

Recording Requested By:
CASA VERDE HOMEOWNERS ASSOCIATION

When Recorded, Return to:
FIORE RACOBS & POWERS
A Professional Law Corporation
74-130 Country Club Drive, Suite 102
Palm Desert, California 92260

DOC # 2014-0184162
05/20/2014

Customer Copy Label
The paper to which this label is
affixed has not been compared
with the filed/recorded document

Larry W Ward
County of Riverside
Assessor, County Clerk & Recorder

AMENDED AND RESTATED MASTER DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CASA VERDE HOMEOWNERS ASSOCIATION

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

TABLE OF CONTENTS

	<u>Page</u>
PREAMBLE	1
RECITALS	1
ARTICLE I DEFINITIONS.....	2
1.1. "Architectural Committee"	2
1.2. "Architectural Committee Rules"	2
1.3. "Articles"	2
1.4. "Assessment"	2
1.5. "Association"	2
1.6. "Institutional Holder"	2
1.7. "Board of Directors" or "Board"	3
1.8. "Bylaws"	3
1.9. "City"	3
1.10. "Common Area"	3
1.11. "Common Expense"	3
1.12. "Condominium"	3
1.13. "Condominium Building"	4
1.14. "Condominium Plans"	4
1.15. "Declarant"	4
1.16. "Declaration"	4
1.17. "Deed of Trust"	4
1.18. "Eligible Holder"	4
1.19. "General Delivery" or "General Notice"	4
1.20. "Governing Documents"	4

1.21.	"Improvement"	4
1.22.	"Individual Delivery" or "Individual Notice"	5
1.23.	"Manager"	5
1.24.	"Member"	5
1.25.	"Owner," "Owner of Record" and "Record Owner"	5
1.26.	"Person"	5
1.27.	"Project"	5
1.28.	"Property"	5
1.29.	"Regular Assessment"	5
1.30.	"Reimbursement Assessment"	5
1.31.	"Residential Use"	6
1.32.	"Restricted Common Area"	6
1.33.	"Rules and Regulations"	6
1.34.	"Special Assessment"	6
1.35.	"Unit"	6
ARTICLE II	PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS	6
2.1.	Association Easement	6
2.2.	Owners' Nonexclusive Easements of Enjoyment	6
2.3.	Persons Subject to Governing Documents.....	7
2.4.	Delegation of Use	7
2.5.	Obligations of Owners	8
2.6.	Suspension of Membership Rights	9
ARTICLE III	HOMEOWNERS ASSOCIATION	9
3.1.	Association Membership	9
3.2.	One Class of Membership.....	9

3.3.	Voting Rights of Members.....	9
3.4.	Assessments	9
3.5.	Transfer of Memberships.....	10
3.6.	Powers and Authority of the Association	10
3.7.	Board of Directors.....	11
3.8.	Rules and Regulations.....	11
3.9.	Breach of Provisions of Governing Documents	12
3.10.	Limitation on Liability of Association's Directors and Officers.....	12
ARTICLE IV	ASSESSMENTS.....	12
4.1.	Assessments Generally	12
4.2.	Regular Assessments	13
4.3.	Special Assessments	14
4.4.	Reimbursement Assessments.....	15
4.5.	Purpose and Reasonableness of Assessments.....	16
4.6.	Exemption of Certain of the Property From Assessments.....	16
4.7.	Assessment Fund Maintenance.....	17
4.8.	Collection of Assessments; Enforcement of Liens	17
4.9.	Transfer of Condominium by Sale or Foreclosure	18
4.10.	Priorities.....	19
4.11.	Unallocated Taxes.....	19
4.12.	Assignment of Rents	19
4.13.	Waiver of Exemptions	19
ARTICLE V	ARCHITECTURAL COMMITTEE	19
5.1.	Improvements in General; Establishment of Architectural Review Committee.....	19
5.2.	Appointment of Architectural Committee	20

5.3.	Submission of Plans; Action by Committee	20
5.4.	Standards for Approval	20
5.5.	Hard Flooring in Upstairs Units.....	21
5.6.	Architectural Rules	21
5.7.	Appeal of Disapproval	21
5.8.	Inspection of Work by Architectural Committee.....	21
5.9.	Enforcement.....	22
5.10.	Variances.....	23
5.11.	Limitation on Liability	23
5.12.	Compliance With Governmental Regulations	23
ARTICLE VI USE OF PROPERTIES AND RESTRICTIONS		23
6.1.	Residential Use	23
6.2.	Rental Restriction.....	23
6.3.	Conveyance of Condominiums.....	23
6.4.	Architectural Approval for Exterior and Interior Improvements.....	23
6.5.	Common Area Damage.....	24
6.6.	Prohibition of Noxious Activities	24
6.7.	Household Pets.....	24
6.8.	Signs.....	25
6.9.	Business Activities.....	25
6.10.	Rubbish Removal.....	25
6.11.	Clotheslines.....	25
6.12.	Antennas and Similar Devices	26
6.13.	Diseases and Pests.....	26
6.14.	View Obstructions	26

6.15. Parking and Vehicle Restrictions.....	26
6.16. Drainage.....	27
6.17. Water Supply System.....	27
6.18. Variances.....	27
6.19. Enforcement of Property Use Restrictions	27
ARTICLE VII MAINTENANCE RESPONSIBILITIES	27
7.1. Association and Owner Maintenance Duties.....	27
7.2. Recovery of Costs of Certain Repairs and Maintenance	28
7.3. Cooperative Maintenance Obligations.....	28
ARTICLE VIII PARTY WALLS.....	28
8.1. General Rules of Law to Apply	28
ARTICLE IX EASEMENTS.....	28
9.1. Encroachment Easements	28
9.2. Access Easements	29
9.3. Blanket Utility Easement.....	29
9.4. Maintenance Easements.....	29
9.5. Summary Removal of Occupants	29
9.6. Other Easements	30
ARTICLE X INSURANCE.....	30
10.1. Types of Insurance Coverage.....	30
10.2. Copies of Policies	31
10.3. Individual Fire and Casualty Insurance Limited.....	32
10.4. Trustee.....	32
10.5. Adjustment of Losses.....	32
10.6. Responsibility for Deductible Amounts.....	32

10.7. Owner's Liability Insurance	32
10.8. Annual Insurance Review	32
ARTICLE XI DAMAGE OR DESTRUCTION.....	32
11.1. Nonstructural Common Area	32
11.2. Condominium Buildings.....	33
11.3. Interior Damage	34
ARTICLE XII CONDEMNATION	34
12.1. Sale by Unanimous Consent or Taking	34
12.2. Distribution and Sale Proceeds of Condemnation Award	34
ARTICLE XIII PARTITION OF COMMON AREA	35
13.1. Suspension of Right of Partition.....	35
13.2. Distribution of Proceeds Upon Partition.....	35
13.3. Power of Attorney.....	36
ARTICLE XIV NON-SEVERABILITY OF COMPONENT INTERESTS.....	36
14.1. Severance Prohibited	36
14.2. Limitation on Interests Conveyed.....	36
ARTICLE XV BREACH AND DEFAULT	36
15.1. Remedy at Law Inadequate.....	36
15.2. Nuisance.....	36
15.3. Costs and Attorneys' Fees	37
15.4. Cumulative Remedies	37
15.5. Failure Not a Waiver.....	37
15.6. Rights and Remedies of the Association	37
ARTICLE XVI NOTICES.....	38
16.1. Mailing Addresses	38

16.2. Time and Proof of Delivery	38
ARTICLE XVII NO PUBLIC RIGHTS IN THE PROPERTIES	39
17.1. No Gift or Dedication	39
ARTICLE XVIII AMENDMENT OF DECLARATION	39
18.1. Homeowner Approval for Amendment	39
18.2. Effective Date of Amendment	39
18.3. Reliance on Amendments	39
ARTICLE XIX MORTGAGE PROTECTION	39
19.1. Eligible Holders	39
19.2. Notices of Actions.....	39
19.3. Rights of Institutional Holders Upon Foreclosure	40
19.4. Consent of Institutional Holder.....	40
19.5. Amendments to Documents.....	41
19.6. Additional Rights of Institutional Holders.....	41
19.7. Information	41
19.8. Priority of Mortgage Lien	41
19.9. Insurance	42
19.10. Priority on Distribution of Proceeds	42
19.11. Special FHLMC Provisions	42
ARTICLE XX GENERAL PROVISIONS	42
20.1. Term.....	42
20.2. Construction of Declaration.....	43
20.3. Priorities and Inconsistencies.....	43
20.4. Enforcement by City.....	43
OFFICER'S CERTIFICATE.....	44

EXHIBIT "A"45

AMENDED AND RESTATED MASTER DECLARATION
OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CASA VERDE HOMEOWNERS ASSOCIATION

A Master Declaration of Covenants, Conditions and Restrictions for Casa Verde Homeowners Association was executed by Casa Verde Associates, a general partnership ("Declarant"), on June 29, 1983, and was recorded on June 29, 1983, as Instrument No. 130639, in the Official Records of Riverside County, California ("Original Declaration"). The Original Declaration, which affects all of the Property described and commonly known as Casa Verde, is hereby amended and restated in its entirety to read as follows:

RECITALS

A. Declarant was the original leasehold owner of certain real property ("Property") located in the City of Palm Springs, County of Riverside, State of California, described as follows:

Lots 1 and 2 of Tract No. 14009-1, Recorded in Book 131, Pages 90 and 91 of Maps, Official Records of Riverside County, California.

Lot 1 of Tract No. 14009-2, Recorded in Book 134, Pages 18 and 19 of Maps, Official Records of Riverside County, California.

Lot 1 of Tract No. 14009-3, Recorded in Book 134, Pages 69 and 70 of Maps, Official Records of Riverside County, California.

Lot 1 of Tract No. 14009-4, Recorded in Book 134, Pages 67 and 68 of Maps, Official Records of Riverside County, California.

B. It was the desire and intention of Declarant to subdivide and develop the Property into a condominium project as defined in Civil Code Section 4125, and to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all the condominiums created.

C. It was the further intention of the Declarant that all of the Property be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following limitations, restrictions, easements, conditions and covenants, all of which are declared and agreed to be in furtherance of a plan for the protection, subdivision, maintenance, improvement and sale of the Property, and for the purpose of enhancing the value, desirability and attractiveness of the Property. In furtherance of these objectives, the Casa Verde Homeowners Association, a California nonprofit mutual benefit corporation, was created to manage and administer the Property and to administer and enforce the Original Declaration, the Articles and Bylaws of the Association, and to perform such other acts as may benefit the Property. All provisions of this Declaration, including without limitation the easements, uses, obligations, covenants, conditions and restrictions hereof, are hereby imposed as equitable servitudes upon the Property. All of the limitations, restrictions, easements, conditions and covenants herein shall run with the land and shall be binding on and for the benefit of all the Property and all parties having or acquiring any right, title or interest in the Property, or any part thereof, and their successive owners and assigns.

D. Declarant, its successors, assigns and grantees, covenant and agree that the undivided interest in the Common Areas, the membership in the Association, any easements conveyed therewith and the leasehold title to each respective Unit conveyed therewith shall not be separated or separately conveyed, and each such undivided interest, membership and easement shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit; provided, however, that this restriction upon the severability of the component interests of the Condominiums shall not extend beyond the periods for which the right to partition the Property is suspended in accordance with the California Civil Code and the provisions of Article XI hereof. Any conveyance by an Owner of a Condominium, or any portion thereof, shall be presumed to convey the entire Condominium, together with a membership in the Association.

E. On May 16, 2014, the Honorable John G. Evans, Judge of the Superior Court for Riverside County, Palm Springs Branch, ordered that the Verified Petition for Relief from Voting Requirements to Amend the Declaration of Covenants Conditions and Restrictions for Casa Verde filed by the Association pursuant to *Civil Code* 4275 be granted, based upon the affirmative vote of the members, voting by secret ballot to amend and restate the Original Declaration, actually cast in favor of this Declaration. The Court further ordered that this Declaration be recorded together with the Court's Order Granting Petition to Reduce Percentage of Affirmative Votes Necessary to Amend the Declaration of Covenants, Conditions and Restrictions. As so amended and restated, the easements, covenants, restrictions and conditions set forth herein shall run with the Property and shall be binding upon all parties having or acquiring any right, leasehold title or interest in the Property or any portion thereof, and shall inure to the benefit of each Owner thereof.

ARTICLE I DEFINITIONS

1.1. "Architectural Committee" means the committee created in accordance with Article V of this Declaration.

1.2. "Architectural Committee Rules" shall mean the rules adopted by the Board and Architectural Committee pursuant to Article III, Section 3.8, and Article V, Section 5.5, of this Declaration.

1.3. "Articles" means the Articles of Incorporation of the Casa Verde Homeowners Association, which are filed in the Office of the California Secretary of State, as such Articles may be amended from time to time.

1.4. "Assessment" shall mean any Regular, Special or Reimbursement Assessment made or assessed by the Association against an Owner and his or her Unit in accordance with the provisions of Article IV of this Declaration.

1.5. "Association" shall mean CASA VERDE HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, its successors and assigns. The Association is an "association" as defined in California Civil Code Section 4080.

1.6. "Institutional Holder" shall mean any beneficiary of a deed of trust or mortgagee of a mortgage which encumbers a Condominium and which is a bank or savings and loan association or

established mortgage company or other entity chartered under federal or state laws, any corporation or insurance company, or any federal or state agency.

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

1.8. "Bylaws" shall mean the Amended and Restated Bylaws of the Association.

1.9. "City" means the City of Palm Springs and its various departments, divisions, employees and representatives.

1.10. "Common Area" shall mean the entire Project except all Units, as defined in Article I, Section 1.33 and shown on the Condominium Plan.

1.11. "Common Expense" shall mean any use of Association funds authorized by Article IV of this Declaration and includes, without limitation:

(a) All expenses or charges incurred by or on behalf of the Association in carrying out its management, maintenance and administration responsibilities, including, but not limited to, costs related to trash collection, compensation paid to Association managers, accountants, attorneys, and employees; landscaping; security; utilities metered to the common area or more than one Unit;

(b) All expenses or charges reasonably incurred to procure insurance or bonds for the protection of the Association and its Board of Directors;

(c) Any amounts reasonably necessary to fund reserves for maintenance, repair and replacement of the Common Areas and for nonpayment of assessments; and

(d) Any other funds necessary to defray the costs and expenses incurred by the Association in the performance of its functions or in the proper discharge of the responsibilities of the Board for the common benefit of the Owners as provided in the Governing Documents.

1.12. "Condominium" means a subleasehold estate in real property as described in the California Civil Code Sections 783 and 4125(b), consisting of an undivided interest as a tenant in common in all or any portion of the Common Area, together with a separate leasehold interest in a Unit and any other separate interests in the real property as are described in this Declaration, in the Condominium Plan or in the assignment conveying the Condominium. Each Unit shall be a separate leasehold estate, as separately shown, numbered and designated in the Condominium Plan.

(a) Each such Unit shall consist of a Living Area and a Patio Area or Balcony Area as shown and described on the Condominium Plans.

(b) Ownership of each Condominium also includes a membership in the Association and any exclusive or nonexclusive easement or easements appurtenant to such Condominium over the Common Area as described in the Declaration, the Condominium Plan and the leasehold assignment to the Condominium.

(c) Such undivided interests cannot be altered or changed as long as the prohibition against severability of component interests in a Condominium remains in effect as provided in Article XIV of this Declaration.

