREOF, we, the Members of TREASURE ISLE HOMEOWNERS' ASSOCIATION (formerly known as "Treasure Isle"), pursuant to the requisite approval, and by means of the signatures of the President and the Secretary, do hereby affirm, approve, and adopt the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions of Treasure Isle Homeowners' Association, which Amended and Restated Declaration of Covenants, Conditions and Restrictions shall be recorded with the County Recorder of San Mateo County, State of California.

DATED: 11/5/2018

TREASURE ISLE
HOMEOWNERS' ASSOCIATION



Gilbert Whelan, President



Judith A. Williams, Secretary

CERTIFICATE OF ACKNOWLEDGMENT

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

State of California)
County of SAN MATEO) ss

On 11/29/18 before me, LALIT KALRA

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

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

WITNESS my hand and official seal.

Signature Lalit Kalra (Seal)



CERTIFICATE OF ACKNOWLEDGMENT

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

State of California)
County of SAN MATEO) ss

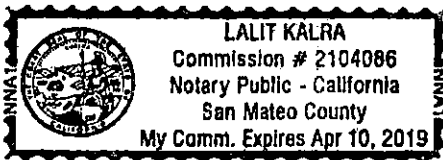
On 11/05/18 before me, LALIT KALRA

Notary Public, personally appeared **JUDITH A. WILLIAMS**, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he is executed the same in his is authorized capacity(ies), and that by his is signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Lalit Kalra (Seal)



RECORDING REQUESTED BY:
TREASURE ISLE HOMEOWNERS'
ASSOCIATION

WHEN RECORDED MAIL TO:
Tom Fier
LAW OFFICES OF TOM FIER
675 Mariners Island Blvd., Suite 106
San Mateo, CA 94404-1040

2021-029542 CONF

2:59 pm 02/22/21 A3 Fee: 101.00

Count of pages 4

Recorded in Official Records

County of San Mateo

Mark Church

Assessor-County Clerk-Recorder



FIRST AMENDMENT
TO
AMENDED AND RESTATED DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
TREASURE ISLE HOMEOWNERS' ASSOCIATION

FIRST AMENDMENT
TO
AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS
OF
TREASURE ISLE HOMEOWNERS' ASSOCIATION

THIS FIRST AMENDMENT to the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Treasure Isle Homeowners' Association (CC&R's), which was recorded on December 3, 2018 as Document Number 2018-094075, San Mateo County Official Records, is amended according to the procedure established in Article 13 of the CC&R's as follows:

- A. Article 5, §5.9 is deleted in its entirety and replaced with the following:

5.9 Sale, Transfer or Dedication of Association's Property. Except as provided in Section 3.4 ("Easements Granted by Association"), the Board of Directors shall not in any fiscal year sell, transfer or dedicate property owned by the Association having a value in excess of five percent (5%) of the budgeted gross expenses for that fiscal year without approval of at least seventy-five percent (75%) of the Total Voting Power of the Association.

- B. Article 5, §5.11 is deleted in its entirety and replaced with the following:

5.11 Easements and Licenses to Owners. Notwithstanding any other provisions of the Governing Documents, upon approval of at least seventy-five percent (75%) of the Total Voting Power of the Association, the Board shall have the power to grant and convey easements, licenses for use and rights-of-way in, over, or under the Common Area or any portion thereof to Lot Owners, for such purposes as the Board deems to be appropriate and not inconsistent with the purposes and interests of the Association.

- C. Article 8, §8.2(b) is deleted in its entirety and replaced with the following:

8.2 Replacement or Repair of Association's Property.

(b) The Members may elect not to cause such replacement or Repair by the vote or written consent of seventy-five percent (75%) of the Total Voting Power of the Association.

D. Article 9, §9.1.2 is deleted in its entirety and replaced with the following:

9.1.2 Maintenance of Lots. The Association shall provide Maintenance, Repair, and Replacement of the following located upon each Lot, which is subject to Assessment hereunder as follows: (i) roof covers; (ii) gutters, downspouts and extended downspouts inside rear patios; (iii) exterior wood siding and all associated parts of the wood siding such as wood window and door trim, stucco and all the vent screens including those in the eaves, garage wall and soffit over the sliding glass kitchen door and kitchen window; (iv) fencing; and (v) exterior painting of Residences and garages located on Lots; (vi) all sidewalks inside and out front fenced areas including front steps and porches. The Association shall provide Replacement only (including standard hardware) of the following located upon each Lot, which is subject to Assessment hereunder as follows: (i) exterior doors and door frames including front doors and front door window, patio/garage doors and utility doors on end Lots (excluding sliding glass doors and frames), factory installed weather stripping attached to the bottom of the front door; and (ii) sectional, overhead and sliding garage doors and frames including factory installed rubber weather stripping at side and bottom of door.

I, the undersigned, the duly elected President of the Treasure Isle Homeowners' Association, do hereby certify and declare:

That pursuant to the procedure established in Article 13 of the CC&R's, the foregoing First Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Treasure Isle Homeowners' Association was approved by the affirmative vote or written consent of members representing a majority of a Quorum of the Members.

DATED: Jan 29th 2021

GILBERT JOHN BUCHANAN WHELAN, President
TREASURE ISLE HOMEOWNERS' ASSOCIATION

ACKNOWLEDGMENT

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

State of California
County of San Mateo)

On January 29, 2021, before me, Robert B Wellman,
Notary Public, personally appeared GILBERT JOHN
of (the officer)

BUCHANAN WHELAN, President, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Robert B Wellman (Seal)