1.13. "Condominium Building" shall mean a separate building containing two or more Units. Each Condominium Building shall be separately identified on the Condominium Plan for the Project.

1.14. "Condominium Plans" mean the Condominium Plans recorded on June 29, 1983, as Instrument No. 130637, September 22, 1983, as Instrument No. 194530, June 20, 1984, as Instrument No. 132407, and June 20, 1984, as Instrument No. 132408, all in the Official Records of the Office of the Riverside County Recorder, and any amendments to said Plans.

1.15. "Declarant" means the original developer of the Property, namely Casa Verde Associates, a General Partnership, its successors, and any Person to which it shall have assigned any of its rights hereunder by an express written assignment.

1.16. "Declaration" means this instrument, as it may be amended from time to time. The "Original Declaration" means and refers to the document referenced in the Recitals of this Declaration, together with all amendments and annexations thereto, adopted prior to adoption of this Declaration.

1.17. "Deed of Trust" shall mean a Mortgage or a Deed of Trust, as the case may be.

1.18. "Eligible Holder" shall mean an Institutional Holder who has filed a written request with the Association pursuant to Article XIX.

1.19. "General Delivery" or "General Notice" shall mean that a document delivered by the Association shall be delivered by one or more of the following methods:

(a) Any method provided for delivery of an Individual Notice pursuant to Section 1.22.

(b) Inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods provided in this Section 1.19.

(c) Posting the printed document in a prominent location that is accessible to all Members, if the location has been designated for the posting of general notices by the Association in the Annual Policy Statement, prepared pursuant to Civil Code Section 5310 and Section 9.3 of the Bylaws.

(d) If the Association broadcasts television programming for the purpose of distributing information on association business to its members, by inclusion in the programming.

1.20. "Governing Documents" is a collective term that means and refers to this Declaration, the Articles, the Bylaws and any Rules and Regulations adopted by the Association.

1.21. "Improvement" shall mean all structures and appurtenances thereto of every type and kind, including but not limited to, carports, swimming pools, roads, driveways, parking areas, fences, screening walls, retaining walls, awnings, stairs, patios, air conditioning pads and compressors,

landscaping, hedges, windbreaks, the exterior surfaces of any visible structure, planted trees and shrubs, poles, and signs. In no event shall the term "Improvement" be interpreted to include projects which are restricted to the Unit interior and which do not involve the roof or any load bearing wall thereof.

1.22. "Individual Delivery" or "Individual Notice" shall mean that a document delivered by the Association shall be delivered by one of the following methods:

(a) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the recipient at the address last shown on the books of the Association.

(b) E-mail, 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.

1.23. "Manager" shall mean the person employed by the Association pursuant to Article III, Section 3.6(a).

1.24. "Member" shall mean every person or entity who holds a membership in the Association and whose rights as a Member are not suspended pursuant to Article XV, Section 15.6 of this Declaration.

1.25. "Owner," "Owner of Record" and "Record Owner" shall mean any person, firm, corporation or other entity in which leasehold title to a Condominium is vested as shown by the official records of the Office of the County Recorder. These terms shall not be construed to include those persons holding title as security for the performance of an obligation other than sellers under executory contracts of sale.

1.26. "Person" shall mean a natural individual, a corporation or any other entity with the legal right to hold title to real property.

1.27. "Project" means the Property and the improvements located thereon which are intended to create a Condominium Project as described in California Civil Code Section 4125(b).

1.28. "Property" means all parcels of real property (Common Area and Condominium Units) described in Recital "A" hereof, together with all buildings, structures, utilities and other improvements located thereon, and all appurtenances thereto.

1.29. "Regular Assessment" shall mean a charge against a particular Owner and his Condominium, representing a portion of the costs of maintaining, improving, repairing and managing the Property and all other Common Expenses, including operation costs, which are to be paid equally by each Owner to the Association for Common Expenses as provided herein.

1.30. "Reimbursement Assessment" shall mean an Assessment levied on an Owner and his or her Condominium, under Article IV, Section 4.4, representing a cost paid by the Association as a result of that Owner's actions or inaction.

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

1.32. "Restricted Common Area" means those portions of the Common Area to which an exclusive right to use is granted to an Owner, as shown and described on the Condominium Plan, consisting of covered parking spaces. Every owner of a Condominium shall have an exclusive right to use one covered parking space, as assigned on the Condominium Plan, subject to reasonable regulation by the Association. No Owner may separately transfer, convey, assign or otherwise separate his covered parking space from ownership of his Unit, and the right to use such covered parking shall pass to the benefit of any successor in interest of a Condominium Owner. All uncovered parking spaces shall be administered and regulated by the Association.

1.33. "Rules and Regulations" shall mean the rules, regulations and policies adopted by the Board of Directors of the Association, pursuant to Article III, Section 3.8, as the same may be in effect from time to time.

1.34. "Special Assessment" shall mean an Assessment levied on the Owners for expenditures not contemplated by the annual budget, and for the purposes described in Section 4.3 of this Declaration.

1.35. "Unit" shall mean the elements of a Condominium that are not owned in common with the Owners of Condominiums in the Project, such Units and their respective boundaries being shown and particularly described in the Condominium Plan, leasehold assignments conveying Condominiums and this Declaration. "Unit" does not include other interests in real property that are less than estates in real property, such as exclusive or nonexclusive easements. In interpreting assignments and plans, the existing physical boundaries of a Unit, or of a Unit reconstructed in substantial accordance with the original plan, shall be conclusively presumed to be its boundaries, rather than the description expressed in the deed or Condominium Plan or in the deed and those of the building and regardless of settling or lateral movement of the building. Whenever reference to a Unit is made in this Declaration, in the Condominium Plan, in any deed, leasehold assignment, or elsewhere, it shall be assumed that such reference is made to the Unit as a whole as defined in the Condominium Plan.

ARTICLE II PROPERTY RIGHTS AND OBLIGATIONS OF OWNERS

2.1. Association Easement. The Association shall have an easement over the Common Areas for the purposes described in this Declaration. Under this Declaration, the Association shall be responsible for maintenance, repair, expenses, and operation associated with the Project.

2.2. Owners' Nonexclusive Easements of Enjoyment. Every Owner shall be a member of the Association and shall have a nonexclusive right and easement of enjoyment in and to the Common Areas within the Property, including ingress and egress to and from his or her Condominium, which shall be appurtenant to and shall pass with the title to every Condominium, subject to the following rights and restrictions:

(a) The right of the Association to assign, rent, license, lease, charge reasonable admission and other fees for, and to otherwise designate and control the use of any unassigned

parking spaces within the Common Area and to charge reasonable admission and other fees or to limit the number of guests of Members who may use any recreational facilities.

(b) The right of the Association to adopt Association Rules as provided in Article III, Section 3.8, of this Declaration, regulating the use and enjoyment of the Property for the benefit and well being of the Owners in common, and, in the event of the breach of such rules or any provision of any Governing Document by any Owner or tenant, to temporarily suspend the voting rights and/or right to use the Common Facilities, other than streets, by any Owner and/or the Owner's tenants and guests, subject to compliance with the due process requirements of Article XV, Section 15.6.

(c) The right of the Association, in accordance with its Bylaws, to borrow money for the purpose of improving the Common Area and in aid thereof to mortgage said property.

(d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed by the Association. No dedication shall be permitted that impairs the ingress and egress to any Unit.

2.3. Persons Subject to Governing Documents. All present and future Owners, tenants and occupants of Units within the Property shall be subject to, and shall comply with, each and every provision of the Governing Documents, as the same or any of them shall be amended from time to time, unless a particular provision is specifically restricted in its application to one or more of such classes of persons (i.e., Owners, tenants, invitees, etc.). The acceptance of a leasehold assignment to any Condominium, the entering into a rental agreement, sublease or contract of sale with respect to any Unit, or the occupancy of any Unit shall constitute the consent and agreement of such Owner, tenant or occupant that each and all of the provisions of this Declaration, as the same or any of them may be amended from time to time, shall be binding upon said person and that said person will observe and comply with the Governing Documents.

2.4. Delegation of Use. Any Owner may delegate the Owner's rights to use and enjoy the Common Area to members of the Owner's family or to the Owner's tenants, lessees or contract purchasers who reside in the Owner's Unit; provided, that any rental or lease may only be for Residential Use and for a term not less than 30 days. Further subletting by an Owner's lessee shall be prohibited.

(a) During any period when a Unit has been rented or leased, the Owner lessor, his or her family, guests and invitees shall not be entitled to use and enjoy the Common Areas of the Property (other than streets), except to the extent reasonably necessary to perform the Owner's responsibilities as a lessor of the Unit, provided that this restriction shall not apply to an Owner lessor who is contemporaneously residing in another Unit within the Property.

(b) Any rental or lease of a Unit shall be subject to the provisions of the Governing Documents, all of which shall be deemed incorporated by reference in the lease or rental agreement. Each Owner lessor shall be responsible for compliance by the Owner's tenant or lessee with all of the provisions of the Governing Documents during the tenant's/lessee's occupancy and use of the Unit. All leases shall be in writing.

2.5. Obligations of Owners. Owners of Condominiums within the Property shall be subject to the following:

(a) Contract Purchasers. A contract seller of a Condominium must delegate his or her voting rights as a Member of the Association and seller's right to use and enjoy the Common Area to any contract purchaser in possession of the property subject to the contract of sale. Notwithstanding the foregoing, the contract seller shall remain liable for any default in the payment of Assessments by the contract purchaser until title to the property sold has been transferred to the purchaser.

(b) Notification Regarding Governing Documents.

(i) As more particularly provided in California Civil Code Section 4525, as soon as practicable before transfer of title or the execution of a real property sales contract with respect to any Condominium, the Owner thereof must give the prospective purchaser (A) a current copy of the Governing Documents, including a copy of the Association's Articles of Incorporation; (B) a copy of the most recent documents distributed in the Annual Budget Report pursuant to Section 12.5 of the Bylaws, and the Annual Policy Statement pursuant to Section 9.3 of the Bylaws; (C) a true statement in writing from the Association as to the amount of the current Regular and Special Assessments and fees, as well as any Assessments that have been levied on the Owner's Unit and are unpaid as of the date of the statement, together with information on late charges, attorneys' fees, interest and reasonable costs of collection which, as of the date the statement is issued, are or may become a lien on the Condominium being sold; (D) any change in the Association's current Regular and Special Assessments and fees that have been approved by the Association's Board of Directors, but have not become due and payable as of the date of the disclosure; (E) a copy or a summary of any notice previously sent to the Owner pursuant to Civil Code Section 5855 that sets forth any alleged violation of the Governing Documents that remains unresolved at the time of the request; and (F) if there is a provision in the Governing Documents that prohibits the rental or leasing of any of the Units to a renter, lessee, or tenant, a statement describing the prohibition and its applicability.

(ii) The Association shall, within 10 days of the mailing or delivery of a request for the information described in subparagraph (c)(1), above, provide the Owner with a copy of the current Governing Documents, together with the information referred to in that subparagraph. The Association shall be entitled to charge a reasonable fee for providing the material based on the Association's actual cost to procure, prepare and reproduce the requested material.

(c) Assessment Payments; Rule Compliance. Each Owner shall pay when due each Regular, Special and Reimbursement Assessment levied against the Owner and his or her Condominium and shall observe, comply with and abide by any and all rules and regulations set forth in or adopted by the Association pursuant to any Governing Document for the purpose of protecting the interests of all Owners or protecting the Common Areas.

(d) Joint Ownership of Condominiums. In the event of joint ownership of any Condominium, the obligations and liabilities of the multiple Owners under the Governing Documents shall be joint and several. Without limiting the foregoing, this subparagraph (e) shall

apply to all obligations, duties and responsibilities of Owners as set forth in this Declaration, including, without limitation, the payment of all Assessments.

(e) Entry by Adjacent Owners Permitted. Each Owner shall be obligated to permit the Owners of adjacent Units or the representatives of such adjacent Owners to enter the Owner's Unit for purposes of performing installations, alterations or repairs to mechanical or electrical services, including installation of television and related cables, which are reasonably necessary in advance and that entry is at a time convenient to the Owner whose Unit is being entered upon. Each Owner shall also honor the right of the Association and its agents to enter Units as provided in Article III, Section 3.6(b).

2.6. Suspension of Membership Rights. The Board of Directors may suspend the rights of any Member and the Persons deriving such rights and easements from any Member, for use and enjoyment of any recreation facilities located on the Common Property, for any period during which the Member remains delinquent for the payment of any Assessments which he is obligated to pay after notice and hearing as provided in Article XV Section 15.6. Suspension of any such rights shall not constitute a waiver or discharge of the Member's obligation to pay Assessments as provided in this Declaration.

ARTICLE III HOMEOWNERS ASSOCIATION

3.1. Association Membership. Every Owner of a Condominium shall be a Member of the Association. There shall be one membership for each Condominium and the membership shall be appurtenant to such Condominium. Ownership of a Condominium or interest in it shall be the sole qualification for membership in the Association. Each Owner shall remain a Member of the Association until his or her ownership in all Condominiums in the Property ceases, at which time his or her membership in the Association shall automatically cease. Persons or entities who hold an interest in a Condominium merely as security for performance of an obligation are not Members until such time as the security holder comes into title to the Condominium through foreclosure or deed in lieu thereof.

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

3.3. Voting Rights of Members. Each Member of the Association shall be entitled to one vote for each Condominium owned by said Member. When more than one person holds an interest in any Condominium, all such persons shall be Members, although in no event shall more than one vote be cast with respect to any Condominium. Fractional votes shall not be allowed, and the vote for each Condominium shall be exercised, if at all, as a unit. If owners of a single Condominium disagree on how their vote shall cast, the majority interest in such Condominium shall decide how to vote. Voting rights may be temporarily suspended under those circumstances described in Article XV, Section 15.6.

3.4. Assessments. The Association shall have the power to establish, fix and levy Assessments against the Owners of Condominiums within the Property and to enforce payment of such

Assessments in accordance with Article IV. Any Assessments levied by the Association on its Members shall be levied in accordance with and pursuant to the provisions of this Declaration.

3.5. Transfer of Memberships. Membership in the Association shall not be transferred, encumbered, pledged or alienated in any way, except upon the sale or encumbrance of the Condominium to which it is appurtenant and then only to the purchaser. In the case of a sale, membership passes automatically to the purchaser upon recording of a deed evidencing transfer of title to the Condominium. In the case of an encumbrance of such Condominium, a Mortgagee does not have membership rights until he or she becomes an Owner by foreclosure or deed in lieu thereof. Tenants who are delegated rights of use pursuant to Article II, Section 2.4 do not thereby become Members, although the tenant and Members of the tenant's family shall, at all times, be subject to the provisions of all Governing Documents. Any attempt to make a prohibited transfer is void. In the event the Owner of any Condominium should fail or refuse to transfer the membership registered in the Owner's name to the purchaser of his or her Condominium, the Association shall have the right to record the transfer upon its books and thereupon any other membership outstanding in the name of the seller shall be null and void.

3.6. Powers and Authority of the Association.

(a) Powers Generally. The Association shall have the responsibility of managing and maintaining the Common Areas and discharging the other duties and responsibilities imposed on the Association by the Governing Documents. In the discharge of such responsibilities and duties, the Association shall have all of the powers of a nonprofit mutual benefit corporation organized under the laws of the State of California in the ownership and management of its Property and the discharge of its responsibilities hereunder for the benefit of its Members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Governing Documents. The Association and its Board of Directors shall have the power to do any and all lawful things which may be authorized, required or permitted to be done under and by virtue of the Governing Documents, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association for the peace, health, comfort, safety or general welfare of the Owners, including contracting with a professional manager to carry out regular repairs, maintenance duties, assessment collections, governing document enforcement activities, and any other such duties as specified by the Board of Directors. The specific powers of the Association and the limitations thereon shall be as set forth in the Bylaws.

(b) Association's Limited Right of Entry. The Association, and/or its agents shall have the right, when necessary, to enter any Lot to perform the Association's obligations under this Declaration, including (i) obligations to enforce the architectural and land use restrictions contained in this Declaration; (ii) any obligations with respect to construction, maintenance and repair of adjacent Common Area; or (iii) to make necessary repairs that an Owner has failed to perform which, if left undone, will pose a threat to, or cause an unreasonable interference with, Association property or the Owners in common.

The Association's rights of entry under this subparagraph (b) shall be immediate in case of an emergency originating in or threatening the Unit where entry is required, or any adjoining Units or Common Area, and the Association's work may be performed under such circumstances whether or not the Owner or his or her lessee is present. In all non-emergency situations, the Association or its

agents shall furnish the Owner or his or her lessee with at least 24 hours' written notice of its intent to enter the Unit, specifying the purpose and scheduled time of such entry and shall make every reasonable effort to perform its work and schedule its entry in a manner that respects the privacy of the persons residing within the Unit.

(c) Association as Attorney in Fact for Owners. Without limiting the generality of the foregoing, the Association is hereby irrevocably appointed as the attorney in fact for the Owners of each and every Unit to (i) manage, control and deal with the interest of such Owners in the Common Area so as to permit the Association to fulfill all of its duties and obligations hereunder and to exercise all of its rights hereunder; (ii) deal with Property upon their destruction or obsolescence as hereinafter provided; and (iii) deal with and handle insurance and insurance proceeds, as provided in Article X, and condemnation and condemnation awards, as provided in Article XII. The acceptance by any person or entity of any interest in any Unit shall constitute an appointment of the Association as the Owner's attorney in fact as provided above.

(d) Association's Right to Grant Easements. The Association, acting through the Board, may consent to or join in the grant or conveyance of easements, licenses or rights-of-way in, on or over the Common Area to any public agency, authority or utility for purposes not inconsistent with the intended use of the Property as a residential Condominium project, and in accordance with such terms and conditions as the Board may require in order to protect the Association and the Owners. Provided, however, that the Association may grant a right of exclusive use of any part of the Common Area to an individual Owner only with the approval of at least a majority of the Voting Power of the Association, and after complying with Civil Code Section 4600, or any superseding statute.

3.7. Board of Directors. The day to day business of the Association shall be taken by a duly elected Board of Directors (sometimes referred to as simply the "Board"), the powers and duties of which are more completely set forth in Article IX of the Bylaws.

3.8. Rules and Regulations. The Board may, from time to time and subject to the provisions of this Declaration and Civil Code Section 4360 and any superseding statutes, propose, enact and amend Rules and Regulations of general application to the Owners of Condominiums within the Property. Such rules may concern, but need not be limited to (i) matters pertaining to the maintenance, repair, management and use of the Common Area by Owners, their tenants, guests and invitees, or any other person(s) who have rights of use and enjoyment of such Common Area; (ii) architectural control and the rules of the Architectural Committee under Article V, Section 5.5; (iii) the conduct of disciplinary proceedings in accordance with Article XV, Section 15.6; (iv) regulation of parking, pet ownership and other matters subject to regulation and restriction under Article VI; (v) collection and disposal of refuse; (vi) minimum standards for the maintenance of landscaping or other improvements located within areas of Owner maintenance responsibility and (vii) any other subject or matter within the jurisdiction of the Association as provided in the Governing Documents.

Notwithstanding the foregoing grant of authority, the Rules and Regulations shall not be inconsistent with or materially alter any provision of the other Governing Documents or the rights, preferences and privileges of Members under the Governing Documents. In the event of any material conflict between the Rules and Regulations and any provision of the other Governing Documents, the conflicting provisions contained in the other Governing Documents shall be deemed to prevail.

3.9. Breach of Provisions of Governing Documents. Any breach of the Rules and Regulations or of any other Governing Document provision shall give rise to the rights and remedies set forth in Article XV

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

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

Without limiting the generality of the foregoing, this standard of care and limitation of liability shall extend to such matters as the establishment of the Association's annual financial budget, the funding of Association capital replacement and reserve accounts, repair and maintenance of Common Area and enforcement of the Governing Documents.

(b) Other Claims Involving Tortious Acts and Property Damage. No Released Party shall be responsible to any Owner or to any member of his or her family or any of his or her tenants, guests, servants, employees, licensees, invitees or any other person for any loss or damage suffered by reason of theft or otherwise of any article, vehicle or other item of personal property which may be stored by such Owner or other person on any Lot or within any Residence or for any injury to or death of any person or loss or damage to the property of any person caused by fire, explosion, the elements or any other Owner or person within the Property, or by any other cause, unless the same is attributable to his or her own willful or wanton act or gross negligence. It is the intent of this subparagraph to provide volunteer directors and officers with protection from liability to the full extent permitted by California Civil Code Section 5800, or comparable superseding statute, and to the extent this provision is inconsistent with said Section, the Civil Code shall prevail.

ARTICLE IV ASSESSMENTS

4.1. Assessments Generally.

(a) Covenant to Pay Assessments. Each Owner of one or more Condominiums, by acceptance of a deed or other conveyance therefor (whether or not it shall be so expressed in such deed or conveyance), covenants and agrees to pay to the Association, Regular Assessments, Special Assessments and Reimbursement Assessments. Each such Assessment shall be established and collected as hereinafter provided.

(b) Purpose of Assessments. The Assessments shall be used exclusively to promote the recreation, health, safety and welfare of the residents of the Condominiums and for the operation, replacement, improvement and maintenance of the Property.

(c) Extent of Owner's Personal Obligation for Assessments. All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a debt and a personal obligation of the Person who was the Owner of the Condominium at the time the Assessment was levied. Each Owner who acquires title to a Condominium (whether at judicial sale, trustee's sale or otherwise) shall be personally liable only for Assessments attributable to the Condominium so purchased which become due and payable after the date of such sale, and shall not be personally liable for delinquent Assessments of prior Owners unless the new Owner expressly assumes the personal liability. Any unpaid Assessment of a previous Owner shall remain the debt of such previous Owner against whom assessed.

(d) Creation of Assessment Lien. All Assessments, together with late charges, interest, and reasonable costs (including reasonable attorneys' fees) for the collection thereof, shall be a charge on the Condominium and shall be a continuing lien upon the Condominium against which such Assessment is made. Any lien for unpaid Assessments created pursuant to the provisions of this article may be subject to foreclosure as provided in Article IV, Section 4.8(b).

(e) No Avoidance of Assessment Obligations. No Owner may exempt himself or herself from personal liability for Assessments duly levied by the Association, nor release the Condominium or other property owned by him or her from the liens and charges hereof, by waiver of the use and enjoyment of the Common Area or any facilities thereon or by abandonment; non-use or quit claim of his or her Condominium or any other portion of the Property.

4.2. Regular Assessments.

(a) Preparation of Annual Budget. Not less than 30 nor more than 90 days prior to the beginning of the Association's fiscal year, the Board shall estimate the total amount required to fund the Association's anticipated Common Expenses for the next succeeding fiscal year (including additions to any reserve fund established to defray the costs of future repairs, or replacement of the Common Area) by preparing and distributing to all Association Members a budget satisfying the requirements of Section 5300 of the California Civil Code.

(b) Establishment of Regular Assessment. The total annual expenses estimated in the Association's budget (less projected income from sources other than assessments) shall become the aggregate Regular Assessment for the next succeeding fiscal year, provided that the Board of Directors may not impose a Regular Assessment that is more than 20% greater than the Regular Assessment for the Association's immediately preceding fiscal year without the vote or written assent of Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Association. For purposes of this provision, "quorum" means more than 50% of the Owners.

(c) Emergency Assessments. The requirement of a membership vote to approve Regular Assessment increases in excess of 20% of the previous year's Regular Assessment shall not apply to assessment increases necessary to address emergency situations. For purposes of this subparagraph (c), an emergency situation is any of the following:

- (i) An extraordinary expense required by an order of a court.

(ii) An extraordinary expense necessary to repair or maintain the Common Area or any portion of the separate interests which the Association is obligated to maintain where a threat to personal safety is discovered.

(iii) An extraordinary expense necessary to repair or maintain the Common Area or any portion of the separate interests which the Association is obligated to maintain that could not have been reasonably foreseen by the Board in preparing and distributing the budget pursuant to subparagraph (a) above, provided that, prior to the imposition or collection of an assessment under this paragraph (ii) the Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process. The Board's resolution shall be distributed to the Members together with the notice of assessment.

(d) Allocation of Regular Assessment. The total estimated Common Expenses, determined in accordance with subparagraph (a), above, shall be allocated among, assessed against, and charged to each Owner according to the ratio of the number of Lots within the Property owned by the assessed Owner to the total number of Lots subject to Assessments so that each Lot bears an equal share of the total Regular Assessment.

(e) Mailing Notice of Assessment. The Board of Directors shall mail to each Owner at the street address of the Owner's Condominium, or at such other address as the Owner may from time to time designate in writing to the Association, a statement of the amount of the Regular Assessment for the next succeeding fiscal year no less than 30 days nor more than 90 days prior to the beginning of the next fiscal year.

(f) Failure to Make Estimate. If, for any reason, the Board of Directors fails to make an estimate of the Common Expenses for any fiscal year, then the Regular Assessment made for the preceding fiscal year, together with any Special Assessment made pursuant to Section 4.3 for that year, shall be assessed against each Owner and his or her Lot on account of the then current fiscal year, and installment payments (as hereinafter provided) based upon such automatic Assessment shall be payable on the regular payment dates established by the Association.

(g) Installment Payment of Assessments. The Regular Assessment levied against each Owner and his or her Unit shall be due and payable in advance to the Association in equal monthly installments on the first day of each month or on such other date or dates as may be established from time to time by the Association's Board of Directors. Installments of Regular Assessments shall be delinquent if not paid by the 15th day of the month in which the Assessment is due.

4.3. Special Assessments.

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

(i) Insufficient Regular Assessments. If, at any time, the Regular Assessment for any fiscal year is insufficient in amount due to extraordinary expenses not contemplated in the budget prepared for said fiscal year, then the Board of Directors shall levy and

collect a Special Assessment, applicable to the remainder of such year only, for the purpose of defraying, in whole or in part, any deficit which the Association may incur in the performance of its duties and the discharge of its obligations hereunder.

(ii) Capital Improvements. The Board may levy Special Assessments for additional capital improvements within the Common Area (i.e., improvements not in existence on the date of this Declaration that are unrelated to repairs for damage to, or destruction of, the existing Common Facilities). The Special Assessment power conferred hereunder is not intended to diminish the Board's obligation to plan and budget for normal maintenance, repair and replacement of the Common Area or existing Common Facilities through Regular Assessments (including the funding of reasonable reserves) and to maintain adequate insurance on the Common Area and existing common facilities in accordance with Article X.

(b) Special Assessments Requiring Membership Approval. No Special Assessments described in Article IV, Section 4.3(a), which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for the fiscal year in which the Special Assessment(s) is levied shall be made without the vote or written assent of Members, constituting a quorum, casting a majority of the votes at a meeting or election of the Association, provided that this membership approval requirement shall not apply to any Special Assessment levied to address "emergency situations" as defined in Article IV, Section 4.2(c). For purposes of this provision, "quorum" means more than 50% of the Owners.

(c) Allocation and Payment of Special Assessments. When levied by the Board or approved by the Members as provided above, the Special Assessment shall be divided among, assessed against and charged to each Owner and his or her Condominium in the same manner prescribed for the allocation of Regular Assessments pursuant to Article IV, Section 4.2(d) above. Notice of a Special Assessment so levied shall be mailed to each Owner.

4.4. Reimbursement Assessments.

(a) Circumstances Giving Rise to Reimbursement Assessments. In addition to the Special Assessments levied against all Owners in accordance with Article IV Section 4.3, above, the Board of Directors may impose Reimbursement Assessments against an Owner in any of the circumstances described in subparagraphs (1) through (3) below, provided that no Reimbursement Assessment may be imposed against an Owner pursuant to this Article IV, Section 4.4, until the Owner has been afforded the notice and hearing rights to which the Owner is entitled pursuant to Article XV, Section 15.6, and, if appropriate, has been given a reasonable opportunity to comply voluntarily with the Association's Governing Documents. Subject to the foregoing, the acts and circumstances giving rise to liability for Reimbursement Assessments include the following:

(i) Damage to Common Area. In the event that any damage to, or destruction of, any portion of the Common Area, is caused by the willful misconduct or negligent act or omission of any Owner, any member of his or her family, or any of his or her tenants, guests, servants, employees, licensees or invitees, the Board shall cause the same to be repaired or replaced, and all costs and expenses incurred in connection therewith (to the extent not compensated by insurance proceeds) shall be assessed and charged solely to and against such Owner as a Reimbursement Assessment.

(ii) Expenses Incurred in Gaining Member Compliance. In the event that the Association incurs any costs or expenses to accomplish (A) any repair, maintenance or replacement to any portion of the Property that the Owner is responsible to maintain under the Governing Documents but has failed to undertake or complete in a timely fashion, or (B) to otherwise bring the Owner and/or his or her Condominium into compliance with any provision of the Governing Documents, the amount incurred by the Association (including title company fees, accounting fees, court costs and reasonable attorneys' fees) shall be assessed and charged solely to and against such Owner as a Reimbursement Assessment.

(iii) Required Maintenance on Lots. As more particularly provided in Article III, Section 3.6(b), (and without limiting the generality of that subparagraph), if any Condominium is maintained so as to become a nuisance, fire or safety hazard for any reason, including without limitation, the accumulation of trash, junk or improper weed or vegetation control, the Association shall have the right to enter the Condominium, correct the offensive or hazardous condition and recover the cost of such action through imposition of a Reimbursement Assessment against the offending Owner.

(b) Levy of Reimbursement Assessment and Payment. Once a Reimbursement Assessment has been levied against an Owner for any reason described, and subject to the conditions imposed in this Section 4.4, notice of such Reimbursement Assessment shall be mailed to the affected Owner and the Reimbursement Assessment shall thereafter be due as a separate debt of the Owner payable in full to the Association within 30 days after the mailing of notice of the Assessment.

4.5. Purpose and Reasonableness of Assessments. Each Assessment made in accordance with the provisions of this Declaration is hereby declared and agreed to be for use exclusively (a) to promote the recreation, health, safety and welfare of individuals residing within the Property; (b) to promote the enjoyment and use of the Property by the Owners and their families, tenants, invitees, licensees, guests and employees; and (c) to provide for the repair, maintenance, replacement and protection of the Common Area. Each and every Assessment levied hereunder is further declared and agreed to be a reasonable Assessment, and to constitute a separate, distinct and personal obligation (with respect to which a separate lien may be created hereby) of the Owner of the Lot against which the Assessment is imposed that shall be binding on the Owner's heirs, successors and assigns, provided that the personal obligation of each Owner for delinquent Assessments shall not pass to the Owner's successors in title unless expressly assumed by them.

4.6. Exemption of Certain of the Property From Assessments. The following real property subject to this Declaration shall, unless devoted to use as a residential dwelling, be exempt from the Assessments and the lien thereof provided herein:

- (a) Any portion of the Property dedicated and accepted by a local public authority;
- (b) The Common Area; and
- (c) Any Condominium owned by the Association.

4.7. Assessment Fund Maintenance. All sums received or collected by the Association from Assessments, together with any interest or late charges thereon, shall be promptly deposited in one or more insured checking, savings or money market accounts in a bank or savings and loan association selected by the Board of Directors. In addition, the Board shall be entitled to make prudent investment of reserve funds in insured certificates of deposit, money market funds or similar investments consistent with the investment standards normally observed by trustees. The Board, and such officers or agents of the Association as the Board shall designate, shall have exclusive control of said account(s) and investments and shall be responsible to the Owners for the maintenance at all times of accurate records thereof. The withdrawal of funds from Association accounts shall be subject to the minimum signature requirements imposed by California Civil Code Section 5510 and Section 12.2 of the Bylaws.

To preclude a multiplicity of bank accounts, the proceeds of all Assessments may be commingled in one or more accounts and need not be deposited in separate accounts so long as the separate accounting records described herein are maintained.

4.8. Collection of Assessments; Enforcement of Liens.

(a) Delinquent Assessments. If any Regular Assessment or Special Assessment assessed to any Owner is not paid within 15 days after the same becomes due, such payment shall be delinquent. If an Assessment is delinquent, the Association may recover all of the following: (i) reasonable costs incurred in collecting the delinquent Assessment, including reasonable attorneys' fees; (ii) a late charge in the sum of 10% of the delinquent Assessment; (iii) interest on all sums imposed in accordance with this paragraph, including the delinquent Assessment, reasonable costs of collection, and late charges, at the maximum annual percentage rate permitted by law, commencing 30 days after the Assessment becomes due.

(b) Effect of Nonpayment of Assessments.

(i) Creation and Imposition of a Lien for Delinquent Assessments. As more particularly provided in California Civil Code Section 5650 or comparable superseding statute, the amount of any delinquent Regular or Special, or Reimbursement Assessment, together with any late charges, interest and costs (including reasonable attorneys' fees) attributable thereto or incurred in the collection thereof, shall become a lien upon the Condominium of the Owner so assessed only when the Association causes to be recorded in the Office of the County Recorder of the County, a Notice of Delinquent Assessment executed by an authorized representative of the Association, setting forth (A) the amount of the delinquent Assessment(s) and other sums duly imposed pursuant to this Article IV and California Civil Code Section 5650(b), (B) the legal description of the Owner's Condominium against which the Assessments and other sums are levied, (C) the name of the Owner of Record of such Condominium, (D) the name and address of the Association, and (E) the name and address of the trustee authorized by the Association to enforce the lien by sale. Upon payment in full of the sums specified in the Notice of Delinquent Assessment, the Association shall cause to be recorded a further notice stating the satisfaction and release of the lien thereof.

(ii) Association's Available Remedies. The Association may initiate a legal action against the Owner personally obligated to pay the delinquent Assessment, foreclose its lien against the Owner's Condominium or accept a deed in lieu of foreclosure. Foreclosure by the

Association of its lien may be by judicial foreclosure or by nonjudicial foreclosure by the trustee designated in the Notice of Delinquent Assessment or by a trustee substituted pursuant to California Civil Code Section 2934a. Any sale of a Condominium by a trustee acting pursuant to this Section 4.8 shall be conducted in accordance with California Civil Code Sections 2924, 2924b and 2924c applicable to the exercise of powers of sale in mortgages or deeds of trust.

(iii) Nonjudicial Foreclosure. Nonjudicial foreclosure shall be commenced by the Association by recording in the Office of the County Recorder a Notice of Default, which notice shall state all amounts which have become delinquent with respect to the Owner's Lot and the costs (including attorneys' fees), penalties and interest that have accrued thereon, the amount of any Assessment which is due and payable although not delinquent, a legal description of the property with respect to which the delinquent Assessment is owed, and the name of the Owner of Record or reputed Owner thereof. The Notice of Default shall state the election of the Association to sell the Lot or other property to which the amounts relate and shall otherwise conform with the requirements for a notice of default under California Civil Code Section 5710, or comparable superseding statute.

The Association shall have the rights conferred by California Civil Code Section 2934a to assign its rights and obligations as trustee in any nonjudicial foreclosure proceedings to the same extent as a trustee designated under a deed of trust and for purposes of said Section 2934a, the Association shall be deemed to be the sole beneficiary of the delinquent Assessment obligation. Furthermore, in lieu of an assignment of trusteeship, the Association shall be entitled to employ the services of a title insurance company or other responsible company authorized to serve as a trustee in nonjudicial foreclosure proceedings to act as an agent on behalf of the Association in commencing and prosecuting any nonjudicial foreclosure hereunder.

(iv) Actions for Money Judgment. In the event of a default in payment of any Assessment, the Association, in its name but acting for and on behalf of all other Owners, may initiate legal action, in addition to any other remedy provided herein or by law, to recover a money judgment or judgments for unpaid Assessments, costs and attorneys' fees without foreclosure or waiver of the lien securing same.

4.9. Transfer of Condominium by Sale or Foreclosure. Except as otherwise provided herein, the sale or transfer of any Condominium shall not affect any Assessment lien duly recorded with respect to such Condominium prior to the sale or transfer. However, the sale or transfer of any Condominium pursuant to the foreclosure of any first mortgage or other mortgage or lien recorded prior to the Association's Assessment lien (collectively "prior encumbrance") shall extinguish the lien of such Assessments as to payments which become due prior to such sale or transfer. No sale or transfer of a Condominium as the result of foreclosure, exercise of a power of sale or otherwise shall relieve the new Owner of such Condominium, whether it be the former beneficiary of the first Mortgage or other prior encumbrance or a third party from liability for any Assessments thereafter becoming due or from the lien thereof.

Where the first Mortgagee or other purchaser of a Condominium obtains title to the same as a result of foreclosure of any such first Mortgage or other prior encumbrance or exercise of a power of sale contained therein, the person acquiring title, his or her successors and assigns, shall not be solely liable for the Assessments chargeable to such Condominium which became due prior to the acquisition of title. Instead, such unpaid Assessments shall be deemed to be Common Expenses

collectible from the Owners of all of the Condominiums, including such acquirer, his or her successors and assigns. Furthermore, foreclosure shall not affect the Association's right to maintain an action for the collection of delinquent Assessments against the foreclosed party personally.

4.10. **Priorities.** When a Notice of Delinquent Assessment has been recorded, such notice shall constitute a lien on the Lot prior and superior to all other liens or encumbrances recorded subsequent thereto, except (a) all taxes, bonds, Assessments and other levies which, by law, would be superior thereto, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage or deed of trust with first priority over other Mortgages or deeds of trust) made in good faith and for value, provided that such subordination shall apply only to the Assessments which have become due and payable prior to the transfer of such property pursuant to the exercise of a power of sale or a judicial foreclosure involving a default under such first Mortgage or deed of trust, or other prior encumbrance.

4.11. **Unallocated Taxes.** In the event that any taxes are assessed against the Common Area, or the personal property of the Association, rather than being assessed to the Condominiums, such taxes shall be included in the Regular Assessments imposed pursuant to Article IV, Section 4.2 and, if necessary, a Special Assessment may be levied against the Condominiums in an amount equal to such taxes to be paid in two installments, thirty days prior to the due date of each tax installment.

4.12. **Assignment of Rents.** Each Owner hereby assigns to the Association, absolutely and regardless of possession of the Unit, all rents and other monies now due or that become due under any lease or rental agreement for the use or occupation of any Unit owned by the Owner, either now existing or made in the future, for the purpose of collecting all delinquent assessments, including all late charges, costs, attorneys' fees and interest. The Association hereby authorizes each Owner to collect and retain the rents and other monies derived from any such lease or agreement. Provided, however, the Association may revoke such authority at any time, on written notice to the Owner of a default in the payment of any assessment due under this Declaration. On revocation of such authority, the Association may, and if necessary by court order, or court-appointed receiver, collect and retain the rents and other monies, whether past due and unpaid or current.

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

ARTICLE V ARCHITECTURAL COMMITTEE

5.1. **Improvements in General; Establishment of Architectural Review Committee.** No "Improvement" (as defined in Section 1.21) of any kind shall be commenced, erected or maintained within the Property, nor shall any exterior addition to or change or alteration be made in or to any Unit or Condominium Building until the plans and specifications showing the nature, color, kind, shape, height (including front, side and rear elevations), materials, and location of the same shall have been submitted to and approved in writing by the Association's Architectural Review Committee (or "Architectural Committee") as to quality of workmanship and materials, harmony of external design and location in relation to surrounding structures, setback lines, topography and

finished grade elevation. No interior load bearing wall in any building may be pierced or otherwise altered in any way without the prior approval of the Architectural Committee and a structural engineering analysis.

5.2. Appointment of Architectural Committee. The Board of Directors may appoint an Architectural Committee composed of not less than three (3) or more than five (5) members, who shall be Members of the Association. The Board of Directors may elect not to appoint an Architectural Committee. In such case, the Board shall act in the place of an Architectural Committee and in accordance with the standards and procedures contained in this Article V.

5.3. Submission of Plans; Action by Committee. Plans and specifications for the proposed Improvement shall be submitted to the Architectural Committee by personal delivery or certified mail to the office of the Association or the chair of the Architectural Committee. Upon receiving the plans, the Architectural Committee will provide the Owner with written confirmation of their receipt. Decisions of the Committee and the reason for the decision shall be sent to the applicant within 45 days after receipt by the Committee of all required materials. A disapproval of an Owner's plans shall be in writing and shall contain the reasons for the disapproval and a description of how the Owner may appeal the disapproval to the Board of Directors as provided in Section 5.6, below. Any application submitted pursuant to this Article V shall be deemed approved, unless written disapproval or a request for additional information or materials by the Committee shall have been sent to the applicant within 45 days after receipt by the Committee of all required materials. The applicant shall meet any review or permit requirement of the City before making any alterations or Improvements approved by the Committee.

5.4. Standards for Approval. The Committee may approve an Owner's plans and specifications only if the Committee finds that the plans and specifications (i) conform to this Declaration and to the Architectural Rules in effect at the time the plans are submitted; (ii) will result in the construction of an improvement that is in harmony with the external design of other structures and/or landscaping within the Property; (iii) will not diminish the effectiveness of sound control engineering within the Property; (iv) will not impair or tend to impair the structural integrity of any building; and (v) will not otherwise interfere with the reasonable enjoyment of any other Owner of his or her Unit.

No Owner shall cause or permit any mechanic's lien to be filed against any portion of the Project for labor or materials alleged to have been furnished or delivered to the Project or any Condominium Unit for such Owner, and any Owner who does so shall immediately cause the lien to be discharged within five (5) days after notice to the Owner from the Board. If any Owner fails to remove such mechanic's lien, the board may discharge the lien and charge the Owner a Special Assessment for such cost of discharge after Notice and Hearing.

The Committee may condition approval of an Owner's plans and specifications for any Improvement (1) on the applicant's furnishing the Association with security acceptable to the Association against any mechanics' lien or other encumbrance that may be recorded against the Property as a result of such work, (2) on such changes therein as it deems appropriate, (3) on the applicant's agreement to grant appropriate easements to the Association for the maintenance of the Improvements, (4) on the applicant's agreement to install (at its sole cost) water, gas, electrical or other utility meters to measure any increased consumption, (5) on the applicant's agreement to reimburse the Association for the cost of maintenance, or (6) on the applicant's agreement to

complete the proposed work within a stated period of time, or (7) the applicant's agreement to execute a covenant running with the land to be recorded against the Owner's Unit, or all of the above, and may require submission of additional plans and specifications or other information prior to approving or disapproving submitted materials.

5.5. Hard Flooring in Upstairs Units. Only carpet is permitted in upstairs Units, except in the kitchens and bathrooms. Additionally, Board approval will be required for the installation of hard flooring – with appropriate sound proofing – and will be permitted by fulfilling and complying with the prescribed sound proofing criteria established by the Board in compliance with a Field Impact Isolation Class of 55 or higher. Any already existing hard surface flooring in upstairs Units is grandfathered; however, Owners of such Units may be required to abate any nuisances resulting from the hard flooring, as determined by the Board and based on complaints received from surrounding residents.

5.6. Architectural Rules. The Architectural Committee may, subject to review by the Board of Directors, and in accordance with Civil Code Section 4360, or comparable superseding statute, from time to time adopt, amend and repeal rules and regulations to be known as "Architectural Rules." The Architectural Rules shall interpret and implement the provisions of this Declaration by setting forth the standards and procedures for the review and approval of proposed Improvements and guidelines for architectural design, placement of any work of Improvement or color schemes, exterior finishes and materials and similar features which are recommended for use within the Property, provided that such rules shall not be in derogation of the minimum standards required by this Declaration. The Architectural Rules may also specify type and color requirements for patio furniture, patio or balcony covers or awnings, plants and barbecue equipment and the colors and types of materials to be used as window coverings visible from outside the Units. In the event of any conflict between the Architectural Rules and this Declaration, the Declaration shall prevail.

5.7. Appeal of Disapproval. If an architectural application is disapproved by the Architectural Committee that is not made up of the same individuals as the Board of Directors, the applicant is entitled to reconsideration by the Board of Directors at an open meeting. The applicant shall not have a right to appeal if the initial determination to disapprove the application was made by the Board of Directors or by an Architectural Committee with the same composition as the Board of Directors, at a meeting open to the Members.

5.8. Inspection of Work by Architectural Committee. Inspection of the work relating to any approved Improvement and correction of defects therein shall proceed as follows:

(a) During the course of construction, representatives of the Architectural Committee shall have the right to inspect the work to confirm that the Improvement project is proceeding in accordance with the approved plans and specifications.

(b) Upon the completion of any work of Improvement for which Architectural Committee approval is required under this Article V, the Owner shall give the Architectural Committee a written notice of completion.

(c) Within 60 days thereafter, the Architectural Committee, or its duly authorized representative, may inspect the Improvement to determine whether it was constructed, reconstructed,

altered or refinished in substantial compliance with the approved plans. If the Architectural Committee finds that the Improvement was not erected, constructed or installed in substantial compliance with the Owner's approved plans, then within the 60 day inspection period the Committee shall give the Owner a written notice of noncompliance detailing those aspects of the Improvement project that must be modified, completed or corrected. If the violation or nonconforming work is not corrected, the Association and its Architectural Committee shall have the enforcement rights and remedies set forth in Section 5.8 below.

5.9. Enforcement.

(a) In addition to other enforcement remedies set forth in this Declaration, the Board of Directors shall have enforcement rights with respect to any matters required to be submitted to and approved by the Architectural Committee, and may enforce such architectural control by any proceeding at law or in equity. The Committee shall have the authority to order an abatement of any construction, alteration or other matter for which approval is required, to the extent that it has not been approved by the Committee or if it does not conform to the plans and specifications submitted to the Committee. No work for which approval is required shall be deemed to be approved simply because it has been completed without a complaint, notice of violation, or commencement of a suit to enjoin such work. If any legal proceeding is initiated to enforce any of the provisions of this Article V, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to the costs of such proceeding.

(b) In conjunction with, or as an alternative to, the legal enforcement described above, the Board, in its discretion, may set a hearing on the issue(s) of noncompliance. At the hearing, the Owner, a representative(s) of the Architectural Committee, if any, and, in the Board's discretion, any other interested person, may present information relevant to the question of the alleged noncompliance. After considering all such information, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance is determined to exist, the Board shall require the Owner to remedy or remove the same within such period or within any extension of such period as the Board, at its discretion, may grant. If the Owner fails to take corrective action after having a reasonable opportunity to do so, the Board, at its option, may remove the noncomplying Improvement or remedy the noncompliance and the Owner shall reimburse the Association for all expenses incurred in connection therewith upon demand. If such expenses are not properly repaid by the Owner to the Association, the Board shall recover such expenses through the levy of a Reimbursement Assessment against such Owner.

(c) The approval by the Architectural Committee of any plans, drawings or specifications for any work of Improvement done or proposed, or for any other matter requiring the approval of the Architectural Committee under this Declaration, or any waiver thereof, 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 by the same or some other Owner. Different locations for Improvements, the size of the structure, proximity to other Units or Common Area and other factors may be taken into consideration by the Committee in reviewing a particular submittal.

5.10. Variances. The Architectural Committee shall be entitled to allow reasonable variances with respect to this Article V or any Architectural Rules in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships.

5.11. Limitation on Liability. Neither the Association, its Architectural Committee nor any member thereof shall be liable to any Owner for any damage, loss or prejudice suffered or claimed on account of any mistakes in judgment, negligence or nonfeasance arising out of (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; or (b) the construction or performance of any work of Improvement, whether or not pursuant to approved plans, drawings or specifications.

5.12. Compliance With Governmental Regulations. Review and approval by the Architectural Committee of any proposals, plans or other submittals pertaining to Improvements shall in no way be deemed to constitute satisfaction of, or compliance with, any building permit process or any other governmental requirements, the responsibility for which shall lie solely with the Owner who desires to construct, install or modify the Improvement. The Association is not responsible for and does not review applications for or make any decision regarding the application's compliance with building codes or other laws. Architectural Committee approval does not relieve the owner of any duties to obtain City permit(s) nor does Committee approval reflect compliance with any other public agency requirements. If an applicant contends that any provision of law mandates or requires the installation of all or any part of any proposed Improvement, the applicant must specify, in writing, to the Architectural Committee what provision of law applies and what components of the proposed Improvement are required by law.

ARTICLE VI USE OF PROPERTIES AND RESTRICTIONS

In addition to the restrictions established by law or Association Rules promulgated by the Board of Directors (consistent with this Declaration), the following restrictions are hereby imposed upon the use of Condominium Units, Common Areas and other parcels within the Property.

6.1. Residential Use. The use of the Units within the Property is hereby restricted to Residential Use, as defined Section 1.31. In no event shall a Condominium be occupied by more individuals than permitted by applicable zoning laws or governmental regulations. An Owner is permitted to lease or rent his or her Unit, subject to the provisions of Article II, Section 2.4 ("Delegation of Use").

6.2. Rental Restriction. No Owner may rent his Unit for a term of less than 30 days. All rentals are subject to the terms of this Declaration and the other Governing Documents, and all leases shall be in writing.

6.3. Conveyance of Condominiums. Each Condominium shall be conveyed as a separately designated and legally described leasehold estate subject to this Declaration.

6.4. Architectural Approval for Exterior and Interior Improvements. No Owner shall at his or her expense or otherwise make any alterations or modifications to the exterior of the buildings, fences or railings containing the Owner's Unit without the prior written consent of the Association or the Architectural Committee, if any. Furthermore, no structural alterations to the interior of or Common Area surrounding any Unit shall be made by any Owner without the prior written consent of the

Association or the Architectural Committee, if any. Under no circumstances shall any Owner undertake any activity or work with respect to the Owner's Unit that will impair the structural soundness or integrity of another Unit or impair any easement, or do any act or allow any condition to exist in or around the Owner's Unit which will adversely affect any other Units or their occupants. No bearing walls, ceilings, floors or other structural or utility bearing portions of the buildings containing Units shall be pierced or otherwise altered or repaired without the prior written approval of the plans for the alteration or repair by the Architectural Committee.

6.5. Common Area Damage. Each Owner shall be liable to the remaining Owners for any damage to the Common Area that may be sustained by reason of the negligence of that Owner, that Owner's family members, contract purchasers, tenants, guests, or invitees, but only to the extent that any such damage is not covered by casualty insurance in favor of the Association. Each owner, by acceptance of his or her assignment, agrees personally and for family members, contract purchasers, tenants, guests, and invitees, to indemnify each and every other Owner, and to hold such Owner(s) harmless from, and to defend him against, any claim of any person for personal injury or property damage occurring within the Unit of that particular Owner, except to the extent (i) that such injury or damage is covered by liability insurance in favor of the Association or other Owner or (ii) the injury or damage occurred by reason of the willful or negligent act or omission of the Association or other Owner or other person temporarily visiting his or her Unit.

6.6. Prohibition of Noxious Activities. No illegal, noxious or offensive activities, noises or odors shall be carried out or conducted upon any Unit or Common Area nor shall anything be done within the Property which is or could become an unreasonable annoyance or nuisance to neighboring property Owners. Without limiting the foregoing, no Owner shall permit noise, including but not limited to barking dogs, the operation of excessively noisy air conditioners, stereo amplifier systems, television systems, motor vehicles or power tools, to emanate from an Owner's Unit or from activities within the Common Area, which would unreasonably disturb any other Owner's or tenant's enjoyment of his or her Unit or the Common Area. No Owner shall leave his personal property unattended on the Common Area. The Board of Directors of the Association shall have the right to determine if any noise, odor or activity producing such noise or odor constitutes a nuisance.

No Owner shall permit or cause anything to be done or kept upon the Property which will increase the rate of insurance thereon or result in the cancellation of such insurance. Each Owner shall be accountable to the Association and other Owners for the conduct and behavior of any family members or other individuals visiting or residing in his Unit and shall be responsible for the expense of repairing any damage to the Common Property, personal property of the Association or property of another Owner, caused by such visitors or residents.

6.7. Household Pets. No animals, livestock, reptiles, insects, poultry or other animals of any kind shall be kept in any Residence except that usual and ordinary domestic dogs, cats, fish, and small mammals and birds inside cages may be kept as household pets within any Unit provided that they are not kept, bred or raised therein for commercial purposes or in unreasonable quantities or sizes. As used in the Declaration, "unreasonable quantities" shall ordinarily mean more than two (2) pets per residence; provided, however, that the Board of Directors may determine that a reasonable number in any instance may be more or less. The Board shall have the right to limit the size of pets and may prohibit maintenance of any animal which constitutes, in the opinion of the Board, a nuisance to any other Owner. Animals belonging to Owners, occupants, or their licensees, tenants or

invitees within the Property must be either kept within an enclosure or on a leash being held by a person capable of controlling the animal. Furthermore, any Owner shall be absolutely liable to each and all remaining Owners, their families, guests and invitees, for any unreasonable noise or damage to person or property caused by any animals brought or kept upon the Project by an Owner or by members of his family, his tenants or his guests. It shall be the absolute duty and responsibility of each such Owner to clean up after such animals which have deposited droppings or otherwise used any portion of the Common Property.

6.8. Signs. No advertising signs or billboards shall be displayed on any building containing Units, or posted within or upon any portion of the Common Area except that Owners may post in the windows of their Units any signs required by legal proceedings and a single "For Rent," "For Lease" or "For Sale" sign of reasonable dimensions and in conformance with any Rules adopted by the Board or the Architectural Committee. Address identification signs and mailbox signs shall be maintained by the Association.

6.9. Business Activities. No business or commercial activities shall be maintained or conducted in any Unit, provided that the foregoing restriction shall not apply to the activities of the Association in the discharge of its responsibilities under the Governing Documents. The foregoing shall not be construed to prohibit professional or administrative occupations carried on completely within the Units which do not create foot or vehicular traffic or any other external evidence thereof and which comply with all of the applicable governmental requirements. Furthermore, no restrictions contained in this Section 6.9 shall be construed in such a manner so as to prohibit any Owner from (a) maintaining his or her personal library in his or her Unit, (b) keeping his or her personal business records or accounts therein, (c) handling his or her personal or professional telephone calls or correspondence therefrom, (d) leasing or renting his or her Unit in accordance with Section 2.4 hereof, or (e) conducting any other activities within the Owner's Unit otherwise compatible with residential use and the provisions of this Declaration which are permitted under applicable zoning laws or regulations without the necessity of first obtaining a special use permit or specific governmental authorization. The uses described in (a) through (e), above, are expressly declared to be customarily incidental to the principal residential use of the Unit and not in violation of this Section 6.9.

6.10. Rubbish Removal. No rubbish, trash, or garbage shall be allowed to accumulate outside of any Unit, and shall be disposed of only by depositing it in trash containers designated for such use by the Board of Directors. Any trash that is accumulated by an Owner outside the interior walls of a Unit shall be stored entirely within appropriate covered disposal containers and facilities located within designated garbage areas within the Common Areas. Any extraordinary accumulation of rubbish, trash, garbage or debris (such as debris generated upon vacating of premises or during the construction of modifications and Improvements) shall be removed from the Property to a public dump or trash collection area by the Owner or tenant at his or her expense. There shall be no exterior fires whatsoever except barbecue fires contained within receptacles therefor. The Association shall be entitled to impose reasonable fines and penalties for the collection of garbage and refuse disposed in a manner inconsistent with this Section.

6.11. Clotheslines. No exterior clothesline shall be erected or maintained and there shall be no drying or laundering of clothes, swim wear, beach towels or other such articles on the balcony or patio of any Unit, or anywhere within the Common Area.

6.12. Antennas and Similar Devices. Subject to any applicable federal, state or local statute, rule or ordinance, no Owner, resident or lessee shall, at his or her expense or otherwise, place or maintain any objects, such as masts, towers, poles, wiring, television and radio antennas or television satellite dishes on or about the exterior of any building within the Property without the prior written approval of the Board or Architectural Committee. The Board may adopt reasonable guidelines for the installation of direct broadcast satellite dishes, wireless cable and television aerial antennas. For purposes of such guidelines, the term "reasonable" means that the guidelines will not impose unreasonable expense or delay or preclude reception of an acceptable quality signal. No radio station or shortwave operators of any kind shall operate from any Unit or any other portion of the Property unless approved by the Architectural Committee.

6.13. Diseases and Pests. No Owner shall permit any thing or condition to exist in his or her Unit, which shall induce, breed, or harbor infectious plant diseases, rodents or noxious insects.

6.14. View Obstructions. No vegetation or other obstruction shall be planted or maintained on any Unit, balcony or patio in such location or of such height as to unreasonably obstruct the view from any other Unit, balcony or patio. If there is a dispute between Owners concerning the obstruction of a view, the dispute shall be submitted to the Board of Directors, whose decision in such matters shall be final and binding. Any such obstruction shall, on the request of the Board, be removed or otherwise altered to the satisfaction of the Board, it is determined that the maintenance of such item or vegetation in its then existing state is contrary to the purposes or provisions of this Declaration. The Board of Directors shall ensure that the vegetation on the Common Area maintained by the Association is cut as required, so that the view of any Owner is not unreasonably obstructed.

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

(a) Except as otherwise provided in subparagraph (e) below, only the following vehicles ("authorized vehicles") shall be permitted to be parked by any Owner or resident within the Property: standard passenger vehicles, including sport utility vehicles, motorcycles and noncommercial trucks which do not exceed one ton. Boats, trailers, campers, recreational vehicles, go-carts, commercial vehicles, buses, aircraft, and trucks in excess of one ton in gross weight are not "authorized vehicles" and shall only be permitted within the Property as provided in subparagraph (e) below. No inoperable vehicles shall be permitted to remain on the Property.

(b) There shall be no parking that obstructs traffic flow, constitutes a nuisance, violates the Rules and Regulations or otherwise creates a safety hazard.

(c) The Board shall be authorized to designate "parking," "guest parking," and "no parking" areas within the Common Areas. Any guest parking areas are to remain open for use by guests only and are not to be used by Owners or other residents, either permanently or temporarily, for the parking of their authorized vehicles or the storage of boats, trailers or similar items of personal property.

(d) No motor vehicle shall be constructed, reconstructed, restored or repaired within the Property and no dilapidated or inoperable vehicle, including vehicles without wheel(s) or

an engine, shall be stored on the Property; provided, however that the provisions of this Section shall not apply to emergency vehicle repairs.

(e) Campers, boats, trailers, commercial vehicles and trucks in excess of one ton are not to be parked within the Property except for periods not to exceed four (4) hours for the purpose of loading and unloading.

(f) The Board shall have the authority to tow any vehicle parked or stored within the Common Area, in violation of this Section. The Owner, or responsible party in charge of the vehicle shall pay for the cost of towing. The Board shall post such notices or signs within the Common Area as may be required by law to effectuate this towing provision and shall abide by the requirements of the California Vehicle Code in these matters.

(g) The Board shall have the authority to promulgate further reasonable rules and restrictions of uniform application regarding parking and vehicles within the Property as may be deemed prudent and appropriate.

6.16. Drainage. There shall be no interference with the established drainage pattern over the Property, unless an adequate alternative provision is made for proper drainage and is first approved in writing by the Architectural Committee.

6.17. Water Supply System. No individual water supply or water softener system shall be permitted in any Unit unless such system is designed, located, constructed and equipped in accordance with the requirements, standards and recommendations of any applicable water district, the City and all other applicable governmental authorities.

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

6.19. Enforcement of Property Use Restrictions. The objective of this Declaration shall be to promote and seek voluntary compliance by Owners and tenants with the environmental standards and property use restrictions contained in this Declaration. Accordingly, if the Association becomes aware of an architectural or property use violation that does not necessitate immediate corrective action under Section 15.6 of this Declaration, the Owner or tenant responsible for the violation shall receive written notice thereof and shall be given a reasonable opportunity to comply voluntarily with the pertinent Governing Document provision(s). Such notice shall describe the noncomplying condition, request that the Owner or tenant correct the condition within a reasonable time specified in the notice and advise the Owner or tenant of his or her appeal rights.

ARTICLE VII MAINTENANCE RESPONSIBILITIES

7.1. Association and Owner Maintenance Duties. The maintenance duties of the Association are generally described in this Section 7.1. With respect to the specific components, areas, equipment and improvements within the Property, the allocation of maintenance duties of the Association and

the individual Owners shall be as set out in the Maintenance Responsibility Chart attached to this Declaration as Exhibit "A." In the event of a conflict between any provision of this Declaration and the Exhibit "A" Maintenance Responsibility Chart, the Exhibit "A" Maintenance Responsibility Chart shall control. The Association shall be responsible for all maintenance, repair, upkeep and replacement within the Common Area. No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any Improvement upon, or shall create any excavation or fill or change the natural or existing drainage of any portion of the Common Area. No person shall remove any tree, shrub or other vegetation from, or plant any tree, shrub, or other vegetation upon the Common Area without express approval of the Association. The cost of temporary relocation during the repair and maintenance of the areas within the responsibility of the Association shall be borne by the Owner of the Unit affected.

7.2. Recovery of Costs of Certain Repairs and Maintenance.

(a) In the event that the need for maintenance or repair, which would otherwise be the Association's responsibility hereunder is caused through the willful or negligent acts of an Owner, his or her family, guests, tenants, or invitees, and is not covered or paid for by Association insurance policies or any liability insurance maintained by the responsible Owner, the cost of such maintenance or repairs shall be subject to recovery by the Association through the imposition of a Reimbursement Assessment against the offending Owner in accordance with Section 4.4 of this Declaration.

(b) In the event that an Owner fails to perform maintenance functions for which he or she is responsible, the Association may give written notice to the offending Owner with a request to correct the failure within 15 days after receipt thereof. If the Owner refuses or fails to perform any necessary repair or maintenance, the Association may exercise its rights under Section 3.6(b) to enter the Owner's Unit and perform the repair or maintenance so long as the Owner has been given notice and the opportunity for a hearing in accordance with Section 15.6 of this Declaration.

7.3. Cooperative Maintenance Obligations. To the extent necessary or desirable to accomplish the Association's maintenance obligations hereunder, individual Owners shall cooperate with the Association and its agents and maintenance personnel in the prosecution of its work.

ARTICLE VIII PARTY WALLS

8.1. General Rules of Law to Apply. Condominiums within the Project and placed on the dividing line between the Condominiums shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply.

ARTICLE IX EASEMENTS

9.1. Encroachment Easements. If any portion of the Common Area encroaches on any Unit or if any portion of a Unit encroaches on the Common Area, regardless of the cause, a valid easement exists for such encroachment and for the maintenance of it as long as it remains, and all Units and

the Common Area are made subject to such easements. If any structure containing a Unit is partially or totally destroyed and then rebuilt and any encroachment on the Common Area results, a valid easement exists for such encroachment and for the maintenance of it as long as it remains, and all Units and the Common Area are made subject to such easements.

9.2. Access Easements. Declarant expressly reserved for the benefit of the Owners and the Association reciprocal, nonexclusive easements for access, ingress and egress over all of the Common Property, including any private streets or driveways currently existing in the Property or subsequently added to it. Subject to the provisions of this Declaration governing use and enjoyment thereof, the easements may be used by all Owners, their guests, tenants, family members and invitees, residing on or temporarily visiting the Property, for walkways, vehicular access and such other purposes reasonably necessary for the use and enjoyment of a Condominium in the Project.

9.3. Blanket Utility Easement. There is hereby created a blanket easement upon, across, over and under all of the Property for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewer, gas, telephones, drainage and electricity and the master television antenna or cable television system. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment and underground facilities on the Common Area. Notwithstanding the foregoing, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on said Property except as initially designed and approved by the Declarant or thereafter approved by the Association's Board of Directors. The easements provided for in this Section 9.3 shall in no way effect any other recorded easement on the Property.

9.4. Maintenance Easements. Declarant expressly reserved for the benefit of the Board of Directors and all agents, officers and employees of the Association, nonexclusive easements over the Common Areas as necessary to maintain and repair the Common Areas and to perform all other tasks in accordance with the provisions of this Declaration. Such easements over the Common Areas shall be appurtenant to, binding upon, and shall pass with the title to, every Condominium conveyed.

9.5. Summary Removal of Occupants. The Association may cause the temporary, summary removal of any occupant of a Unit for such periods and at such times as may be necessary for prompt, effective treatment of wood-destroying pests or organisms. The Association shall give notice of the need to temporarily vacate a Unit to the occupants and owners thereof, not less than 15 days nor more than 30 days prior to the date of the temporary relocation. The notice shall state the reason for the temporary relocation, the date and time of the beginning of treatment, the anticipated date and time of termination of treatment, and that the occupants will be responsible for their own accommodations during the temporary relocation. For purposes of this section, "occupant" means an Owner, resident, guest, invitee, tenant, lessee, sublessee, or other person in possession of the Unit.

(a) Notice. Notice under this Section 9.5 shall deemed complete on either:

(i) Personal delivery of a copy of the notice to the occupants and if an occupant is not the Owner, Individual Delivery pursuant to Section 1.22, or

(ii) Individual Delivery to the occupant at the Unit address, and if the occupant is not the Owner, Individual Delivery to the Owner of a copy of the notice.

(b) The cost of eradicating any infestation of wood-destroying pests or organisms or performing any such maintenance or repairs shall be a Common Expense of the Association. However, the occupants shall be responsible for their own accommodations during the temporary relocation.

9.6. Other Easements. Each Unit and its Owner, and the Association as to the Common Area, are hereby declared to be subject to all the easements, dedications and rights of way granted or reserved in, on, over and under the Property and each Unit and Common Area.

ARTICLE X INSURANCE

10.1. Types of Insurance Coverage. The Association shall purchase, obtain and maintain, with the premiums therefor being paid out of Common Funds, the following types of insurance, if and to the extent such insurance, with the coverages described below, is available at a reasonable premium cost:

(a) Fire and Casualty Insurance. The Association shall obtain and maintain a master or blanket policy of fire and casualty insurance, written on all risk, replacement cost basis, on all Property, including the buildings containing Units. The insurance shall be kept in full force and effect at all times. Provided, however, that the Association shall not be required to obtain or maintain any insurance policy that covers appliances, wall coverings, floor coverings, betterments, or any personal property within or belonging to any Unit. Depending on the nature of the insured property and the requirements, if any, imposed by institutional Mortgagees having an interest in such property, the policies maintained by the Association pursuant to this section shall contain an agreed amount endorsement or a contingent liability from operation of building laws endorsement or the equivalent, an extended coverage endorsement, vandalism, malicious mischief coverage, a special form endorsement and a clause to permit cash settlements for full insurable value in case of partial destruction. The extent of coverage of the policies required hereunder, and the amount of any deductibles in the event of a loss, shall be determined by the Board of Directors, in its sole discretion. The insurance shall be kept in full force and effect at all times and the full replacement value of the insured property shall be redetermined on an annual basis.

The policies shall name as insured the Association, all Owners and all Mortgagees as their respective interests may appear. The policies may contain a loss payable endorsement in favor of the trustee described in Section 10.5 below.

(b) Public Liability and Property Damage Insurance. To the extent such insurance is reasonably obtainable, the Association shall obtain and maintain a policy of comprehensive public liability and property damage insurance naming as parties insured the Association, each member of the Association Board of Directors, any manager, the Owners and occupants of Units, and such other persons as the Board may determine. The policy will insure each named party against any liability incident to the ownership and use of the Common Area and any other Association-owned or maintained real or personal property and including, if obtainable, a

cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than \$2 million covering all claims for death, personal injury and property damage arising out of a single occurrence and shall in no event be less than the minimum amount set forth in Civil Code Section 5805, as that statute, or any comparable superseding statute, is amended from time to time.

(c) Directors and Officers Liability Insurance. The Board shall purchase and maintain a policy of directors and officers liability insurance naming as parties insured the Association, each member of the Board of Directors, each officer of the Association, any manager and any other person as the Board may determine.

(d) Additional Insurance and Bonds. To the extent such insurance is reasonably obtainable, the Association may also purchase such additional insurance and bonds as it may, from time to time, determine to be necessary or desirable, including, without limiting the generality of this Section, demolition insurance, flood insurance, earthquake and workers' compensation insurance. The Board shall also purchase and maintain fidelity bonds or insurance in an amount not less than one hundred percent (100%) of each year's estimated annual operating expenses and reserves and naming the Association's officers, directors, committee members, and such other individuals as may be designated by the Board as principals, with the Association as obligee. The Board shall also purchase and maintain such insurance on personal property owned by the Association and any other insurance that it deems necessary or desirable.

(e) Coverage Not Available. In the event any insurance policy, or any endorsement thereof, required by Section 10.1 is for any reason not available, then the Association shall obtain such other or substitute policy or endorsement as may be available which provides, as nearly as possible, the coverage described above. The Board shall notify the Owners of any material adverse changes in the Association's insurance.

(f) Water, Mold and Interior Damage. Notwithstanding any other provision in this Declaration, each Owner shall be solely responsible for the repair or replacement of any damage to any and all interior items of his or her Unit, and the cost thereof, including, but not limited to, any personal property, decorations, interior surfaces, floor and wall coverings, appliances, fixtures or other items in the Unit, caused by any Common Area component or Improvement or any other component or Improvement maintained by the Association, including water intrusion and mold from whatever source. An Owner may obtain and maintain such insurance, at his or her sole expense, to protect against any damage or loss of property due to water intrusion, or the cost of repair or replacement of damaged items for which such Owner is responsible. The Association shall not be liable for damage within the Property resulting from water which may leak or flow from outside of any Unit or from any pipes, drains, conduits, appliances or equipment or from any other place or cause, unless caused by the gross negligence of the Association, its Board, officers, agents or employees.

10.2. Copies of Policies. Copies of all insurance policies (or certificates thereof showing the premiums thereon have been paid) shall be retained by the Association and shall be available for inspection by Owners at any reasonable time.

10.3. Individual Fire and Casualty Insurance Limited. Except as provided in this Section, no Owner can separately insure his or her Unit or any part of it against loss by fire or other casualty covered by the Association's blanket insurance carried under Section 10.1(a). If any Owner violates this provision, any diminution in insurance proceeds otherwise payable pursuant to the provisions of Section 10.1(a) that results from the existence of such other insurance will be chargeable to the Owner who acquired such other insurance, and the Owner will be liable to the Association to the extent of any diminution. Each Owner shall insure his or her personal property and interior fixtures and improvements not covered by the policy obtained by the Association pursuant to Section 10.1(a) of this Declaration, including without limitation cabinets, mirrors, wall coverings, floor coverings, and paint, against loss, whether such improvements are original or were made by the Owner. All such insurance that is individually carried must contain a waiver of subrogation rights by the carrier as to other Owners, the Association, and any institutional first Mortgagee of such Condominium.

10.4. Trustee. All insurance proceeds payable under this Article X may, in the discretion of the Board of Directors, be paid to a trustee to be held and expended for the benefit of the Owners, Mortgagees and others, as their respective interests shall appear. Said trustee shall be a commercial bank or other institution with trust powers within the County that agrees in writing to accept such trust. If repair or reconstruction is authorized pursuant to Article XI below, the Association and any duly appointed trustee shall have the duty to contract for such work as provided in Section 11.1.

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

10.6. Responsibility for Deductible Amounts. The full insurance deductible shall be paid by the party whose acts or omissions are responsible for any damage that results in a property damage claim filed under the Association's master insurance policy. If the acts or omissions are those of an Owner or the Owner's tenant, guest or occupant, the Owner shall be responsible for paying the deductible. If it is impossible to determine whose acts or omissions were responsible for the loss, the deductible shall be paid by the party who owns or is responsible for the maintenance, and repair and replacement of the component or property where the cause of the damage originated.

10.7. Owner's Liability Insurance. An Owner may carry whatever personal liability and property damage liability insurance with respect to his or her Condominium that he or she desires. However, any such policy shall include a waiver of subrogation clause acceptable to the Board.

10.8. Annual Insurance Review. The Board of Directors shall review the insurance policies carried by or on behalf of the Association annually to evaluate the suitability of the policies and to determine if any changes are necessary.

ARTICLE XI DAMAGE OR DESTRUCTION

11.1. Nonstructural Common Area. In the event of partial or total destruction of that portion of the Common Area excluding Condominium Buildings ("Nonstructural Common Area") it shall be the duty of the Association to restore and repair the same to its former condition as promptly as

practicable. The proceeds of any insurance maintained pursuant hereto shall be used for this purpose, subject to the prior rights of Institutional Holders whose interest may be protected thereunder. In the event that the amount available from the proceeds of such insurance for restoration and repair is at least eighty-five percent (85%) of the estimated cost of restoration and repair, a Reconstruction Assessment, with each Owner contributing an equal sum, may be levied by the Association to provide the necessary funds for reconstruction, in addition to any insurance proceeds available for such purpose. In the event that the amount available from the proceeds of such insurance for such restoration and repair is less than eighty-five percent (85%) of the estimated cost of restoration and repair, the improvement shall not be replaced or restored unless a majority of the voting power of the Association agrees in writing to such replacement or restoration or gives its affirmative vote at a meeting duly called therefor.

In the event of a determination not to replace or restore affected portions of the Nonstructural Common Area, such affected areas shall be cleared and landscaped for community park use and the costs thereof shall be paid for with the insurance proceeds, and any deficiency may be raised by a Reconstruction Assessment in an amount determined by the Board. In the event any excess insurance proceeds remain, the Board, in its sole discretion, shall retain such sums in the general funds of the Association.

11.2. Condominium Buildings. In the event of partial or total destruction of a Condominium Building, so long as not more than fifty percent (50%) of all Condominium Buildings in the Project are totally destroyed, it shall be the duty of the Association to restore and repair the same to their former condition as promptly as practicable. The proceeds of any insurance maintained pursuant hereto shall be used for this purpose, subject to the prior rights of Institutional Holders whose interest may be protected thereunder.

In the event that over fifty percent (50%) of the Condominium Buildings are totally destroyed, the Owners whose Units are destroyed may, subject to the rights of affected Institutional Holders, elect whether to rebuild all or a part of such destroyed Condominium Buildings. In the event that the amount available from the proceeds of insurance for restoration and repair of destroyed or damaged Condominium Buildings is insufficient to fully restore such Buildings to their prior condition, the affected Owners may elect to subject themselves to a Reconstruction Assessment in such amount and upon such terms as may be agreeable to such Owners and the Board, in order to pay for all work necessary in order to fully restore affected Condominium Buildings. The amount of each Owner's Reconstruction Assessment shall be prorated among destroyed Condominium Buildings and Units and levied upon the basis of the ratio of the square footage of the floor area of the Unit to be assessed to the total square footage of the floor area of all Units to be assessed.

In the event of a decision not to rebuild any destroyed Condominium Building, the site of such Building shall be cleared and landscaped and the costs incurred shall be paid for with insurance proceeds, and any deficiency may be raised by a Reconstruction Assessment in an amount determined by the Board. In the event any excess insurance proceeds remain, such funds shall be distributed pro rata between the Owners of the affected Units, subject to the rights of Institutional Holders whose interest may also be protected by such insurance. The rights of an Owner and the Institutional Holder of his Unit as to such pro rata distribution shall be governed by the provisions of the Mortgage encumbering such Unit. Any distribution of excess insurance proceeds between Owners of destroyed Units (and/or Institutional Holders) shall be effected proportionately, in

accordance with the fair market values of such Units as of the time of destruction, as determined by an MAI appraiser appointed by the Board. The cost of such appraisal shall be paid for by the affected Owners, and the appraisal amounts and resulting proportional distribution of excess insurance proceeds shall be binding on the affected Owners.

All amounts collected as Reconstruction Assessments shall be used only for the purposes set forth in this Article, shall be deposited by the Board in a separate bank account to be held in trust for such purposes, shall not be commingled with any other funds of the Association and shall be deemed a contribution to the capital account of the Association by the Members.

11.3. Interior Damage. With the exception of any casualty or damage insured against by the Association pursuant to Section 10.1, restoration and repair of any damage to the interior of any individual Unit, including without limitation all fixtures, cabinets and improvements therein, together with restoration and repair of all interior paint, wall coverings and floor coverings, shall be made by and at the individual expense of the Owner of the Unit so damaged. In the event of a determination to rebuild the Property after partial or total destruction, as provided in this Article XI, such interior repair and restoration shall be completed as promptly as practical and in a lawful and workmanlike manner, in accordance with plans approved by the Architectural Committee as provided herein.

ARTICLE XII CONDEMNATION

12.1. Sale by Unanimous Consent or Taking. If an action for condemnation of all or a portion of the Property is proposed or threatened by any governmental agency having the right of eminent domain, the Property, or a portion thereof may be sold and conveyed to the condemning authority by the Board or its designees acting as the attorney in fact of all Owners under an irrevocable power of attorney, which each Owner by accepting a deed to a Unit in the Property hereby grants and which shall be coupled with the interest of all other Owners, for a price deemed fair and equitable by the Board.

12.2. Distribution and Sale Proceeds of Condemnation Award.

(a) Total Sale or Taking. A total sale or taking of the Property means a sale or taking that (i) renders more than 50% of the Condominiums uninhabitable (such determination to be made by the Board in the case of a sale and by the court in the case of a taking) or (ii) renders the Property as a whole uneconomical as determined by the vote or written consent of 66 $\frac{2}{3}$ % of those Owners and their respective institutional Mortgagees whose Condominiums will remain habitable after the taking. However, any determination that a sale or taking is total must be made before the proceeds from any sale or award are distributed. The proceeds of any such total sale or taking of the Property, after payment of all expenses relating to the sale or taking, shall be paid to all Owners and to their respective Mortgagees in the proportion that the fair market value of each Condominium bears to the fair market value of all Condominiums on the Property. The fair market value of the Condominiums shall be determined in the condemnation action, if such be instituted, or by an appraiser.

(b) Partial Sale or Taking. In the event of a partial sale or taking of the Property, meaning a sale or taking that is not a total taking, as determined in Article XII, Section 12.2(a) above, the proceeds from the sale or taking shall be paid or applied in the following order of priority and any judgments of condemnation shall include the following provisions as part of its terms:

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

(ii) To Owners and to their respective Institutional Holders, as their interests may appear, of Condominiums on the Property whose Condominiums have been sold or taken, an amount up to the fair market value of such Condominiums as determined by the court in the condemnation proceeding or by an appraiser, less such Owners' share of expenses paid pursuant to Article XII, Section 12.2(b)(1) (which share shall be in proportion to the ratio that the fair market value of each Owner's Condominium bears to the fair market value of all Condominiums). After such payment, the recipient shall no longer be deemed an Owner and the Board or individuals authorized by the Board, acting as attorney in fact of all Owners, shall amend the Condominium Plan and this Declaration to eliminate from the Property the Condominiums so sold or taken.

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

(iv) To all remaining Owners and to their respective Institutional Holders, as their interests may appear, the balance of the sale proceeds or award in proportion to the ratio that the fair market value of each remaining Owner's Condominium bears to the fair market value of all remaining Owners' Condominiums as of a date immediately prior to commencement of condemnation proceedings, as determined by the Court in the condemnation proceeding or by an appraiser.

ARTICLE XIII PARTITION OF COMMON AREA

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

13.2. Distribution of Proceeds Upon Partition. Proceeds of property resulting from a partition shall be distributed to and among the respective Owners and their Mortgagees as their interests appear in proportion to the ratio that the fair market value of each Owner's Condominium bears to the fair market value of all Owners' Condominiums determined by appraisal as provided in Section 11.2, but as of a date immediately prior to the event giving rise to the right of Owners to partition the Common Area.

13.3. Power of Attorney. Each of the Owners irrevocably appoints the Association as attorney in fact and irrevocably grants to the Association full power in the name and stead of such Owner to sell the entire Project, and to execute deeds and conveyances to it, in one or more transactions, for the benefit of all Owners when partition of the Project may be had under Civil Code Section 4610 and under the circumstances authorizing partition under this Declaration. The power of attorney shall (a) be binding on all Owners, whether they assume the obligations under this Declaration or not; (b) be exercisable by a majority of the Board acting on behalf of the Association, subject to obtaining the prior approval by vote or written consent of 75% of the Owners and 75 % of all institutional first Mortgagees; and (c) be exercisable only after recordation with the County Recorder of a certificate executed by those who have power to exercise the power of attorney that the power of attorney is properly exercisable under Civil Code Section 4610. This certificate shall be conclusive evidence of proper exercise in favor of any person relying on it in good faith.

ARTICLE XIV NON-SEVERABILITY OF COMPONENT INTERESTS

14.1. Severance Prohibited. An Owner shall not be entitled to sever his or her Unit in any Condominium from his or her membership in the Association, and shall not be entitled to sever his or her Unit or his or her membership from the Owner's undivided interest in the Common Area for any purpose. None of the component interests in a Condominium can be severally sold, conveyed, encumbered, hypothecated, or otherwise dealt with; and any violation or attempted violation of this provision shall be void. Similarly, no Owner can sever any exclusive easement appurtenant to his or her Unit over the Common Area from the Owner's condominium, and any attempt to do so shall be void. The suspension of such right of severability will not extend beyond the period set forth in Article XIII respecting the suspension of partition.

14.2. Limitation on Interests Conveyed. Any conveyance of a Unit or any portion of it by an Owner shall be presumed to convey the entire Condominium. However, nothing contained in this Section 14.2, shall preclude the Owner of any Condominium estate from creating an estate for life or an estate for years or from creating a co-tenancy or joint tenancy in the ownership of the Condominium with any other person or persons.

ARTICLE XV BREACH AND DEFAULT

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

15.2. Nuisance. Without limiting the generality of the foregoing Section 15.1, the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is

hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

15.3. **Costs and Attorneys' Fees.** In any action brought because of any alleged breach or default of any Owner or other party hereto under this Declaration, the court may award to any party in any such action such attorneys' fees and other costs as the court deems just and reasonable.

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

15.5. **Failure Not a Waiver.** The failure of any Owner, the Board of Directors, the Association or its officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants or easements, rights, rights of way, liens, charges or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

15.6. **Rights and Remedies of the Association.**

(a) **Rights Generally.** In the event of a breach or violation of any Association Rule or of any of the restrictions contained in any Governing Document by an Owner, his or her family, or the Owner's guests, employees, invitees, licensees, or tenants, the Board, for and on behalf of all other Owners, may enforce the obligations of each Owner to obey such Rules, covenants, or restrictions through the use of such remedies as are deemed appropriate by the Board and available in law or in equity, including but not limited to the hiring of legal counsel, the imposition of fines and monetary penalties, the pursuit of legal action, or the suspension of the Owner's right to use recreational Common Facilities or suspension of the Owner's voting rights as a Member of the Association; provided that the Association's right to undertake disciplinary action against its Members shall be subject to the conditions set forth in this Section 15.6.

The decision of whether it is appropriate or necessary for the Association to initiate enforcement or disciplinary action in any particular instance shall be within the sole discretion of the Association's Board or its duly authorized enforcement committee. If the Association declines to take action in any instance, any Owner shall have such rights of enforcement as may exist by virtue of the California Civil Code Section 5975 or otherwise by law.

(b) **Schedule of Fines.** The Board may implement a schedule of reasonable fines and penalties for particular offenses that are common or recurring in nature and for which a uniform fine schedule is appropriate.

(c) **Definition of "Violation."** A violation of the Governing Documents shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board may include one component for the violation and, according to the Board's discretion, a per diem component for so long as the detrimental effect continues. Similar violations on different days shall justify cumulative imposition

of disciplinary measures. The Association shall take reasonable and prompt action to repair or avoid the continuing damaging effects of a violation or nuisance occurring within the Property at the cost of the responsible Owner.

(d) Hearings. No penalty or temporary suspension of rights shall be imposed pursuant to this Article unless the Owner alleged to be in violation is given at least 10 days prior notice of the proposed penalty or temporary suspension and is given an opportunity to be heard before the Board of Directors or appropriate committee established by the Board with respect to the alleged violation(s) at a hearing conducted at least five (5) days before the effective date of the proposed disciplinary action.

(e) Notices. Any notice required by this article shall, at a minimum, set forth the date, time and place of the hearing, a brief description of the action or inaction constituting the alleged violation of the Governing Documents, a reference to the specific Governing Document provision alleged to have been violated and a statement that the Owner has a right to attend and to address the Board at the hearing. The notice shall be in writing and may be given by personal delivery or by first class or certified mail sent to the last address of the Member shown on the records of the Association. If the Board imposes a disciplinary measure on the Owner, the Board shall provide notice of the disciplinary measure by either personal delivery or first class mail to the Owner within 15 days following the action.

(f) Rules Regarding Disciplinary Proceedings. The Board shall be entitled to adopt rules that further elaborate and refine the procedures for conducting disciplinary proceedings. Such rules, when approved and adopted by the Board, shall become a part of the Association Rules.

ARTICLE XVI NOTICES

16.1. Mailing Addresses. Any communication or notice of any kind permitted or required by this Declaration of any applicable provision of law shall be in writing and shall be delivered follows:

(a) If a document is to be delivered to Association, the document shall be delivered to the person designated in the Annual Policy Statement, prepared pursuant to Civil Code Section 5310, to receive documents on behalf of the Association. Delivery shall be by the method or methods set forth in the Annual Policy Statement.

(b) If a document is to be delivered to an Owner, the document shall be delivered by either Individual Delivery as defined in Section 1.22, or General Delivery as defined in Section 1.21.

16.2. Time and Proof of Delivery. If a document is delivered by mail, delivery is deemed to be complete on deposit into the United States mail. If a document is delivered by electronic means, delivery is complete at the time of transmission.

ARTICLE XVII
NO PUBLIC RIGHTS IN THE PROPERTIES

17.1. No Gift or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or a dedication of all or any portion of the Property to the general public or for any public use or purpose whatsoever.

ARTICLE XVIII
AMENDMENT OF DECLARATION

18.1. Homeowner Approval for Amendment. Subject to the rights of any Eligible Holders, this Declaration may be amended or revoked in any respect by the vote or assent by written ballot of not less than fifty-one percent (51%) of the voting power of the Association. Notwithstanding the foregoing, the percentage of the voting power necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause.

18.2. Effective Date of Amendment. The amendment will be effective upon the recording in the Office of the Recorder of Riverside County a Certificate of Amendment, duly executed and certified by two officers of the Association setting forth in full the amendment so approved and that the approval requirements of Section 18.1 have been duly met. Notwithstanding anything to the contrary herein contained, no such amendment shall affect the rights of the holder of any first deed of trust or Mortgage recorded prior to the recording of such amendment.

18.3. Reliance on Amendments. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

ARTICLE XIX
MORTGAGE PROTECTION

19.1. Eligible Holders. The following provisions are for the benefit of Institutional Holders, Insurers and Guarantors of first Mortgages on Condominiums within the Covered Property and shall apply notwithstanding any provision to the contrary set forth elsewhere in this Declaration or the Bylaws. The provisions apply only to "Eligible Holders" as defined below.

19.2. Notices of Actions. Any Institutional Holder, Insurer or Guarantor of a first Mortgage who provides written request to the Association, stating the name and address of such Holder, Insurer or Guarantor and the Condominium number, address or legal description of the particular Condominium encumbered (thus becoming an "Eligible Holder"), will be entitled to timely written notice of:

- (a) Any default by the Owner of such Condominium in the performance of such Owner's obligations under the Declaration or Bylaws which is not cured within sixty (60) days from the date of such default;
- (b) Any condemnation proceedings affecting the Project;

(c) Any substantial damage to or destruction of the secured Condominium or any portion of the Common Area;

(d) Any proposed termination of the Association;

(e) Any lapse, cancellation or material modification of any insurance policy maintained by the Association; or

(f) Any proposed action which would require the consent of Eligible Holders as further described in this Article.

19.3. Rights of Institutional Holders Upon Foreclosure. Any Institutional Holder of a first Mortgage on a Condominium which comes into possession of that Condominium pursuant to judicial foreclosure or foreclosure by power of sale shall:

(a) Acquire title in such Condominium free of any claims for unpaid assessments or charges against the Condominium accruing prior to the Institutional Holder's acquisition of title;

(b) Not be obligated to cure any breach of this Declaration which is noncurable or of a type which is not practical or feasible to cure and which took place prior to acquisition of title to the Condominium by the Institutional Holder; and

(c) Be exempt from any right of first refusal contained in this Declaration, any amendment hereto, or any Supplemental Declaration, and such right of first refusal shall not impair the rights of an Institutional Holder to (i) foreclose or acquire title to a Condominium pursuant to the remedies provided in the Mortgage, (ii) accept an assignment in lieu of foreclosure in the event of default by the mortgagor, or (iii) sell or lease a Condominium acquired by the Institutional Holder.

19.4. Consent of Institutional Holder. The consent of Institutional Holders, Insurers or Guarantors shall be required in order to take the following actions with respect to the Association and rights and obligations of Members and Institutional Holders:

(a) Any restoration or repair of the Property after a partial condemnation or damage due to an insurable hazard shall be substantially in accordance with this Declaration and the original plans and specifications unless the approval of the Eligible Holders of first encumbrances on Condominiums to which at least fifty-one percent (51%) of the votes of the Owners of such Condominiums, subject to encumbrances held by such Eligible Holders are allocated, is obtained;

(b) Any election to terminate the Association after substantial destruction or a substantial taking in condemnation shall require the approval of the Eligible Holders of first encumbrances on Condominiums to which at least fifty-one percent (51%) of the votes of Owners of such Condominiums, subject to first encumbrances held by such Eligible Holders, are allocated;

(c) Unless at least seventy-five percent (75%) of the Owners have given their prior written approval, the Association and the Owners shall not be entitled to: (i) change the prorata interest or obligations of any Condominium for the purposes of levying assessments and charges or allocating distributions of hazard insurance proceeds or condemnation awards; (ii) partition or subdivide any Unit or the Common Area; (iii) by act or omission seek to abandon, partition,

subdivide, encumber, sell or transfer the Common Area (the granting of assessments for public utilities or for other public purposes consistent with the intended use of the Common Area of the Project shall not be deemed a transfer within the meaning of this provision); (iv) use hazard insurance proceeds for losses to any portion of the Project (whether to Units or the Common Area) for other than the repair, replacement or reconstruction of such improvements, except as provided by statute in case of substantial loss to the Units and/or Common Area of the Project.

19.5. Amendments to Documents. The following provisions contained in this Section do not apply to amendments to the Bylaws or this Declaration or termination of the Association made as a result of destruction, damage or condemnation pursuant to subsections (a) and (b) of Section 19.4 above.

(a) The consent of one hundred percent (100%) of the voting power of the Association and the approval of the Eligible Holders of first encumbrances on Units to which at least sixty-seven percent (67%) of the votes of Members owning Condominiums subject to such encumbrances pertain, shall be required to terminate the Association.

(b) The consent of at least fifty-one percent (51%) of the members and the approval of Eligible Holders of first encumbrances on Condominiums to which at least fifty-one percent (51%) of the votes of members whose Condominiums are subject to such an encumbrance pertain, shall be required in order to materially amend any provision of the Declaration, Bylaws, or Articles, or to add any material provisions thereto, which establish, provide for, govern or regulate any of the following: (i) voting; (ii) assessments, assessment liens or subordination of such liens; (iii) reserves for maintenance, repair and replacement of the Common Area; (iv) insurance or fidelity bonds; (v) rights to use the Common Area; (vi) responsibility for maintenance and repair of the Project; (vii) expansion or contraction of the Project or the addition, annexation or withdrawal of property to or from the Association; (viii) boundaries of any Condominium Building or Unit; (ix) leasing of Condominiums; (x) imposition of any right of first refusal or similar restrictions of the right of any Owner to sell, transfer or otherwise convey his Condominium; (xi) establishment of self-management by the Association where professional management has previously been required; or (xii) any provisions included in the Declaration, Bylaws or Articles which are for the express benefit of Institutional Holders, Guarantors or Insurers of first encumbrances on Condominiums.

19.6. Additional Rights of Institutional Holders. Any Institutional Holder of a Mortgage on a Condominium in the Project will, upon request, be entitled to: (a) inspect the books and records of the Association during normal business hours; and (b) receive an annual audited financial statement of the Association within ninety (90) days following the end of any fiscal year of the Association; provided, however, that such audited statements shall be made available only if they have been prepared by the Association in the regular course of business; and (c) receive written notice of all meetings of Owners and be permitted to designate a representative to attend all such meetings.

19.7. Information. Any Institutional Holder is authorized to furnish information to the Board concerning the status of any loan encumbering a Condominium.

19.8. Priority of Mortgage Lien. No breach of the covenants, conditions or restrictions contained in this Declaration, nor the enforcement of any lien provisions created herein, shall affect, impair, defeat or render invalid the lien of any first Mortgage made in good faith and for value, but all of the

covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title to a Condominium is derived through foreclosure, trustee's sale, or otherwise.

19.9. Insurance. The Owners and the Association shall procure and maintain fire and liability insurance and such other insurance as may from time to time be required by Institutional Holders of first Mortgages on Condominiums within the Project. All such insurance shall contain loss payable clauses naming the Institutional Holders which encumber a Condominium by a first Mortgage, as their interests may appear.

19.10. Priority on Distribution of Proceeds. No Owner or any other party shall have priority over the Institutional Holder of the Mortgage on his Condominium in the case of a distribution of insurance proceeds or condemnation awards for losses to or a taking of the Condominium or Common Area.

19.11. Special FHLMC Provisions. So long as required by The Mortgage Corporation, the following provisions shall apply in addition to and not in lieu of the foregoing provisions contained in this Article.

(a) Unless two-thirds (2/3) of the Institutional Holders of first encumbrances or Owners of Condominiums subject to such encumbrances give their consent, the Association shall not: (i) by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area which the Association owns, directly or indirectly; (ii) change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner; (iii) by act or omission change, waive or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of the Condominium Buildings and the Common Area; (iv) fail to maintain fire or extended coverage insurance, as required by this Declaration; or (v) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement or reconstruction of such Property.

(b) The Association agrees to give written notice to the Federal Home Loan Mortgage Corporation ("FHLMC") or its designated representative of any loss to, or taking of, the Common Area if such loss or taking exceeds Ten Thousand Dollars (\$10,000.00) or damage to a Condominium covered by a first Mortgage purchased in whole or in part by the FHLMC which damage exceeds One Thousand Dollars (\$1,000.00).

(c) If any loan secured by a Mortgage encumbering a Condominium is owned by the FHLMC, its successors or assigns or is tendered to FHLMC, its successors or assigns for purchase, the Association and the Owners shall obtain and maintain in full force and effect all insurance coverages which may at any time be required by FHLMC, its successors or assigns and shall otherwise comply in all respects with all insurance requirements of FHLMC which may be in effect at any time.

ARTICLE XX GENERAL PROVISIONS

20.1. Term. The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights of way, liens, charges and equitable servitudes contained in this Declaration shall run with, and shall benefit and burden the Condominiums and the Common Area as herein provided, and

shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors, and its officers and agents, and their respective successors in interest, for the term of 60 years from the date of the recording of this Declaration, after which time the same shall be automatically extended for successive periods of 10 years each unless, within six (6) months prior to the expiration of the initial 60 year term or any such 10 year extension period, a recordable written instrument, approved by Owners holding at least 75% of the voting power of the Association terminating the effectiveness of this Declaration shall be filed for recording in the Office of the County Recorder of Riverside County, California.

20.2. Construction of Declaration.

(a) Restrictions Construed Together. All of the covenants, conditions, and restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Property as set forth in the Recitals of this Declaration. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision in a subsequent application or any other provision hereof.

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

(c) Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine or neuter shall each include the masculine, feminine and neuter, as the context requires.

(d) Captions. All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect the interpretation or application of that which is set forth in any of the terms or provisions of the Declaration.

20.3. Priorities and Inconsistencies. If there are any conflicts or inconsistencies between this Declaration and the Articles of Incorporation, the Bylaws, or the Rules and Regulations, the terms and provisions of this Declaration shall prevail.

20.4. Enforcement by City. The City of Palm Springs shall have the right, but not the obligation, to enforce any of the terms of provisions of this Declaration as the same relate to the maintenance of the Common Area of the Project or for any other purpose which, in the opinion of the City, is necessary to protect the interests of the City of Palm Springs and its citizens.

OFFICER'S SIGNATURE AND NOTARY ON FOLLOWING PAGE

OFFICER'S CERTIFICATE

The undersigned, Secretary of the Casa Verde Homeowners Association, hereby certifies that the above Amended and Restated Master Declaration of Covenants, Conditions and Restrictions for Casa Verde Homeowners Association was approved in accordance with *Civil Code* 4275.

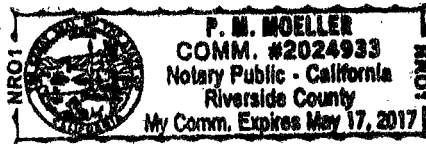
Dated: May 19, 2014

CASA VERDE HOMEOWNERS ASSOCIATION

By: Douglas Thompson
Douglas Thompson
Its: Secretary

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE



On May 19, 2014, before me, Patricia M Moeller, a Notary Public, personally appeared Thompson, Douglas James, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, 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.

P. M. Moeller
Notary Public

EXHIBIT "A"

CASA VERDE HOMEOWNERS ASSOCIATION

Maintenance Responsibility Chart

Residence Interiors

Maintenance Item	Assn *	Owner
Alarm Unit		X
Appliances-Built-In & Freestanding		X
Bearing Walls and Structure	X	
Cabinets		X
Ceiling (Surface)		X
Doors-Interior/Closet/Sliding/Frame& Track		X
Drains-Tub, Shower, Sink (Other)		X
Dryer Vents-Serving Individual Residences		X
Electrical Outlets & Switches		X
Fireplaces		X
Floor Coverings		X
Hardware-Cabinets, Doors		X
Lighting Fixtures-Interior - Owner Controlled		X
Paint-Interior		X
Plumbing-Interior Outlets & Fixtures		X
Shower Pan		X
Slab and Footings		X
Thermostat		X
Toilets-Tank Components		X
Toilets, Tubs, Sinks, Showers		X
Toilet-Wax Rings		X
Wall coverings-Paper, Paneling, Paint, Drywall		X
Water Heater		X

* Nothing in this Chart affects or limits the right of the Association to seek recovery of Association expenditures required as a result of neglect or abuse by any Owner, his/her tenants or guests, or obligation of Owners to seek prior approvals from the Board of Directors.

Building Exteriors

Maintenance Item	Assn*	Owner
Address Numbers	X	
Address Signs	X	
Caulking-Exterior (Unless designated otherwise below)	X	
Doorbell-Components/Button Switch		X
Doors-Entry-Exterior-Locks & Hardware, Frame		X
Doors-Entry-Exterior-Paint	X	
Doors-Entry-Interior Paint		X
Doors-Entry-Replacement		X
Doors-Screen/Security		X
Doors-Sliding-Frame, Track Glass, Hardware		X
Driveways and Walkways	X	
Electrical Switches and Sockets (on Patios)		X
Electrical Switches and Sockets (Not on Patios)	X	
Entry and Exit Gates (Community)	X	
Front Entry Slabs, Cleaning, Repair	X	
Gutters and Downspouts	X	
Heating and Cooling (HVAC)		X
Hives or Nests Within Patios		X
Irrigation (Excluding Patio Irrigation)	X	
Landscaping – Common Area Lawns, Plantings, Trees	X	
Landscaping Pests Within Common Area (Aphids, snails, etc.)	X	
Lighting Fixtures – Streets, Sidewalks, Recreational Facilities	X	
Lighting Fixtures (entry patio, front porch, stairway)	X	
Lighting Fixtures (other than above)		X
Mailboxes	X	
Paint Exterior Building Surfaces	X	
Pet Waste		X
Pool & Spa Pump & Filter	X	
Pool Surface	X	
Pool Furniture	X	
Recreational Area Furniture and Equipment	X	
Recreational Facilities	X	
Residential Gates	X	
Retaining Walls	X	
Rodents Within Residences		X
Roof Flashing	X	
Roof Gravel	X	

* Nothing in this Chart affects or limits the right of the Association to seek recovery of Association expenditures required as a result of neglect or abuse by any Owner, his/her tenants or guests, or obligation of Owners to seek prior approvals from the Board of Directors.

Maintenance Item	Assn*	Owner
Roof Materials	X	
Roof Tar	X	
Roof Tile	X	
Roof Underlayment	X	
Roof Waterproofing	X	
Roof Vents	X	
Satellite Dish Maintenance		X
Spraying for Household Pests (Ants, fleas, spiders, etc., but not termites)		X
Streets	X	
Stucco/Siding/Exterior Wall Surfaces	X	
Telephone Wiring (1)		X
Tennis Courts	X	
Termite Control	X	
Trash Dumpsters	X	
Trim on Outside of Buildings	X	
Water Softening Units		X
Window Frames, Hardware, Weather Stripping, etc.		X
Window Glass and Screens		X
Patios and Balconies		
Balcony Railing	X	
Balcony Structure	X	
Hose Bibbs (Faucets)- Exterior, Patio, wall mounted		X
Irrigation		X
Landscaping – Potted Plants/Flower Beds on Patios		X
Patio Surface Finish (i.e. tile, paint, etc.)		X
Patio Drainage	X	
Patio Slab		X
Utility Lines		
Cable Television Wiring (1)		X
Circuit Breaker Serving the Common Area	X	
Circuit Breaker Serving One or More Units		X
Drainage Systems, Ditches, Catch Basins	X	
Electrical Wiring Serving the Common Area	X	
Electrical Wiring Serving One or More Units (1)		X
Plumbing (pressure regulator) (1)	X	
Plumbing (slab leak)	X	
Plumbing (shut off valves in the Common Area)	X	
Plumbing (shut off valves serving two Units) (1)	X	
Plumbing (main line) (1)	X	

Maintenance Item	Assn*	Owner
Sewer Lines (Serving Individual Residences)	X	
Sewer Lines (Main Line Stoppage) (1)	X	
Water Lines – Located Outside the Unit that it Serves	X	
Water Lines – Located Within the Unit that it Serves		X

KEY

- (1) To the extent not maintained by the utility/cable/telephone company.

FIORE, RACOBS & POWERS
A PROFESSIONAL LAW CORPORATION
74-130 COUNTRY CLUB DRIVE, SUITE 102
PALM DESERT, CALIFORNIA 92260
TELEPHONE (760) 776-6511

1 MARGARET G. WANGLER (SBN 134965)
 gwangler@fiorelaw.com
2 DAVID A. KLINE (SBN 241636)
 dkline@fiorelaw.com
3 FIORE, RACOBS & POWERS
 A Professional Law Corporation
4 74-130 Country Club Drive, Suite 102
 Palm Desert, California 92260
5 Telephone: (760) 776-6511
 Facsimile: (760) 776-6517

6 Attorneys for Petitioner Casa Verde Homeowners
7 Association

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE

MAY 16 2014

A. GARCIA

8
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF RIVERSIDE, PALM SPRINGS COURT

11 IN RE:

12 CASA VERDE HOMEOWNERS
13 ASSOCIATION

14 Petitioner.

Case No. PSC 1401543

~~PROPOSED~~ ORDER GRANTING
PETITION TO REDUCE PERCENTAGE
OF AFFIRMATIVE VOTES NECESSARY
TO AMEND THE DECLARATION OF
COVENANTS, CONDITIONS AND
RESTRICTIONS

[Civil Code § 4275]

Judge: Hon. John G. Evans
Date: May 16, 2014
Time: 8:30 a.m.
Dept.: PS1

15
16
17
18
19
20
21 The petition of CASA VERDE HOMEOWNERS ASSOCIATION ("ASSOCIATION") to
22 reduce the percentage of affirmative votes to amend the Master Declaration of Covenants, Conditions
23 and Restrictions for Casa Verde Homeowners Association came on regularly for hearing on May 16,
24 2014, at 8:30 a.m., in Department PS1 of the above-referenced Court, the Honorable John G. Evans,
25 judge presiding. Margaret G. Wangler of Fiore, Racobs & Powers appeared on behalf of the
26 Petitioner. No opposition was filed.

27 00366931-1

28 [PROPOSED] ORDER

1 Upon reading and considering all of the evidence presented to the Court, the proof of service
2 of mailing of the notice of the hearing on the petition to all the ASSOCIATION'S members, and the
3 arguments of counsel, the Court finds as follows:

- 4 1. That the ASSOCIATION'S petition met all the requirements of Civil
5 Code Section 4275;
- 6 2. That the ASSOCIATION gave at least 35 days' written notice of the May
7 16, 2014, Court hearing to all members of the ASSOCIATION by first
8 class mail;
- 9 3. That the balloting on the proposed amendments was conducted in
10 accordance with all applicable provisions of the ASSOCIATION'S
11 governing documents;
- 12 4. That the ASSOCIATION made a reasonably diligent effort to permit all
13 eligible members of the ASSOCIATION to vote on the proposed
14 amendments;
- 15 5. That owners having more than 50 percent of the votes in the
16 ASSOCIATION voted in favor of the proposed amendments;
- 17 6. That the proposed amendments are reasonable; and
- 18 7. That granting the petition is not improper for any reason stated in Civil
19 Code Section 4275(e).

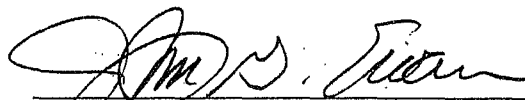
20 IT IS ORDERED, therefore, that the petition be granted and the proposed Amended and
21 Restated Master Declaration of Covenants, Conditions and Restrictions for Casa Verde Homeowners
22 Association is approved based upon the affirmative votes actually cast for the same, subject to the
23 following conditions:

24 That the Amended and Restated Master Declaration of Covenants, Conditions and Restrictions
25 for Casa Verde Homeowners Association shall be recorded, together with this Order, and that, within
26 a reasonable time thereafter, the ASSOCIATION shall mail a copy of the recorded Amended and
27 Restated Master Declaration of Covenants, Conditions and Restrictions for Casa Verde Homeowners
28 Association to each member of the ASSOCIATION, together with a statement that the Amended and

1 Restated Master Declaration of Covenants, Conditions and Restrictions for Casa Verde Homeowners
2 Association has been recorded pursuant to Civil Code Section 4275(g).

3 IT IS SO ORDERED.

4 DATED: May ~~15~~¹⁶, 2014

5
6 

7 Honorable John G. Evans
8 Judge of the Superior Court
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

FIORE, RACOBS & POWERS
A PROFESSIONAL LAW CORPORATION
74-130 COUNTRY CLUB DRIVE, SUITE 102
PALM DESERT, CALIFORNIA 92260
TELEPHONE (760) 776-6511